



# Quarterly Statement Q1 2022

# At a Glance

## Key figures

€ million	2021	2022
	01/01/ – 31/03/	01/01/ – 31/03/
Revenues	37.5	41.2
Cloud & IoT	26.3	32.0
SAP	11.2	9.3
EBITDA	0.7	0.8
Depreciation and amortisation <sup>1,2</sup>	4.1	4.1
EBIT	(3.4)	(3.3)
Consolidated net income	(3.5)	(3.5)
Earnings per share <sup>3</sup> (in €)	(0.03)	(0.03)
Capital expenditure <sup>4</sup>	1.1	0.1
Free cash flow	(4.2)	(1.6)
Net liquidity	56.2 <sup>6</sup>	47.2 <sup>7</sup>
Shareholders' equity	147.4 <sup>6</sup>	143.9 <sup>7</sup>
Equity ratio (in %)	73.6 <sup>6</sup>	74.8 <sup>7</sup>
Xetra closing price <sup>5</sup> (in €)	1.89	1.67
Number of shares <sup>5</sup>	124,509,487	124,579,487
Market capitalisation <sup>5</sup>	235.3	208.0
Number of employees <sup>5</sup>	955	1,126

<sup>1</sup> Including share-based remuneration.

<sup>2</sup> Including depreciation of right-of-use assets (IFRS 16).

<sup>3</sup> Diluted and basic.

<sup>4</sup> Not accounting for IFRS 16.

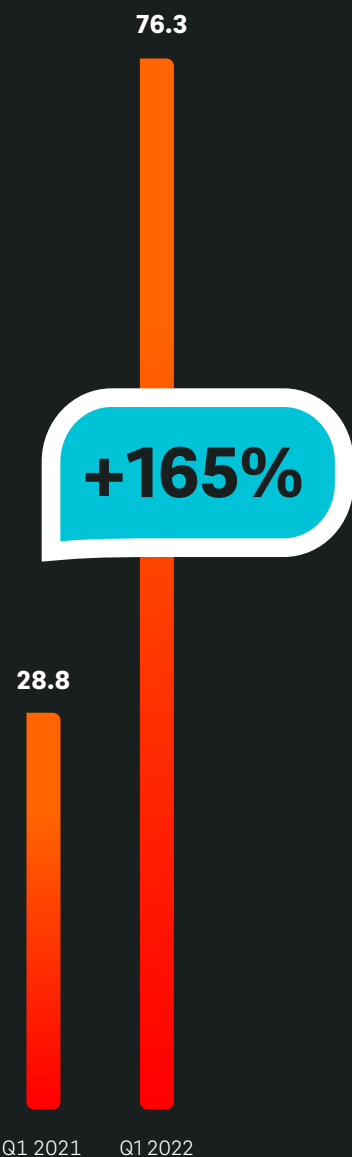
<sup>5</sup> As of 31 March.

<sup>6</sup> As of 31 December 2021.

<sup>7</sup> As of 31 March 2022.

Successful start to 2022: massive increase in new orders in first quarter with double-digit revenue growth.

New orders in € million



Revenues in € million



# Summary of first quarter of 2022

## Business Performance

### Revenues rise by 10% in first quarter of 2022

In the first quarter of 2022, our company increased its revenues by 10% to € 41.2 million. High coronavirus incidence rates prevented us from achieving even higher growth, as entire teams both at customers and at q.beyond were required quarantine in some cases. Of the revenues generated in the first quarter of 2022, 78% were recurring, while 66% were attributable to the four focus sectors of retail, logistics, manufacturing, and energy.

New orders amounted to € 76.3 million in the first three months of the financial year, well over twice the previous year's figure (Q1 2021: € 28.8 million). Of the orders received in the first quarter of 2022, 53% were placed by new customers or involved new projects with existing customers, while 47% related to contract extensions, some of which substantial.

### Expansion in SaaS business creates additional growth prospects

The strong new order figure, consistent growth and high share of recurring revenues document the crisis resistance of our business model. In addition to the coronavirus pandemic, the first quarter of 2022 was also marked by the war on Ukraine and its impact on the economy and inflation in Germany. In these challenging conditions, the unrelentingly consistent implementation of our growth strategy has proven its worth.

The "beyond 2022" strategy unveiled at the beginning of April 2022 latches seamlessly onto its predecessor "2020plus". The targeted expansion in the software-as-a-service (SaaS) business will also enable our company to access additional growth opportunities. In the past two years, we already prepared SaaS solutions such as the StoreButler retail platform to market and attracted our first customers for these solutions. In March 2022, for example, the Fressnapf Group, the European market leader for pet supplies, decided to make the StoreButler its central interface in future for digitalising the total of more than 1,800 stores it currently has in 11 countries in Europe.

The expansion in the SaaS business will contribute decisively to accelerating our profitable growth in the years ahead. The "beyond 2022" strategy sets ambitious targets: based on revenues of between € 270 million to € 300 million, in 2025 we aim to generate an EBITDA margin of between 14% and 16%, and a free cash flow of € 15 million to € 25 million.

### q.beyond's SAP services are "best in class"

One accolade awarded in February 2022 shows how well our company is positioned for further growth. Market researchers at PAC awarded the highest possible classification of "best in class" for our SAP services. This verdict was based on a comprehensive study performed on providers in Germany, including a customer survey which generated highly positive assessments for q.beyond.

Not least due to this, we expect to generate substantial revenue growth with our SAP services in the coming quarters. Furthermore, companies are increasing their budgets once again, as is apparent from a current survey performed by the German-speaking SAP User Group (DSAG). According to the findings, 57% of the companies surveyed are increasing their SAP budgets this year; in the previous year, this was only the case for 43% of companies.

## Earnings Performance

### Advance investments facilitate success of SaaS business

Based on revenues of € 41.2 million, cost of revenues stood at € 35.4 million in the first quarter of 2022. This line item was therefore € 4.8 million higher than in the previous year, with the increase reflecting both the first-time consolidation of the scanplus operations acquired in December 2021 and the scheduled expansion in the SaaS business. This in turn requires suitable investments in personnel and other advance payments. As of 31 March 2022, our company already employed more than 170 SaaS experts. Accounting for these advance investments, gross profit amounted to € 5.8 million in the first quarter of 2022, as against € 6.9 million in the previous year.

Notwithstanding the growth in revenues, the sales and marketing expenses of € 2.6 million reported for the first quarter of 2022 fell slightly short of the previous year's figure of € 2.7 million. General and administrative expenses fell over the same period from € 4.0 million to € 3.7 million.

### Slight rise in EBITDA and EBIT

EBITDA amounted to € 0.8 million in the first quarter of 2022, as against € 0.7 million in the previous year. At € 4.1 million, depreciation and amortisation were at the same level as in the previous year. Of this line item, € 1.0 million involved depreciation of IFRS 16 lease liabilities. Quarterly EBIT showed a slight year-on-year improvement from € -3.4 million to € -3.3 million. Like in the first quarter of 2021, consolidated net income amounted to € -3.5 million.

## Earnings Performance by Segment

### Cloud & IoT business grows by 22%

Revenues in the "Cloud & IoT" segment rose by 22% to € 32.0 million in the first quarter of 2022. This dynamic growth was driven by success in the operating business with Cloud, IoT and SaaS solutions, as well as by the first-time consolidation of scanplus and takeover of datac in June 2021. These two new subsidiaries more than offset the revenues lost due to the successful sale of the colocation business in the third quarter of 2021.

Cost of revenues rose to € 28.0 million in the period under report, up from € 21.6 million in the first quarter of 2021. This increase was due on the one hand to the cost structure at the new subsidiaries; scanplus alone had more than 132 employees at the end of March. By comparison, the colocation business most recently had 55 employees. As previously announced, costs have on the other hand also been

increased by the advance investments made in expanding the SaaS business. The "Cloud & IoT" segment therefore generated gross profit of € 4.0 million in the first quarter of 2022, compared with € 4.7 million in the previous year. Based on unchanged sales and marketing expenses of € 2.1 million, this resulted in a segment contribution of € 1.9 million, as against € 2.6 million in the previous year's period. As revenues rise, we will achieve disproportionate improvements in earnings in the highly scalable Cloud, IoT and SaaS business in the coming quarters.

### Significant cost savings in SAP business

The SAP business has been affected even more significantly than the "Cloud & IoT" segment by the ongoing restrictions on contact due to the pandemic. Various projects were delayed in the first months of this year due to whole teams being required to quarantine. Revenues therefore stood at € 9.3 million, compared with € 11.2 million in the first quarter of 2021.

In this challenging climate, our company has relied on consistent cost discipline and the optimised deployment of internal resources. Cost of revenues fell to € 7.4 million in the first quarter of 2022, down from € 9.0 million in the previous year. This led to gross profit of € 1.8 million, as against € 2.2 million in the first quarter of 2021. At € 1.3 million, the segment contribution also fell only slightly short of the previous year's figure of € 1.5 million. We expect rising revenues and, as a result, higher segment contributions as well in the quarters ahead.

## Financial and Asset Position

### Business financed with own resources

Our company is almost free of debt and finances its activities from liquid funds. As of 31 March 2022, we had net liquidity of € 47.2 million, compared with € 56.2 million as of 31 December 2021.

At q.beyond, the change of € -9.0 million in net liquidity corresponds to the free cash flow following the deduction of payments for acquisitions and distributions in the period under report. As previously announced, lease liabilities of € 6.8 million at scanplus, whose business we took over in December 2021, were redeemed in the first quarter of 2022. Not only that: the final earnout payment of € 0.6 million was also made for Incloud, a company taken over in summer 2020. This resulted in a free cash flow of € -1.6 million, compared with € -4.2 million in the previous year.

**q.beyond is almost free of debt and finances its activities from liquid funds.**

### **Moderate capital expenditure in course of 2022**

Capital expenditure excluding IFRS 16 amounted to a mere € 0.1 million in the first quarter of 2022, down from € 1.1 million in the previous year. Capital expenditure of € 1.5 million to € 2.5 million per quarter is planned for the coming quarters.

In view of this low volume of capital expenditure and given depreciation and amortisation, the total value of non-current assets stated in the consolidated balance sheet decreased from € 97.2 million at the end of 2021 to € 95.0 million as of 31 March 2022. Total current assets fell to € 97.6 million, as against € 103.1 million as of 31 December 2021. This reduction was mainly due to the change in liquid funds resulting in particular from the redemption of the scanplus lease liabilities.

### **Equity ratio rises to 75%**

Due to negative consolidated net income, equity stood at € 143.9 million as of 31 March 2022, as against € 147.4 million at the balance sheet date at the end of 2021. As total assets were also lower at the end of March 2022 than at the end of 2021, however, the equity ratio rose by 1 percentage point to 75%.

The non-current liabilities in the amount of € 13.0 million (31 December 2021: € 13.5 million) still mainly comprised IFRS 16 lease liabilities and pension provisions. Current liabilities decreased to € 35.7 million, down from € 39.5 million at the end of 2021. Here, lease liabilities alone fell by € 4.7 million to € 4.3 million.

## Outlook

### **Sales budgeted to rise to between € 180 million and € 200 million**

In view of the strong new order figure and the receding of the coronavirus pandemic, we can confirm the full-year forecast for 2022 published at the end of March 2022. Our company thus plans to accelerate its growth in the current financial year, with sales set to rise to between € 180 million and € 200 million. The wide range of this forecast is due to the ongoing uncertainty surrounding future macroeconomic developments in the wake of Russia's attack on Ukraine. Moreover, it is currently not yet possible to assess whether the coronavirus pandemic will make it necessary to impose renewed restrictions on contacts in the further course of the year.

In 2022, we intend to supplement our solid Cloud and SAP business by extending our range of SaaS solutions, also by way of targeted acquisitions, and by stepping up the pace at which we develop and market these solutions. Accounting for the costs of developing SaaS solutions and launching them onto the market, we continue to expect EBITDA of between € 8 million and € 16 million, and free cash flow at a maximum of up to € -10 million in 2022. Thanks to our scalable business model, our profitability will increase disproportionately as our revenues rise.

## Further Information

### About this quarterly statement

This document should be read in conjunction with the 2021 Annual Report, which can be found at [www.qbeyond.de/en/ir-publications](https://www.qbeyond.de/en/ir-publications). Unless they are historic facts, all disclosures in this quarterly statement constitute forward-looking statements. These are based on current expectations and forecasts concerning future events and may therefore change over time.

### About the company

q.beyond AG is the key to successful digitalisation. We help our customers find the best digital solutions for their business and then put them into practice. Our strong team of 1,100 people accompanies SME customers securely and reliably throughout their digital journey. We are experts in Cloud, SAP and SaaS. With nationwide locations and its own certified data centres, our company is one of Germany's leading IT service providers.



# Interim Consolidated Financial Statements

## Consolidated Statement of Comprehensive Income (unaudited)

€ 000s	2022 01/01/ – 31/03/	2021 01/01/ – 31/03/
<b>Revenues</b>	<b>41,241</b>	<b>37,465</b>
Cost of revenues	(35,406)	(30,613)
<b>Gross profit</b>	<b>5,835</b>	<b>6,852</b>
Sales and marketing expenses	(2,567)	(2,725)
General and administrative expenses	(3,662)	(4,007)
Depreciation and amortisation (including share-based remuneration)	(4,095)	(4,107)
Other operating income	1,555	679
Other operating expenses	(338)	(56)
<b>Operating earnings (EBIT)</b>	<b>(3,272)</b>	<b>(3,364)</b>
Financial income	44	5
Financial expenses	(24)	(86)
Income from associates	(210)	(9)
<b>Earnings before taxes</b>	<b>(3,462)</b>	<b>(3,454)</b>
Income taxes	(41)	(37)
<b>Consolidated net income</b>	<b>(3,503)</b>	<b>(3,491)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(3,503)</b>	<b>(3,491)</b>
<b>Attribution of consolidated net income and total comprehensive income</b>		
Owners of the parent company	(3,557)	(3,491)
Non-controlling interests	54	-
<b>Attribution of consolidated net income and total comprehensive income</b>	<b>(3,503)</b>	<b>(3,491)</b>
Earnings per share (basic) in €	(0.03)	(0.03)
Earnings per share (diluted) in €	(0.03)	(0.03)

## Consolidated Balance Sheet

€ 000s	31/03/2022 (unaudited)	31/12/2021 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,041	21,628
Land and buildings	17,201	17,381
Goodwill	29,950	29,956
Right-of-use assets	8,046	12,809
Other intangible assets	8,846	7,343
Financial assets recognised at equity	5,966	6,286
Prepayments	1,277	1,138
Other non-current assets	568	537
Deferred tax assets	77	77
<b>Non-current assets</b>	<b>94,972</b>	<b>97,155</b>
<b>Current assets</b>		
Trade receivables	38,054	35,424
Prepayments	6,960	5,799
Inventories	249	249
Other current assets	4,616	4,973
Cash and cash equivalents	47,692	56,700
<b>Current assets</b>	<b>97,571</b>	<b>103,145</b>
<b>TOTAL ASSETS</b>	<b>192,543</b>	<b>200,300</b>

## Consolidated Balance Sheet

€ 000s	31/03/2022 (unaudited)	31/12/2021 (audited)
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Issued capital	124,579	124,579
Capital reserve	144,137	144,147
Other reserves	(1,752)	(1,752)
Accumulated deficit	(123,456)	(119,899)
<b>Equity attributable to owners of the parent company</b>	<b>143,508</b>	<b>147,075</b>
Non-controlling interests	348	294
<b>Shareholders' equity</b>	<b>143,856</b>	<b>147,369</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Trade payables	1,125	1,125
Lease liabilities	4,402	4,684
Other financial liabilities	2,376	2,376
Pension provisions	4,681	4,830
Other provisions	440	440
<b>Non-current liabilities</b>	<b>13,024</b>	<b>13,455</b>
<b>Current liabilities</b>		
Trade payables and other liabilities	25,147	24,250
Lease liabilities	4,307	8,989
Other provisions	2,702	4,221
Tax provisions	1,611	1,621
Deferred income	1,896	395
<b>Current liabilities</b>	<b>35,663</b>	<b>39,476</b>
<b>Liabilities</b>	<b>48,687</b>	<b>52,931</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>192,543</b>	<b>200,300</b>

## Consolidated Statement of Cash Flows (unaudited)

€ 000s	2022	2021
	01/01/ – 31/03/	01/01/ – 31/03/
<b>Cash flow from operating activities</b>		
Earnings before taxes	(3,462)	(3,454)
Depreciation and amortisation of non-current assets	3,070	2,878
Depreciation of right-of-use assets (IFRS 16)	1,035	1,249
Other non-cash income and expenses	(170)	(52)
Profit from sale of financial assets recognised at equity	(25)	-
Profit from retirement of assets	(3)	-
Income taxes paid	(50)	(36)
Interest received	43	-
Interest paid in connection with leases (IFRS 16)	(21)	(86)
Net financial expenses	(20)	81
Income from associates	210	9
Changes in provisions	(1,668)	(331)
Changes in trade receivables	(2,469)	5,736
Changes in trade payables	6,934	(2,096)
Changes in other assets and liabilities	(3,783)	(5,808)
<b>Cash flow from operating activities</b>	<b>(379)</b>	<b>(1,910)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of financial assets recognised at equity	134	-
Payments for purchase of intangible assets	(6)	(104)
Payments for purchase of property, plant and equipment	(168)	(1,108)
Payments for purchase of a subsidiary, less liquid funds thereby acquired	(7,386)	-
Proceeds from sale of property, plant and equipment	32	28
<b>Cash flow from investing activities</b>	<b>(7,394)</b>	<b>(1,184)</b>
<b>Cash flow from financing activities</b>		
Repayment of convertible bonds	(1)	(2)
Proceeds from issue of shares	-	57
Interest paid	(1)	-
Repayments of lease liabilities	(1,233)	(1,441)
<b>Cash flow from financing activities</b>	<b>(1,235)</b>	<b>(1,386)</b>
<b>Change in cash and cash equivalents</b>	<b>(9,008)</b>	<b>(4,480)</b>
Cash and cash equivalents as of 1 January	56,700	44,925
<b>Cash and cash equivalents as of 31 March</b>	<b>47,692</b>	<b>40,445</b>

## Segment Reporting (unaudited)

€ 000s	Cloud & IoT	SAP	Group
<b>01/01/ – 31/03/2022</b>			
<b>Revenues</b>	<b>31,964</b>	<b>9,277</b>	<b>41,241</b>
Cost of revenues	(27,966)	(7,440)	(35,406)
<b>Gross profit</b>	<b>3,998</b>	<b>1,837</b>	<b>5,835</b>
Sales and marketing expenses	(2,079)	(488)	(2,567)
<b>Segment contribution</b>	<b>1,919</b>	<b>1,349</b>	<b>3,268</b>
General and administrative expenses			(3,662)
Depreciation and amortisation (including share-based remuneration)			(4,095)
Other operating income and expenses			1,217
<b>Operating earnings (EBIT)</b>			<b>(3,272)</b>
Financial income			44
Financial expenses			(24)
Income from associates			(210)
<b>Earnings before taxes</b>			<b>(3,462)</b>
Income taxes			(41)
<b>Consolidated net income</b>			<b>(3,503)</b>

€ 000s	Cloud & IoT	SAP	Group
<b>01/01/ – 31/03/2021</b>			
<b>Revenues</b>	<b>26,300</b>	<b>11,165</b>	<b>37,465</b>
Cost of revenues	(21,603)	(9,010)	(30,613)
<b>Gross profit</b>	<b>4,697</b>	<b>2,155</b>	<b>6,852</b>
Sales and marketing expenses	(2,101)	(624)	(2,725)
<b>Segment contribution</b>	<b>2,596</b>	<b>1,531</b>	<b>4,127</b>
General and administrative expenses			(4,007)
Depreciation and amortisation (including share-based remuneration)			(4,107)
Other operating income and expenses			623
<b>Operating earnings (EBIT)</b>			<b>(3,364)</b>
Financial income			5
Financial expenses			(86)
Income from associates			(9)
<b>Earnings before taxes</b>			<b>(3,454)</b>
Income taxes			(37)
<b>Consolidated net income</b>			<b>(3,491)</b>



# expect the next

## Calendar

**Annual General Meeting**  
18 May 2022

**Half-Year Financial Report 2022**  
8 August 2022

**Quarterly Statement Q3 2022**  
7 November 2022

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**Editorial responsibility**  
q.beyond AG, Cologne

**Design**  
sitzgruppe, Düsseldorf

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