Annual Report 2024

Consolidated management report and Group management report

Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Financial Statements

Report of the Supervisory Board

Corporate Governance Declaration 2024

Key Figures for the Group

Cloud Order Entry
20.0
EUR million
(in 2024)

Net New ARR
2.7
EUR million
(in 2024)

Revenue
38.8
EUR million
(in 2024)

EBIT
0.1
EUR million
(in 2024)

Equity Ratio
29%
(as of 12/31/2024)

Employees
261
(as of 12/31/2024)

Cash and Cash Equivalents
8.7
EUR million
(as of 12/31/2024)

Key Figures for the Group

in EUR thousand	2024	2023	Change
KPIs			
Cloud Order Entry	19,986	19,731	1%
Net New ARR	2,720	1,946	40%
Revenue	38,760	37,987	2%
EBIT	73	(2,534)	++
Revenues			
Revenues	38,760	37,987	2%
Licenses and Maintenance	9,374	8,199	14%
Cloud and Subscription	20,475	16,183	27%
Services Revenues	8,911	13,605	-35%
Revenues Europe	27,787	28,086	-1%
Revenues USA	7,814	6,732	16%
Revenues Asia/Pacific	3,159	3,168	0%
Earnings			
Cost of revenues	21,073	22,183	-5%
Gross profit	17,687	15,804	12%
Gross margin	46%	42%	
Operating expenses, operating income	17,614	18,338	-4%
Research and development	6,710	6,933	-3%
Sales and marketing	7,385	8,392	-12%
General and administrative	3,291	3,240	2%
Other operating expenses/income	228	(227)	++
EBIT	73	(2,534)	++
EBIT margin	0%	-7%	
EBITDA	3,285	870	++
EBITDA margin	8%	2%	
Net result	(353)	(3,082)	89%
Earnings per share (EUR)	(0.02)	(0.21)	++
Net Assets			
Shareholders' equity	10,981	11,368	-3%
Equity ratio	29%	30%	
Balance sheet total	37,435	38,034	-2%
Noncurrent assets	22,797	23,149	-2%
Current assets	14,638	14,885	-2%
Noncurrent liabilities	9,433	12,530	-25%
Current liabilities	17,021	14,136	20%
Financial Position			
Cash and cash equivalents	8,695	10,047	-13%
Net cash operating activities	2,110	2,951	-28%
Depreciation and amortization	3,212	3,404	-6%
Net cash used in investing activities	(1,368)	(1,139)	20%
Net cash provided by financing activities	(2,057)	(1,987)	4%
Employees	261	299	-13%

Petra Stappenbeck
CFO

Markus Klahn
CEO

Markus Dränert
COO

Management Board

Letter of the Management Board

Dear Shareholders and Business Partners,

In the 2024 financial year, we improved our key performance indicators and achieved our forecast for the year despite a persistently challenging environment. This success was driven mainly by growth in software and cloud revenue, which was characterized by renewed strong cloud business and improved license revenues from our existing customer segment.

Cloud revenues increased by 27% to EUR 20.5 million, meaning that, for the first time in a financial year, they accounted for more than half of Intershop's total revenues at 53%. The cloud margin was also increased from 58% to 65%. As a result, recurring revenue (ARR) increased by 16% to EUR 20.1 million as at December 31, 2024. Due to the ongoing uncertain macroeconomic situation, incoming cloud orders recorded only a slight year-on-year increase of 1% to EUR 20.0 million. Business with existing customers was a particularly important pillar here. Net new ARR also developed positively, increasing significantly by 40% to EUR 2.7 million.

The development of the service business remained challenging, as complex major projects unexpectedly entailed additional expenses and a high level of resource commitment. This led to an unplanned, significant decline of 35% in sales in the service division. The deficits in this division have led us to adjust our strategic direction and focus primarily on increasing our product sales in the future, in line with a consistent partner-first strategy. As a result, service revenues will continue to decline, but profitability will increase.

Another key goal for 2025 is the rapid implementation of our AI strategy. Particularly noteworthy is the planned market launch of our Intershop agents starting in the first quarter. The versatile agents, paired with additional AI enhancements and the partner-based AI products, will bring measurable economic benefits to our customers and at the same time represent a decisive milestone for us in the direction of "autonomous commerce". Our pronounced technological expertise is also confirmed by the analyses of the market research company Forrester Research, which named Intershop a "Strong Performer" in its B2B Wave report and highlighted the AI-based personalization and search based on our SPARQUE. AI technology as a particular strength. In order to take greater account of the importance of this area, we established a separate "Artificial Intelligence" organizational unit in the second half of 2024, which will bundle and manage all internal and external initiatives in future.

With this strategic focus and the progress made in the technological development of our platform, we are confident about the coming financial year despite the persistently challenging macroeconomic environment. We thank you for your trust and look forward to you continuing to accompany us on our journey to becoming the leading AI-supported B2B commerce platform.

Best regards,

Markus Klahn | Petra Stappenbeck | Markus Dränert

Management report

Consolidated management report and Group management report

The Intershop Group

Group structure and business activities

The Intershop Group[1] is a global, independent supplier of high-performance eCommerce software. With the cloud-based Intershop Commerce Platform, the Company has an internationally leading B2B commerce solution for the upper mid-market in the manufacturing and wholesale sectors. Intershop supports companies in innovatively digitizing their business and service processes and building up their online presence, creating a consistently positive customer experience and sustainable increase in online sales. The service offer for the implementation of eCommerce projects ranges from consulting and planning to implementation and operation.

Intershop's business activities are divided into the two main business segments "Software and Cloud" and "Service." License revenues, the associated maintenance revenues, and cloud and subscription revenues are included in "Software and Cloud" revenues. Intershop makes regular investments in technology and focuses on the continuous development and optimization of its eCommerce solution. Thanks to its high scalability and customization flexibility, the Intershop solution offers a reliable all-round package comprising Commerce Management, Order Management, Product Information Management, Experience Management, Customer Engagement Center, BI Data Hub as well as AI-based personalization (Sparque) and AI-based agents (Intershop Copilot). With over 30 years of experience in digital commerce, Intershop supports over 300 customers worldwide. Customers include both large corporations such as Miele, Trumpf or E/D/E Associated group, as well as medium-sized companies. The Company operates in Europe, the United States, as well as in the Asia Pacific region (mainly Australia). Europe is by far the market that generates the highest revenue. The share of revenue from European customers amounted to 72% of the Group's total revenue in the 2024 fiscal year.

INTERSHOP Communications Aktiengesellschaft (AG), which is domiciled in Jena, Germany, is the parent company of the Intershop Group. As of the reporting date of December 31, 2024, it directly holds 100% of the shares in Intershop Communications Inc., San Francisco, USA, Intershop Communications Australia Pty Ltd., Melbourne, Intershop Communications SARL, Paris, France and two non-operating companies and 75% of shares in Sparque B.V. Utrecht, Netherlands. In Germany, INTERSHOP Communications AG has locations in Frankfurt am Main, Stuttgart and Ilmenau. Moreover, the Company has sales representations in the Netherlands and Sweden.

[1] "Intershop"

Strategic orientation and business objectives

INTERSHOP Communications AG aims to position the best AI-supported eCommerce offer on the B2B market so that demanding customers can increase their sales and become more scalable and efficient as a result of digitized sales process. This is what the company stands for with its leading, innovative eCommerce solution portfolio. The high degree of flexibility, scalability and performance of the Intershop platform allows customers to transform and expand their business into a digital self-service model that covers the entire customer journey from new business to after-sales and will be significantly strengthened by the introduction of further AI agents in the course of 2025.

The consistent expansion of the cloud business and focusing on the B2B market with the aim of continued and profitable corporate growth remains an integral part of the Intershop strategy. This includes, in particular, the continued expansion of the international partner network. Intershop invests in technology and infrastructure in order to maintain and expand the technology leadership in an intensely competitive environment. Among other things, Intershop expanded its commerce platform to include AI-supported personalization and is also continuously expanding other functionalities in the field of artificial intelligence (AI). The company recently introduced Intershop Copilot, an AI-supported procurement and service assistant that makes the purchasing process more efficient. The acquisition of Sparque B.V. in 2022, whose solution has since become a core component of Intershop's offering, serves as the basis for the AI strategy. Sparque B.V. is one of the leading European solution providers for personalized website searches and product recommendation based on artificial intelligence. By taking this step, Intershop is continuing to further develop its platform in order to provide customers with a personalized portal using artificial intelligence which, thanks to personalized search results and targeted product recommendations, distinguishes itself significantly in terms of shopping experience and helps to increase sales. In a future expansion stage of the Intershop platform, it will become partially autonomous thanks to artificial intelligence. The software will give Intershop customers recommendations for designing image and text contents and the platform can plan campaigns and apply them as required.

Intershop considers its employees to be its most important resource and positions itself as a modern, attractive employer that promotes and develops its employees in a targeted manner and expands the team know-how by recruiting and integrating new colleagues.

With this strategy, Intershop sees itself in an ideal position to exhaust the growth potentials in the future global market for eCommerce solution providers. Focusing on the cloud has resulted in sustainable growth in the cloud segment, particularly in the B2B target market, over the prior fiscal years. In the coming fiscal years, growth is expected to be further expanded and consolidated as cost-efficiently as possible. During this process, the license and maintenance revenues will gradually decline in favor of the cloud and subscription revenues and the share of annual recurring sales will be continuously expanded.

Focusing on the B2B market

Over the recent years, Intershop has established itself as one of the leading providers of innovative B2B commerce solutions. The greatest opportunities here are in B2B commerce due to the size of the target market and the number of customers who can be addressed, as well as the high level of expertise and performance of Intershop in this segment. B2B commerce is faced with the great challenge of digitizing its sales channels quickly and professionally in order to assert itself against new competitors and business models. Although the digital transformation has accelerated significantly, particularly since the COVID pandemic, it has recently been burdened by a reluctance to invest across the entire IT sector due to the continuing uncertain macroeconomic situation in the 2024 financial year. However, the growth trend has remained intact. The fact that Intershop already has extensive experience and prominent B2B customers is a competitive edge with which the company can build up a strong market position in this sector. Even in terms of technology, the Intershop platform is best suited for use in the B2B market, which is regularly confirmed by external analyses. There were once again a number of positive analyst assessments for 2024. In the “Paradigm B2B Combine 2024 Digital Commerce Solutions for B2B (Enterprise Edition)” analyst report, the Intershop Commerce Platform was awarded medals in eleven out of twelve categories, including six gold medals. Intershop received the gold medals for the categories Customer Service & Support, Total Cost of Ownership, Vision Strategy, Promotions Management, Site Search and Transaction Management. The award also confirms the performance of Intershop’s AI-supported search technology. The IDC MarketScape analyst report “Worldwide B2B Digital Commerce Applications for Midmarket Growth 2023-2024 Vendor Assessment” emphasizes, among other things, the artificial intelligence at the heart of the Intershop platform and Intershop is honored in the “Leader” category. As part of the report “The Forrester Wave: Commerce Solutions For B2B, Q2 2024” by the market research company Forrester Research, Intershop was recognized for its current offering and rated as a “Strong Performer”. Intershop achieved the highest score in a total of six criteria – assisted purchasing and proposal generation, personalized search, order and inventory management, customer accounts and contract authorizations, workflow and business process modeling, as well as AI. Personalized search, which is based on SPARQUE.AI technology, was highlighted as a particular strength.

Strategic partnership with Microsoft

The Intershop platform is tailored to complex and customer-oriented B2B business processes. Intershop has set itself the goal of providing the offer with the best feature set on the market based on modern architecture in order to cover the entire customer life cycle and enable an innovative digital B2B customer experience. A key component for achieving this goal is a strategic partnership with Microsoft which Intershop has maintained since 2016. It offers customers easier access to future-oriented technologies. This creates a seamless link between the Intershop Commerce Platform and the Microsoft Azure Cloud and integrated solutions such as the Enterprise Resource Planning (ERP) software Microsoft Dynamics 365. In addition, joint marking and sales activities are carried out. The commerce solution has by now become an integral part of the Microsoft Azure Cloud solution portfolio. The global partnership increases the visibility of the Intershop product range and makes it possible to address new customers and market segments, to advise companies on their digital transformation far more comprehensively than before, and to support them in digitizing or reforming their sales. With Microsoft, Intershop relies on the global market leader for SaaS solutions in the public cloud and benefits from the ongoing innovations that are integrated in the Azure platform, including in particular the rapidly growing AI-supported innovations.

Synergy effects through international partner-first strategy

Intershop pursues a clearly defined customer focus, for whose needs the Commerce platform provides the greatest possible advantage. The focus is on production and wholesale companies with revenues of at least EUR 100 million or companies with multiple sales channels as well as complex business models and organizational structures. In addition to focusing on B2B companies, the geographic focus of Intershop sales activities are the developed eCommerce markets in Europe, North America, and in the Asian-Pacific region, as there is a high sales potential in these areas. Today, the Intershop markets Germany, the Benelux countries, Scandinavia, France, Great Britain, Australia, and the USA are among the most important regions in terms of sales. Intershop is present in these markets either with its own company or has flexible sales units and a corresponding partner network. A key component of the sales activities is the growing international partner network. Intershop is now pursuing a partner-first strategy when acquiring new customers. Accordingly, the sales team is working consistently on successively expanding this ecosystem to include additional partners and regions in order to form a powerful international network of B2B commerce experts with a focus on production and wholesale and to increasingly generate synergy effects. The key benefit offered by the partner network consists of an optimized customer approach as well as increased scalability in the area of sales activities as well as the expansion of the global footprint. The cooperation with partners combines Intershop know-how and experience with the specific knowledge of the companies in the partner network. In addition to the provision of the appropriate shop software solutions, Intershop also supports its partners in the efficient implementation of their shops.

Control System

Corporate management is determined by the four most important KPIs - incoming cloud orders, net new ARR (Annual Recurring Revenue), revenue, and EBIT. The Intershop strategy focuses on the consistent expansion of the cloud business. The incoming cloud orders show all of the signed customer orders from new and existing customers in a business period and/or the number of resulting future cloud sales. By monitoring this figure, the results in the cloud business can be well measured and the development of future cloud revenues can be better managed. The net new ARR refers to the new annual recurring cloud revenues in a fiscal period minus the reduced annual recurring revenue due to cancellations and currency translation differences. The net new ARR shows the sales success in the cloud segment, which makes the future development of revenues more predictable and enables the Company to take countermeasures quickly if the development deviates. The increase in revenues shows the overall company growth. This is the reason why all management levels are monitoring the development of revenue over time. Revenue performance is also used as an early indicator for liquidity developments. The EBIT, earnings before interest and taxes or the operating result, is examined and analyzed for managing profitability.

Management control is based exclusively on the Group’s IFRS figures. Separate forecasts are not made for the annual financial statements of INTERSHOP Communications AG as an individual company.

Research and Development

Intershop has an efficient and experienced development team whose research and development activities (R&D) focus on the continued further development of the Intershop Commerce Platform. The AI technology Sparque.AI, which expands the Intershop platform with AI-supported personalization, has already found broad acceptance in the market. The company's performance was underscored by various awards in the past financial year. In addition to positive ratings from analysts such as IDC and Forrester, the Intershop Commerce Platform and its AI technology received top marks in the "Paradigm B2B Combine 2024 Digital Commerce Solutions for B2B (Enterprise Edition)" analyst report.

In the 2024 financial year, a major focus was placed on the continuous development and implementation of technologies that make e-commerce increasingly autonomous – including through the integration of Intershop Copilot. The innovative AI-supported tool, developed from the synergy of Microsoft Azure and OpenAI, supports e-commerce managers in making complex processes more efficient and also offers targeted recommendations for action. The copilots are already being used successfully by Intershop customers and are to be expanded further in 2025.

In the next step, Intershop will focus on the progressive development of what are known as AI-based agents, whose introduction is planned for 2025. These software components are increasingly taking over routine tasks that were previously carried out manually. The market launch of Intershop AGents represents a significant step on the road to autonomous e-commerce.

In addition to the further development of the platform using AI technologies, another focus of Intershop's research and development activities in the 2024 financial year was the integration of artificial intelligence into all company processes. This is expected to lead to significant increases in efficiency in software development by speeding up development and testing processes. To further strengthen this AI initiative, a specialized department has been set up that is dedicated exclusively to the development and integration of AI functionalities.

R&D costs (expenses and investments) amounted to EUR 7.7 million in the 2024 financial year and were 2% above the level of the previous financial year (2023: EUR 7.5 million). Taking into account the capitalization of software development costs, R&D expenses of EUR 6.7 million were below the previous year's level (2023: EUR 6.9 million). This corresponds to a share of 17% of total revenues (2023: 18%).

The 2024 fiscal year

Overall Economy and Industry

According to the International Monetary Fund, global economic growth amounted to 3.2% in 2024 as a whole (IMF, January 2025). Global development was thus robust following an increase of 3.3% in the previous year, but was below the historical average (2000-2019) of 3.7%. Global economic growth in 2024 continued to be characterized by structural challenges and geopolitical tensions.

The IMF experts expect gross domestic product (GDP) in industrialized nations to increase by 1.7% in 2024 as a whole. According to the IMF, growth in the emerging and developing countries amounted to 4.2%. In the USA, GDP increased by 2.8%. Economic output in the eurozone grew by just 0.8% in 2024 and thus remained subdued due to the slowdown in industrial production. For Germany, the IMF expects GDP to even fall by 0.2%. Against this backdrop, many companies have significantly reduced their investment plans, according to the ifo Institute.

According to data from US analyst firm Gartner, global IT spending will increase by 7.7% to USD 5.1 trillion in 2024. Expenditure on software amounted to USD 1.1 trillion, while expenditure on IT services reached USD 1.6 trillion this year. A key driver of this growth was the increased investment in artificial intelligence. According to the industry association Bitkom, IT revenues in Germany increased by 4.4% to EUR 149.7 billion. The market for software grew by 9.5%, while the market for IT services grew by 3.8%.

According to the outlook of the market research company eMarketer, the global market volume in online retail increased by 8.4% to USD 6.1 trillion in the reporting year – a share of 20.1% of the total retail sales. Although global e-commerce growth remained stable according to the experts, overall momentum slowed noticeably and double-digit growth rates were recorded only in individual markets. This means that, with the exception of the Chinese market, the e-commerce business will struggle to gain market shares in 2024.

Business performance during the 2024 fiscal year

Despite the overall economic uncertainties, Intershop recorded further growth in the strategically important cloud business. The service business, on the other hand, did not develop as hoped last year and fell far short of expectations. Despite the downward trend in the service area, earnings power improved significantly in the 2024 financial year, resulting in a slightly positive EBIT for the year as a whole.

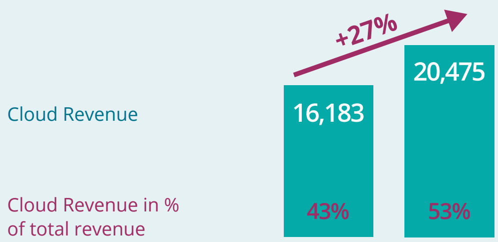
The following overview shows the key performance indicators (KPIs or control parameters):

in EUR thousand	2024	2023	Change
Cloud Order Entry	19,986	19,731	1%
Net New ARR	2,720	1,946	40%
Revenue	38,760	37,987	2%
EBIT	73	(2,534)	++

Clear growth in the cloud business: All cloud key figures improved

Sales in the Cloud and Subscription segment recorded growth of 27% and amounted to EUR 20.5 million (2023: EUR 16.2 million). The share of cloud revenue in total revenue rose to 53%, an increase of ten percentage points compared to the previous year. The cloud margin improved from 58% to 65%. Cloud order intake also increased slightly compared to the previous year, rising by 1% to EUR 20.0 million (2023: EUR 19.7 million). Intershop benefited in particular from business with existing customers. Of the cloud order intake, EUR 12.7 million was attributable to existing customers and EUR 7.3 million to new customers. Although Intershop gained 14 new cloud customers, representing an increase over the previous year (2023: 9 new customers), the resulting average order volume per customer was lower than in the previous year (2023: EUR 8.3 million). A reluctance to invest due to the difficult overall economic conditions is still perceptible. New ARR (new annual recurring revenue) increased by 24% to EUR 3.3 million, with existing customers contributing EUR 2.3 million (2023: EUR 1.1 million) and new customers contributing EUR 1.0 million (2023: 1.6 million) to the new ARR. The net new ARR improved by 40% to EUR 2.7 million. As at December 31, 2024, the ARR (annual recurring revenue) was EUR 20.1 million, which corresponds to an increase of 16% compared to the previous year's reporting date (December 31, 2023: EUR 17.3 million).

Cloud Business Development



in EUR thousand	2023	2024	Veränderung
Cloud order entry	19,731	19,986	1%
New ARR	2,691	3,327	24%
Net New ARR	1,946	2,720	40%
ARR	17,337	20,057	16%

ARR development in 2024

in EUR thousand	
ARR December 31, 2023	17,337
New ARR new customers	1,059
New ARR existing customers	2,268
New ARR total	**3,327**
Churn	(676)
Currency changes	69
Net New ARR	**2,720**
ARR December 31, 2024	**20,057**

Sales growth and return to profitability – challenges in the service business remain

In the 2024 financial year, Intershop achieved slight growth in sales of 2% to EUR 38.8 million. The operating result (EBIT) also improved significantly after a negative result in the previous year and was slightly positive again at EUR 0.1 million (2023: EUR -2.5 million). This was due in particular to the positive momentum of the cloud business and the simultaneous improvement in the cloud margin. Intershop also benefited from rising license revenues in the existing customer business. This was offset by the weak service business, which did not develop in line with original expectations in the 2024 financial year and dampened earnings. This was due in particular to major projects initiated in the previous year, which turned out to be much more complicated and resource-intensive than originally planned and therefore had a significant negative impact on earnings in the service area. In response to the persistently challenging service business, Intershop has decided as part of its Group strategy to have new projects increasingly carried out by partner companies. This partner-first strategy lowers Intershop's risk profile and enables greater scalability and creates new growth opportunities through the targeted expansion of the partner network. In the 2024 financial year, external and internal resources in the service business were already adjusted to the volume of existing customer orders. The focus in this area is now increasingly on the further development, professionalization and support of the partner network.

Earnings, financial and asset position

Comparison of actual and anticipated business development of the key performance indicators

Despite a challenging economic environment, we met our forecast for the 2024 financial year. Moderate growth in revenue, a balanced operating result (EBIT) and a slight increase in incoming cloud orders and net new ARR were forecast for the 2024 financial year. With revenue growth of 2%, EBIT of EUR 0.1 million, a 1% increase in cloud order intake and a 40% rise in net new ARR, the results were in line with or above the forecast range.

Presentation of the earnings

The development of the key earnings figures of the Group is shown in the overview below:

in EUR thousand	2024	2023	Change
Revenues	38,760	37,987	2%
Cost of revenues	21,073	22,183	-5%
Gross margin	46%	42%	
Operating expenses, operating income	17,614	18,338	-4%
EBIT	73	(2,534)	++
EBIT margin	0%	-7%	
EBITDA	3,285	870	++
EBITDA margin	8%	2%	
Earnings after tax	(353)	(3,082)	++

In the 2024 financial year, Intershop generated Group **revenue** of EUR 38.8 million, which corresponds to an increase of 2% compared to the previous year's revenue of EUR 38.0 million. During the reporting period, revenues in the core segment **software and cloud** rose by 22% to EUR 29.8 million (2023: EUR 24.4 million). Income from **licenses and maintenance** increased by 14% to EUR 9.4 million.

This increase in the licensing business was mainly the result of relicensing with existing customers, with total license sales amounting to EUR 2.5 million, more than double the previous year's figure (2023: EUR 1.1 million). Maintenance revenue fell as expected and amounted to EUR 6.9 million (2023: EUR 7.1 million). **Cloud and subscription** revenue increased by 27% to EUR 20.5 million (2023: EUR 16.2 million). The share of cloud revenue in total revenue rose to 53% in the reporting period (2023: 43%).

Service revenue fell by 35% to EUR 8.9 million in the 2024 financial year (2023: EUR 13.6 million). The reasons for this are the major projects started in the previous year, which turned out to be more complex and costly than planned, as well as the transfer of new projects to Intershop's partner network, which had a significant impact on the development of the service business. Service sales accounted for 23% of total sales in the reporting year and were thus significantly below the previous year's level (2023: 36%).

The following overview shows the development of revenues:

in EUR thousand	2024	2023	Change
Software and Cloud Revenues	**29,849**	**24,382**	**22%**
Licenses and Maintenance	**9,374**	**8,199**	**14%**
Licenses	2,511	1,144	119%
Maintenance	6,863	7,055	-3%
Cloud and Subscription	**20,475**	**16,183**	**27%**
Service Revenues	**8,911**	**13,605**	**-35%**
Revenues total	**38,760**	**37,987**	**2%**

In the 2024 financial year, Intershop generated revenue of EUR 27.8 million in the European market, the Group's most important **business region**. This represents a slight decrease of 1% compared to the previous year (2023: EUR 28.1 million). The region once again recorded a sharp increase in cloud sales (+23%). In addition, sales from licenses and maintenance within the European market also developed positively compared to the previous year (+17%). At the same time, service revenue fell by 40%, resulting in an overall decline in European business. European customers accounted for 72% of total sales, slightly below the previous year's figure (2023: 74%). In the USA segment, on the other hand, Intershop recorded revenue growth of 16% at EUR 7.8 million (2023: EUR 6.7 million). While cloud sales in this region rose by 40%, service sales in the US business also fell by 22%, as did revenue from licenses and maintenance (-9%). Nevertheless, the significant increase in cloud revenue fully compensated for the decline in the service business. The revenue share from the US business in the total revenue was 20% (2023: 18%). In the Asia-Pacific region, Intershop generated revenue of EUR 3.2 million, on a par with the previous year. In this region, sales also fell in the license and maintenance segment (-2%) and in the service segment (-12%). Unlike in the previous year, however, sales in the cloud business also improved again in this business region (+12%). As in the previous year, business activities in the Asia-Pacific region accounted for 8% of total sales.

In the 2024 financial year, Intershop's **gross profit** increased by 12% to EUR 17.7 million (2023: EUR 15.8 million). The **gross margin** improved to 46%, an increase of four percentage points over the previous year (2023: 42%). **Operating expenses and income** fell by 4% to EUR 17.6 million (2023: EUR 18.3 million). Research and development costs fell by 3% to EUR 6.7 million (2023: EUR 6.9 million). At EUR 7.4 million, sales and marketing expenses were 12% lower than in the previous year (2023: EUR 8.4 million). General administrative expenses increased slightly by 2% to EUR 3.3 million (2023: EUR 3.2 million). As the previous year, other operating income amounted to EUR 0.5 million. Other operating expenses amounted to EUR 0.8 million (2023: EUR 0.3 million). This includes one-off expenses of EUR 0.5 million for staff reduction measures. Overall, **total costs** (cost of sales and operating expenses/income) fell by 5% to EUR 38.7 million (2023: EUR 40.5 million). The operating result (**EBIT**) improved significantly compared to the previous year and amounted to EUR 0.1 million (2023: EUR -2.5 million). Depreciation and amortization amounted to EUR 3.2 million (2023: EUR 3.4 million), of which EUR 1.1 million was attributable to amortization of internally generated software (2023: EUR 1.3 million). The operating result before depreciation and amortization (**EBITDA**) increased to EUR 3.3 million (2023: EUR 0.9 million). The EBITDA margin improved to 8% (2023: 2%). The financial result improved slightly compared to the previous year to EUR -0.4 million (2023: EUR -0.5 million). At EUR 0.1 million, income taxes remained at the previous year's level. **Earnings after tax** were EUR -0.4 million (2023: EUR -3.1 million), which corresponds to earnings per share of EUR -0.02 (2023: EUR -0.21).

The commercial law revenue of INTERSHOP Communications AG as a single entity increased in the 2024 financial year by 3% to EUR 31.2 million (2023: EUR 30.5 million). The strong growth in software and cloud sales of 28% to EUR 24.2 million (2023: EUR 19.0 million) was offset by a significant decline of 39% in service revenue to EUR 7.0 million (2023: EUR 11.5 million). License sales included in software and cloud sales increased to EUR 2.5 million (2023: EUR 1.1 million) mainly from relicensing with existing customers. As expected, maintenance revenue fell by 2% to EUR 6.1 million. (2023: EUR 6.2 million). Cloud sales increased the most at 34% to EUR 15.7 million (2023: EUR 11.7 million).

The **net income under commercial law for INTERSHOP Communications AG** as an individual entity was EUR 0.2 million in the 2024 financial year after a net loss of EUR 3.4 million in the previous year. The main reasons for the significant improvement in earnings were the increase in total operating performance (sales and changes in inventories), the reduction in total expenses and higher income, which resulted in particular from income from investments amounting to EUR 1.0 million. The cost of materials fell from EUR 6.4 million in the previous year to EUR 6.3 million due to the lower cost of purchased services in connection with the lower service revenue. At EUR 17.9 million, personnel expenses were slightly higher than in the previous year (2023: EUR 17.8 million). However, this includes one-off expenses of EUR 0.1 million due to severance payments. Depreciation and amortization decreased to EUR 1.6 million (2023: EUR 1.8 million). Other operating expenses decreased by 7% to EUR 7.8 million (2023: EUR 8.4 million) due to a number of individual factors, including the decline in marketing expenses. Other capitalized own work, which includes the capitalization of software development costs, increased from EUR 0.6 million to EUR 0.9 million. Other operating income increased from EUR 0.2 million to EUR 0.4 million, among other things, thanks to the reversal of provisions. Income from equity investments amounting to EUR 1.0 million (2023: EUR 0 million) stem from a profit distribution from the subsidiary Intershop Communications Australia Pty Ltd. Of the other interest income of EUR 0.2 million, EUR 0.1 million resulted from affiliated companies. Due to the losses carried forward from previous years, there was a net loss of EUR 7.3 million (2023: EUR 7.5 million).

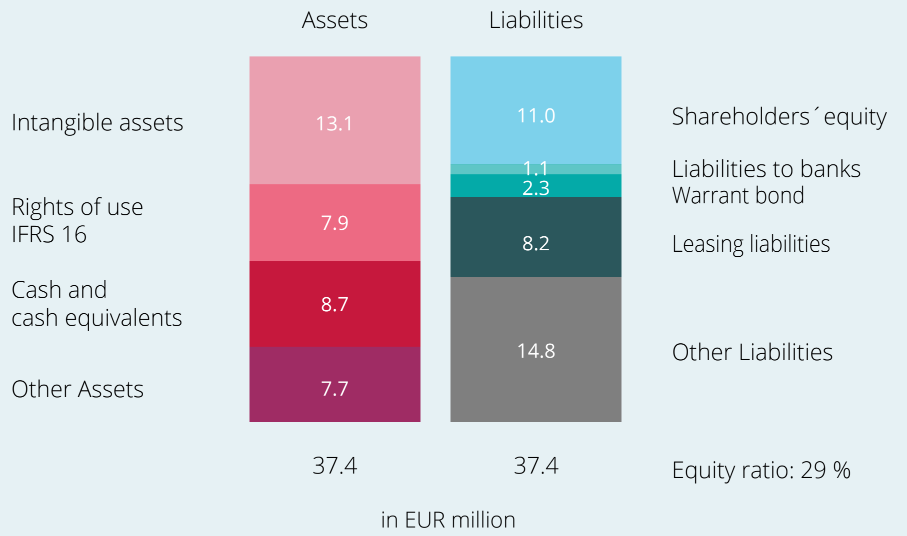
Presentation of the Net Assets and Financials Positions

As of December 31, 2024, the balance sheet total of the Intershop Group amounted to EUR 37.4 million (December 31, 2023: 38.0 million), which corresponds to a slight decrease of 2% compared to the previous year's reporting date.

On the assets side, non-current assets decreased to EUR 22.8 million (December 31, 2023: EUR 23.1 million). The decline in intangible assets, property, plant and equipment and right-of-use assets due to amortization and depreciation was offset by the increase in non-current trade receivables. Current assets declined to EUR 14.6 million (December 31, 2023: EUR 14.9 million). At EUR 4.8 million, trade receivables were significantly above the previous year's level (December 31, 2023 EUR 3.9 million). Other receivables and assets increased to EUR 1.1 million (2023: EUR 1.0 million). By contrast, cash and cash equivalents decreased to EUR 8.7 million (December 31, 2023: EUR 10.0 million).

On the **liabilities side**, equity of EUR 11.0 million was around 3% below the previous year's figure (December 31, 2023: EUR 11.4 million). Non-current liabilities decreased by 25% to EUR 9.4 million in the reporting period (December 31, 2023: EUR 12.5 million). The main reason for this was the reclassification from non-current to current liabilities, mainly due to the expected repayment of the warrant bond in July 2025 and the scheduled repayment of liabilities to banks. Current liabilities increased by 20% to EUR 17.0 million as at the balance sheet date (December 31, 2023: 14.1 million), primarily due to the reclassification of the warrant bond. In addition, trade payables increased to EUR 2.5 million (December 31, 2023: EUR 2.0 million). The **equity ratio** was 29% as at December 31, 2024 (2023: 30%).

Group Balance Key Figures December 31, 2024



Cash flow from operating activities amounted to EUR 2.1 million in the reporting period, after EUR 3.0 million in the same period of the previous year. This was mainly due to an increase in trade receivables. The cash outflow from investing activities increased to EUR 1.4 million compared to the previous year (2023: EUR 1.1 million) due to increased payments for investments in intangible assets. The cash outflow from financing activities amounted to EUR 2.1 million and was thus at the previous year's level (2023: EUR 2.0 million). The repayment of leasing liabilities included in this figure rose to EUR 1.6 million (2023: EUR 1.5 million). As in the previous year, the repayment of the loan issued in 2022 amounted to EUR 0.5 million. Overall, cash and cash equivalents amounted to EUR 8.7 million as at December 31, 2024, a decrease of 14% compared to the previous year's balance sheet date (December 31, 2023: EUR 10.0 million).

The **total assets of INTERSHOP Communications AG** as an individual company in the annual financial statements under commercial law increased slightly to EUR 26.8 million (December 31, 2023: EUR 26.6 million). On the assets side, fixed assets decreased from EUR 14.6 million to EUR 14.0 million as at December 31, 2024 due to scheduled depreciation. Current assets rose from EUR 11.4 million to EUR 12.1 million. Trade receivables (EUR +0.7 million), receivables from affiliated companies (EUR +0.5 million) and inventories (EUR +0.3 million) increased due to the rise in work in progress. By contrast, cash and cash equivalents decreased to EUR 6.5 million (December 31, 2023: EUR 7.5 million). Prepaid expenses amounted to EUR 0.7 million (December 31, 2023: EUR 0.6 million). On the liabilities side, equity rose to EUR 9.8 million due to the net profit for the year (12/31/2023: EUR 9.6 million). Provisions increased slightly from EUR 2.2 million to EUR 2.3 million. Liabilities fell from EUR 8.8 million to EUR 8.3 million. Liabilities to banks decreased due to loan repayments (EUR -0.5 million), advance payments received on orders (EUR -0.3 million) and other liabilities (EUR -0.2 million). By contrast, trade payables (EUR +0.5 million) increased. Deferred income increased from EUR 6.0 million to EUR 6.3 million, in particular due to higher advance payments from customers for cloud contracts.

Employees

As at December 31, 2024, the Intershop Group employed 261 full-time employees worldwide. Compared to the balance sheet date on December 31, 2023, this represents a reduction of 38 employees (December 31, 2023: 299). As part of strict cost management, there were staff reduction measures as well as a general hiring freeze and the non-replacement of vacancies due to natural fluctuation.

The Intershop strategy also includes close cooperation with leading universities, especially regionally with the Ernst Abbe University and the Friedrich Schiller University in Jena. This cooperation provides the Company with direct access to know-how and excellent young talent who often work for Intershop during their studies, contributing their knowledge and in return gaining valuable insights into working life. The study profile supported by Intershop together with other digital companies as part of an honorary professorship was launched at Friedrich Schiller University in Jena in the winter semester 2024/2025. The focus of the specialization profile in the master's degree program in Information Systems is on e-commerce, digital markets, platforms and digital business models and covers central topics that are of great importance for the digital economy.

In addition to promoting young talent, Intershop also focuses on the further development and long-term retention of its existing workforce. A key component of this was the third general and anonymous employee survey in the 2024 financial year, which identified potential for improvement and gave all employees the opportunity to actively contribute feedback and ideas. In addition, the company supports employee satisfaction with numerous offers. These include regular employee events, an extensive range of sports and health activities, flexible working time models and targeted training programs.

Another important commitment in the area of human resources was the cooperation with other digital companies within the Jena Digital e. V. association. Together, the exchange of ideas on innovative future topics was promoted in order to strengthen the skills of employees and further expand Jena as an attractive employer in the digital economy.

The following overview shows the development of employee figures during the fiscal year:

Employees by department*	**Dec. 31, 2024**	**Dec. 31, 2023**
Technical Departments (Service Functions and Research Development)	201	229
Sales and marketing	36	46
General administration	24	24
	261	**299**

* based on full time staff, including students and trainees

As of the balance sheet date, the number of employees in the European branch offices was 224, accounting for 86% of the total workforce (2023: 260 employees with 87% of the total work force). The U.S. subsidiary with 15 employees accounted for around 6% of the workforce (2023: 15 employees with 5% of the total workforce). The number of employees in the Asia-Pacific region fell to 22, which corresponds to 8% of the total workforce (2023: 24 employees with a share of 8%).

AG as a single entity had 220 employees at the balance sheet date (December 31, 2023: 254 employees).

Management Board and Supervisory Board

There were no changes to the composition of the Management Board and Supervisory Board during the 2024 financial year. With effect from December 31, 2024, Supervisory Board member Oliver Bendig resigned from his position for personal reasons. He had been a member of the Supervisory Board since May 2022.

Report on opportunities and risks

Risk management system

Intershop operates in a dynamic market characterized by continuous changes and a wide range of associated business environment risks, which makes it harder to plan and results in deviations from the forecasts. At the same time, the Company faces risks arising from operating policies, the Company's structure, and the organization of internal processes that could endanger the Company's goals. Intershop is committed to the goal of protecting the property of its stockholders and safeguarding its continued existence as the basis of its business activity. The Management Board has formally adopted a risk policy designed to promptly identify unknown risks (early warning function) and to manage risks. This policy describes and defines the objectives, methods and processes used in risk management throughout the Company. Intershop is supported by specialized external advisors in the further development of the risk management system. A risk manual describing the risk management system was created, which is reviewed and updated on a regular basis. Risks are defined as possible deviations from planned targets and include both positive deviations (opportunities) and negative deviations (threats). The risk management system focuses on potentially particularly serious negative deviations that could impact the Company's development and sharply reduce equity and cash position. The Management Board has appointed a Risk Manager who provides quarterly information about the Company's risk situation. Above and beyond this, risk management organization is decentralized. The divisional managers in the individual business areas are responsible for identifying and mitigating the risks in their divisions. In the case of significant risks and risks that pose a particular threat to the Company's continued existence, the divisional managers are required to provide the Management Board with immediate and detailed information. Flat hierarchies, short communication channels, and a culture of open communication also ensure that important risk information reaches the Management Board without delay. The Management Board informs the Supervisory Board at least once a quarter, but usually monthly, about important developments at the Company.

The operational risk management process encompasses risk identification, risk analysis and assessment (including risk aggregation), risk response and risk monitoring. Strategic, operating and financial risks are assessed. To identify risks, the environment and the defined risk fields and risks within it are continuously monitored by risk owners (usually the Intershop divisional managers), to which clearly defined business areas and all risks and opportunities arising from and in the future those areas are assigned at an operational level. In addition, a risk inventory is completed once a year (with quarterly updates), in which the relevance score and risk owners are determined, previously identified risks and opportunities are reviewed and new risks and opportunities are identified. In financial control, a deviation analysis is performed so as to identify deviations from targets. This involves the use of the financial accounting and controlling software from SAP and the consolidation and controlling software from LucaNet.

As part of risk identification, the effect of operational and financial risks and opportunities on the current financial year are quantified as best as possible (extent of damage and probability of occurrence) and assigned a relevance class. The effect of strategic risks and opportunities over three years is taken into account and the risk or the opportunity is assigned a relevance class.

The identified risks and opportunities are categorized as follows:
Categorization of the extent of damage:

Economic shareholders' equity				
< 2.5%	< 7.5%	< 25%	< 100%	> 100%
not material	minor	high	critical	existential
Relevance class 1	Relevance class 2	Relevance class 3	Relevance class 4	Relevance class 5

Categorization of the probability of occurrence:

≤ 5%	≤ 25%	≤ 50%	≤ 95%	> 95%
highly unlikely	unlikely	possible	likely	very likely

The consolidated management report focuses on significant risks and rewards. The economic shareholders' equity comprised shareholders' equity less goodwill. Intershop's total risk exposure is determined by aggregating the risks (Monte-Carlo-Simulation). In order to do this, the software Strategie Navigator is used. Intershop applies risk mitigation measures that, depending on the point in time involved, reduce the probability of occurrence or lessen the impact.

As part of its risk inventories in all departments of the Company, Intershop has identified all risks that could influence the Company's development. All Intershop products are offered in all segment regions and are therefore subject to the same kinds of risks and opportunities. In addition to specific individual risks and opportunities, Intershop's risk management also takes general risks (such as sales and cost fluctuations) into account that may have adverse (risks) or positive (rewards) effects on the earnings and financial position.

Strategic risks

Intershop is one of the leading providers of innovative B2B commerce solutions in a highly dynamic market. Intershop's overarching strategic goals are the consistent expansion of its cloud business with the addition of AI functionalities to its commerce platform and a focus on the B2B market. Intershop's target market is subject to constant change and faces challenges due to the rapidly advancing digitalization of companies. These developments go hand in hand with the introduction of new technologies, innovative business models and the market entry of new competitors. For Intershop, this entails a risk of offering products and services that do not meet the needs of customers or market expectations. If Intershop does not succeed in monitoring the target market effectively and permanently, assessing market expectations and competitors correctly or offering new innovative product and solution strategies in time, this can lead to a decline in sales as customers switch to competitors and it becomes more difficult to acquire new customers. Intershop counters this risk through regular market analyses, its own targeted marketing activities, regular win-loss analyses and surveys of customer needs in cooperation with customers, partners and market analysts. Customer and partner feedback is regularly incorporated in new Intershop solutions. The current focus is on AI topics in particular. The rapidly increasing relevance of AI is also clearly underlined by the assessment of market analysts. The Intershop Commerce Platform received top marks in the “Paradigm B2B Combine 2024 Digital Commerce Solutions for B2B (Enterprise Edition)” analyst report and was awarded medals in eleven out of twelve possible categories. The award also underlines the performance of Intershop’s AI-supported search technology. The IDC MarketScape analyst report “Worldwide B2B Digital Commerce Applications for Midmarket Growth 2023-2024 Vendor Assessment” emphasized that artificial intelligence is at the heart of the Intershop platform and distinguished Intershop in the “Leader” category. Intershop was recognized for its current offering in the report “The Forrester Wave: Commerce Solutions For B2B, Q2 2024” by market research company Forrester Research. The personalized search, which is based on SPARQUE.AI technology, was highlighted as a particular strength. Intershop estimates that these risks could have a perceptible to considerable impact, however, no or only weak indicators for this can currently be identified.

There is a fundamental risk that the Intershop Commerce platform could be partially or completely replaced by new technologies in the future. Depending on the extent and speed of the change, this may result in Intershop’s current products and services becoming unsaleable. Intershop regards this risk as high. However, there is currently no discernible development that would fundamentally call current products or services into question. In addition, the risk is reduced by integrating relevant new technologies, such as current AI topics, into the product portfolio. For example, the acquisition of Sparque B.V. in the 2022 financial year expanded the Intershop platform to include AI-supported personalization. In the 2024 financial year, the company introduced Intershop Copilot, an AI-supported procurement and service assistant. The risk is also countered with short product release cycles, agile software development and regular market and competition analyses. We also respond to short-term trends through in-house developments or cooperation with technology partners and to long-term trends as part of the standard product development process.

Brand awareness plays a decisive role for Intershop in the sale of Intershop products. A decline in brand awareness harbors the risk that potential customers will not perceive Intershop as a solution partner and that the recruitment of new partners and employees will be made more difficult. The inability to maintain and increase the visibility of the Intershop brand could lead to a decline in revenues. Intershop regards this risk as high. This risk is countered by various measures to increase brand awareness as part of the marketing strategy. One key measure is addressing the megatrend of AI in the Intershop product portfolio, combined with specific AI initiatives. To emphasize its importance, a separate “Artificial Intelligence” organizational unit has been established, which will bundle all initiatives in the future. In addition, Intershop is intensifying its online marketing measures and customer reference marketing campaigns and publishes articles in trade magazines. Joint marketing activities with the strategic partner Microsoft also result in higher market visibility. Moreover, the establishment and strengthening of employer branding should help to better position Intershop as an attractive employer.

The performance and expertise of employees and managers are crucial to the company’s success. Particularly in the case of staff in key positions, there is a risk that these specialists will take their specific knowledge with them when they move to a competitor company and use it there. Furthermore, it is generally more difficult to replace these employees. The loss of key personnel could have a negative impact on Intershop's competitiveness and economic development and result in additional replacement costs. Intershop considers the key position risk to be minor. These risks are countered through the use of modern personnel management with individual personnel development measures in conjunction with flexible working time models, extended home office rules, an open corporate culture and flat hierarchies.

Operational risks

The high complexity of the Intershop Commerce platform leads to a variety of mutual dependencies. There is the risk of the process chain or parts thereof failing, leading to a loss of revenue for customers. For Intershop, this can lead to a loss in sales, claims for damages, legal fees and additional expenses for eliminating the process error. The risk is assessed as a potential, appreciable risk. The risk is controlled through detailed process documentation and specifications as well as regular reviews. Other measures include targeted staff training, staff development in the relevant areas with the support of external agencies or partners, extending on-call times, taking out specific insurance policies, limiting liability in contracts and increasing the level of automation. When operating cloud systems, there is always an availability risk if networks, database systems or other services fail partially or completely. In addition to lost sales, Intershop could also face claims for damages from customers as well as additional legal fees and increased expenses to remedy the failures. The risk is assessed as perceptible and its occurrence is considered possible. Countermeasures to limit risk include comprehensive monitoring of all critical system components and technical processes, the provision of a 24/7 on-call service and security guidelines and processes. A specifically developed emergency plan, third-party damage insurance and partially redundant systems and services also help to limit risk.

There is a typical software defect risk for the software on which the commerce platform offered by Intershop is based. Due to development errors or faulty performance on the part of Intershop or its suppliers, the product or service may be delivered late or may not function properly or meet customer and market requirements for product safety. For Intershop, this could result in claims for damages, costs for possible legal disputes and additional costs for rectifying defects. There may also be a drop in sales, particularly if customers terminate their contracts at short notice. Intershop counters this risk with an elaborate quality assurance process, the appointment of a security code owner, targeted comprehensive security tests, a documented escalation process, ISO certification and the use of a vulnerability scanner that automatically searches for weaknesses in the system. Intershop therefore considers this risk to be insignificant and unlikely to occur.

Intershop is exposed to an increased sales risk due to ongoing structural economic challenges and geopolitical tensions caused by wars, high inflation rates and political instability. The resulting reluctance to invest may delay new customer projects or cause them to fail to materialize altogether. Ongoing projects may also be delayed or canceled. In addition, there may be losses from bad debts. Intershop limits this risk with risk assessments that are conducted in the sales process at relevant points. For contracts that have already been concluded, payment agreements are also agreed with customers where necessary. Intershop considers the risk to be perceptible, but unlikely due to the countermeasures taken.

Against the backdrop of increasing digitalization in many companies, it is becoming more difficult for Intershop to recruit specialists, especially IT specialists. When filling open vacancies, there is a risk of higher costs incurred, e.g. due to the engagement of headhunters or as a result of higher than planned salaries. There is also a risk that Intershop may be delayed in providing the services owed in customer projects. Intershop considers this risk to be perceptible, but its occurrence is possible. The risk is countered with flexible and needs-based recruitment, personnel deployment management and extended employee qualification measures.

Financial risks

Part of the sales volume is generated through consulting services, which are mainly provided as part of projects. Failure to deliver these projects with the required quality and within the agreed cost and time frame can result in higher project costs, lower sales and a reduced margin. Projects may be terminated prematurely, not started, unprofitable or even reversed. Personnel planning software and project analysis tools are used to counteract the risk. Regular reports and project meetings document the current project status. If necessary and appropriate, support is provided by employees from the development department. Furthermore, permanent project monitoring and project management is used. The company is supported by experienced external consultants. In addition, processes are constantly being improved, starting with incoming orders in collaboration with the sales department, improved cost estimation and project controlling. Despite all the countermeasures described, the risk is currently considered to be a high risk that is likely to occur.

Third parties could accuse Intershop of infringement of intellectual property rights, such as patents or copyrights, and claim compensation for damages or also attempt to restrict the sale of Intershop platform. The risk is regarded as a potentially minor risk. In order to minimize the risk, Intershop verifies compliance of the licensing terms of third parties in the development process and in the use.

With a liquidity of EUR 8.7 million, Intershop enjoys a good liquidity position as of the balance sheet date. There is no interest rate risk from a bank loan in the amount of EUR 1.1 million and an option bond in the amount of EUR 2.3 million at the balance sheet date thanks to agreements for fix interest rates over the term. The liquidity risk as a result of the repayment of financial liabilities is assessed as minimal. Loan repayments over a fixed term until 2027 are agreed with a fixed quarterly rate. The option bond is due for repayment at the end of the term in July 2025. However, if option rights are exercised beforehand, Intershop has a corresponding liquidity inflow which is used for the repayment of bonds that are possibly terminated at the same time and in the same amount. Its activities abroad are exposed to the currency risk since revenues are generated in U.S. and Australian dollars. Measures to hedge currency risks are taken on a case-by-case basis. The risk is regarded as a possible insignificant risk. There is also a default risk. In order to at least minimize the risk of default, Intershop regularly performs credit checks of customers. In case of larger contracts, this risk is also minimized by agreements on advance payments or partial payments based on the percentage of completion of the contract. Here, reference is also made to the consolidated financial statements, section “Information on financial instruments”. The risk is regarded as minor to high, the occurrence of which is possible.

As part of its opportunity and risk management, Intershop has so far not identified any significant opportunities or risks relating to climate change. This is due to the type of services Intershop offers and the current customer structure. We believe the eCommerce market is not directly affected by climate change as customer behavior and regulations have given no indication of this. Therefore, Intershop has not set specific targets regarding climate change.

Opportunities

Intershop is in a very dynamic and fast-growing market environment for high-performing digital cloud-based commerce platforms with an increasing concentration of businesses. On this market, new opportunities can present themselves at any time. A major driver of the sustained growth of the Company is to identify those opportunities and take advantage of them without incurring unnecessary risks. Hence, at Intershop the opportunity and risk management are closely interlinked. The rewards management is part of the strategic planning process at Intershop; here, internal and external potentials that might positively affect the further development and value added for Intershop are evaluated on a regular basis. The following opportunities shall be highlighted: Customers with revenue or transaction-based contracts may exceed the agreed exceeding sales volume or number of transactions. There is a significant potential opportunity to generate additional sales. Furthermore, audits by Intershop may result in unplanned extraordinary income if customers violate the license or contract terms. Additional sales can also arise in a financial year if customers compensate for premature contract terminations by making redemption payments. Intershop considers the existing partnership with Microsoft to be a strong strategic opportunity. This cooperation gives Intershop increased market visibility, which can lead to increased sales in the medium to long term. Incentives, for example for joint marketing campaigns, can also result from the collaboration. Intershop also continues to see a strong strategic opportunity to achieve additional growth potential through M&A options in the course of the consolidations taking place on the market and adjustments to market dynamics. In addition, there is a appreciable chance that receivables that have already been written down will be settled through incoming payments as part of payment agreements with customers. With the further expansion of the Intershop Commerce Platform to include AI functionalities and the establishment of a separate “Artificial Intelligence” organizational unit, Intershop sees a very probable opportunity, albeit still insignificant in the current financial year, for additional revenue growth through new AI products. Following the AI trend, Intershop has also developed a new project that is to be offered on a trial basis to customers of a widely used third-party e-commerce platform. There is a high level of planning uncertainty involved with the market launch of the new product. Intershop sees an insignificant tangible opportunity to generate additional sales.

Overall risk position

The overall risk position refers to the sum total of all the individual risks and opportunities to which Intershop is exposed as an individual company and as a Group. There are no apparent risks endangering the Company’s continuation. The overall risk position has improved slightly compared with the prior year.

Description of the key characteristics of the internal control and risk management system with regard to the consolidated financial reporting process

Intershop's internal control system includes the policies, procedures, and measures introduced by the Management Board to enable the organizational implementation of its decisions so as to ensure the effectiveness, cost-effectiveness, and propriety of financial reporting as well as adherence to the applicable legal provisions. The Intershop Group is divided into various main divisions, whose managers report directly to the Management Board. The divisions are divided into departments which, in turn, are divided into different cost centers or profit centers for which a department head is responsible. The department heads are accountable either for revenue and costs or just for costs.

The business ordering and approval processes, including authorizations and threshold values, are set out in the authorization directive ("Global Approval Policy") introduced by the Management Board, which is reviewed and, when necessary, updated on a regular basis. The authorization directive includes three fields of regulation: the procurement of goods and services, offers to and agreements with customers, as well as personnel matters. Defined processes must be adhered to before actions are carried out. If, for example, goods are ordered or services are requested, or if existing contracts are amended or canceled, authorizations in the form of signatures must be obtained. The extent of the authorizations required depends on the type of contract involved and the volume of the order. Information on finances and the impact on the balance sheet, as well as on the budget must be provided, and alternatives (e.g., offers from other suppliers or service providers) must be explained. No orders or commissions may be placed until the relevant departments, department heads, and/or Management Board members have given their approval as required by the policy. In addition to the authorization directive, Intershop has additional guidelines for various areas, such as travel cost guidelines, cell phone guidelines, notebook guidelines, homeoffice guidelines and company car guidelines. These are also reviewed and adjusted accordingly on a regular basis. Third-party commissions, among other things, are discussed and monitored in the weekly Management Board meetings.

Accounting processes are entered in the respective individual financial statements for the subsidiaries in the Group's central SAP system. The consolidation and preparation of Intershop's consolidated financial statements is done centrally using the LucaNet consolidation software, on the basis of the individual financial statements entered in SAP. The Group's accounting policies take into account the requirements of the IFRSs as adopted by the EU, HGB (German Commercial Code), AktG (German Stock Corporation Act), and the German principles of proper accounting. When preparing the consolidated financial statements, internal controls are carried out in compliance with the dual control system to ensure the reliability of the single-entity financial statements used as a basis and of the consolidated financial statements. The Group's controlling will prepare a detailed analysis every month to show the development of the Group, the single entities, as well as the cost and profit centers. Impairment testing of cash generating units is performed centrally at Group level to ensure the use of uniform evaluation criteria. The preparation and compilation of the data used to prepare the notes to the financial statements and the management report is also performed by the Group's controlling at Group level, and these are checked by the Finance department.

Disclosures in Accordance with Section 289a HGB and Section 315a HGB Plus Explanatory Report as per sec. 176 para. 1 s. 1 AktG

On the balance sheet date, the Company's subscribed capital amounted to EUR 14,582,291, composed of 14,582,291 no-par value bearer shares. Each share has a notional value of EUR 1. There are no restrictions affecting the voting rights or transferability of the shares.

According to the voting rights notifications of May 27, 2019, Shareholder Value Beteiligungen AG held a direct stake of 17.55% and Shareholder Value Management AG a direct stake of 14.35% in the company's capital stock as of May 2019, which were 17.90% and 1.00%, respectively, as of the balance sheet date according to voluntary communications. In addition, as per the voting rights notification last received on October 8, 2021, the other shareholders Value Focus Beteiligungs GmbH (Hofheim am Taunus, Germany) and Reiner Sachs (indirectly via Sachs Assets GmbH, Erbach, Germany) are coordinating their voting with the two above shareholders, in accordance with Section 34(2) German Securities Trading Act [Wertpapierhandelsgesetz, WpHG]. Within the meaning of Section 289 German Commercial Code [Handelsgesetzbuch, HGB], therefore, these four shareholders have an allocated indirect stake in the company of 36.87% (according to the voting rights notification; 34.72% according to a voluntary notification as of the balance sheet date). In total, in accordance with Section 33 et seq. WpHG, these shareholders collectively hold 34.72% of the voting rights (coordinated voting behavior of the shareholders participating in the voting, hereinafter referred to as "share pool members").

According to the voting rights notification dated April 26, 2021, Frankfurter Investmentgesellschaft mit variablem Kapital (Société d'Investissement à Capital Variable, SICAV) (Grevenmacher/Luxemburg) holds a 16.15% stake in the Company's capital stock, which, according to the voluntary notification as of the balance sheet date, was 18.59%.

INTERSHOP Communications AG has not been informed of any other direct or indirect share capital holdings that exceed 10% of the voting rights as of the balance sheet date. There are no shares with special rights conveying powers of control, especially rights of appointment to the Supervisory Board. Also, there are no employee stock option plans, meaning that employees do not have an interest in the capital without being able to exercise their control rights directly at the same time.

The appointment and dismissal of the Management Board is governed by sections 84 and 85 of the German Stock Corporation Act (AktG) and Article 6 (2) and (3) of the Articles of Association of the Company. According to the Articles of Association, the Management Board consists of one or more persons. The number of members of the Management Board is determined by the Supervisory Board. Amendments to the Articles of Association are made in accordance with section 179 and following of the AktG and Article 28 of the Articles of Association. Under the terms of the latter, the Supervisory Board has the power to resolve changes to the Articles of Association that affect only their wording and also, in particular, changes to the provisions governing the share capital corresponding to the respective amounts of capital increases from conditional capital and authorized capital, and of capital reductions resulting from the retirement of shares.

For information on the powers of the Management Board relating to the issuance of shares, please refer to the section entitled “Equity” in the notes to the consolidated financial statements, and to the notes to the financial statements of INTERSHOP Communications AG. As per Section 71 para. 1 no. 8 AktG (German Stock Corporation Act), the Management Board is authorized, in accordance with the resolution of the general meeting on May 20, 2020, to acquire treasury shares in the company with a total share capital of up to EUR 1,419,416 by May 19, 2025, subject to the approval of the Supervisory Board. The Company has not entered into any significant binding agreements that are conditional on a change in control as a result of a takeover bid. In addition, the Company has not entered into any binding compensation agreements with the members of the Management Board or with employees in the event of a takeover bid.

Corporate Governance Declaration in Accordance with Section 289f of the HGB or, respectively, sec. 315d HGB

On December 19, 2024, the Management Board and Supervisory Board issued a Corporate Governance Declaration in accordance with section 289f and 315d of the HGB have made it publicly accessible on the Company’s website at https://www.intershop.com/en/corporate-governance-declaration.

Dependent Company Report

Pursuant to section 312 of the German Stock Corporation Act (AktG), the Management Board of INTERSHOP Communications Aktiengesellschaft prepared a report for the 2024 fiscal year on the relationships with affiliated companies. This report also describes the relationships with Shareholder Value Management AG and Shareholder Value Beteiligungen AG (collectively referred to as “Shareholder Value Companies”). Shareholder Value companies and the pool shareholders attributable to them based on a shareholders agreement held 59.91% of the votes present at the Annual Stockholders’ Meeting on May 16, 2024 and thus held a majority of the meeting. The chairman of the Supervisory Board Frank Fischer is also the chairman of the Management Board of Shareholder Value Management AG, member of the Management Board of Shareholder Value Beteiligungen AG (until February 28, 2025) and managing partner of Value Focus Beteiligungs GmbH. While Mr. Fischer is independent of the company, he is not independent of the controlling shareholder. Mr. Fischer is therefore not independent according to Recommendation C.6 of the German Corporate Governance Code (in the version of April 28, 2022). The Management Board of INTERSHOP Communications Aktiengesellschaft therefore assumes that there is currently a dependency relationship with these Shareholder Value Companies, but not with any of the other share pool members whose voting behavior based on information provided by the Shareholder Value Companies and the publication of the exemption notification by the Federal Financial Supervisory Authority dated September 29, 2021, takes into account contributions by the other share pool members, but who, at the same time, are obligated to exercise their voting rights as coordinated between the Shareholder Value Companies. The dependency report contains the following final statement: “INTERSHOP Communications AG has received appropriate consideration for the transactions listed in the report on relations with affiliated companies according to the circumstances known to the Management Board at the time the transactions were carried out. No measures have been taken or omitted at the instigation of or in the interests of the controlling company or one of its affiliated companies.”

Report on Expected Developments

Environment

The IMF expects global economic growth to remain subdued at 3.3% in 2025, with regional differences in momentum. According to the forecast, the global inflation rate is expected to fall to around 4.2%. The industrialized countries are likely to reach their central banks' inflation targets faster than the emerging and developing countries. The IMF also assumes that the political uncertainty that exists in many places, particularly with regard to trade policy and possible tariff increases by the USA, could have a negative impact on global development.

The IMF expects gross domestic product in industrialized countries to increase by 1.7% in 2025. According to the experts, economic development will remain robust, particularly in the USA, with growth of 2.7%. In the eurozone, on the other hand, the IMF is forecasting significantly subdued growth of 1.0%. In Germany, gross domestic product is expected to rise by just 0.3%, mainly as a result of the continued decline in industrial production. Economic output in emerging and developing countries is forecast to grow by 4.2% in 2025.

Global spending on information technology is set to increase by 9.8% to a volume of USD 5.6 trillion in 2025, according to data from analyst firm Gartner. The software sector is expected to grow by 14.2% to USD 1.2 trillion and the IT services sector by 9.0% to USD 1.7 trillion. According to Gartner, artificial intelligence, especially generative AI, will continue to attract investment. However, a large part of the forecast growth is also due to price increases.

For Germany, Bitkom, the industry association for the German information and telecommunications sector, is forecasting sales growth of 5.9% in the information technology sector in 2025 to EUR 158.5 billion. At EUR 53.8 billion, IT services accounted for the largest share of this (+5.0%). With an increase of 9.8% to EUR 51.1 billion, sales in the software segment are expected to have the most significantly growth.

Company outlook

The global B2B commerce market continues to grow. However, macroeconomic and political uncertainties continue to weigh on almost all regions and lead to investment decisions regarding IT expenditure being postponed. This is also expected to influence Intershop's business development in 2025. Artificial intelligence remains the most important technological trend in the market. Intershop has already strategically positioned itself in this area in the past – among other things by implementing personalized website search and product recommendations on the Intershop platform. Following the recent integration of Intershop Copilot, the company will take the next step in the current financial year 2025 and introduce AI agents that will enable processes to be further automated and customer interactions to be made more intelligent and autonomous. The aim remains to develop the Intershop Commerce platform into a portal in the medium term in which, depending on the customer's level of digital maturity, the online stores can often run autonomously using predominantly AI-based processes.

For the 2025 financial year, Intershop expects further growth in the cloud and subscription area with a further improvement in the cloud margin. However, growth is expected to fall short of the increase in 2024. Intershop anticipates a decline in revenues in the area of maintenance and licenses. This is in line with the company's strategy of gradually reducing license and maintenance revenues in favor of cloud and subscription revenues. Intershop expects a further decline in revenue in the service sector in the 2025 financial year. The reason for this is that Intershop is increasingly focusing on its partner network when implementing new projects. The outstanding complex major projects, which have recently had a significant negative impact on earnings, are to be completed in 2025. Against this background, Intershop anticipates increased profitability in the future with lower sales revenues in the service area. The decline in sales is expected to result from all three target regions (Europe, USA, Asia/Pacific).

Statement on business developments for 2025

Overall, Intershop expects both incoming cloud orders and net new ARR to increase slightly for the financial year 2025 compared to the previous year. At the same time, a revenue decline of 5% to 10% is forecasted due to the partner-first strategy and the resulting decrease in service revenues, along with a slightly positive operating result (EBIT).

Jena, March 6, 2025

The Management Board of INTERSHOP Communications Aktiengesellschaft

Markus Klahn Petra Stappenbeck Markus Dränert

Consolidated Financial Statements

Consolidated Balance Sheet

in EUR thousand	Note No.	December 31, 2024	December 31, 2023
ASSETS			
Noncurrent assets			
Intangible assets	(1)	13,059	13,464
Property, plant and equipment	(2)	288	449
Rights of use IFRS 16	(3)	7,861	8,363
Trade receivables	(4)	764	0
Other noncurrent assets	(5)	475	506
Restricted cash	(6)	244	246
Deferred tax assets	(22)	106	121
		22,797	**23,149**
Current assets			
Trade receivables	(4)	4,802	3,884
Other receivables and other assets	(5)	1,141	954
Cash and cash equivalents	(6)	8,695	10,047
		14,638	**14,885**
TOTAL ASSETS		**37,435**	**38,034**
SHAREHOLDERS’ EQUITY AND LIABILITIES			
Shareholders’ equity			
Subscribed capital	(7)	14,582	14,582
Capital reserve	(7.1)	3,030	3,030
Other reserves	(7.2)	(6,631)	(6,244)
		10,981	**11,368**
Noncurrent liabilities			
Warrant Bond	(8)	0	2,242
Liabilities to banks	(10)	622	1,119
Leasing liabilities IFRS 16	(3)	6,889	7,119
Other noncurrent liabilities	(12)	1,922	2,050
		9,433	**12,530**
Current liabilities			
Other current provisions	(13)	388	348
Warrant Bond	(8)	2,259	0
Liabilities to banks	(10)	497	497
Trade accounts payable	(9)	2,484	1,960
Contract liabilities	(11)	7,038	6,872
Income tax liabilities	(22)	16	37
Leasing liabilities IFRS 16	(3)	1,270	1,524
Other current liabilities	(12)	3,069	2,898
		17,021	**14,136**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		**37,435**	**38,034**

Consolidated Statement of Comprehensive Income

in EUR thousand	Note No.	January 1 to December 31, 2024	2023
Revenues	(14)		
Software and Cloud Revenues		29,849	24,382
Service Revenues		8,911	13,605
		38,760	**37,987**
Cost of revenues	(15)		
Cost of revenues – Software and Cloud		(11,060)	(11,020)
Cost of revenues – Services		(10,013)	(11,163)
		(21,073)	**(22,183)**
Gross profit		**17,687**	**15,804**
Operating expenses, operating income			
Research and development	(16)	(6,710)	(6,933)
Sales and marketing	(17)	(7,385)	(8,392)
General and administrative	(18)	(3,291)	(3,240)
Other operating income	(19)	544	493
Other operating expenses	(20)	(772)	(266)
		(17,614)	**(18,338)**
Result from operating activities		**73**	**(2,534)**
Interest income	(21)	125	55
Interest expense	(21)	(494)	(532)
Financial result		**(369)**	**(477)**
Earnings before tax		**(296)**	**(3,011)**
Income taxes	(22)	(57)	(71)
Earnings after tax		**(353)**	**(3,082)**
Other comprehensive income			
Exchange differences on translating foreign operations		(34)	(417)
Reclassifed to profit or loss		0	170
Other comprehensive income from exchange differences		**(34)**	**(247)**
Total comprehensive income		**(387)**	**(3,329)**
Earnings per share (EUR, basic, diluted)	(23)	(0.02)	(0.21)

Consolidated Statement of Cash Flows

in EUR thousand	Note No.	January 1 to December 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before tax		(296)	(3,011)
Adjustments to reconcile net profit/loss to cash used in operating activities			
Financial result		369	477
Depreciation and amortization		3,212	3,404
Other noncash expenses and income		0	182
Changes in operating assets and liabilities			
Accounts receivable		(1,625)	859
Other assets		(140)	(130)
Liabilities and provisions		712	(351)
Contract liabilities		129	1,929
Net cash provided by (used in) operating activities before income tax and interest		**2,361**	**3,359**
Interest received	(21)	125	54
Interest paid	(21)	(295)	(342)
Income taxes received		1	0
Income taxes paid		(82)	(120)
Net cash provided by (used in) operating activities		**2,110**	**2,951**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments in intangible assets	(1)	(1,016)	(690)
Proceeds on disposal of equipment		1	0
Purchases of property and equipment	(2)	(53)	(149)
Disbursement as part of a company acquisition		(300)	(300)
Net cash provided by (used in) investing activities		**(1,368)**	**(1,139)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Partial repayment of a warrant bond	(8)	0	(850)
Repayments of loans	(10)	(497)	(497)
Payments from issuance of common stock		0	850
Payments for leasing liabilities	(3)	(1,560)	(1,490)
Net cash provided by (used in) financing activities		**(2,057)**	**(1,987)**
Effect of change in exchange rates on cash		(37)	(249)
Net change in cash and cash equivalents		**(1,352)**	**(424)**
Cash and cash equivalents, beginning of period	(6)	10,047	10,471
Cash and cash equivalents, end of period		**8,695**	**10,047**

Consolidated Statement of Shareholders' Equity

				Other reserves			
in EUR thousand	**Common shares** (Number shares)	**Subscribed capital**	**Capital reserve**	**Conversion reserve**	**Cumulative profit/loss**	**Cumulative currency differences**	**Total shareholders' equity**
Balance January 1, 2024	**14,582,291**	**14,582**	**3,030**	**(93)**	**(8,026)**	**1,875**	**11,368**
Total comprehensive income					(353)	(34)	(387)
Balance December 31, 2024	**14,582,291**	**14,582**	**3,030**	**(93)**	**(8,379)**	**1,841**	**10,981**
Balance January 1, 2023	**14,194,164**	**14,194**	**2,575**	**(93)**	**(4,944)**	**2,122**	**13,854**
Total comprehensive income					(3,082)	(247)	(3,329)
Issue of new shares	388,127	388	455				843
Balance December 31, 2023	**14,582,291**	**14,582**	**3,030**	**(93)**	**(8,026)**	**1,875**	**11,368**

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

General Disclosures

The Company

INTERSHOP Communications Aktiengesellschaft (“Intershop”, the “Company”, the “Intershop Group” or the “Group”) is an Aktiengesellschaft (German stock corporation) under German law based in Jena, Germany. The business adress is Steinweg 10, 07743 Jena, Germany. The Company is listed on the German stock exchange in Frankfurt and is included in the Prime Standard. INTERSHOP Communications Aktiengesellschaft (AG) is entered in the commercial register of the Jena Local Court under number HRB 209419.

Intershop is a leading provider of B2B eCommerce solutions. The Company supports globally leading manufacturers and wholesalers in the innovative digitization of their sales. Using the eCommerce platform based on Intershop’s cloud, B2B companies can establish and expand their digital presence, create a consistently positive customer experience, and thus sustainably increase online sales.

The Company has prepared its consolidated financial statements assuming the Company’s continued operations. As of December 31, 2024, the Company had cash and cash equivalents of EUR 8.7 million (December 31, 2023: EUR 10.0 million). The equity ratio as of the balance sheet date was 29% (December 31, 2023: 30%). The Company’s financial liabilities to banks totaled EUR 1.1 million (December 31, 2023: EUR 1.6 million) due to issuing of an option bond of EUR 2.3 million (December 31, 2023: EUR 2.2 million) at the balance sheet date. We refer to the statements in the Group Management Report.

Accounting principles (compliance statement)

In fiscal year 2024, INTERSHOP Communications AG prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), in accordance with the provisions of the German Stock Corporation Act (AktG) and in accordance with the provisions required to be applied under section 315e (1) of the Handelsgesetzbuch (HGB – German Commercial Code).

The consolidated financial statements of the Company for 2024 (January 1, 2024 to December 31, 2024) were prepared in accordance with the International Financial Reporting Standards (IFRSs) valid at the balance sheet date, which include standards (IFRS, IAS) adopted by IASB, and the Interpretations (IFRIC, SIC) issued by the International Financial Reporting Interpretations Committee (IFRIC IC), as adopted by the EU.

The 2024 fiscal year was the first year in which the adoption of the following financial reporting standards and interpretations became mandatory:

- Amendments to IFRS 16: Lease liability in a sale and leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 7 and IFRS 7: Reverse factoring arrangements

The amended standards have no material impact on the Company's consolidated financial statements.

The International Accounting Standards Board (IASB) has also issued the following Standards, Interpretations, and amendments to existing Standards whose application is not yet mandatory, or which the European Union has not fully adopted in European law. The Company has decided not to adopt these Standards prior to their effective date:

IFRS	Change	Amendment for fiscal year as of
IAS 21	Amendments to IAS 21: Lack of Exchangeability	01/01/2025
IFRS 9 / IFRS 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments; power purchase agreements	01/01/2026
Improvements	Annual improvements to the IFRS standards	01/01/2026
IFRS 18	Presentation and Disclosure in Financial Statements'	01/01/2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01/01/2027

The Company currently assumes that the amended standards will have no material impact on the Company's consolidated financial statements.

Financial reporting for fiscal year 2024 has been prepared in accordance with the Standards and Interpretations required to be applied and gives a true and fair view of the net assets, financial position, and results of operations of the Intershop Group.

Assets and liabilities are generally measured at cumulative historical cost or the lower market value as required.

The consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are given as thousands of euros (EUR thousand). Figures are rounded to the nearest thousand and totals may not sum due to rounding.

The fiscal year of INTERSHOP Communications AG and its consolidated subsidiaries is the calendar year. The statement of comprehensive income has been prepared using the cost of sales method. The balance sheet is organized in accordance with the maturity of the assets and debt. Assets and debt are considered current if they are due, or are supposed to be sold, within one year.

On March 6, 2025, the Management Board of INTERSHOP Communications AG authorized the submission of these IFRS consolidated financial statements to the Supervisory Board. The Supervisory Board is responsible for audited the consolidated financial statements and declaring whether it approves them.

Estimates and discretionary decisions

Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Estimates are based on past experience and other knowledge of transactions to be accounted for. Actual results may differ from these estimates. As a result, estimates and the assumptions on which they are based are regularly reviewed and assessed for their potential effects on the Company's financial reporting. Estimates and assumptions are particularly necessary for revenue recognition and deferred revenue in accordance with IFRS 15 and for the capitalization of development costs in accordance with IFRS 38. Please refer to the chapter entitled "Accounting policies" for information on estimating revenues. An estimate for the degree of completion of contracts for fixed-price projects is required when determining revenues for services. Provisions are recognized and measured on the basis of financial estimates and data, as well as on the basis of historical data and circumstances known at the balance sheet date. It must be probable that the obligation to a third party will have to be settled. The actual obligation may differ from the amounts of the provisions. A corresponding adjustment in the carrying amounts of assets and liabilities would occur within the next fiscal year. Estimates are required to recognize and measure provisions for legal costs and litigation risks, impending losses from projects, guarantee provisions, and provisions for income taxes, as well as to assess the need for and measurement of impairment losses and valuation allowances. Goodwill is tested for impairment using the test described in the section entitled "Impairment of assets." Other sources of estimation uncertainty include the useful life of the fixed assets, when assessing the value of trade receivables, when determining contingent considerations as well as when recognizing leases in accordance with IFRS 16.

The application of Group accounting policies is also subject to various discretionary decisions by Company management. Significant discretionary decisions were made with respect to the reporting procedures used for leasing relationships and the impairment of financial assets.

Basis of consolidation

As of December 31, 2024, the companies included in consolidation consisted of, apart from the parent company, the subsidiaries Intershop Communications, Inc., Intershop Communications Australia Pty Ltd., Intershop Communications SARL, Sparque B.V., The Bakery GmbH and Intershop Communications Ventures GmbH.

The following list shows the subsidiaries of INTERSHOP Communications AG and the Company's respective interest as of December 31, 2024:

	Interest in %	**Equity*** in EUR thousand	**Annual result**** in EUR thousand
Intershop Communications, Inc., San Francisco, USA	100	491	388
Intershop Communications Australia Pty Ltd, Melbourne, Australia	100	826	126
Intershop Communications SARL, Paris, France	100	610	54
The Bakery GmbH, Jena, Germany	100	(4,282)	(47)
Intershop Communications Ventures GmbH, Jena, Germany	100	(1,473)	(19)
Sparque B.V., Utrecht, Netherlands	75	(325)	(135)

* Equity as of December 31, 2024 is translated at the exchange rate as of the reporting date
** Net income/loss for fiscal year 2024 is translated at the average annual rate

The result of Sparque B.V. is allocated 100% to INTERSHOP Communications AG in accordance with the contractual agreement.

Consolidation methods

The consolidated financial statements comprise the financial statements of INTERSHOP Communications AG as the parent and those of all entities that it controls (German and foreign subsidiaries) that form the largest and, at the same time, the smallest group of companies for which consolidated financial statements must be prepared. INTERSHOP Communications AG controls the consolidated subsidiaries by holding the majority of the voting rights. Due to its control, INTERSHOP Communications AG has influence on the amount of the subsidiaries' yields and is subject to fluctuating yields from its investment. A company is included in the consolidated financial statements from the date on which control passes to the Intershop Group. Deconsolidation usually occurs on the date control passes to a third party or on the date the subsidiary is liquidated.

Subsidiaries

Acquisition accounting for companies acquired from third parties is performed as of the date of acquisition using the purchase method of accounting. Under this method, the assets acquired and liabilities assumed are measured at their acquisition-date fair value. Any remaining positive difference between acquisition price and fair value is capitalized as goodwill. Any negative difference is immediately recognized as an expense. Transaction costs are recognized as expense. In subsequent periods, hidden reserves and liabilities realized at the time of initial consolidation are carried, written down or reversed in accordance to the treatment of the corresponding assets and liabilities. Goodwill will be reviewed for impairment at least once a year during subsequent reporting periods and, in case of impairment, an unscheduled write-down to the lower fair value is made. Expense and revenues as well as receivables and liabilities between consolidated companies are eliminated. No intercompany eliminations were carried out, as intragroup services are provided in accordance with the arm's length principle.

Foreign currency translation

Monetary items denominated in foreign currency in the local-currency single-entity financial statements of the consolidated companies are measured at the closing rate. Translation differences are recognized in income.

The functional currency for it's the subsidiaries is the local currency of the country in which the subsidiary is based. The Company's functional currency is the euro. The financial statements of subsidiaries outside the euro zone are translated using the modified closing rate method. Since from a financial, economic, and organizational perspective, the subsidiaries conduct their business independently, the functional currency is always the same as the Company's local currency. Assets and liabilities are translated using the closing rate at the balance sheet date; income and expenses are translated at the average exchange rate for the year. The difference resulting from currency translation is taken directly to equity and reported separately in equity under other reserves (cumulative currency translation differences). Currency translation differences are reversed to income when a subsidiary is deconsolidated.

Transactions in foreign currencies are translated at the exchange rate prevailing at the date of each transaction. Nonmonetary items denominated in foreign currency are measured at historical exchange rates. Differences in exchange rates between the date of a transaction denominated in a foreign currency and the date at which it is either settled or translated are recognized in the statement of comprehensive income and are shown in "other operating income" or "other operating expenses." Currency gains and losses were EUR 48 thousands (2023: EUR 105 thousands).

The following table shows the significant exchange rates used for foreign currency translation:

Country	Currency	Closing rate		Average rate for the year	
	1 EUR =	Dec. 31, 2024	Dec. 31, 2023	2024	2023
United States	USD	1.04	1.11	1.08	1.08
Australia	AUD	1.68	1.63	1.64	1.63

Accounting Policies

The accounting policies are applied uniformly throughout the Intershop Group and to all periods reported in the consolidated financial statements.

Intangible assets

Purchased Software and other intangible assets

Purchased intangible assets, such as software and patentsare capitalized at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortization, taking into account accumulated impairment losses and reversals of impairment losses, and are written down using the straight-line method. Their useful lives are generally between 2 and 6 years. The useful life is reviewed annually and adjusted if necessary.

Intangible assets with an indefinite useful life are measured at cost less accumulated impairment losses and tested for impairment both annually and when there are indications of impairment. Please refer to the section entitled “Impairment of assets”.

Software development costs

Development costs for newly developed (software) products are capitalized at cost in accordance with IAS 38 if the following criteria are met: the technical feasibility, the intention for complete, own use or for sale, a guarantee of the marketability of the newly developed products, the future benefits, the availability of sufficient technology, finances and other resources, as well as a clear allocation of expenses. Capitalization of software development costs generally begins when the technological feasibility of the product is established; which the Company defines with the compilation of the software functionalities considered as marketable to so-called PSIs (Potential Shippable Increment) and the definition of the EPICs (Features). Capitalized software development costs include direct staff costs for employees, ancillary staff costs, directly attributable payments for third-party services, and an appropriate percentage of reasonably identifiable overhead costs. The relevant amount is amortized using the unit of production method over the planned useful life of three or six years beginning from the time when the software release concerned is made available to customers. The capitalized costs are subject to the impairment test. Research costs may not be capitalized in accordance with IAS 38 and are therefore recognized directly as an expense in the statement of comprehensive income.

Goodwill

In accordance with IFRS 3, goodwill resulting from consolidation is the excess of the cost of a business combination over the Group’s interest in the fair value of the identifiable assets and liabilities and contingent liabilities of a subsidiary, associate, or joint venture at the date of acquisition. Goodwill is recognized as an asset and tested for impairment at least once a year in accordance with IAS 36. Goodwill is tested for impairment on the basis of cash-generating units. For this purpose, goodwill is allocated to cash-generating units generating benefits from the corresponding synergies. An impairment loss is recognized if the recoverable amount of the cash-generating unit, which is the higher of fair value less costs to sell and value in use, is lower than its carrying amount (for further details, see the section entitled “Impairment of assets”). Impairment losses are immediately recognized in the statement of comprehensive income and not reversed in subsequent periods.

Property, plant, and equipment

Property, plant, and equipment is measured at historical cost less accumulated depreciation, taking into account accumulated impairment losses and reversals of impairment losses. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.
Depreciation is based primarily on the following useful lives:

Computer equipment	3 years
Office and operating equipment	4–6 years

When items of property, plant, and equipment are decommissioned, sold, or abandoned, the gain or loss from the difference between the sale proceeds and the carrying amount is reported in "other operating income" or "other operating expenses".

Impairment of assets

For property, plant, and equipment and intangible assets with finite lives an estimate is made at each balance sheet date to establish whether there are any indications that the assets in question may be impaired in accordance with IAS 36, Impairment of Assets.

If such indications exist, the recoverable amount of the asset is determined so that the impairment loss can be calculated. The recoverable amount is the higher of fair value less costs to sell and value in use. The fair value less costs to sell is defined as the amount that could be generated by the sale of an asset in an arm's length transaction between willing parties. The value in use is determined on the basis of discounted future cash flows using a market rate of interest that reflects the risks of the asset that are not yet included in the estimated future cash flows. If the recoverable amount of an asset is lower than its carrying amount, the asset must be written down to its recoverable amount, applying the value in use. Impairment losses are recognized immediately in profit or loss. No extraordinary write-downs were applied in years 2023 and 2024. In the case of reversals of impairment losses in a subsequent period, the carrying amount of the asset is adjusted to reflect the identified recoverable amount; however, the value of the asset may only be increased to the carrying amount that would have arisen if no impairment loss had previously been charged. Reversals of impairment losses must be recognized immediately in profit or loss. No such reversals were performed in 2023 and 2024.

The goodwill impairment test is to be performed on cash generating units. The goodwill impairment test is to be performed on the cash generating unit to which goodwill is allocated. Goodwill comprises the intellectual property incorporated in the software obtained from previous acquisitions as well as the expertise of the employees and the expected synergies from integrating the acquired Sparque B.V. into the existing cloud business of the Group (net carrying amount at December 31, 2024: EUR 7,533 thousand; December 31, 2023: EUR 7,533 thousand). For the goodwill the relevant cash-generating unit (CGU) is the Europe segment. In a first step, the carrying amount of the cash-generating unit is compared with the recoverable amount of the CGU at the balance sheet date. The recoverable amount in this context is defined as the maximum of the value in use and the stock price or the fair market value less selling costs, respectively Secondly, the impairment write-down required is determined, but only if the value in use or market value is less than the carrying amount. To determine the value in use of the cash-generating unit, the net cash flows for the period from 2025 to 2028 and a "perpetual annuity" (without growth rate) for the period after and including 2029 were identified. The calculations are based on the corporate planning for the period from 2025 to 2028 approved by Intershop's management. The planning reflects the company strategy with the further consistent expansion of the cloud business and a focus on the B2B market thanks to strongly increasing cloud revenues. License and maintenance revenues and service revenues, in contrast, are decreasing over time. The share of cloud revenue in the overall revenue increases every year, while the share of license and maintenance revenue and service revenue is decreasing over the planning period. An annual growth rate is expected for the total revenue from 2026 over the planning period. The Group assumes an increasing gross margin in the planning period. The cloud margin grows over the period. The company expects positive, annually increasing EBIT margins. The increase in revenues and the improved margin will result in an increased inflow of cash of the CGU during the planning period. When determining the value in use, present values were calculated on the basis of a discount rate after tax of 10.46% (WACC) (WACC before tax: 15.25%) (2023: 11.46% WACC; 16.68% WACC before tax). No impairment losses on goodwill were reported in 2023 and 2024; impairment losses on goodwill are not reversed (no appreciation). An increase in the discount rate by five percentage points or a reduction in cash flows by up to 60% compared to the budget would not have any effect on the result of the test.

Leases

According to IFRS 16, the lessee must recognize assets (for the right of use) and the corresponding lease obligation in lease agreements. Assets and liabilities arising from leases are initially measured at present value. Lease payments are discounted at the rate implicit in the lease if such rate can be readily determined. Otherwise, the lessee shall use their incremental borrowing rate. Intershop is the lessee in leases of rented office space, vehicles, as well as office equipment and supplies. The Company applies the exemption rule to short-term leases with a term that does not exceed 12 months and to low-value leases; the Company expenses such items over the term of the item using the straight-line method.

Financial instruments

Financial assets and financial liabilities, which include trade receivables and liabilities, cash and cash equivalents and restricted cash, are recognized in the balance sheet at the date when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are classified and measured based on the business model operated and the structure of the cash flows. A financial asset is initially measured as "at amortized cost," "at fair value through other comprehensive income," or "at fair value through profit or loss." Financial liabilities valued at amortized cost consist of the option bonds, liabilities to banks as interest-bearing bank loans, trade payables, leasing liabilities as well other current and non-current liabilities. At the balance sheet date, Intershop had no financial instruments measured "at fair value through other comprehensive income" or "at fair value through profit or loss" according to IFRS 9. Intershop derecognizes financial assets if the payment has been received or if the receivable cannot be collected. Financial liabilities are derecognized if the contractual obligations have been met, rescinded or expired.

Trade receivables, other receivables and other assets

Trade receivables are reported at fair value, which usually corresponds to cost, at the date of recognition. They are subsequently measured at amortized cost net of any valuation allowances. Receivables from the sale of software licenses are recognized only when a contract has been signed with the customer, the software has been made available according to the contract, and it is more probable than not that the receivable will be collected. The trade receivables also include revenue from contracts as set forth in IFRS 15 resulting from fixed-price projects.

Trade receivables are recognized at their principal amount, which equals fair value at the time of collection. Receivables with longer maturities (> 1 year) are discounted using market interest rates.

Other receivables and other assets are recognized at amortized cost. All identifiable risks of default are taken into account by deducting appropriate allowances.

The Company makes judgments as to its ability to collect outstanding receivables and recognizes allowances for the portion of receivables where collection becomes doubtful. Allowances are recognized based on a specific review of all significant outstanding invoices. For those invoices not specifically reviewed, allowances are recognized at differing rates, based on the age of the receivable. When setting the expected loss given default, Intershop takes into account historical default rates as well as forward-looking parameters based on industry-specific default rates. Other individualized valuation information is also consulted for individual items. If the historical data the Company uses to calculate the allowances recognized for doubtful accounts does not reflect the future ability to collect outstanding receivables, additional allowances for doubtful accounts may be needed and the future results of operations could be materially affected.

Contract initiation costs

Contract initiation costs (sales commissions) are capitalized according to IFRS 15, provided they are directly attributable to the conclusion of a contract with a customer. This is recognized in the balance sheet under other assets. Contract initiation costs are amortized on a straight-line basis over the term of the underlying contracts. The scheduled duration of amortization is three to eight years. The amortization of contract initiation costs is reported under sales and marketing expenses.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, checks, and unrestricted deposits with banks that have an original maturity of up to 90 days and are recognized at nominal value. Restricted cash is reported separately (see the section entitled “Cash and cash equivalents”).

Provisions and contingent liabilities

According to IAS 37, provisions are recognized for obligations to third parties if they have arisen from a past event, an outflow of resources is probable, and the amount can be reliably estimated. Provisions that do not lead to an outflow of resources in the subsequent year are recognized at the settlement value, discounted to the balance sheet date using market interest rates. The settlement value includes expected cost increases. Rights of recourse are not deducted from provisions.

Contingent liabilities are firstly possible obligations whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. Secondly, they are existing obligations where it is not probable that they will lead to an outflow of resources, or the outflow cannot be reliably quantified. According to IAS 37, contingent liabilities are not recognized in the balance sheet.

Trade accounts payable

Trade accounts payable are initially and subsequently measured at their amortized cost. Trade accounts payable are classified into current and noncurrent trade accounts payable. Trade accounts payable within one year are current liabilities, and trade accounts payable after one year are noncurrent liabilities.

Liabilities to banks

When they are first recognized, liabilities to banks are entered at the fair value less transaction costs. They are subsequently measured at amortized cost using the effective interest method.

Warrant bonds

Warrant bonds give the holder the right to acquire equity interests in the Company at an option price set upon issuing the warrant bond at certain exercise dates. Warrant bonds are considered compound financial instruments that are comprised of a liability and an equity component. At initial recognition, the liability component is measured at fair value. Fair value is determined using a market interest rate for an equivalent non-convertible bond. The value resulting from the difference between the fair value of the entire financial instrument and the fair value of the liability component is stated as the equity component at initial recognition. Directly attributable transaction costs are allocated at the ratio of the carrying amounts of the liability and equity components at the time they are first recognized. In the subsequent periods, the liability component is recognized at amortized cost using the effective interest method. The equity component is continued at the initially recognized value.

Other financial liabilities

Financial liabilities are generally measured at amortized cost using the effective interest method. This does not apply to financial liabilities, which are recognized at fair value through profit or loss. The "Contingent considerations" reported under other financial liabilities were estimated at the time of acquisition based on the present value of the repurchase amount. They are subsequently measured at amortized cost using the effective interest method.

Share-based remuneration

The members of the Management Board receive 50% of their performance-related one-year and multi-year remuneration in the form of virtual shares of the company ("phantom shares"). These are not paid out until the end of the term of the Management Board contract at the corresponding value. The virtual shares are recognized as cash-settled share-based remuneration in accordance with IFRS 2. On the balance sheet date, a provision in the amount of the fair value earned is recognized in profit or loss in accordance with IFRS 2, depending on the contractual provisions. The valuation basis for determining the fair value of the virtual shares is the XETRA closing price of the Intershop share on the balance sheet date.

Revenues

Intershop's revenues include revenues generated from the sale of software licenses and the corresponding maintenance services, as well as revenues from providing cloud services and rendering consulting services. Intershop records sales revenues at the date at which the obligation to perform has been fulfilled. This requires a valid agreement including identifiable service obligations and agreed-upon payment terms, as well as the likelihood that the agreed-upon consideration will be obtained. The revenues correspond to the transaction price to which Intershop is entitled as per the terms and conditions of the respective agreement. Revenues from variable components are only recorded if it is highly likely that they will not be reversed in the future. There are no significant uncertainties with regard to the revenues. For each performance obligation, revenues are realized either at a certain time or over a certain period of time. If contractual relationships with customers contain several performance obligations, the transaction price is allocated to the individual performance obligations based on their relative individual selling prices. The relative individual selling prices usually correspond to the contractually agreed prices.

Intershop generally does not offer product sales with a right of return. Therefore, the contractual obligations are mainly prepayments received on orders from service contracts as well as deferred revenues due to time-based revenue recognition (for example income from maintenance or cloud and subscription contracts).

Licenses and Maintenance Revenues

Revenues from licenses are recorded at the date at which the software is handed over to the customer and thus the customer has access to the software. The customer is granted a right of use in the software not limited in time. Fees for the software licenses are typically billed after the contract is executed and the software is handed over. On a case-by-case basis, payment plans are agreed upon with customers. As these do not usually exceed 12 months, no significant financing components are considered in the transaction price. In the license revenues, one-off payments from cancellation agreements with the customer are reported in individual cases, the revenue of which is recognized based on the time the one-off payment was received.

When selling software licenses, maintenance contracts are usually entered into for a period of at least one year. Revenues from maintenance are recognized ratably over the period in which the services are provided. The purchase price stipulated in the respective agreement is allocated to the individual service obligations based on their individual selling price. In general, invoices are issued on an annual basis. There are no significant financing components. The prepayments are disclosed in contract liabilities. In principle, there is no obligation to accept returns and grant refunds or any warranties from maintenance agreements.

Cloud and Subscription Revenues

Intershop offers its customers its e-commerce platform as a comprehensive and efficient standard cloud solution or the e-commerce solution for operating the Intershop software in a cloud environment. These revenues include the following services: (1) contractually agreed-upon use of the e-commerce platform limited in time with hosting in a dedicated Azure Cloud environment that is operated, maintained and secured by Intershop or (2) contractually agreed-upon use of the Intershop license limited in time with or without hosting in a dedicated cloud environment.

Intershop AGrees on a regular, fixed fee for these services with its customers for a certain period of time, which is usually invoiced each month or annually in advance. The prepayments are disclosed in contract liabilities. Revenues are recognized on a prorated basis over the period of use and result in regularly recurring revenue. Transaction-based and revenue-based fees as well as set-up services are also generally agreed upon; the revenues are recognized when they are recorded (date-based). The purchase price stipulated in the respective agreement is allocated to the individual service obligations based on their individual selling price.

Service Revenues

Intershop offers its customers various services in the course of implementation of the Intershop software. Daily rates and the schedule for these project services are contractually agreed with the customer. Intershop records the revenues from the rendering of the services over the period in which the services are rendered. As a rule, invoicing is done after performance with a payment target of 30 days. Revenues and expenses from fixed-price agreements are recognized based on the percentage of completion. The determination of the amount of revenues to be recognized is partly based upon the use of estimates. The Company estimates the percentage of completion on contracts with fixed or “not to exceed” fees on a monthly basis, utilizing hours incurred to date as a percentage of total estimated hours to complete the project. If Intershop does not have a sufficient basis to measure progress towards completion, revenue is recognized when the Company receives final acceptance from the customer. When total cost estimates exceed the contractually agreed upon revenues, Intershop sets aside valuation reserves for the estimated losses, using cost estimates that are based upon an average burdened daily rate and all expenses applicable to the organization delivering the services. The complexity of the estimation process and issues related to the assumptions, risks, and uncertainties inherent in the application of the percentage-of-completion method of accounting affect the amounts of revenues and related expenses reported in the Company’s consolidated financial statements. A number of internal and external factors can affect Intershop’s estimates, including costs for employees, utilization and efficiency variances, and specification and testing requirement changes. Since the calculations are based on verifiably worked hours, the methods are suitable for providing a faithful picture of the supply of services.

Cost of revenues

The cost of revenues includes the costs incurred in generating revenues. They include in particular all costs for maintenance, cloud and services. The cost of revenues for licenses also includes the amortization of capitalized software development costs.

Government grants

Government grants are recognized according to IAS 20 only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. IAS 20 provides in principle for grants to be recognized as income over the periods in which the related costs are recognized. When all conditions are met, the Company states non-repayable income subsidies as “other operating income.”

Cost of debt

Interest expenses are recognized in the period in which they arise. As there are no qualifying assets in accordance with IAS 23, no borrowing costs are included in the cost of sales in accordance with IAS 38.

Deferred taxes

In accordance with IAS 12, deferred taxes are recognized for all temporary differences between the carrying amount of assets and liabilities in the IFRS balance sheet and their tax base at the balance sheet date using the balance sheet liability method. Deferred tax assets are recognized for all deductible temporary differences, unused tax loss carryforwards, and unused tax credits to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the unused tax loss carryforwards and tax credits can be utilized. Deferred taxes are measured at the tax rates that have been enacted or substantively enacted for the period in which an asset is realized or a liability settled. The effect of changes in the tax rate on deferred taxes is recognized as of the effective date of the legal changes.

Operating segments

The segments have been presented in accordance with IFRS 8, Operating Segments. The structure and content of segment reporting reflects the internal reports provided to management. An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose results are regularly reviewed by management, and for which financial information is available. An operating segment becomes a reportable segment if it can be identified and exceeds certain quantitative thresholds. Expenses are generally allocated on the basis of the percentage revenue breakdown.

Earnings per share

The basic net profit per share is determined in accordance with IAS 33, Earnings per Share for all periods presented. Basic net loss per share is computed using the weighted average number of outstanding shares of common shares. The diluted net profit per share is computed using the weighted average number of ordinary shares outstanding and, in the case of dilution, the ordinary shares outstanding and the potential number of ordinary shares from options and warrants to purchase such shares using the treasury stock method.

Notes to the Individual Balance Sheet Items

(1) Intangible assets

in EUR thousand	Purchased Software/ other intangible assets	Internally developed software	Goodwill	Total
Costs of purchase or production				
Balance at January 1, 2023	**3,617**	**20,891**	**27,157**	**51,665**
Additions	93	598	0	691
Disposals	0	0	0	0
Currency translation differences	0	0	0	0
Balance at December 31, 2023	**3,710**	**21,489**	**27,157**	**52,356**
Additions	51	964	0	1,015
Disposals	(81)	0	0	(81)
Currency translation differences	0	0	0	0
Balance at December 31, 2024	**3,680**	**22,453**	**27,157**	**53,290**
Amortization, write-downs, and impairment losses				
Balance at January 1, 2023	**1,994**	**15,662**	**19,624**	**37,280**
Additions	331	1,281	0	1,612
Disposals	0	0	0	0
Currency translation differences	0	0	0	0
Balance at December 31, 2023	**2,325**	**16,943**	**19,624**	**38,892**
Additions	352	1,068	0	1,420
Disposals	(81)	0	0	(81)
Currency translation differences	0	0	0	0
Balance at December 31, 2024	**2,596**	**18,011**	**19,624**	**40,231**
Net carrying amount at December 31, 2023	**1,385**	**4,546**	**7,533**	**13,464**
Net carrying amount at December 31, 2024	**1,084**	**4,442**	**7,533**	**13,059**

“Internally developed software” includes capitalized software development costs for continued development of Intershop’s software. The software acquired against payment includes the usage rights acquired by Intershop to the AI-based eCommerce technology from the Dutch Spinque B.V. The cost of EUR 1,800 thousand corresponds to the purchase price paid and is written off over the estimated useful life. In the statement of comprehensive income, the amortization of intangible assets in the amount of EUR 1,390 thousand (2023: EUR 1,582 thousand) is included in the cost of revenues, EUR 0 thousand (2023: EUR 1 thousand) in the research and development expenses, EUR 16 thousand (2023: EUR 13 thousand) in the sales and marketing expenses and EUR 14 thousand (2023: EUR 16 thousand) in the general administration costs. With the exception of goodwill there are no intangible assets with indefinite useful lives.

(2) Property, plant, and equipment

in EUR thousand	Computer equipment	Office and operating equipment	Total
Costs of purchase			
Balance at January 1, 2023	**2,063**	**400**	**2,463**
Additions	119	30	149
Disposals	(125)	(6)	(131)
Currency translation differences	(5)	(1)	(6)
Balance at December 31, 2023	**2,052**	**423**	**2,475**
Additions	53	0	53
Disposals	(202)	(14)	(216)
Currency translation differences	2	(1)	1
Balance at December 31, 2024	**1,905**	**408**	**2,313**
Depreciation, write-downs, and impairment losses			
Balance at January 1, 2023	**1,617**	**315**	**1,932**
Additions	201	29	230
Disposals	(125)	(6)	(131)
Currency translation differences	(4)	(1)	(5)
Balance at December 31, 2023	**1,689**	**337**	**2,026**
Additions	185	28	213
Disposals	(201)	(14)	(215)
Currency translation differences	2	(1)	1
Balance at December 31, 2024	**1,675**	**350**	**2,025**
Net carrying amount at December 31, 2023	**363**	**86**	**449**
Net carrying amount at December 31, 2024	**230**	**58**	**288**

In the statement of comprehensive income, the amortization of property in the amount of EUR 67 thousand (2023: EUR 72 thousand) is included in the cost of revenues, EUR 58 thousand (2023: EUR 63 thousand) in the research and development expenses, EUR 25 thousand (2023: EUR 28 thousand) in sales and marketing expenses and EUR 63 thousand (2023: EUR 67 thousand) in the general administrative costs.

(3) Leases

The following items are reported in the balance sheet in connection with leases:

Rights of use IFRS 16

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
Office space	7,330	7,536
Office and operating equipment	365	682
Vehicles	166	145
	7,861	**8,363**

Leasing liabilities IFRS 16

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
Non-current leasing liabilities	6,889	7,119
Current leasing liabilities	1,270	1,524
	8,159	**8,643**

The additions on the rights of use during the 2024 fiscal year totaled EUR 1,083 thousand (2023: EUR 657 thousand).

The following amounts were recorded relating to leases through profit and loss:

in EUR thousand	2024	2023
Depreciation on rights of use	1,578	1,562
Interest expenses from lease liabilities	195	218
Expenses for short-term leases	224	199
Expenses for leases for a low-value asset	6	9
Income from subleasing of rights of use	(32)	(34)
	1,971	**1,954**

Depreciation on rights of use are divided as follows:

in EUR thousand	2024	2023
Office space	1,161	1,139
Office and operating equipment	317	317
Vehicles	100	106
	1,578	**1,562**

The total cash outflows for leases amounted EUR 1,985 thousand in 2024 (2023: EUR 1,916 thousand)

(4) Trade receivables

Non-current trade receivables amounted to EUR 764 thousand as at the reporting date (12/31/2023: EUR 0 thousand) and relate to one customer. The expected loss rate for the receivable not yet due is 0.20%.

The current trade receivables at the balance sheet date include receivables from rendering services and cloud services as well as the sale of software licenses amounting to EUR 4,802 thousand (Dec. 31, 2023: EUR 3,884 thousand) which fall due within one year (current assets). EUR 928 thousand (Dec. 31, 2023: EUR 65 thousand) of this amount relates to receivables from fixed-price projects (contract assets). Of the trade receivables, total receivables of EUR 3,995 thousand (Dec. 31, 2023: EUR 3,194 thousand) are not yet due. The following table shows the maturity structure of the trade receivables that are not yet due:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
Due within 30 days	1,163	1,638
Due within 31 and 60 days	1,973	1,524
Due within 61 days and 1 year	859	32
	3,995	**3,194**

As of December 31, 2024, trade receivables of EUR 806 thousand were past due but were not impaired (December 31, 2023: EUR 690 thousand). The following table shows the maturity structure of overdue, non-impaired receivables as well as the expected default risk:

	Not due	Up to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due
December 31, 2024					
expected loss rate (%)	0.20	0.57	1.00	1.77	3.10
trade receivables (EUR thousand)	3,995	397	162	86	162
December 31, 2023					
expected loss rate (%)	0.19	0.45	0.89	1.57	3.10
Trade receivables (EUR thousand)	3,194	438	115	73	64

A value adjustment of EUR 18 thousand was made in accordance with the expected loss ratio with regard to the aforementioned trade receivables, whether due or not due on the balance sheet date (2023: EUR 15 thousand). It is generally not expected that customers will fail to fulfil their payment obligations. Overdue, non-impaired receivables as at December 31, 2024 were collected primarily in January and February 2025.

For individual identifiable receivables risks, net impairment losses amounting to EUR 45 thousand (December 31, 2023: EUR 561 thousand) were recognized in the operating result on December 31, 2024. Overall, the Impairments (sum of expected loss rate and individual risks) changed as follows:

in EUR thousand	2024	2023
Balance at beginning of year	**576**	**725**
Impairment of receivables	63	128
Amounts derecognized due to uncollectibility	(507)	(252)
Amounts received during the fiscal year on receivables written off	(69)	(25)
Balance at end of year	**63**	**576**

(5) Other receivables and other assets

Other non-current assets in the amount of EUR 475 thousand (Dec. 31, 2023: EUR 506 thousand) include contract initiation costs.

Other current receivables and current assets include the following items:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
Prepayments	795	735
Contract initiation costs	236	127
Tax receivables from sales tax	60	18
Income tax	14	12
Other	36	62
	1,141	**954**

As of the balance sheet date, the closing balances of the capitalized non-current and current contract initiation costs amounted to EUR 711 thousand (2023: EUR 632 thousand). The amortization of capitalized contract initiation costs amounted to EUR 200 thousand in 2024 (2023: EUR 136 thousand).

(6) Cash and cash equivalents

Cash and cash equivalents include current cash and cash equivalents (December 31, 2024: EUR 8,695 thousand; December 31, 2023: EUR 10,047 thousand) as well as non-current restricted cash (December 31, 2024: EUR 244 thousand; December 31, 2023: EUR 246 thousand). Cash and cash equivalents include balances at various credit institutions that are available at any time, as well as cash on hand. The non-current restricted cash results from rental deposits for the new office space at the Company's headquarters and for the offices of the Australian subsidiary.

(7) Equity

The development of INTERSHOP Communications AG's equity is shown in the statement of equity.

Subscribed capital

As at December 31, 2024, the subscribed capital amounted to EUR 14,582,291, the same as at the balance sheet date of the prior year, and is divided into 14,582,291 no-par value bearer shares, all of which have been fully paid. There are no restrictions on the voting rights.

Authorized capital

As at December 31, 2024, the Company had authorized capital in the amount of EUR 7,200,000 (December 31, 2023: EUR 7,200,000) for the issuance of 7,200,000 new non-par bearer shares (December 31, 2023: 7,200,000 shares). According to the INTERSHOP Communications AG's Articles of Association, the Management Board is authorized, subject to approval by the Supervisory Board, to increase the capital stock by issuing new common shares as follows:

- Up to a total of EUR 7,200,000 by issuing up to 7,200,000 new bearer shares against cash contributions and/or contributions in kind. The Management Board's authorization is valid until June 13, 2029. The Management Board is authorized, subject to approval of the Supervisory Board, to exclude the stockholders' subscription rights in certain cases. At the Annual Stockholders' Meeting of May 16, 2024, it was resolved to cancel Authorized Capital I in the and to create a new Authorized Capital I in the amount of EUR 7,200,000. The new Authorized Capital I with the cancellation of the previous Authorized Capital I and the amendment to the Articles of Association was entered in the commercial register on Juni 13, 2024.

Conditional capital

As of the balance sheet date, the Company had conditional capital in the amount of EUR 7,290,873 (December 31, 2023: EUR 7,290,873). As of December 31, 2024, the Company's capital stock was increased conditionally by up to EUR 7,290,873 by issuing up to 7,290,873 shares. The conditional capital is composed of the following:

- An amount of EUR 1,048,873 is available as Conditional Capital I (Conditional Capital 2020/I). The conditional capital I is to enable no-par value bearer shares to be granted upon exercising option rights or upon the Company exercising a voting right to grant shares in the Company, either as a whole or in part, in lieu of the cash amount due for shares in the Company to the holders of bonds that are issued by Intershop AGainst cash contributions by May 19, 2025 based on the authorization resolution adopted at the general meeting on May 20, 2020. The new shares are issued at the option price to be determined based on the aforementioned authorization resolution. The Management Board is authorized to determine additional details for the implementation of the increase in the conditional capital subject to the approval by the Supervisory Board. On July 24, 2020, the Company announced the issue of a warrant bond in the nominal amount of EUR 3,108,000.00 excluding the subscription right for existing shareholders. The holders of the warrants are entitled to subscribe to a total of 1,419,178 no-par value bearer shares from conditional capital. In January 2023, warrants for 388,127 shares were exercised.
- Conditional Capital II (Conditional Capital 2024/I) of EUR 6,242,000 was created at the Annual Stockholders' Meeting of May 16, 2024. Conditional Capital II shall be used to grant no-par value bearer shares when conversion or warrant rights are exercised, or if the company exercises a warrant right to grant no-par value shares in the company in full or in part to the holders of convertible bonds or bonds with warrants instead of paying the amount due, which are issued by May 15, 2029 by Intershop AGainst cash contributions on the basis of the authorizing resolution of the Annual Stockholders' Meeting of May 16, 2029. The new shares shall be issued at the warrant or conversion price to be determined based on the aforementioned authorization resolution. The Management Board is authorized to determine additional details for the implementation of the increase in the conditional capital subject to the approval by the Supervisory Board. The Management Board is authorized, subject to approval of the Supervisory Board, to exclude the stockholders' subscription rights in certain cases. The new Conditional Capital II, together with the amendment to the Articles of Association, was entered in the commercial register on June 13, 2024.

(7.1) Capital reserve

The capital reserve includes expenses from stock options from prior years, amounts in excess of the par value generated from the issue of shares, less the transaction costs for capital increases, as well as an amount allocated from the simplified capital reduction in 2020 and the equity component of the warrant bond issued in 2020. Please see Statement of Change in Equity for details.

(7.2) Other reserves

Other reserves include a conversion reserve, reserves from cumulative gains/losses, and cumulative currency translation differences. The amount from cumulative currency differences may be reclassified to profit or loss later on under certain conditions. The conversion reserve includes the expense from stock options that related to the first-time adoption of IFRSs. The reserve from cumulative currency translation differences shows the differences that result from the translation of the financial statements of subsidiaries into euros.

(8) Warrant bond

On July 24, 2020, the Management Board of INTERSHOP Communications AG, with the consent of the Supervisory Board, resolved to issue a warrant bond in the nominal amount of EUR 3,108,000 excluding the subscription right for existing shareholders. The warrant bond contains a combination of a bond and warrants to obtain no-par value shares of the Company. The warrant bond has a term of five years (July 24, 2020 to July 23, 2025) with an interest rate of 3.00% p.a. and an ordinary notice of termination of two years by the bondholders, subject to the waiver of the corresponding warrants. The holders of the warrants are entitled to subscribe to a total of 1,419,178 no-par value bearer shares from conditional capital of INTERSHOP Communications AG with a share of the capital stock on each share of EUR 1.00 per share. The option price per share is EUR 2.19. The warrant bond was fully allocated to the investors Shareholder Value Beteiligungen AG and AXXION S.A. on behalf of two fund mandates.

The transaction price of the warrant bond does not correspond to the fair value of the entire instrument at initial recognition. Since the fair value of the entire instrument does not correspond to the transaction price, the fair value is to be calculated within the framework of a valuation. This corresponds to the fair value of the partial warrant bond (EUR 3,034 thousand, without taking into account the transaction costs) plus the fair value of the option right, measured based on a binomial model (EUR 1,961 thousand). However, since the paid amount (consideration received = transaction price) is below the fair value of the entire instrument, the difference between the fair value of the entire instrument and the transaction price constitutes a withdrawal that is not recognized in income (EUR 1,887 thousand) due to the shareholder position of the bondholders and only the difference between the fair value assessment of the partial warrant bonds compared to the nominal value remains in the shareholders' equity (EUR 74 thousand).

In the subsequent periods, the liability component is recognized at amortized cost using the effective interest method. The development of the book value of the warrant bond in the 2024 fiscal year is as follows (in EUR thousand):

in EUR thousand	2024	2023
Balance at January 1	**2,242**	**3,081**
Partial repayment of a warrant bond	0	(850)
Amount classified as shareholders' equity	0	7
Accrued interest	17	4
Balance at December 31	**2,259**	**2,242**

(9) Trade accounts payable

Trade accounts payable comprise unsettled liabilities relating to the delivery of goods and services and amounted to EUR 2,484 thousand (2023: EUR 1,960 thousand).

(10) Liabilities to banks

Liabilities to banks are broken down as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
Liabilities to banks – noncurrent	622	1,119
Liabilities to banks – current	497	497
	1,119	**1,616**

In the 2022 fiscal year, Intershop entered into an unsecured loan agreement with UniCredit Bank AG in the amount of EUR 2,487 thousand over a term of five years with a fixed interest rate of 2.24% p.a. and a constant quarterly repayment rate.

(11) Contract liabilities

Contract liabilities relates to prepayments by customers, primarily in the form of revenue from maintenance and cloud agreements and are deemed contractual obligations as defined in IFRS 15. Deferred revenue is reversed and revenue is recognized in the period in which the service was provided by Intershop. In the case of current deferred revenue, reversal and recognition take place within a year. No variable consideration is included. The amount of EUR 6,872 thousand included in the current deferred revenue as at December 31, 2023 was recorded as revenues in the 2024 fiscal year (2023: EUR 4,971 thousand). As permitted under IFRS 15, no additional disclosures regarding remaining service obligations are made due to the fact that the disclosed service obligations are expected to be due originally within one year.

(12) Other liabilities

Other non-current liabilities in the amount of EUR 1,922 thousand (December 31, 2023: EUR 2,050 thousand) include contingent considerations from the acquisition of Sparque B.V. in fiscal year 2022.

Other current liabilities include:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
Liabilities from outstanding vacation entitlement	920	967
Liabilities to employees	701	439
Other VAT and wage tax liabilities	519	674
Contingent considerations	289	289
Other liabilities relating to social security benefits	46	54
Liabilities to the Occupational Health and Safety Agency	8	67
Other liabilities	586	408
	3,069	**2,898**

Liabilities to employees mainly include liabilities from commissions and performance-based remuneration. The other liabilities do not include any refund obligations.

(13) Other provisions

Other current provisions amounted to EUR 388 thousand (Dec 31, 2023: EUR 348 thousand).
The following table shows the development of other current provisions:

in EUR thousand	Guarantee	Other	Total
Balance at January 1, 2024	**130**	**218**	**348**
Additions	110	278	**388**
Utilization	(130)	(218)	**(348)**
Balance at December 31, 2024	**110**	**278**	**388**

The other accrued liabilities primarily relate to impending losses from projects. With the exception of the warranty provision, full outflow is expected in 2025. For estimation uncertainties for impending losses from projects, we refer to the section “Estimates and discretionary decisions.”

Notes to the Individual Items of the Statement of Comprehensive Income

(14) Revenues

The Company generated revenues from software licenses and the corresponding maintenance services, as well as from providing cloud services and consulting services. Revenues of EUR 38,760 thousand (2023: EUR 37,987 thousand) are divided into software and cloud revenues and service revenues as follows:

in EUR thousand	2024	2023
Licenses	2,511	1,144
Maintenance	6,863	7,055
Cloud and Subscription	20,475	16,183
Software and Cloud Revenues	**29,849**	**24,382**
Service Revenues	**8,911**	**13,605**
Total Revenues	**38,760**	**37,987**

The breakdown of the recognized revenue into categories corresponds to the representation in segment reporting. We refer to Chapter “Segment reporting” in Section “Other disclosures”. Revenues are recognized for licenses at a specific point in time, and for all other revenues essentially over a specific period of time.

(15) Cost of revenues

Cost of revenues is divided into cost of product revenues and cost of service revenues analogous to revenues; these costs are broken down as follows:

in EUR thousand	2024	2023
Licenses	1,516	1,707
Maintenance	2,473	2,515
Cloud and Subscription	7,071	6,798
Cost of revenues – Software and Cloud	**11,060**	**11,020**
Cost of revenues – Services	**10,013**	**11,163**
Total cost of revenues	**21,073**	**22,183**

The cost of revenues for licenses primarily include the amortization of software development costs.

(16) Research and development expenses

Research and development expenses comprise all expenses attributable to R&D activities, with personnel expenses accounting for the majority of this item. Research and development costs decreased by 3% from EUR 6,933 thousand to EUR 6,710 thousand. Research and development costs correspond to 17% of sales (2023: 18%).

(17) Sales and marketing expenses

Sales and marketing expenses primarily consist of personnel costs for sales and marketing employees, sales commissions, expenditures for sales partners, costs for various customer and partner events or expenses for market research. Sales and marketing expenses decreased by 12% from EUR 8,392 thousand to EUR 7,385 thousand, mainly due to lower marketing expenses and personnel costs. The share of sales and marketing expenses in total sales fell to 19% (2023: 22%).

(18) General and administrative expenses

General and administrative expenses mainly comprise personnel and non-personnel expenses as well as depreciation and amortization that relates to administration. They include the cost of investor relations activities as well as all legal expenses. General administrative expenses rose slightly from EUR 3,240 thousand to EUR 3,291 thousand, mainly due to higher consulting costs. As in the prior year, general and administrative expenses accounted for 9% of total revenue.

(19) Other operating income

Other operating income is composed of the following items:

in EUR thousand	2024	2023
Income from currency translation gains	139	219
Income from government grants	54	43
Gains from the disposal of fixed assets	1	0
Miscellaneous	350	231
	544	**493**

The income from government grants was paid out in 2024. Of these grants, EUR 8 thousand relate to a research and development project funded by the German Federal Ministry of Education and Research. In addition, the Australian subsidiary received a tax research allowance of EUR 46 thousand for a research and development project. Income from currency gains of EUR 93 thousand is attributable to financial instruments.

(20) Other operating expenses

Other operating expenses relate to the following items:

in EUR thousand	2024	2023
Currency translation losses	91	114
Expenses from allowances	48	65
Other taxes	1	1
Miscellaneous	632	86
	772	**266**

Expenses from currency translation losses of EUR 78 thousand were attributable to financial instruments. Other expenses include one-off expenses of EUR 547 thousand for staff reduction measures.

(21) Interest income and Interest expenses

Interest income amounted to EUR 125 thousand (2023: EUR 55 thousand) and primarily included interests from short-term time deposits and bank loans.

Interest expenses amounted to EUR 494 thousand (2023: EUR 532 thousand) and resulted from interest expenses for liabilities to banks for the 2024 fiscal year in the amount of EUR 32 thousand, EUR 84 thousand for the option bond, EUR 183 thousand for contingent considerations as well as interest expenses for leasing liabilities in the amount of EUR 195 thousand.

(22) Income taxes

Income tax liabilities amounted to EUR 16 thousand as at the balance sheet date (12/31/2023: EUR 37 thousand) and relate to foreign income taxes for 2024. Income tax receivables amounted to EUR 60 thousand (12/31/2023: EUR 18 thousand). This includes receivables from capital gains tax in the amount of EUR 40 thousand (12/31/2023: EUR 12 thousand). The other income tax receivables relate to foreign companies.

The Company recognizes and measures income taxes using the balance sheet liability method in accordance with IAS 12. Deferred taxes are calculated at the respective national income tax rates. The calculation of deferred taxes for the domestic companies for December 31, 2024 was based on a corporate income tax rate of 15% (2023: 15%) plus the solidarity surcharge of 5.5% (2023: 5.5%) and an effective expected trade tax rate of 15.584% (2023: 15.487%). The change in the trade tax rate is the result of higher assessment rates under trade tax law.

The Group's income taxes are broken down as follows:

in EUR thousand	2024	2023
Current taxes		
Abroad	46	85
Germany	0	2
Deferred taxes		
Abroad	11	(16)
	57	**71**

The Group tax rate of 31.409% applicable in fiscal year 2024 (2023: 31.312%) was multiplied by IFRS earnings before taxes to calculate the expected tax expense. Tax rates in a bandwidth from 16% to 30% were taken into account for the foreign subsidiaries.

The tax rate reconciliation contains the following details:

in EUR thousand	2024	2023
IFRS pretax income	(296)	(3,011)
Corporate tax rate	31.409%	31.312%
Expected tax expense/ tax income	(93)	(943)
Effects of changes in tax rates and different rates of foreign taxation	(6)	(27)
Change in the ability to utilize deferred tax assets in the future	42	958
Permanent effects including foreign withholding tax	114	82
Others	0	1
Income taxes	**57**	**71**

The components of the deferred tax assets were as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
Taxes on eligible loss carryforwards	1,491	1,494
Inventories/Receivables	248	130
Prepaid expenses	3	7
Provisions/Liabilities	197	187
Leasing liabilities	2,473	2,575
Deferred tax assets	**4,412**	**4,393**
Offset	(4,306)	(4,272)
Deferred tax assets after offset	**106**	**121**
Intangible assets	1,395	1,423
Receivables	515	232
Liabilities/advances received	9	116
Right of use IFRS 16	2,387	2,496
Warrant bond	0	5
Deferred tax liabilities	**4,306**	**4,272**
Offset	(4,306)	(4,272)
Deferred tax liabilities after offset	**0**	**0**
Net deferred tax assets	**106**	**121**

Deferred tax assets are recognized for temporary differences and for tax loss carryforwards in the amount of the expected reduction in tax expense in subsequent fiscal years to the extent that it is probable that they will be used. As at December 31, 2024, deferred tax assets were only recognized in accordance with IAS 12.35 in the amount of taxable profit from temporary differences that will be available in the future.

Deferred taxes on balance sheet differences, with the exception of deferred tax liabilities on intangible assets, are short-term deferred taxes that reverse in the following year. Deferred tax liabilities on intangible assets are realized over a depreciation period of three years. Deferred taxes on loss carryforwards are basically to be regarded as long-term. Deferred tax liabilities for withholding taxes on capital for subsidiaries were not recognized. Of the deferred tax assets of EUR 4,412 thousand (2023: EUR 4,393 thousand), EUR 448 thousand (2023: EUR 324 thousand) are expected to be realized within the next twelve months. Of the deferred tax liabilities amounting to EUR 4,306 thousand (2023: EUR 4,272 thousand), EUR 523 thousand (2023: EUR 348 thousand) are expected to be realized within the next twelve months.

For the year ended December 31, 2024, the Company had net loss carryforwards for tax reporting purposes in various tax jurisdictions as follows:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
U.S. Federal	5,117	6,713
U.S. State	3,769	4,397
German corporate income tax	314,026	314,104
German municipal trade tax	300,578	301,071
Others	367	237

U.S. federal and state loss carryforwards are subject to a time limit and expire in various fiscal years through 2042. In the 2024 financial year, the change in loss carryforwards in the U.S. is mainly due to the forfeiture of U.S. taxes. Additional effects can be attributed to currency translation and ongoing use. Deferred taxes on foreign loss carryforwards were not recognized. The change in losses carried forward results from the utilization of losses carried forward in Germany. With regard to the remaining German loss carryforwards, no deferred tax assets were recorded for income tax purposes in the amount of EUR 309,214 thousand (2023: EUR 308,582 thousand) and for trade taxes in the amount of EUR 295,900 thousand (2023: EUR 295,663 thousand).

(23) Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

in EUR thousand	2024	2023
Basis for calculating the undiluted earnings per share (earnings after tax)	**(353)**	**(3,082)**
Basis for calculating the diluted earnings per share	**(353)**	**(3,082)**

in thousand	2024	2023
Weighted average of common shares (undiluted)	**14,582**	**14,554**
Effect of the conversion of the warrant bonds	0	0
Weighted average of common shares (diluted)	**14,582**	**14,554**

in EUR	2024	2023
Earnings per share (basic, diluted)	**(0.02)**	**(0.21)**

If the diluted earnings reduce the loss per share or increase earnings per share, an adjustment is made to the amount of basic earnings per share (antidilutive effect) in accordance with IAS 33.43.

Notes to the Cash Flow Statement

Cash comprises exclusively the cash and cash equivalents reported in the balance sheet. Restricted cash was not included. In the cash flow statement, cash flows are classified into net cash provided by/used in operating, investing, and financing activities. Cash flows from operating activities are calculated on the basis of earnings before tax, adjusted for noncash income and expenses, finacial result, depreciation and amortization and of the changes in operating assets and liabilities compared with last year's balance sheet. Cash flow from current operating activities includes the interest paid on the warrant bond, the bank loan and the leasing liabilities.

The cash inflow from operating activities amounted to EUR 2,110 thousand in 2024 compared to EUR 2,951 thousand in 2023. This is mainly due to an increase in trade receivables. The cash outflow from investing activities increased from EUR 1,139 thousand in the previous year to EUR 1,368 thousand due to higher payments for investments in intangible assets. The cash outflow from financing activities amounted to EUR 2,057 thousand (2023: EUR 1,987 thousand). The repayment of leasing liabilities included in this figure increased to EUR 1,560 thousand (2023: EUR 1,490 thousand). As in the previous year, the repayment of the loan issued in 2022 amounted to EUR 497 thousand. As at the balance sheet date, Intershop had freely available cash and cash equivalents of EUR 8,695 thousand (December 31, 2023: EUR 10,047 thousand).

The changes in the balance sheet items used to determine the cash flow statement are not immediately evident from the balance sheet because effects from currency translation and from changes in the basis of consolidation do not impact cash and are eliminated.

Other Disclosures

Segment reporting

Segment reporting from January 1 to December 31, 2024

in EUR thousand	Europe	USA	Asia/ Pacific	Consoli- dation	Group
Revenues from external customers					
Software and Cloud Revenues	**21,752**	**6,138**	**1,959**	**0**	**29,849**
Licenses and Maintenance	**8,392**	**520**	**462**	**0**	**9,374**
Licenses	2,497	0	14	0	2,511
Maintenance	5,895	520	448	0	6,863
Cloud and Subscription	**13,360**	**5,618**	**1,497**	**0**	**20,475**
Service Revenue	**6,035**	**1,676**	**1,200**	**0**	**8,911**
Total revenues from external customers	**27,787**	**7,814**	**3,159**	**0**	**38,760**
Intersegment revenues	3,196	209	12	(3,417)	0
Total revenues	**30,983**	**8,023**	**3,171**	**(3,417)**	**38,760**
Cost of revenues	15,108	4,248	1,718	0	21,073
Gross profit	**12,679**	**3,566**	**1,442**	**0**	**17,687**
Operating expenses, operating income	12,627	3,551	1,436	0	17,614
Result from operating activities	**52**	**15**	**6**	**0**	**73**
Financial result					(369)
Earnings before tax					**(296)**
Income taxes					(57)
Earnings after tax					**(353)**
Assets	**26,837**	**7,547**	**3,051**	**0**	**37,435**
Additions to non-current assets	**1,542**	**434**	**175**	**0**	**2,151**
Liabilities	**18,965**	**5,333**	**2,156**	**0**	**26,454**
Depreciation and amortization	**2,302**	**648**	**262**	**0**	**3,212**

Segment reporting from January 1 to December 31, 2023

in EUR thousand	Europe	USA	Asia/ Pacific	Consoli- dation	Group
Revenues from external customers					
Software and Cloud Revenues	**17,992**	**4,579**	**1,811**	**0**	**24,382**
Licenses and Maintenance	**7,155**	**572**	**471**	**0**	**8,199**
Licenses	1,126	0	18	0	1,144
Maintenance	6,030	572	453	0	7,055
Cloud and Subscription	**10,837**	**4,007**	**1,340**	**0**	**16,183**
Service Revenue	**10,094**	**2,154**	**1,357**	**0**	**13,605**
Total revenues from external customers	**28,086**	**6,732**	**3,168**	**0**	**37,987**
Intersegment revenues	1,829	343	0	(2,172)	0
Total revenues	**29,915**	**7,075**	**3,168**	**(2,172)**	**37,987**
Cost of revenues	16,402	3,931	1,850	0	22,183
Gross profit	**11,685**	**2,801**	**1,318**	**0**	**15,804**
Operating expenses, operating income	13,558	3,250	1,530	0	18,338
Result from operating activities	**(1,873)**	**(449)**	**(211)**	**0**	**(2,534)**
Financial result					(477)
Earnings before tax					**(3,011)**
Income taxes					(71)
Earnings after tax					**(3,082)**
Assets	**28,121**	**6,741**	**3,172**	**0**	**38,034**
Additions to non-current assets	**1,107**	**265**	**125**	**0**	**1,497**
Liabilities	**19,716**	**4,726**	**2,224**	**0**	**26,666**
Depreciation and amortization	**2,517**	**603**	**284**	**0**	**3,404**

The segment reporting is prepared in accordance with IFRS 8, Operating Segments. Segmentation reflects the internal management (revenue and EBIT) and reporting by the Company's management. The operating segments were determined mainly by the different geographical regions in which business activities take place. In this context, Intershop distinguishes between the Europe, USA, and Asia-Pacific segments. The business segments that must be reported generated their revenues on the one hand from software and cloud revenues, which also include the sale of software licenses and associated maintenance and cloud and subscription revenues. On the other hand, they generate revenues from consulting and training services.

The operating segments are broken down as follows:
The segment "Europe" includes the sales activities of INTERSHOP Communications AG, Intershop Communications SARL and Sparque B.V. The segment "USA" includes the sales activities of Intershop Communications Inc. mainly in North America as well as the sales activities of INTERSHOP Communications AG in this region. The segment "Asia/Pacific" includes the sales activities of the Group in that region, including the sales activities of Intershop Communications Australia Pty Ltd. The segment "Consolidation" includes all transactions in the individual segments.

Notes to the content of the individual line items:

- Revenues from external customers represent revenues from the segments with third parties outside the Group and the segment allocation is based on the country in which the customer is headquartered.
- Intersegment revenues include revenues from intersegment relationships. These revenues are recognized in the same way as those from external third parties.
- The cost of revenues comprises the costs attributed to each operating segment for generating its revenues.
- Gross profit, which is calculated as the difference between segment revenues and the cost of revenues, is the first assessment level for management decisions.
- Operating expenses and income comprise research and development expenses, sales and marketing costs, general and administrative expenses, and other operating expenses and income that are attributable to the relevant segments. Other operating expenses and income also include the effects of one-time and currency losses and gains.
- The result from operating activities (EBIT), which is the gross profit or loss less operating expenses and income, forms the basis for assessing the performance of the segments.
- Interest income and income taxes are not allocated to the segments as the relevant transactions are managed by the Group.
- Segment assets comprise the Intershop Group's noncurrent and current assets that are allocated to the respective segment on the basis of the percentage revenue breakdown. No other measurement of segment assets is used.
- Segment liabilities comprise the Intershop Group's noncurrent and current liabilities that are allocated to the respective segment on the basis of the percentage revenue breakdown. No other measurement of segment liabilities is used.
- Depreciation and amortization relates to the depreciation and amortization of the segment assets allocated to the individual regions.
- In 2023 and 2024, there were no significant non-cash expenses and income.

All amounts reported in the "Group" column in the segment reporting reflect the Group figures from the statement of comprehensive income or the balance sheet. Adding together the amounts for the operating segments produces the Group figures after elimination of the interim segment revenues.

The Company is domiciled in Germany. Revenues from external customers that were generated in Germany amounted to EUR 12,031 thousand (2023: EUR 15,322 thousand). Revenues of EUR 26,729 thousand (2023: EUR 22,665 thousand) were recorded from external customers in other countries. The amount of EUR 6,989 thousand of the revenues relates to customers in the USA (2023: EUR 5,815 thousand). In fiscal years 2023 and 2024, there were no relations with individual customers whose percentage of total sales was at least 10% of the total group revenues. Total noncurrent assets excluding deferred taxes amounted to EUR 22,168 thousand (Dec. 31, 2023: EUR 22,363 thousand) in Germany and EUR 523 thousand (Dec. 31, 2023: EUR 665 thousand) in other countries.

Litigations/contingent liabilities

Intershop is not aware of any pending legal disputes as at the balance sheet date. In a few cases, claims could be asserted against the company. Should this lead to legal disputes, a negative outcome could adversely affect the company's earnings situation. All legal fees would be treated as expenses if there were a reasonable certainty that a payment obligation exists and the amount thereof could be estimated reliably.

Financial instrument disclosures

Intershop is exposed to certain risks with regard to its assets, liabilities, and transactions, in particular liquidity and default risk. The Company's risk management system is explained in detail in the management report. The Company manages its capital structure with the aim of achieving its corporate goals through financial flexibility. The Group's overall strategy is unchanged compared to the prior year. In total, the capital structure has changed as follows:

in EUR thousand	**Dec. 31, 2024**	**Dec. 31, 2023**	as a % of previous year
Equity	10,981	11,368	-3%
Liabilities to banks	1,119	1,616	-31%
Trade accounts payable	2,484	1,960	27%
Warrant Bond	2,259	2,242	1%
Leasing liabilities	8,159	8,643	-6%
Contingent considerations	2,211	2,339	-5%
Other liabilities	10,222	9,866	4%
Equity ratio	29%	30%	

The equity ratio is the ratio of equity to total assets.

Categories of financial instrument

The following table shows the classification of financial instruments required by IFRS 7 as well as the fair values of the financial instruments that are recognized in the balance sheet at amortized cost and their carrying amounts:

in EUR thousand	Dec. 31, 2024	Dec. 31, 2023
Measurement	**Carrying amount**	**Carrying amount**
Measured at amortized cost		
Financial assets		
Other noncurrent assets	475	506
Trade receivables	5,566	3,884
Restricted cash	244	246
Cash and cash equivalents	8,695	10,047
Financial liabilities		
Trade payables	2,484	1,960
Liabilities to banks	1,119	1,616
Warrant Bond	2,259	2,242
Leasing Liabilities	8,159	8,643
Contingent considerations	2,211	2,339
Other current liabilities	945	639

Carrying amount aggregated by measurement category	Dec. 31, 2024	Dec. 31, 2023
Financial assets measured at amortized cost	14,980	14,683
Financial liabilities measured at amortized cost	17,177	17,439

Net gain/loss per measurement category	2024	2023
Financial assets measured at amortized cost	(48)	(65)
Financial liabilities measured at amortized cost	(494)	(532)

There was no regrouping between the categories in the reporting year. With regard to the existing financial instruments, with the exception of liabilities to banks, the option bond, leasing liabilities and contingent considerations, the contractually agreed maturities are essentially within one year of the balance sheet date. Therefore, their book values on the balance sheet date correspond to the fair values. For option bond liabilities, the fair values are determined based on the stock market price (as 12/31/2024: EUR 1,806 thousand). For liabilities from contingent considerations, the fair values of the anticipated cash flows are assessed on the basis of the contractual agreements and company knowledge. With regard to the liabilities to banks, the fair values are calculated as the present values of the payments associated with the liabilities based on market interest rates (12/31/2024: EUR 1,112 thousand). The fair value of the financial liability for the purpose of providing information in the Notes was calculated on the basis of Level 2 of the Fair Value Hierarchy (recognized DCF measurement method, using observable market parameters, in particular market interest rates).

Non-payment risks

The Company is exposed to a potential default risk mainly from its trade receivables. The Company applies the simplified approach according to IFRS 9 to measure the expected credit losses; as a result, the credit losses expected over the term for all trade receivables will be used. The expected credit losses were measured by summarizing the trade receivables based on common credit risk criteria and days in arrears. The Company expects a loss rate of almost 0% since the average default on receivables over the last nine years totaled 0.3% of the receivables. The Company performs ongoing creditworthiness checks on its customers. The default risk with regard to trade receivables is also mitigated by the fact that the Company has a broad customer base from various industries and business areas. Therefore, there is no recognizable concentration of default risks from business relationships with individual debtors or groups of debtors. In addition, the Company does not demand collateral for its receivables. Furthermore, outstanding receivables from customers are regularly monitored and measures are taken that should lead to a reduction in overdue payments. Creditworthiness is usually considered to have deteriorated if the debtor can no longer make their payment obligations (indicator: > 90 days overdue) or the overall situation of the debtor deteriorates. The loss of a customer leads to the value of all outstanding items with this customer being adjusted. The loss of a customer is determined based on an individual assessment; the first indicator is outstanding payments being more than 90 days overdue or specific indications, such as filing for insolvency or a legal dispute.

The Company’s cash and cash equivalents are largely invested with German, U.S. American banks and Australian banks in secure investments. There is no significant default risk here. The Company regularly monitors current and future returns. The maximum default risk relating to financial assets is their carrying amounts in the balance sheet.

Liquidity risk

The Company monitors the liquidity risk with regularly updated short- and medium-term financial planning activities. In the 2022 fiscal year, Intershop took out a bank loan of EUR 2,487 thousand. Since the loan is repaid quarterly, EUR 1,368 thousand was repaid as scheduled by the end of the 2024 fiscal year. For the option bond issued in the 2020 fiscal year in the amount of EUR 3,108 thousand, a partial repayment of EUR 850 thousand was made in 2023. The remaining amount of EUR 2,258 thousand is due at the end of the term in July 2025 or when exercising the warrants with simultaneous termination of the bond, whereby in case of the latter, Intershop has a corresponding liquidity inflow in the same amount. The bank balances on the balance sheet date totaled EUR 8,695 thousand. There are no risk concentrations.

The change in financial liabilities in connection with financing activities is as follows:

in EUR thousand	Dec. 31, 2023	Cash-effective change	Non-cash effective change: Reclassifi-cations	Non-cash effective change: interest effects	Non-cash effective change: Additions/ change from measurement*	Dec. 31, 2024
Noncurrent financial liabilities						
Liabilities to banks - noncurrent	1,119		(497)			**622**
Warrant bond	2,242		(2,242)			**0**
Leasing liabilities - noncurrent	7,119		(1,359)		1,129	**6,889**
Current financial liabilities						
Liabilities to banks - current	497	(497)	497			**497**
Warrant bond	0		2,242	17		**2,259**
Leasing liabilities - current	1,524	(1,560)	1,359		(53)	**1,270**
Gesamt	**12,501**	**(2,057)**	**0**	**17**	**1,076**	**11,537**

* for leasing liabilities

The following table shows the future undiscounted cash flows of financial liabilities that will affect the Company's future liquidity situation:

in EUR thousand	Carrying amount at Dec. 31, 2023	Cash flow in 2024	Carrying amount at Dec. 31, 2024	Cash flow in 2025	Cash flow 2026 to 2029	Cash flow after 2029
Liabilities to banks	1,616	529	**1,119**	518	632	0
Trade accounts payable	1,960	1,960	**2,484**	2,484	0	0
Warrant bond	2,242	68	**2,259**	2,326	0	0
Leasing liabilities	8,643	1,755	**8,159**	1,450	3,925	3,617
Contingent considerations	2,339	300	**2,211**	300	2,300	0
Other current liabilities	639	639	**945**	945	0	0

Interest rate risk

An interest rate risk could arise from a change in market interest rates for medium- or long-term liabilities. Since the Company has agreed to a bank loan and option bond with a fixed interest rate over the term, there is no interest risk and no risk concentration for Intershop.

Currency risk

Certain transactions in the Intershop Group are denominated in foreign currencies. This leads to risks from exchange rate fluctuations. If required, Intershop hedges invoices in foreign currencies with currency options. As of the balance sheet date, there were no currency options. Intershop is primarily exposed to exchange rate risk relating to the U.S. dollar and the Australian dollar. There are no risk concentrations. The carrying amount of the Group's monetary assets and liabilities denominated in these currencies was as follows at the balance sheet date:

	Assets		Liabilities	
in EUR thousand	**2024**	**2023**	**2024**	**2023**
in USD	11	18	0	107
in AUD	0	0	0	0

The following table shows the sensitivity of a 10% rise or fall in the euro against the two currencies from the Group's perspective and their effects on earnings after tax and equity. The sensitivity analysis merely comprises outstanding monetary items denominated in foreign currency and adjusts their translation at the end of the period to reflect a 10% change in the exchange rates.

	Earnings after tax/ equity USD		Earnings after tax/ equity AUD	
in EUR thousand	**2024**	**2023**	**2024**	**2023**
Change due to 10% appreciation of the euro	0	10	0	0
Change due to 10% depreciation of the euro	0	(12)	0	0

Climate risks

Intershop has reviewed whether there are climate-related risks or opportunities and if they will have an impact on the current financial statements. This would be conceivable particularly relating to the market opportunities of Intershop products and services or even relating to the impairment test for the CGU. The company have considered whether climate events, regulations or climate-induced changes to the behavior of Intershop customers or Intershop customers' customers are likely to have an impact. Our analysis could not identify any current significant impact as the company believes that the Intershop products and services are still in demand regardless of climate developments.

Related party disclosures

Intershop maintained business relationships with the consolidated subsidiaries. The shareholders Shareholder Value Beteiligungen AG, Shareholder Value Management AG, Value Focus Beteiligungs GmbH, and Reiner Sachs (indirectly via Sachs Assets GmbH) collectively hold after their voluntary confirmation 34,72% of the voting rights according to the voting rights. In this respect, we refer to the Management Report, section "Disclosures pursuant to Sec. 289a HGB and Sec. 315a HGB together with the explanatory report pursuant to Sec. 176(1) sentence 1 of the Stock Corporations Act." The Chairman of the Supervisory Board of Intershop Frank Fischer is the Chairman of the Management Board of

Shareholder Value Management AG, member of the Management Board of Shareholder Value Beteiligungen AG (until February 28, 2025) and managing partner of Value Focus Beteiligungs GmbH. In July 2020, Intershop issued a warrant bond in the nominal amount of EUR 3,108,000 under the exclusion of the subscription rights of the existing shareholders (see section (8) “Warrant bond”). Shareholder Value Beteiligungen AG subscribed to 1,500 partial debentures at a purchase price of EUR 1,500,000. The interest payments in the 2024 fiscal year from the warrant bond issued to Shareholder Value Beteiligungen AG amounted to EUR 45 thousand (2023: EUR 45 thousand).

With respect to the remuneration for Supervisory Board and Management Board members, we refer to the Remuneration Report of INTERSHOP Communications AG. The remuneration of the Management Board consists of fixed, performance-based and variable, performance-based components. The variable remuneration includes performance-based one-year remuneration and performance-based multi-year remuneration, which are granted based on achieving certain targets. The variable remuneration is not paid out in full, but as a pro rata amount of 50% of the variable remuneration. The remaining 50% are allocated in virtual shares of the company (“phantom shares”) and paid out at the end of the term of the Management Board contract at the corresponding value. The short-term payments for members of the Management Board amounted to EUR 809 thousand in the 2024 financial year (2023: EUR 522 thousand). The share-based payments amounted to EUR 65 thousand (2023: EUR 0 thousand) and resulted from the valuation of the phantom shares granted at fair value as at the reporting date. Payments for the Supervisory Board are exclusively short-term payments and amounted to EUR 244 thousand (2023: EUR 200 thousand).

Disclosure requirements under German law

Members of the executive bodies

The Management Board comprised in 2024 the following members:

Name	Function	Term of office
Markus Klahn	CEO of the Management Board	since 05/06/2021 (member since 04/09/2018)
Petra Stappenbeck	CFO of the Management Board	since 01/01/2023
Markus Dränert	COO of the Management Board	since 12/01/2023

The Supervisory Board comprised the following members in 2024:

Name	Function	Term of Office
Frank Fischer	Chairman of the Supervisory Board	since 12/01/2022
Ulrich Prädel	Vice Chairman of the Supervisory Board	since 12/01/2016 (Vice Chairman since 12/16/2016)
Univ.-Prof. Dr. Louis Velthuis	Member of the Supervisory Board, Chairman of the Audit Committee	since 06/02/2016
Oliver Bendig	Member of the Supervisory Board	05/16/2022 to 12/31/2024

Please refer to the annual financial statements of INTERSHOP Communications AG for information on memberships in other supervisory boards and control bodies. The total remuneration granted to the members of the Management Board amounted to EUR 862 thousand in the 2024 financial year (2023: EUR 522 thousand). Of this, EUR 738 thousand (2023: EUR 504 thousand) was attributable to the fixed, non-performance-related remuneration and EUR 124 thousand (2023: EUR 18 thousand) to the variable, performance-related components. The number of virtual shares granted to the members of the Management Board amounted to 37,521 shares as at December 31, 2024 (December 31, 2023: 0 shares). The fair value of the virtual shares at the grant date amounted to EUR 69 thousand. The members of the Supervisory Board were entitled to total remuneration of EUR 244 thousand in the 2024 financial year (2023: EUR 200 thousand). Of this, EUR 200 thousand (2023: EUR 200 thousand) was attributable to the fixed remuneration and EUR 44 thousand (2023: EUR 0 thousand) to the variable, performance-related component. Details on the remuneration of the Management Board and the Supervisory Board are presented in the remuneration report of INTERSHOP Communications AG. This is published on the website of the Company at https://www.intershop.com/de/verguetungssystem.

Directors' holdings and Securities transactions subject to reporting requirements

As of December 31, 2024, the following members of the Company's executive bodies held Intershop ordinary bearer shares:

Name	Function	Shares
Markus Klahn	CEO of the Management Board	13,366
Petra Stappenbeck	Member of the Management Board	2,000
Ulrich Prädel	Vice Chairman of the Supervisory Board	7,535
Univ.-Prof. Dr. Louis Velthuis	Member of the Supervisory Board, Chairman of the Audit Committee	35,000
Oliver Bendig	Member of the Supervisory Board	11,000

In the 2024 financial year, no reportable securities transactions involving Intershop ordinary bearer shares were carried out by members of the Company's executive bodies.

Employees

During the fiscal year 2024, Intershop Group had an average of 274 full-time employees, of whom 271 were salaried employees and 3 members of the executive bodies (2023: 302 full-time employees, of whom 300 were salaried employees and 2 member of the executive bodies). The employees are distributed over the following areas on an annual average:

	2024	**2023**
Technical Departments (Service Functions and Research Development)	207	228
Sales and marketing	39	46
General administration	25	26
	271	**300**

Personnel expenses and cost of materials

Personnel expenses totaled EUR 22,200 thousand (2023: EUR 22,968 thousand); of which EUR 19,216 thousand relate to wages and salaries (2022: EUR 19,766 thousand) and EUR 2,984 thousand to social security contributions (2023: EUR 3,202 thousand). Material expenses amounted to EUR 7,592 thousand (2023: EUR 8,298 thousand), EUR 7,277 thousand of which were expenses for purchased services (2023: EUR 7,952 thousand).

Auditor´s fees

The fees incurred for the services rendered by the auditor for the 2024 fiscal year were comprised of EUR 175 thousand for audit services (2023: EUR 181 thousand).

Events subsequent to the balance sheet date

No material events that must be reported occurred after the balance sheet date.

Declaration of Conformity

The Company has issued a declaration of conformity as required by section 161 of the Aktiengesetz by the annual deadline on December 19, 2024, and made this declaration permanently available to its stockholders at https://www.intershop.com/en/corporate-governance.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Jena, March 6, 2025

The Management Board of INTERSHOP Communications Aktiengesellschaft

M. Klahn Stappenbeck M. Dränert

Markus Klahn Petra Stappenbeck Markus Dränert

Independent Auditor's Report

To INTERSHOP Communications Aktiengesellschaft, Jena

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of INTERSHOP Communications Aktiengesellschaft, Jena, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2024 to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information.

In addition, we have audited the combined management report of INTERSHOP Communications Aktiengesellschaft for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in section “OTHER INFORMATION”.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter “IFRS Accounting Standards”) as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the group as at 31 December 2024, and of its financial performance for the financial year from 1 January 2024 to 31 December 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in section “OTHER INFORMATION”.

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2024 to 31 December 2024 These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.
We have identified the following matters as key audit matters to be disclosed in our auditor's report:
1. Recoverability of goodwill
2. Recognition and measurement of internally generated intangible assets
3. Revenue recognition an allocation of revenue to correct periods

1. RECOVERABILITY OF GOODWILL

Matter

In the consolidated financial statements of INTERSHOP Communications Aktiengesellschaft, goodwill of EUR 7,533 thousand is reported under the "Intangible assets" balance sheet item, accounting for 20.1% of the consolidated balance sheet total. The goodwill was allocated to cash-generating units.

The goodwill is subjected to an impairment test at least once a year at the level of the cash-generating unit to which the respective goodwill is allocated, or more frequently if there are indications of impairment. The valuation is carried out using a valuation model based on the discounted cash flow method. If the carrying amount of a cash-generating unit is higher than its recoverable amount, an impairment loss is recognized on the carrying amount of the respective goodwill in the amount of the difference.

The assessment of the recoverability of goodwill is complex and requires estimates and judgments by management, particularly with regard to the amount of future cash inflows, the growth rate for forecasting cash flows beyond the detailed planning period and the discount rate to be applied. Due to the significance of goodwill for the consolidated financial statements of INTERSHOP Communications AG and the uncertainties associated with its valuation, this is a key audit matter.

The disclosures of INTERSHOP Communications Aktiengesellschaft on goodwill are contained in the sections "Goodwill" and "Impairment of assets" in the accounting policies and in the notes on the individual items of the balance sheet under "(1) Intangible assets" of the consolidated financial statements.

Auditor's Response and Observations

As part of our audit, we assessed the appropriateness of the significant discretionary assumptions and parameters as well as the calculation method of the impairment tests with the involvement of our valuation specialists. We have gained an understanding of the planning system and the planning process, including the significant assumptions made by the legal representatives in the planning. We have reconciled the forecast of future cash inflows in the detailed planning period with the multi-year planning approved by the Supervisory Board and have satisfied ourselves of the adherence to the planning by analyzing deviations from the planned figures in the past and in the current financial year. We verified the assumptions on which the planning is based and the growth rates assumed in the forecast of cash flows beyond the detailed planning period by comparing them with past developments and current industry-specific market expectations. In addition, we checked the discount rates used for plausibility on the basis of the average capital costs of a peer group. We performed sensitivity analyses to assess the impact of possible changes in the cost of capital and the assumed growth rates.

Overall, we were able to satisfy ourselves that the assumptions made by the executive directors when performing the impairment test and the valuation parameters used are comprehensible and within an acceptable range.

2. RECOGNITION AND MEASUREMENT OF INTERNALLY GENERATED INTANGIBLE ASSETS

Matter

In the consolidated financial statements of INTERSHOP Communications Aktiengesellschaft, internally generated intangible assets amounting to kEUR 4,442 are reported, which accounts for 11.9% of the consolidated balance sheet total.

The internally generated intangible assets relate to self-developed INTERSHOP software solutions that are capitalized in accordance with IAS 38. The capitalizability of internally generated product developments is dependent on the criteria of IAS 38.57, i.e. the technical feasibility of the intangible asset, the company's intention to complete, the intention to sell or use, the company's ability to use or sell the asset, the demonstration of the manner in which the asset generates an economic benefit, the availability of technical, financial and other resources to complete the asset, and the ability of the company to measure the intangible asset reliably during its development. The initial recognition is based on the cost of production. The subsequent measurement is based on the cost model. On each reporting date, an estimate is made as to whether there are indications of possible impairment.

The assessment of the recognition and measurement of internally generated intangible assets requires estimates and assumptions to be made by the executive directors. Due to the high significance of the internally generated intangible assets for the consolidated financial statements of INTERSHOP Communications Aktiengesellschaft in terms of the amounts involved, as well as the high degree of uncertainty associated with their recognition and measurement, this is a key audit matter.

The disclosures of INTERSHOP Communications Aktiengesellschaft on internally generated intangible assets are contained in the sections "Internally generated software" and "Impairment of assets" in the accounting policies and in the notes on the individual items of the balance sheet under "(1) Intangible assets" of the consolidated financial statements.

Auditor's Response and Observations

As part of our audit, we assessed the internal processes and controls for recording intangible assets and the methodical procedure for calculating, accounting for and measuring the capitalized development costs. We also evaluated the fulfillment of the capitalization requirements for individual projects based on the recognition criteria of IAS 38.57. We assessed the amount of capitalized development costs and the recoverability of the recognized intangible assets on the basis of the evidence provided to us. We conducted interviews with the persons responsible regarding the progress of the project and the allocation of costs. In doing so, we also inspected project documents in order to satisfy ourselves that the allocation of project hours was proper and to understand the progress of the project.

We tested the recoverability of the intangible assets on the basis of internal forecasts regarding future returns from software licensing, and thus assessed the future recoverability and the appropriateness of the underlying estimates and planning assumptions.

Overall, we were able to satisfy ourselves that the valuation parameters and assumptions applied by the executive directors are comprehensible and sufficiently documented.

3. REVENUE RECOGNITION AN ALLOCATION OF REVENUE TO CORRECT PERIODS

Matter

In the consolidated financial statements of INTERSHOP Communications AG revenues of kEUR 38,760 are reported in the consolidated statement of comprehensive income.

The Group generates revenues from the provision and operation of systems of e-commerce systems. These consist of the sale of licenses and maintenance services, cloud and subscription services, as well as other services.

For the realization of revenues from the sale of licenses, the existence of a binding contractual agreement and the transfer of the essential rights to the buyer is decisive (revenue is recognized at a point in time). By contrast, maintenance revenues and revenues from the provision and operation of systems for online trading and the transfer of licenses (cloud and subscription) are realized over the service period. For cloud and subscription services, additional transaction-based or revenue-based fees and setup services are generally agreed when the contractual requirements are met or the service is provided.

Revenue from services provided as part of projects is recognized at the time the service is provided. These various services provided by the company may be the subject of contracts with customers individually or in various combinations.

The customer contracts underlying the recognition and deferral of revenue are complex, meaning that revenue recognition and deferral is based in part on assumptions and the judgment of the legal representatives.

Due to the high significance of revenues for the consolidated financial statements of INTERSHOP Communications Aktiengesellschaft and the complexity of revenue recognition and deferral, this is a particularly important audit matter.

The disclosures by INTERSHOP Communications AG on revenues are contained in the sections 'Estimates and judgments' and 'Revenues' in the accounting policies and in the sections '(11) Contract liabilities' and '(14) Revenues' in the notes to the consolidated financial statements.

Auditor's Response and Observations

As part of our audit, we have assessed the presentation of revenues in the consolidated financial statements using the accounting policies applied by INTERSHOP Communications Aktiengesellschaft in the context of IFRS 15. We have gained an understanding of the group-wide process for recognizing revenues from contracts with customers and have verified the procedure on the basis of the documentation provided to us. In doing so, we gained an understanding of the relevant internal controls for the correct identification of contracts and performance obligations and for the realization of revenues and assessed their appropriateness and implementation. In addition, we tested the effectiveness of the controls in relation to the prevention and detection of errors.

For a risk-oriented selection of individual contracts and for a sample of further transactions, we verified the identification of distinct performance obligations, the determination of the transaction price and its allocation to the distinct performance obligations and assessed revenue recognition. For fixed-price contracts, we evaluated the stage of completion and the estimated hours for completion on the basis of project documents.

On the basis of our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors regarding revenue recognition are comprehensible and sufficiently documented.

OTHER INFORMATION

The executive directors or the audit committee are responsible for the other information. The other information comprises:

- the separately published statement on corporate governance, to which reference is made in the section 'Corporate governance statement' in accordance with Section 289f HGB and Section 315d HGB of the combined management report

- the other parts of the annual report, except for the audited consolidated financial statements and combined management report as well as our auditor's report

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- materially inconsistent with the consolidated financial statements, with the combined management report, or our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i. e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The audit committee is responsible for overseeing the group’s financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal controls or these arrangements and measures.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the

combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with the IFRS Accounting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming the audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "intershop_KA-2024-12-31-DE.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January 2024 to 31 December 2024 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 No. 2 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The audit committee is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i. e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the general meeting on 16 May 2024. We were engaged by the audit committee on 19 December 2024. We have been the auditor of the consolidated financial statements of the INTERSHOP Communications Aktiengesellschaft without interruption since the financial year 2024.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format — including the versions to be published in the German Company Register — are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Christoph Eisner.

Erfurt, 6 March 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Uebensee	Eisner
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Financial Statements

Balance Sheet INTERSHOP Communications Aktiengesellschaft

in EUR	December 31, 2024	December 31, 2023
ASSETS		
Fixed Assets		
Intangible assets		
Internally developed software	4,442,479	4,545,964
Purchased software licenses	1,061,822	1,355,618
Property and equipment		
Other facilities, furniture, and equipment	273,726	422,172
Financial Assets		
Investments in affiliated companies	8,228,641	8,228,641
	14,006,668	**14,552,395**
Current Assets		
Inventories		
Work in process	791,081	414,798
Payments on account	0	29,297
	791,081	444,095
Receivables and other assets		
Accounts receivable	3,134,292	2,384,368
Receivables from affiliated companies	1,507,984	998,852
Other assets	82,584	63,294
	4,724,860	3,446,514
Cash-in-hand, bank balances	6,540,328	7,539,706
	12,056,269	**11,430,315**
Prepaid expenses	**717,604**	**635,146**
TOTAL ASSETS	**26,780,541**	**26,617,856**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity		
Common stock	14,582,291	14,582,291
Conditional capital: EUR 7,290,873 (prior year: EUR 7,290,873)		
Capital reserves	1,956,327	1,956,327
Revenue reserve		
Other revenue reserves	564,018	564,018
Accumulated deficit	(7,295,569)	(7,542,989)
	9,807,067	**9,559,647**
Accrued Liabilities		
Provisions for taxes	0	1,481
Other accrued liabilities	2,308,812	2,220,144
	2,308,812	**2,221,625**
Liabilities		
Loans		
of which loans convertible EUR 2,258,000 (prior year: EUR 2,258,000)	2,258,000	2,258,000
Bank loans	1,119,150	1,616,550
Customer advances	0	252,656
Trade payables	1,322,908	858,081
Payables to affiliated companies	608,255	662,362
Other liabilities	3,008,951	3,173,213
thereof from taxes: EUR 403,105 (prior year: EUR 565,217)		
thereof from social security benefits: EUR 22,416 (prior year EUR 20,305)		
	8,317,264	**8,820,862**
Deferred income	**6,347,398**	**6,015,722**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**26,780,541**	**26,617,856**

Statement of Operations of INTERSHOP Communications Aktiengesellschaft

	January 1 to December 31,	
in EUR	2024	2023
Revenues	31,225,250	30,451,260
Decrease in inventories of work in progress	376,282	(83,166)
Other own work capitalized	931,508	578,684
Other operating income	424,616	222,700
Cost of Materials		
Cost of purchased merchandise	(296,776)	(318,670)
Cost of purchased services	(6,002,336)	(6,103,915)
Personnel Costs		
Salaries	(15,227,338)	(15,112,218)
Social security contribution	(2,634,846)	(2,718,130)
Depreciation and amortization		
of intangible fixed assets and property and equipment	(1,602,984)	(1,818,824)
Other operating expenses	(7,799,450)	(8,366,317)
Income from other participations	961,827	0
thereof from affiliated companies: EUR 961,827 (prior year: EUR 0)		
Other interest and similar income	189,138	136,888
thereof from affiliated companies: EUR 77,725 (prior year: EUR 93,850)		
Interest and similar expenses	(297,009)	(314,964)
Taxes on income	(463)	(1,673)
Net income/net loss after tax/Net income/net loss for the year	**247,420**	**(3,448,345)**
Allocation to the retained earnings	(7,542,989)	(4,094,644)
Accumulated deficit	**(7,295,569)**	**(7,542,989)**

Notes to the Financial Statements

INTERSHOP Communications Aktiengesellschaft

General disclosures

INTERSHOP Communications Aktiengesellschaft ("Intershop", "Company") is an Aktiengesellschaft (German stock corporation) under German law based in Jena, Germany. The business adress is Steinweg 10, 07743 Jena, Germany. The company is listed in the Prime Standard segment on the German Stock Exchange in Frankfurt. INTERSHOP Communications AG is entered in the commercial register of the Jena Local Court under number HRB 209419.

The annual financial statements of INTERSHOP Communications Aktiengesellschaft for fiscal year 2024 are prepared in accordance with the provisions of the HGB (German Commercial Code) and the AktG (German Stock Corporation Act). The Company is a large listed corporation as defined by sec. 267 (3) HGB. The fiscal year corresponds with the calendar year. The income statement is prepared using total expenditure format. The company has prepared its annual financial statements on a going concern basis.

The financial statements have been prepared in Euros. Unless stated otherwise, the amounts are given as thousands of euros (EUR thousand). Figures are rounded to the nearest thousand and totals may not sum due to rounding.

Accounting Policies

The accounting policies presented below remained the same as in the prior year.

For internally generated internally developed Software, the capitalization option was exercised in accordance with sec. 248 (2) HGB.

Internally generated intangible assets classified as development costs of newly developed software products were measured at cost of production less depreciation. The cost of production includes the compulsory parts according to sec. 255 (2) HGB. Capitalization of software development costs generally begins when the technological feasibility of the product is established, which the Company defines with the compilation of the software functionalities considered as marketable to so-called PSIs (Potential Shippable Increment) and the definition of the EPICs (Features). The items were written off over the intended estimated useful life of three or six years from the time when the software was made available; the straight-line method was used. Impairment losses are recognized if the impairment in value is expected to be permanent.

Acquired intangible fixed assets and property, plant and equipment are carried at cost, less scheduled, straight-line depreciation and any required non-scheduled write-downs. Scheduled depreciation is recorded over the expected useful lives of the assets, which are between two and five years.

Low-value assets are written off in full in the year in which they are acquired as long as the cost does not exceed EUR 800.

Financial assets are entered at acquisition cost, reduced by the required value adjustments for impairments that are expected to be of a permanent duration. If the reasons for the write-downs no longer apply, the write-downs are reversed accordingly.

Inventories (work in process) are measured at cost. In addition to direct materials and labor costs, they include an appropriate share of the necessary indirect materials and labor costs. Payments already received for these services are identified as payments received. As at the balance sheet date, production costs are measured at the lower of production costs and fair value.

Prepayments, receivables and other assets are carried at their principal amounts, less any necessary valuation allowances. Foreign currency receivables are measured at their historical rate prevailing at the respective transaction date when added.

Cash is measured at its nominal value.

The prepaid expenses comprise outgoing payments in the fiscal year under review that represent expenses for a certain time in the following years. A discount paid relating to the issue of an option bond is reversed as expenses using the straight-line method over the term of this bond (5 years).

Common stock is stated at par value.

Accrued liabilities cover all recognizable risks and contingent liabilities and are measured in the amount dictated by prudent business practice. They are measured at the settlement value deemed necessary by prudent business practice. Price and cost increases have been accounted for in the computation.

Liabilities are stated at their settlement value. Foreign currency payables are measured at their historical rate prevailing at the respective transaction date when added. Payments received are reported at face value.

The deferred income comprises payments from customers in the fiscal year under review that represent revenue in the following years.

Assets and liabilities in foreign currency were translated at the average spot exchange rate on the balance sheet date. With a remaining term of more than one year, the realization principle (Sec. 252 (1) no. 4 clause 2 HGB) and the acquisition cost principle (Sec. 253 (1) sentence 1 HGB) are observed.

Deferred taxes are recognized on the differences in the valuations of the trade balance and the tax balance if these are expected to reduce in later fiscal years. Furthermore, deferred tax assets on the existing loss carryforwards under corporate and trade tax law are recognized if a loss offset is expected in the next five years. Differences between trade balance and tax balance as well as accumulated deficits carried forward result in deferred tax assets. Deferred taxes from temporary differences as specified in sec. 274 HGB resulted from the application of the tax rate of 31.409% (15.825% for corporate income tax including solidarity surcharge and 15.584% for trade tax) on the intangible assets and the other accrued liabilities. The Company did not make use of the option to account for the deferred tax assets pursuant to section 274(1) sentence 2 of the HGB (German Commercial Code).

Notes to the items in the annual financial statements

Balance Sheet

Fixed assets changed as follows:

	Intangible Assets		Tangible Assets	Financial Assets	Total
in EUR thousand	Internally developed Software	Purchased Software licenses	Other equipment, operating and office equipment	Shares in affiliated companies	
Costs of purchase or production					
Balance at January 1, 2024	14,315	3,681	2,327	44,603	64,926
Additions	965	46	48	0	1,059
Disposals	0	(82)	(212)	0	(294)
Balance at December 31, 2024	15,280	3,645	2,163	44,603	65,691
Depreciation, write-downs, and impairment losses					
Balance at January 1, 2024	9,769	2,325	1,905	36,375	50,374
Additions	1,068	340	195	0	1,603
Disposals	0	(82)	(211)	0	(293)
Balance at December 31, 2024	10,837	2,583	1,889	36,375	51,684
Net carrying amount at December 31, 2023	4,546	1,356	422	8,228	14,552
Net carrying amount at December 31, 2024	**4,442**	**1,062**	**274**	**8,228**	**14,007**

The addition to internally generated software results from the first-time capitalization of software development costs. Overall, development costs of EUR 7,675 thousand were incurred in the 2024 fiscal year, of which EUR 965 thousand were capitalized. The capitalization of the software development costs led to a restricted amount of EUR 4,443 thousand less deferred tax liabilities in the amount of EUR 1,395 thousand as set forth in Sec. 268 (8) HGB. The financial assets include EUR 4,818 thousand attributable to Intershop Communications Inc. and EUR 3,100 thousand to the shares in the Dutch company Sparque B.V.; the shares in Intershop Communications Inc. were written down to the lower fair value in previous years. There are no indications of a need to further adjust the values according to current corporate planning.

Inventories were written down by EUR 137 thousand (previous year: EUR 36 thousand).

Receivables from affiliated companies in the amount of EUR 400 thousand (prior year: EUR 400 thousand) resulted from Group financing; EUR 400 thousand (prior year: EUR 200 thousand) of these receivables fall due within more than one year. The other receivables from affiliated companies relate to current business service relationships. All other receivables and other assets have a remaining maturity of up to one year, as in the prior year.

The prepaid expenses include a discount in the amount of EUR 9 thousand (prior year: EUR 24 thousand) as of the balance sheet date. The nominal interest that was reduced due to the option right of the option bond issued in the 2020 fiscal year (overbearing interest) results in an equity share (Sec. 272 (2) No. 2 HGB). This was carried as a discount over the term (prepaid expenses) and added to the capital reserve as an additional payment to the partners in the relevant amount. The discount is reversed as expenses using the straight-line method over the term of the option bond (5 years).

The capital stock in the amount of EUR 14,582,291 (prior year: EUR 14,582,291) consists of 14,582,291 no-par value bearer shares. The calculated par value per share in the capital stock is EUR 1.00. The capital reserve remains unchanged from the previous year's balance sheet date at EUR 1,956 thousand. The accumulated deficit includes a loss carried forward from the previous year in the amount of EUR 7,543 thousand.

The other provisions mainly relate to outstanding invoices (EUR 700 thousand, prior year: EUR 654 thousand), variable remuneration components (EUR 529 thousand, prior year: EUR 286 thousand), as well as vacation accruals (EUR 405 thousand, prior year: EUR 483 thousand). The other provisions relate remuneration for the Supervisory Board, as well as imminent losses, and warranties.

Liabilities comprise the following:

in EUR thousand	Remaining term of up to one year Dec.31, 2024	Remaining term of more than one year Dec. 31, 2024	Total Dec. 31, 2024	Remaining term of up to one year Dec.31, 2023	Remaining term of more than one year Dec. 31, 2023	Total Dec. 31, 2023
Bonds	2,258	0	2,258	0	2,258	2,258
Bank loans	497	622	1,119	497	1,119	1,616
Advance payments received	0	0	0	253	0	253
Accounts payable	1,323	0	1,323	858	0	858
Liabilities to affiliated companies	608	0	608	662	0	662
Other liabilities	801	2,208	3,009	933	2,240	3,173
	5,488	**2,830**	**8,317**	**3,203**	**5,617**	**8,821**

As in the prior year, there are no liabilities with a remaining term of more than five years.

Liabilities from bonds remained unchanged from the previous year's balance sheet date at EUR 2,258 thousand. In the 2020 fiscal year, namely on July 24, 2020, the Management Board of INTERSHOP Communications AG, with the consent of the Supervisory Board, decided to issue a warrant bond in the nominal amount of EUR 3,108,000 under the exclusion of the subscription rights of the existing shareholders. The warrant bond contains a combination of a bond and warrants to obtain no-par value shares of the Company. The warrant bond has a term of five years (July 24, 2020 to July 23, 2025) with an interest rate of 3.00% p.a. and an ordinary notice of termination of two years by the bondholders, subject to the waiver of the corresponding warrants. Intershop can ordinarily terminate the partial warrant bonds early, in whole or in part, giving three months' notice if a change or amendment to tax laws and regulations of the Federal Republic of Germany or a change or amendment to these laws and regulations on the next interest payment date means that Intershop has to pay additional amounts. In the event of a termination, the repayment amount (= 100%) together with the accrued interest is due.

The holders of the warrants are entitled to subscribe to a total of 1,419,178 no-par value bearer shares from conditional capital of INTERSHOP Communications AG with a share of the capital stock on each share of EUR 1.00 per share. The option right can be exercised on any banking day from July 24, 2020 until the 10th business day before the date the partial warrant bonds become due. The option price per share is EUR 2.19. The warrant bond was fully allocated to the investors Shareholder Value Beteiligungen AG and AXXION S.A. on behalf of two fund clients.

The partial warrant bonds create direct, unconditional, non-subordinated, and unsecured liabilities of Intershop that are all ranked equally and, in the event Intershop is liquidated or becomes insolvent, are equal to all other existing and future unsecured and non-subordinated liabilities. Intershop is entitled at any time to acquire partial warrant bonds, either directly or indirectly, on the market or in any other way. Intershop can choose whether to keep, sell, or cancel the purchased partial warrant bonds.

Receivables from affiliated companies relate to deliveries of goods and services, as in the prior year. Other liabilities mainly include purchase price liabilities from the acquisition of shares in affiliated companies, liabilities from current payroll accounting and sales tax.

Statement of Operations

The following table shows a breakdown of revenues by region:

in EUR thousand	**2024**	**2023**
Germany	11,575	15,433
Rest of Europe	15,595	12,450
Rest of the world excluding Europe	4,055	2,568
	31,225	**30,451**

Revenues from software and cloud sales and from service sales are EUR 24,229 thousand (prior year: EUR 18,979 thousand) and EUR 6,996 thousand (prior year: EUR 11,472 thousand) respectively.

Income from investments results from a profit distribution from the subsidiary Intershop Communications Australia Pty Ltd. Other operating income includes income from currency translation of EUR 64 thousand (prior year: EUR 38 thousand). Of the other operating income, EUR 213 thousand is related to prior periods. This resulted from the reversal of provisions and income from the settlement of utilities costs for rented office space.

Other operating expenses include depreciation and amortization of receivables from affiliated companies of EUR 66 thousand (prior year: EUR 70 thousand), as well as expenses from currency translation of EUR 63 thousand (prior year: EUR 70 thousand).

Other Disclosures

Authorized capital

As at December 31, 2024, the Company had authorized capital in the amount of EUR 7,200,000 (December 31, 2023: EUR 7,200,000) for the issuance of 7,2000 new non-par bearer shares (December 31, 2023: 7,200,000 shares). According to the INTERSHOP Communications AG's Articles of Association, the Management Board is authorized, subject to approval by the Supervisory Board, to increase the capital stock by issuing new common shares as follows:

- Up to a total of EUR 7,200,000 by issuing up to 7,200,000 new bearer shares against cash contributions and/or contributions in kind. The Management Board's authorization is valid until June 13, 2029. The Management Board is authorized, subject to approval of the Supervisory Board, to exclude the stockholders' subscription rights in certain cases. At the Annual Stockholders' Meeting of May 16, 2024, it was resolved to cancel Authorized Capital I and to create a new Authorized Capital I in the amount of EUR 7,200,000. The new Authorized Capital I with the cancellation of the previous Authorized Capital I and the amendment to the Articles of Association was entered in the commercial register on June 13, 2024.

Conditional capital

As of the balance sheet date, the Company had conditional capital in the amount of EUR 7,290,873 (December 31, 2023: EUR 7,290,873). As of December 31, 2024, the Company's capital stock was increased conditionally by up to EUR 7,290,873 by issuing up to 7,290,873 shares. The conditional capital is composed of the following:

- An amount of EUR 1,048,873 is available as Conditional Capital I (Conditional Capital 2020/I). The conditional capital I is to enable no-par value bearer shares to be granted upon exercising option rights or upon the Company exercising a voting right to grant shares in the Company, either as a whole or in part, in lieu of the cash amount due for shares in the Company to the holders of bonds that are issued by Intershop AGainst cash contributions by May 19, 2025 based on the authorization resolution adopted at the general meeting on May 20, 2020. The new shares are issued at the option price to be determined based on the aforementioned authorization resolution. The Management Board is authorized to determine additional details for the implementation of the increase in the conditional capital subject to the approval by the Supervisory Board. On July 24, 2020, the Company announced the issue of a warrant bond in the nominal amount of EUR 3,108,000.00 excluding the subscription right for existing shareholders. The holders of the warrants are entitled to subscribe to a total of 1,419,178 no-par value bearer shares from conditional capital. In January 2023, warrants for 388,127 shares were exercised.

- Conditional Capital II (Conditional Capital 2024/I) of EUR 6,242,000 was created at the Annual Stockholders' Meeting of May 16, 2024. Conditional Capital II shall be used to grant no-par value bearer shares when conversion or warrant rights are exercised, or if the company exercises a warrant right to grant no-par value shares in the company in full or in part to the holders of convertible bonds or bonds with warrants instead of paying the amount due, which are issued by May 15, 2029 by Intershop AGainst cash contributions on the basis of the authorizing resolution of the Annual Stockholders' Meeting of May 16, 2024. The new shares shall be issued at the warrant or conversion price to be determined based on the aforementioned authorization resolution. The Management Board is authorized to determine additional details for the implementation of the increase in the conditional capital subject to the approval by the Supervisory Board. The Management Board is authorized, subject to approval of the Supervisory Board, to exclude the stockholders' subscription rights in certain cases. The new Conditional Capital II, together with the amendment to the Articles of Association, was entered in the commercial register on June 13, 2024.

Voting rights notifications

The Company was provided with the following details regarding shareholdings in accordance with Sec. 33(1) WpHG, which it announced in accordance with Sec. 40(1) WpHG: The voting rights notifications published on April 26, 2021 show that the voting rights share of Frankfurter Investmentgesellschaft mit variablem Kapital (SICAV), Grevenmacher, Luxembourg, in the Company was 16.15% (2,291,789 voting rights) and the voting rights share of Axxion SA, Grevenmacher, Luxembourg, was 1.41% (199,836 voting rights) as of April 21, 2021. The voting rights notifications of Value Focus Beteiligungs GmbH, Hofheim am Taunus, Germany, and Mr. Rainer Sachs published on October 8, 2021, show that Value Focus Beteiligungs GmbH, Hofheim am Taunus, Germany, and Mr. Rainer (indirectly via Sachs Assets GmbH, Erbach, Germany) together with Shareholder Value Beteiligungen AG and Shareholder Value Management AG held 36.87% (5,232,713 voting rights) in the Company as of September 30, 2021 (co-ordinated voting behavior).

Other financial liabilities

Other financial obligations of EUR 10,912 thousand (prior year: EUR 10,774 thousand) exist from rental agreements and from leasing agreements for vehicles and office equipment. The term of the agreement or the earliest possible termination dates were used as a basis for the calculation. The financial obligations under lease agreements essentially relate to the leases for the company's business premises at the company headquarters. Financial obligations from lease agreements relate mainly to the lease agreement for the business premises of the Company at the head office with a remaining term of nine years. The rental and leasing agreements contain the typical benefits and risks.

The maturities of the other financial liabilities are broken down as follows:

in EUR thousand	Due 2025	Due 2026 to 2029	Due after 2029	**Total Dec.31, 2024**	Total Dec.31, 2023
Rental agreements*	1,232	4,523	4,618	**10,373**	9,930
Leases	364	175	0	**539**	844
Total	**1,596**	**4,698**	**4,618**	**10,912**	**10,774**

* including ancillary rental expenses

Employees

The Company had an average of 230 employees during the 2024 fiscal year, including 19 students (calculated on a full-time basis, prior year: 252 employees including 23 students). The employees are distributed over the following areas over the following areas:

	2024	**2023**
Technical Departments (Service Functions and Research Development)	179	195
Sales and marketing	27	32
General administration	24	25
	230	**252**

In accordance with Section 267 (5) of the German Commercial Code (HGB), the Company had an average of 248 employees (excluding full-time equivalents; 2023: 273 employees).

Executive bodies of the Company

The Supervisory Board comprised the following members in fiscal year 2024:

Frank Fischer
Chairman of the Supervisory Board since 12/01/2022
Chairman and Chief Investment Officer of Shareholder Value Management AG
Member of Management Board of Shareholder Value Beteiligungen AG (until 02/28/2025)
Further mandate:
ForkOn GmbH (Advisory Board)

Ulrich Prädel
Vice Chairman of the Supervisory Board since 12/16/2016
Member since 12/01/2016
Executive Advisor

Univ.-Prof. Dr. Louis Velthuis
Member since 06/02/2016
Chairman of the Audit Committee
Professor to the Chair for controlling at the Faculty of Law, Management and Economics at the Johannes Gutenberg University in Mainz
Further Supervisory Board mandate:
SMT Scharf AG (Vice Chairman)

Oliver Bendig
(until 12/31/2024)
Member from 05/16/2022 to 12/31/2024
Managing Director of the STP Informationstechnologie GmbH
Further mandates:
Ecovium GmbH (Advisory Board)
Lobster Holding GmbH (Advisor Board)

In 2024 the Management Board included the following persons:

Markus Klahn
Chief Executive Officer (CEO)
Responsibilities: Sales and Marketing, Professional Services
CEO of the Management Board since 05/06/2021
Management Board member responsible for operational business from 04/09/2018 to 05/06/2021

Petra Stappenbeck
Chief Financial Officer (CFO)
Responsibilities: Administrative departments, including Finance and Investor Relations
Member of the Management Board since 01/01/2023

Markus Dränert
Chief Operating Officer (COO)
Responsibilities: Technical departments including Cloud department
Member of the Management Board since 12/01/2023

Compensation of the members of the Management Board and the Supervisory Board

The total remuneration granted to the members of the Management Board amounted to EUR 862 thousand in the 2024 financial year (2023: EUR 522 thousand). Of this, EUR 738 thousand (2023: EUR 504 thousand) was for fixed, non-performance-related remuneration and EUR 124 thousand (2023: EUR 18 thousand) for the variable, performance-related components. The number of virtual shares granted to the members of the Management Board amounted to 37,521 shares as at December 31, 2024 (December 31, 2023: 0 shares). The fair value of the virtual shares at the grant date amounted to EUR 69 thousand. The members of the Supervisory Board were entitled to total remuneration of EUR 244 thousand in the 2024 financial year (2023: EUR 200 thousand). Of this, EUR 200 thousand (2023: EUR 200 thousand) was for fixed remuneration and EUR 44 thousand (2023: EUR 0 thousand) for the variable, performance-related component. Details regarding the remuneration of the Management Board and the Supervisory Board are presented in the Remuneration Report. This is published on the website of the Company at https://www.intershop.com/de/verguetungssystem.

Intershop Group

As a listed company, INTERSHOP Communications AG prepares consolidated financial statements in accordance with IFRS and according to the provisions of Section 315a (1) of the HGB (German Commercial Code) for the largest and, at the same time, the smallest group of companies for which consolidated financial statements must be prepared. The consolidated financial statements will be submitted to the company register and made public. As of December 31, 2024, in addition to the ultimate parent company, the consolidated companies included the subsidiaries Intershop Communications, Inc., Intershop Communications Australia Pty Ltd., Intershop Communications SARL, Sparque B.V., The Bakery GmbH and Intershop Communications Ventures GmbH.

List of shareholdings

The following list shows the subsidiaries of INTERSHOP Communications AG and the Company's respective interest as of December 31, 2024:

	Interest in %	**Equity*** in EUR thousand	**Annual result**** in EUR thousand
Intershop Communications, Inc., San Francisco, USA	100	491	388
Intershop Communications Australia Pty Ltd, Melbourne, Australia	100	826	126
Intershop Communications SARL, Paris, France	100	610	54
The Bakery GmbH, Jena, Germany	100	(4,282)	(47)
Intershop Communications Ventures GmbH, Jena, Germany	100	(1,473)	(19)
Sparque B.V., Utrecht, Netherlands	75	(325)	(135)

* Equity as of December 31, 2024 is translated at the exchange rate as of the reporting date
** Net income/loss for fiscal year 2024 is translated at the average annual rate

Auditor’s fee

The expenses for auditors’ fees have been omitted in accordance with Sec. 285 (17) HGB and are disclosed in the notes to the Company’s consolidated financial statements. These include services for the final audit.

Declaration of Conformity

The Company issued a declaration of conformity as required by section 161 of the Aktiengesetz on December 19, 2024 and made this declaration publicly available on the Company’s website at https://www.intershop.com/en/corporate-governance.

Events subsequent to the balance sheet date

No material events that must be reported occurred after the balance sheet date.

Appropriation of net income/loss

The Management Board of INTERSHOP Communications AG proposes to carry forward the balance sheet loss of EUR 7,295,569 to new account.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of INTERSHOP Communications AG, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company for the remaining months of the financial year.

Jena, March 6, 2025

The Management Board of INTERSHOP Communications Aktiengesellschaft

Markus Klahn Petra Stappenbeck Markus Dränert

Independent Auditor's Report

To INTERSHOP Communications Aktiengesellschaft, Jena

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the annual financial statements of INTERSHOP Communications Aktiengesellschaft, Jena, which comprise the balance sheet as at 31 December 2024, the statement of profit or loss for the financial year from 1 January 2024 to 31 December 2024 and notes to the annual financial statements, including the presentation of the recognition and measurement policies.

In addition, we have audited the combined management report (report on the position of the company and of the group) of INTERSHOP Communications Aktiengesellschaft for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the parts of the combined management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of those parts of the combined management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the annual financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January 2024 to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.
We have identified the following matters as key audit matters to be disclosed in our auditor's report:

1. Recognition and measurement of internally generated intangible assets
2. Revenue recognition and allocation of revenue to correct periods

1. RECOGNITION AND MEASUREMENT OF INTERNALLY GENERATED INTANGIBLE ASSETS

Matter

In the annual financial statements of INTERSHOP Communications Aktiengesellschaft, internally generated intangible assets are reported under the balance sheet item "Intangible assets" in the amount of kEUR 4,442, which represents 16.6% of the balance sheet total.

These internally generated intangible assets are INTERSHOP software solutions developed in-house. To qualify for capitalization as an internally generated intangible asset, it is essential that the asset properties are present, that the intangible asset in question is highly likely to arise, and that the development costs can be reliably attributed to the intangible asset to be capitalized. Capitalization of software development costs begins once the product has reached technological feasibility, which the company defines by combining the software functionalities deemed marketable into so-called PSIs (Potential Shippable Increment) and determining the EPICs (requirements). They are valued at production cost less scheduled amortization and, in the case of permanent impairment, unscheduled amortization.

The assessment of the recognition and measurement of internally generated intangible assets requires estimates and assumptions to be made by the executive directors. Due to the material significance of internally generated intangible assets for the annual financial statements of INTERSHOP

Communications Aktiengesellschaft and the high degree of uncertainty associated with their recognition and measurement, this is a key audit matter.

The disclosures by INTERSHOP Communications Aktiengesellschaft on internally generated intangible assets are contained in the sections “Accounting policies” and “Balance sheet” of the notes to the items in the annual financial statements.

Auditor’s Response and Observations

As part of our audit, we assessed the internal processes and controls for recording internally generated intangible assets and the methodical procedure for determining, accounting for and measuring the capitalized development costs. In addition, we evaluated the fulfillment of the capitalization requirements for individual projects on the basis of the recognition criteria.

We assessed the amount of capitalized development costs and the recoverability of the recognized intangible assets on the basis of the evidence provided to us. We conducted interviews with the persons responsible regarding the progress of the project and the allocation of costs. In doing so, we also inspected project documents in order to satisfy ourselves that the allocation of project hours was proper and to understand the progress of the project.

We tested the recoverability of the intangible assets on the basis of internal forecasts regarding future returns from software licensing, and thus assessed the future recoverability and evaluated the appropriateness of the underlying estimates and planning assumptions.

Overall, we were able to satisfy ourselves that the valuation parameters and assumptions applied by the executive directors are comprehensible and sufficiently documented.

2. REVENUE RECOGNITION AND ALLOCATION OF REVENUE TO CORRECT PERIODS

Matter

In the annual financial statements of INTERSHOP Communications AG, revenues amounting to kEUR 31,225 are reported in the statement of profit and loss.

Revenue from the sale of licenses is recognized when a binding contractual agreement has been concluded and the material rights have been transferred to the buyer. Revenue from maintenance and from the provision and operation of e-commerce systems, as well as revenue from the use of licenses (cloud and subscription), are recognized evenly over the period during which the service is provided. In the case of cloud and subscription services, additional transaction-based or revenue-based fees and setup services are generally agreed, for which revenue is recognized when the contractual requirements are met or the service is provided. Revenue from services provided as part of projects is recognized at the time the service is provided.

Revenue is recognized when the contractual requirements have been met or the service has been provided.

Revenue from services provided as part of projects is recognized at the time the service is provided.

Auditor's Response and Observations

As part of our audit, we assessed the recognition of revenue in the annual financial statements using the accounting policies applied by INTERSHOP Communications Aktiengesellschaft in the context of the provisions of German commercial law. We have gained an understanding of the process for recognizing revenue from contracts with customers and have assessed the procedure based on the documentation provided to us. In doing so, we gained an understanding of the relevant internal controls to ensure the correct timing of revenue recognition and assessed their appropriateness and implementation. In addition, we tested the effectiveness of internal controls in relation to the prevention and detection of errors.

For a risk-oriented selection of individual contracts and for a sample of further transactions, we assessed revenue recognition and evaluated customer contracts and performance records with regard to realization and allocation of revenue to the correct periods.

On the basis of our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the legal representatives regarding revenue recognition are comprehensible and sufficiently documented.

OTHER INFORMATION

The executive directors or the audit committee are responsible for the other information. The other information comprises:

- the separately published statement on corporate governance, to which reference is made in the section 'Corporate governance statement' in accordance with Section 289f HGB and Section 315d HGB of the combined management report
- the other parts of the annual report, except for the audited financial statements and combined management report as well as our auditor's report

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal controls or these arrangements and measures of the company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the company’s position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from

these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE ANNUAL FINANCIAL STATEMENTS AND THE COBINED MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the combined management report (hereinafter the “ESEF documents”) contained in the electronic file “intershop_EA-2024-12-31-DE.zip” and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1 January 2024 to 31 December 2024 contained in the “Report on the audit of the annual financial statements and of the combined management report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the annual financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i. e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited combined management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on 16 May 2024. We were engaged by the audit committee on 19 December 2024. We have been the auditor of the INTERSHOP Communications Aktiengesellschaft without interruption since the financial year 2024.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR’S REPORT

Our auditor’s report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Christoph Eisner.

Erfurt (Germany), 6 March 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Uebensee	Eisner
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Report of the Supervisory Board

Report of the Supervisory Board

Dear stockholders,

Despite a challenging macroeconomic environment, Intershop made important progress in the 2024 financial year. The strategically important cloud business in particular recorded significant growth and key figures such as sales, EBIT, cloud order intake and net new ARR also developed positively. The decline in the service business has prompted us to adjust our course in this sector and focus on a partner-first strategy in the future. We are convinced that this strategic adjustment will sustainably strengthen Intershop's profitability and competitiveness. Against this backdrop, we are optimistic about the 2025 financial year and continue to support the management in the consistent implementation of strategic measures to increase value in the long term.

In the 2024 financial year, the Supervisory Board duly performed the tasks assigned to it by law, the Articles of Association and the rules of procedure. The Management Board's management of the company was continuously monitored and supported. The Supervisory Board was involved in all major corporate decisions. The Management Board informed the Supervisory Board regularly, promptly and comprehensively, both verbally and in writing, about current and strategic business developments, important business transactions, the risk situation and risk management, the internal control system and the economic situation of the company.

Supervisory Board meetings and Audit Committee

In the 2024 financial year, the Supervisory Board held a total of twelve meetings, six of which were held in person and six via video conference. All members of the Supervisory Board attended all meetings, with the exception of Prof. Louis Velthuis, Ulrich Prädel and Oliver Bendig, who were absent from one meeting each. The Management Board was present at all but one meeting of the Supervisory Board. The Supervisory Board also met regularly without the Management Board. At the meetings, the Supervisory Board dealt with all relevant topics for Intershop, in particular the current revenue and earnings development, the Intershop strategy and the development of the individual divisions, with a particular focus on the Services division.

At the Supervisory Board meeting on February 1, 2024, in Frankfurt am Main, the Management Board presented the preliminary results for the 2023 financial year and the key performance indicators (KPIs). The Management Board provided comprehensive information on developments at the subsidiaries in the USA and Australia as well as on the current status of the subsidiary Sparque B.V. in the Netherlands. The Supervisory Board also approved the Corporate Governance Statement 2023.

The annual and consolidated financial statements and the remuneration report for the 2023 financial year were approved at the balance sheet meeting in Jena on March 21, 2024. The agenda for the 2024 ordinary general meeting was also approved. The Management Board presented the KPIs for February

2024 and the sales and earnings forecast for the first quarter. Other key topics included the progress of the integration of Sparque and detailed updates on the Marketing & Sales and Professional Services divisions.

At the meeting on April 19, 2024, in Munich, the figures for the first quarter and the forecast for the second quarter were discussed in detail. The Management Board once again explained the status of Professional Services with the most important projects. The status of the Objectives and Key Results (OKR) was also discussed in depth.

The meeting on May 15, 2024 in Jena focused on preparations for the Annual General Meeting and the strategic direction of Intershop. The Management Board also presented the KPIs for April 2024 and the current forecast for 2024. The risk report for the first quarter was also discussed in detail.

The video conference meetings on June 27, July 30, August 20, September 27, October 20 and October 24, 2024 focused on Intershop's strategic orientation, the KPIs and the revenue and earnings forecast for the next quarters as well as the status of the OKRs. At the meeting on August 20, 2024, the Management Board also presented the Partner First strategy. On September 27, 2024, the Management Board also provided a comprehensive overview of the reorganization of product development and explained the future requirements of ESG reporting.

The meeting on November 21, 2024 in Jena focused on the budget for 2025 and medium-term planning. In addition, the KPIs for October were presented, the forecast for 2024 was discussed, and the risk report for the third quarter was also discussed.

At the December meeting on December 19, 2024 in Jena, the focus was once again on the 2025 budget and the multi-year plan, which were approved by the Supervisory Board. In addition to the KPIs for November and the forecast for the fourth quarter, other topics included the analysis of the Sales & Marketing divisions and the status of the OKRs. The Supervisory Board also approved the declaration of compliance and corporate governance declaration for 2024.

The Management Board submitted all transactions requiring Supervisory Board approval under its Rules of Procedure to the Supervisory Board for approval. The Supervisory Board examined the relevant draft resolutions in detail and took the appropriate decisions. Business transactions of importance for the Company were discussed in detail and carefully monitored by the Supervisory Board on the basis of the report of the Management Board. In addition to the Supervisory Board meetings, the Supervisory Board was in regular contact with the Management Board.

The Supervisory Board did not form any other committees besides the Audit Committee. The Audit Committee consists of all four members of the Supervisory Board. Prof. Louis Velthuis chairs the Audit Committee. The Audit Committee held seven meetings, five of which were face-to-face meetings and two of which were video conferences. All members of the Audit Committee were present, with the exception of Ulrich Prädel and Oliver Bendig, who were each unable to attend one meeting. The Audit Committee primarily dealt with the auditing of the financial statement and its main points, the monitoring of the effectiveness of the internal control system well as the risk management system.

Corporate Governance

In the 2024 financial year, there were no conflicts of interest of Supervisory Board members within the meaning of recommendation E.1 of the German Corporate Governance Code that would have had to be disclosed immediately to the Chairman of the Supervisory Board and reported to the General Meeting.

The Supervisory Board received appropriate support from the company for training and further education measures, for example through presentations on topics such as corporate governance, risk management, auditing or new statutory regulations such as ESG reporting. In addition, managers from individual divisions informed the Supervisory Board about important developments in their respective areas.

The 2024 Declaration of Compliance with the German Corporate Governance Code was submitted by the Management Board and the Supervisory Board on December 19, 2024. The remuneration of the respective Supervisory Board members, individualized and broken down by component, is disclosed in the 2024 Remuneration Report. More information on corporate governance can be found in the Corporate Governance Declaration.

Changes in the Supervisory Board and the Management Board

There were no changes to the composition of the Management Board and Supervisory Board in the 2024 financial year. Supervisory Board member Oliver Bendig resigned from his position for personal reasons with effect from December 31, 2024. He had been a member of the Supervisory Board since May 2022. The Supervisory Board would like to thank Oliver Bendig for his great commitment and valuable contribution to the company.

Annual financial statements and consolidated financial statements, dependent company report, remuneration report, annual audit

The annual and consolidated financial statements as well as the combined management report and group management report of INTERSHOP Communications AG were comprehensively audited with an unqualified auditor's report issued by BDO AG Wirtschaftsprüfungsgesellschaft, which was elected as auditor for the 2024 financial year by the general meeting on May 16, 2024, and commissioned by the Supervisory Board.

In addition, the auditors reviewed the dependent company report prepared by the Company pursuant to section 312 of the German Stock Corporation Act (AktG), reported on it pursuant to section 313 (3) of the AktG, and issued the following unqualified audit opinion: "Based on our audit and assessment in accordance with professional standards, we confirm that (1) the actual disclosures contained in the report are correct, (2) the payments made by the Company in connection with transactions detailed in the report were not unreasonably high."

The 2024 Remuneration Report was examined by the auditor for completeness of information required in accordance with Section 162(1) and (2) of the German Stock Corporation Act (AktG). The formal audit did not result in any objections.

After careful examination, including inspection of the auditor’s reports and detailed discussion of the main points of the audit and the key findings, the Supervisory Board has no objections to the financial statements, the dependent company report and the remuneration report. The Supervisory Board and the Audit Committee concur with the result of the audit, the audit of the dependent company report and the Remuneration Report. The Supervisory Board does not raise any objections against the declaration given by the Management Board at the end of the dependent company report and approved the separate financial statements and consolidated financial statements prepared by the Management Board as well as the Remuneration Report at its meeting on March 11, 2025. The annual financial statements of INTERSHOP Communications AG were thus adopted. Since the Company did not generate retained earnings during the 2024 fiscal year, there was no need to examine a resolution on the appropriation of profits.

The Supervisory Board would like to thank all employees of the Intershop Group and the Management Board for their tireless efforts and commitment in the 2024 financial year. We would like to thank our shareholders for the trust they have placed in Intershop.

Jena, March 2025

On behalf of the Supervisory Board

Frank Fischer
Chairman of the Supervisory Board

Corporate Governance Declaration

Corporate Governance Declaration 2024

Declaration of the Management Board and Supervisory Board pursuant to section 161 of the Aktiengesetz (AktG – German Stock Corporation Act)

The recommendations of the German Corporate Governance Code were largely complied with in fiscal year 2024; any departures were explained in the Declaration of Conformity. The Supervisory Board and the Management Board issued the following joint Declaration of Conformity in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) on December 19, 2024:

Since the Declaration of Conformity of December 11, 2023, INTERSHOP Communications AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated April 28, 2022 ("Code") with the following exceptions and will continue to comply with them in the future with these exceptions.

a) The recommendations A.1 and A.3 were not yet fully implemented in 2024. The Management Board is planning in the medium term to develop a concept with regard to the sustainability targets in the areas of social and environmental factors so that these can be taken into account in the future in the corporate strategy and planning. It is also planned to expand the internal control system to include the sustainability-related areas in due course.

b) The company does not describe the essential features of the entire internal control system (Code Recommendation A.5) in its Management Report, since it considers the description with regard to the accounting process pursuant to Section 289 (4) HGB (German Commercial Code) to be adequate.

c) Members of the Management Board are initially appointed for a maximum period of three years (Code recommendation B.3). As an exception, this recommendation was deviated from in the 2023 financial year with the initial appointment of chief financial officer, Petra Stappenbeck, for a period of five years, as she already had many years of experience in management positions within the company. The Supervisory Board made its decision in the interests of the company based on experience in cooperation, qualifications and continuity on the Management Board.

d) The Supervisory Board does not form any committees, with the exception of the audit committee required by law in accordance with Section 107 (4) AktG (Code Recommendation D.2 and D.4). Currently, the Supervisory Board consists of four members and is deliberately kept small in order to ensure the work of the Supervisory Board can be performed efficiently and with all members.

e) With regard to the target agreement, both the company and the Board member have reserved the right in the event that major strategic investments are made to amend the expected effects of these investments on the targets, i.e. they have not excluded these (Code recommendation G.8). If no agreement can be reached, the Supervisory Board is also unilaterally entitled to determine the adjustment of the amended targets.

f) The company's Management Board members shall not be granted the majority, but exactly 50% of their long-term variable remuneration on a share basis, which they may dispose of at the latest when their contract ends, or in case of doubt, within four years (Code recommendation G.10), as, from the Supervisory Board's perspective, both a 50% share-based remuneration and a vesting period until the cooperation is terminated sufficiently take into account the objective of an incentive aimed at sustainable corporate development.

This declaration of conformity and all previous declarations have been made permanently available on the Company's website at https://www.intershop.com/en/corporate-governance.

Remuneration Report

The applicable remuneration system for the Management Board, which was last approved by the Annual Stockholders´Meeting on May 9, 2023, and the remuneration resolution for the Supervisory Board, which was newly adopted by the Annual Stockholders' Meeting of INTERSHOP Communications AG on May 16, 2024, as well as the remuneration report for the financial year 2023 and the auditor's report were made publicly available on the company website at https://www.intershop.com/de/verguetungssystem in accordance with Section 162 AktG (German Stock Corporation Act).

Corporate Governance Practices

For Intershop the statutory regulations, the recommendations of the German Corporate Governance Code as well as internal corporate directives form part of the corporate governance. Intershop drew up a Code of Conduct for Employees as well as a Code of Conduct for Partners and Suppliers in the financial year of 2023. These provide an overview of legal issues relevant for our company and set standards for legally compliant and ethical conduct. The Codes of Conduct can be viewed on the Intershop company website at https://www.intershop.com/en/company-profile#code-of-conduct.

Composition and working method of the Management Board, Supervisory Board and their committees

In accordance with the fundamental principle of German company law, Intershop is subject to the dual management system, which requires the separation of the management body (Management Board) and the supervisory body (Supervisory Board). Both bodies cooperate in the management and supervision of the Company.

Management Board

The Management Board is responsible for managing the Company with the goal of creating sustainable value. The Management Board develops the Company's strategy and ensures that it is implemented in consultation with the Supervisory Board.

The Management Board must manage the Company's business in accordance with the law, the Articles of Association, and the by-laws. The principle of joint responsibility applies; this means that the members of the Management Board are jointly responsible for the management of the entire Company. The principles of the Management Board's work are summarized in the By-laws of the Management Board. In particular, these by-laws govern the adoption of resolutions and the allocation of responsibilities. The By-laws of the Management Board also include a list of transactions for which the Management Board requires the Supervisory Board's approval.

The Management Board provides the Supervisory Board with regular, timely, and comprehensive information about all aspects of business development that are material for the Company, significant transactions, and the current earnings situation, including the risk situation, risk management and compliance. Where business developments deviate from earlier forecasts and targets, these deviations are discussed and the reasons given in detail.

The Management Board currently consists of three members. There is a Chief Executive Officer for the Management Board. The number of members of the Management Board is determined by the Supervisory Board, which can also appoint a Chairman or a Spokesperson and Deputy Chairman of the Management Board.

Age limit and long-term succession planning for the Management Board

The remuneration system and the agreement with the Management Board Member stipulates that the membership on the Management Board ends when the standard limit of the statutory pension insurance is reached. For long-term succession planning, the Supervisory Board estimates the time to fill the Management Board positions, i.e. at what times in the future will it become necessary to appoint a Management Board member and how long will an existing Management Board member remain available. The defined diversity objectives and strategic corporate criteria will be considered when appointing members. For existing agreements with Management Board members, an extension of the agreements will be renegotiated with the Supervisory Board in good time before the agreement with the Management Board member expires.

Supervisory Board

The Supervisory Board advises the Management Board on the management of the Company and monitors the Management Board's activities. It appoints and dismisses the members of the Management Board, resolves the compensation system for the Management Board members, and sets their total compensation. The Chairman of the Supervisory Board represents the Supervisory Board externally and in dealings with the Management Board. He chairs the Supervisory Board meetings.

The Articles of Association stipulate that the Supervisory Board must comprise four members. Its regular term of office is five years and ends at the Annual Stockholders' Meeting that resolves the approval of the Supervisory Board's activities for the fourth fiscal year after the beginning of its term of office. It must perform its duties in accordance with the provisions of the law, the German Corporate Governance Code, the Articles of Association, and its By-laws. The Supervisory Board must be consulted on all decisions of fundamental importance for the Company. The By-laws of the

Management Board therefore stipulate certain transactions – such as major investment projects, acquisitions, and employment contracts above a certain amount – that require the Supervisory Board's approval. Important issues are also discussed between the Management Board and the Supervisory Board outside the meetings via teleconferences or at strategy meetings convened at short notice. In addition, the Chairman of the Supervisory Board keeps himself regularly up-to-date on the business developments and upcoming projects.

D&O insurance has been taken out for all members of the Management Board and the Supervisory Board; In accordance with Section 93 (2) sentence 3 German Stock Corporation Act [Aktiengesetz, AktG], a deductible was agreed for the Management Board of 10% of the damage up to at least one-and-a-half times their fixed annual remuneration.

Self-assessment of the work of the Supervisory Board

The Supervisory Board regularly assesses the effectiveness of the performance of its duties. The work of the Supervisory Board members is discussed several times a year at the Supervisory Board meetings. In addition, a self-assessment takes place via a questionnaire which must be answered by each Supervisory Board member at certain intervals, but at least every two years.

Committees

The Supervisory Board of INTERSHOP Communications AG has formed an Audit Committee that includes all four members of the Supervisory Board i.e. Mr. Frank Fischer, Mr. Ulrich Praedel, Dr. Louis Velthuis and Mr. Oliver Bendig. Dr. Louis Velthuis chairs the Audit Committee. He is particularly knowledgeable and experienced in the application of accounting principles and internal control and risk management systems and is familiar with the process of auditing financial statements. Furthermore, as an additional member of the Audit Committee, the Chair of the Supervisory Board, Frank Fischer has expert knowledge in the fields of accounting and auditing of financial statements.

The Audit Committee discusses the assessment of the audit risks, the audit strategy and audit planning as well as the audit results with the Auditor. The Chair of the Audit Committee regularly communicates with the Auditor regarding the progress of the audit and informs the Audit Committee and the Supervisory Board on the results of these discussions.

There are no other Supervisory Board committees.

Information on setting the women's quota

The target figures for the proportion of women on the Management Board and the Supervisory Board were set by the Supervisory Board as per Section 111 (5) AktG by resolution of July 1, 2021 for the period until June 30, 2025 in accordance with the actual share of 0%. Due to the size of the committees of four members on the Supervisory Board and three member of the Management Board, the Supervisory Board is of the opinion that a binding specification of a higher target figure is structurally not appropriate at this time, as this would restrict the selection of suitable candidates and thereby limiting the ability of the committee to act. The Supervisory Board would like to be free to adopt individual decisions in the respective situation in the interest of the company. However, the Supervisory Board will continue to make every effort to give preference to women with equal qualification, in order to increase the proportion of women both on the Supervisory Board as well as the Management Board. The proportion of women on the Management Board was 33% and on the Supervisory Board 0% as at the end of the 2024 financial year and, therefore, exceeded the target quota for the 2024 financial year for the Management Board and achieved it for the Supervisory Board.

The target figures for women on the two management levels below the Management Board, as set out by the Management Board in accordance with Section 76(4) AktG, limited to 28.57% until June 30, 2025 by the resolution of July 1, 2021, was reassessed in accordance with the actual share of women on the management level as of June 2021. At 26.67% the quota that was achieved by the end of 2024 was below the target quota set by INTERSHOP Communications AG, since in case of new executive appointments some positions could not be filled by women despite the intensive efforts on the part of the company. Since a separate consideration and target setting for each of the two management levels below the Management Board would not be structurally appropriate, the Management Board decided to set only one target figure for this management level as a whole.

Diversity Concept for Management Board and Supervisory Board

Management Board

The Supervisory Board has adopted a diversity concept for the composition of the Management Board, which consists of the following elements:

- As a rule, the membership in Management Board ends when the standard limit of the statutory pension insurance is reached;
- The target figure set by the Supervisory Board for the proportion of women on the Supervisory Board in accordance with section 111(5) of the AktG;
- Management Board members should have many years of leadership experience and, if possible, have gained experience in various industries and professions;
- The Management Board members should have international management experience;
- The Chairman of the Management Board shall preferably be replaced by an existing Management Board member.

The Management Board members implement the diversity concept adopted by the Supervisory Board.

Supervisory Board

The Supervisory Board adopted targets and a competence profile for its composition. This also represents the diversity concept in accordance with Section 289f (2) No. 6 German Commercial Code (HGB).

The targets for the Supervisory Board are based on statutory and corporate aspects and are as follows:

- **Comprehensive qualification**
  - The qualifications of the members of the Supervisory Board should be based on the corporate challenges and at the same time meet the statutory requirements;
  - Supervisory Board members should have many years of international management experience;
  - Supervisory Board members should have gained experience in various sectors and different professional fields.
- **Diversity**
  - The statutory gender quota in the Supervisory Board is not applicable to Intershop;
  - Nevertheless, it is the stated aim of the company to achieve an appropriate level of participation of women in the Supervisory Board;
  - Diversity and inclusion are important basic elements in the corporate value of Intershop.
- **Independence**
  - Based on its own assessment, the Supervisory Board must include an appropriate number of independent members;
  - The interests of the owner are to be appropriately taken into consideration in this regard;
  - The Supervisory Board must is to include at least three independent members.
  - Significant conflicts of interest are to be avoided;
  - The Supervisory Board members are to have adequate time to exercise their duties;

According to its Rules of Procedure, the age limit for the Supervisory Board is 70 years for the appointment of new Supervisory Board members.

The composition of the Supervisory Board complies with the set targets as well as the competence profile and therewith the diversity concept. Based on the assessment of the members of the Supervisory Board, currently four members of the Supervisory Board are independent from the company and the Management Board and three of the four members of the Supervisory Board are independent from the controlling shareholder.

	Accounting	Auditing expertise	IT/Digital-ization	Strategy	Sales	Substain-ability	M&A/Inter-nationali-zation	Governance, risk man-agement, compliance
Supervisory Board-member								
Frank Fischer (Chairman of the Supervisory Board)	X	X	X	X	X	X	X	X
Ulrich Prädel (Vice Chairman of the Supervisory Board)			X	X	X	X	X	
Univ.-Prof. Dr. Louis Velthius (Member of the Supervisory Board)	X	X		X		X	X	X
Oliver Bendig (Member of the Supervisory Board)			X	X	X	X	X	X

Jena, December 19, 2024

INTERSHOP Communications AG

For The Management Board

Markus Klahn
CEO

For the Supervisory Board

Frank Fischer
Chairman of the Supervisory Board

intershop®

Stock Market Data on Intershop Shares

ISIN	DE000A254211
WKN	A25421
Stock market symbol	ISHA
Admission segment	Prime standard/Regulated market
Sector	Software
Membership of Deutsche Börse indices	CDAX, Prime All Share, Technology All Share

Key figures

		2024	2023
Closing price*	in EUR	1.73	2.10
Number of shares outstanding (end of period)	in million shares	14.58	14.58
Market capitalization	in EUR million	25.23	30.62
Earnings per share	in EUR	(0.02)	(0.21)
Cashflow per share	in EUR	0.14	0.20
Carrying amount per share	in EUR	0.75	0.78
Average trading volume per day**	Number	5,626	6,798
Free float	in %	47	47

* Basis: Xetra
** Basis: all stock exchanges

Intershop-Shares

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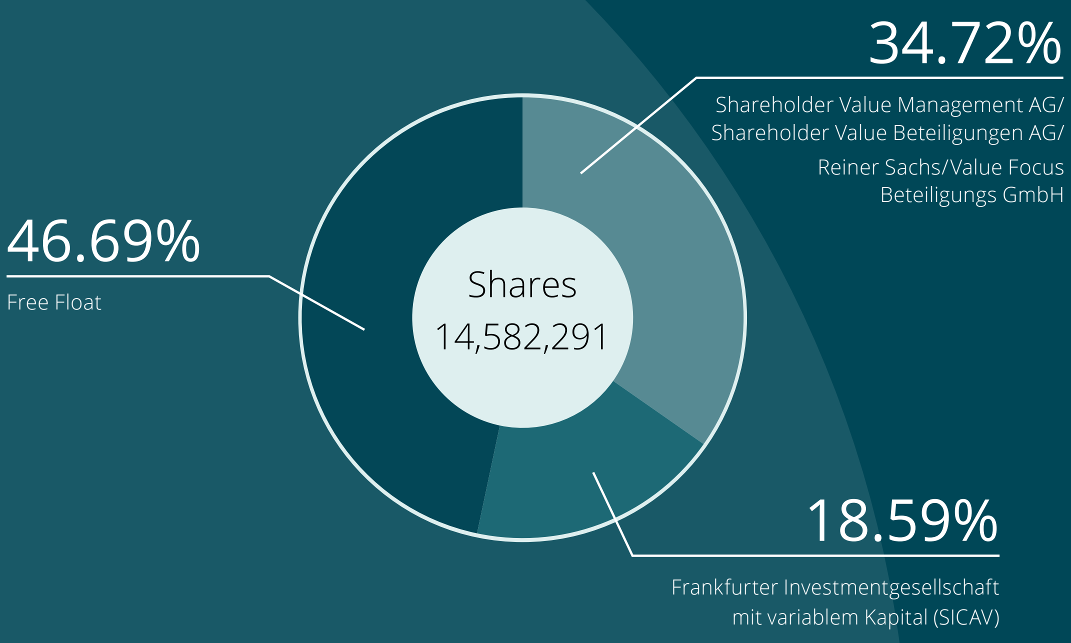
Share Price

in EUR,
XETRA closing time

Shareholder Structure

December 31, 2024



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Financial calendar

Date	Event
February 19, 2025	Release of (preliminary) Q4 and FY financials 2024
April 30, 2025	Release of Q1 financials 2025
May 16, 2025	Ordinary Annual Stockholders´ Meeting 2025
July 23, 2025	Release of Q2 and 6-month financials 2025
October 22, 2025	Release of Q3 and 9-month financials 2025

The current financial calendar can be found at www.intershop.com/financial-calendar.

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