

CANCOM SE

**QUARTERLY STATEMENT
Q3 2024**

CANCOM

Table of key figures

CANCOM GROUP

in € million	9M 2024	9M 2023	Δ
Revenue	1,257.9	1,062.9	+ 18.4 %
Business volume	1,565.8	1,377.3	+ 13.7 %
Gross profit	513.2	406.9	+ 26.1 %
EBITDA	86.5	76.6	+ 13.0 %
EBITDA margin	6.9 %	7.2 %	- 0.3 Pp
EBITA	46.3	39.3	+ 17.7 %
EBIT	37.3	33.3	+12.1 %
Employees (average)	5,580	5,055	+ 10.4 %
	30.09.2024	31.12.2023	Δ
Balance sheet total	1,377.9	1,548.5	- 11.0 %
Equity	568.9	724.5	- 21.5 %
Equity ratio	41.3 %	46.8 %	- 5.5 Pp
Cash and cash equivalents	62.4	222.5	- 72.0 %

BUSINESS SEGMENT GERMANY

in € million	9M 2024	9M 2023	Δ
Revenue	837.6	829.3	+ 1.0 %
EBITDA	51.4	53.0	- 3.0 %
EBITDA margin	6.1 %	6.4 %	- 0.3 Pp

BUSINESS SEGMENT INTERNATIONAL

in € million	9M 2024	9M 2023	Δ
Revenue	420.3	233.5	+ 80.0 %
EBITDA	35.1	23.6	+ 48.9 %
EBITDA margin	8.3 %	10.1 %	- 1.8 Pp

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Interim Group Note

For the period from 1 January to 30 September 2024

FOUNDATIONS OF THE GROUP

The CANCOM Group (hereinafter referred to as „CANCOM“ or „CANCOM Group“) is one of the leading providers of IT services and IT infrastructure in Germany and Austria. In addition to its activities in the core markets of Germany and Austria, the Group has subsidiaries or branches in Switzerland, Slovakia, the Czech Republic, Romania, Belgium and the USA.

Structure of the CANCOM Group

The parent company of the CANCOM Group is CANCOM SE, based in Munich, Germany. It performs centralised financing and management functions for the Group companies in Germany. In addition to the central management and financing activities of the parent company, the operating units are also supported in their daily business operations by centralised departments for purchasing, internal IT, warehousing/logistics, finance, vehicle and travel management, repair/service and human resources („Central Services“) as well as marketing/communication and product management. In addition, the operating units have access to an internal, specialised sales department („Competence Center“) across the entire organisation.

In addition to these centralised functions, CANCOM's operating units are primarily decentralised and operate in units that are primarily structured by region. In Germany, the organisation comprises the regional units South, Southwest, Central, Northeast and West as well as locations in Slovakia and Belgium. In addition, there are the supra-regional business units Managed Services, Public and eCommerce.

The CANCOM Austria Group, based in Vienna, has been a wholly owned subsidiary of CANCOM SE since 5 May 2023. Within the CANCOM Austria Group, CANCOM Austria AG performs the central financing and management functions for the subsidiaries of CANCOM Austria. The company has branches in Austria and subsidiaries in the Czech Republic, Romania, Switzerland and the USA.

In its financial reporting, the CANCOM Group uses two business segments to report on its operating business performance in addition to the Group as a whole: „Germany“ and „International“.

Reportable operating segments

All companies of the CANCOM Group based in Germany form the „Germany“ operating segment. All companies of the CANCOM Group based outside Germany are summarised in the „International“ operating segment. The companies allocated to the operating segments can be found in the list of shareholdings in the 2023 IFRS consolidated financial statements.

Business model and sales markets

CANCOM's product and service offering is geared towards advising and supporting corporate customers and public sector clients in adapting IT infrastructures and processes to the requirements of digitalisation. CANCOM acts as a complete solution provider and sees itself as a digital business provider for its customers.

The CANCOM Group's offering comprises innovative solutions in the areas of Artificial Intelligence, Security & Network, Data Centre & Cloud, IoT Solutions and Modern Workplace and includes services for the entire IT lifecycle. The range of services extends from strategic consulting for digital (business) processes and the partial or complete operation of IT systems (primarily by means of managed services and standardised as-a-service offerings) to system design and integration, IT support, delivery and turnkey implementation of hardware and software, e-procurement and logistics services.

This broad-based product and service offering enables the CANCOM Group to generate revenue both on the basis of the company's own skills and services (service business) and from remuneration and commissions for the sale of third-party IT products (sale of goods). Within this business model, management is pursuing a course of strategic transformation of the CANCOM

Group into a digital business provider. This is based on CANCOM's self-image of being the first point of contact for customers on digitalisation issues, focusing on their business and contributing to their business success with business-relevant IT solutions. The range of services offered includes consulting and solution design as well as the provision of hardware-related services, help desk and remote service offerings as well as complex managed services and as-a-service services. In order to be able to provide its services, CANCOM operates its own logistics and data centres and employed more than 3,700 people in the Professional Services division at the end of the first nine months of 2024, who provide various services for customers.

In geographical terms, the CANCOM Group is primarily active in Germany and Austria, as well as in Switzerland, Romania and Belgium. CANCOM Group subsidiaries are active in Slovakia and the Czech Republic, providing services in the areas of service and support centres and software customisation and development.

A key external factor influencing CANCOM's business development is therefore the development of the IT market in the largest sales markets of Germany and Austria. For these markets as a whole - and therefore also for CANCOM - the general trend towards digitalisation is a key driver. The importance of IT processes in business, administration, education and healthcare is increasing. New applications for IT-supported solutions and investments to improve existing infrastructures are contributing to market development - driven not least by applications and technologies in the field of artificial intelligence (AI).

In addition to macroeconomic developments, important external factors beyond CANCOM's control that can have a positive or negative impact on business development include data protection regulations, the general threat situation in the area of cyber security and the quality certifications required by customers, as well as environmental and social standards. As a provider of IT services and products, the CANCOM Group's business model is not subject to any particular industry-specific legal provisions, authorisation requirements or official supervision, i.e. external regulatory or politically influenced factors that go beyond the statutory regulations that generally apply to all companies. In addition, the availability of IT hardware and software on the global market is an external factor that cannot be influenced.

The CANCOM Group's customer base primarily comprises commercial end users, ranging from small and medium-sized enterprises to large companies and corporations, as well as public

institutions. CANCOM Group customers are also active in sectors that are subject to industry-specific requirements, for example as operators of critical infrastructure or financial service providers. Here CANCOM provides its services following an assessment and any necessary adjustments to its own system landscape and designs processes in accordance with customer-specific and/or regulatory requirements.

ECONOMIC REPORT

With a revenue share of over 70 percent in the 2023 financial year, Germany is the most important sales market for the CANCOM Group. The most important foreign market is Austria. In addition to the general economic development in these national markets, the overall market for information and communication technology (ICT) - especially in Germany - also forms an important framework and basis for comparison when assessing CANCOM's economic development.

Germany

The Federal Statistical Office assumes that gross domestic product (GDP) in Germany rose by 0.2 percent in the third quarter of 2024 compared to the previous quarter. According to the latest calculations, GDP fell by 0.3 percent in the second quarter of 2024 compared to the previous quarter (previously -0.1 percent), while growth of 0.2 percent was recorded in the first quarter of 2024 compared to the previous quarter. Despite easing inflation, the recovery in private household consumption remained at a low level.

In October, the International Monetary Fund (IMF) adjusted its annual GDP growth forecast for Germany. Due to further economic stagnation in 2024, the IMF lowered its annual forecast of 0.2 percent GDP growth from July 2024 and now expects GDP growth of 0.0 percent for Germany in 2024.

Austria

For Austria, CANCOM's most important foreign market, the Austrian National Bank (ÖNB) forecasts a decline in GDP of 0.2 percent in the third quarter of 2024 compared to the previous quarter in its September 2024 estimate. According to the ÖNB, the Austrian economy grew by 0.3 percent in the second quarter and by 0.2 percent in the first quarter compared to the previous quarter.

In October, the International Monetary Fund (IMF) revised its 2024 GDP forecast for Austria from July and now expects a decline of 0.6 percent.

Gross domestic product (GDP) 2024*
(change compared to previous quarter in %)

Germany	
Q1 2024	+ 0.2
Q2 2024	- 0.3
Q3 2024	+ 0.2
Austria	
Q1 2024	+ 0.2
Q2 2024	+ 0.3
Q3 2024	- 0.2

*) Source: Federal Statistical Office, October 2024; Austrian National Library, September 2024.

ITC market

The expectations of the industry association Bitkom for the development of the ICT market in Germany, the CANCOM Group's most important sales market, had weakened over the course of the first half of 2024. Nevertheless, Bitkom expects growth of 5.4 percent for the information technology market segment, which is particularly important for the CANCOM Group. The software and IT services submarkets are also expected to develop positively over the course of the year. Here, Bitkom expects growth of 9.8 percent and 4.5 percent respectively. Expectations in the IT hardware market segment are much gloomier. Here, Bitkom expects an increase of 2.8 percent over the year as a whole. Due to the time lag between this quarterly statement and the developments since the summer, the survey from June is only of limited value. Most recently, general economic data such as GDP trends have been significantly reduced.

Outlook: Information technology (IT) market 2024, Germany*
(change compared to prior year in %)

Software	+ 9.8 %
IT services	+ 4.5 %
IT hardware (incl. semiconductors)	+ 2.8 %

*) Source: Bitkom/IDC, June 2024.

Based on aggregated market data from the information platform Statista from September, the Austrian IT market is expected to grow by 7.4 percent to € 15.3 billion in 2024. This means that growth will have slowed in 2024, following a growth rate of 11.2 percent in the past financial year. All submarkets, software, IT services and IT hardware are expected to develop positively in 2024.

Outlook: Information technology (IT) market 2024, Austria*
(change compared to prior year in %)

Software	+ 7.6 %
IT services (IT services, security)	+ 10.2 %
IT hardware (data centres, devices, semiconductors)	+ 6.7 %

*) Source: Statista Insights, September 2024.

Business performance in the first nine months of 2024

In the reporting period from 1 January to 30 September 2024, the CANCOM Group generated revenue of € 1,257.9 million (previous year: € 1,062.9 million). The Germany operating segment accounted for € 837.6 million (previous year: € 829.3 million) and the International operating segment for € 420.3 million (previous year: € 233.5 million). The acquisition of the KBC Group (now CANCOM Austria Group) in summer 2023 had a significant impact on the key financial figures at Group level and in the International business segment in the reporting year. Revenue growth at Group level amounted to 18.4 percent, while the organic share¹ of revenue growth was -3.1 percent. The reporting period was characterised by a reluctance to buy on the part of customers, which materialised in particular in weaker demand for IT hardware. The services business continued to develop favourably and thus contributed to the positive development of gross profit and the gross profit margin. In particular, higher costs and expenses due to inflation in connection with the advancement of the Group's own digitalisation strategy had an impact on the CANCOM Group's EBITDA. The CANCOM Group's EBITDA totalled € 86.5 million in the first nine months of 2024 (previous year: € 76.6 million). Overall, customer demand remained at a low level in the first nine months of 2024.

Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):

1 **Organic share of key financial figures** = respective key financial figure (GAAP or non-GAAP) - contributions from companies that have been part of the scope of consolidation for less than 12 months

Employees of the CANCOM Group

As at 30 September 2024, the CANCOM Group had 5,568 employees (30 September 2023: 5,647). This corresponds to a slight increase of 0.9 percent compared to the previous year's reporting date.

The employees worked in the following areas:

CANCOM Group: Employees

	30.09.2024	30.09.2023
Professional Services	3,752	3,729
Sales	959	979
Central services	857	939
Total	5,568	5,647

The average number of employees in the reporting period was 5,580 (prior-year period: 5,055 employees).

At the end of the first nine months of 2024, an average of 3,775 of them worked in Professional Services, 955 in Sales and 850 in Central Services.

Results of operations, financial position and net assets of the CANCOM Group

Earnings situation

CANCOM Group: Revenue (in € million)

9M 2024	1,257.9
9M 2023	1,062.9

In the first nine months of the financial year, the CANCOM Group generated consolidated revenue of € 1,257.9 million (previous year: € 1,062.9 million). The CANCOM Group's organic revenue, i.e. excluding the impact of company acquisitions, totalled € 1,029.7 million.

In the Germany operating segment, which covers the business activities of all companies in the CANCOM Group based in Germany, revenue in the reporting period totalled € 837.6 million (previous year: € 829.3 million). Organic revenue totalled € 798.0 million. In the International business segment, which

comprises the companies of the CANCOM Group based outside Germany, revenue rose to € 420.3 million (previous year: € 233.5 million); organic revenue totalled € 231.7 million. The main reason for this was the full first-time consolidation of CANCOM Austria in the reporting period.

In the third quarter of 2024, the CANCOM Group's revenue totalled € 422.6 million (previous year: € 415.8 million). The Germany operating segment generated revenue of € 279.3 million (previous year: € 264.8 million). Revenue in the International business segment fell to € 143.3 million in the third quarter (previous year: € 151.0 million).

The CANCOM Group's business volume², i.e. before the application of IFRS 15 with transactions categorised as headmaster (gross disclosure) or agent (net disclosure), amounted to €1,565.8 million in the first nine months (previous year: €1,377.3 million). In the third quarter, the business volume totalled € 509.3 million (previous year: € 506.4 million).

The CANCOM Group's other operating income fell to € 6.1 million in the first nine months of 2024 (previous year: € 8.0 million). In the third quarter, other operating income totalled € 1.7 million (previous year: € 4.6 million).

The CANCOM Group's total operating performance totalled € 1,065.0 million in the first three quarters (previous year: € 1,027.7 million). In the third quarter, total operating performance totalled € 426.6 million (previous year: € 421.1 million).

CANCOM Group: Cost of materials (in € million)

	9M 2024	9M 2023
Cost of materials/expenses for purchased services	-751.8	-665.8

The cost of materials totalled € 751.8 million in the first nine months (previous year: € 665.8 million). In the third quarter, the cost of materials totalled € 250.6 million (previous year: € 259.4 million).

CANCOM Group: Gross profit (in € million)

9M 2024	513.2
9M 2023	406.9

Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):
 2 **Business volume** = revenue before adjustment in accordance with IFRS 15 (principal/agent classification); corresponds to accounting before 2020

The CANCOM Group's gross profit³ increased by 26.1 percent year-on-year to € 513.2 million in the first three quarters of 2024 (previous year: € 406.9 million). Organic gross profit totalled € 410.2 million. The gross profit margin rose to 39.4 percent in the reporting period (previous year: 38.3 percent). In the Germany segment, gross profit rose by 4.7 percent to € 332.0 million in the reporting period (previous year: € 317.2 million). Gross profit, which was generated organically, totalled € 318.8 million. In the International business segment, CANCOM recorded gross profit of € 197.4 million (previous year: € 99.3 million). 108.9 million of the gross profit was generated organically.

The third quarter of 2024 generated consolidated gross profit of € 174.0 million (previous year: € 161.7 million). Gross profit in the Germany operating segment rose to € 108.8 million in the third quarter (previous year: € 103.2 million). Gross profit in the International segment totalled € 70.7 million in the third quarter (previous year: € 61.8 million).

CANCOM Group: Personnel expenses
(in € million)

	9M 2024	9M 2023
Wages and salaries	-287.9	-226.4
Social security contributions	-57.0	-44.3
Expenses for retirement benefits	-2.9	-1.4
Share-based payments with cash settlement	-0.4	-0.3
Total	-348.2	-272.4

Personnel expenses totalled € 348.2 million in the first nine months of 2024 and were therefore higher than in the same period of the previous year (previous year: € 272.4 million).

In the third quarter of 2024, personnel expenses amounted to € 112.4 million (previous year: € 106.1 million) and the personnel expenses ratio was 26.6 percent (previous year: 25.5 percent).

Other operating expenses totalled € 77.3 million in the first three quarters of 2024 (previous year: € 58.2 million). For the third quarter, other operating expenses totalled € 30.5 million (previous year: € 20.7 million).

CANCOM Group: EBITDA
(in € million)

9M 2024	86.5
9M 2023	76.6

After the first three quarters of 2024, the CANCOM Group's EBITDA⁴ totalled € 86.5 million (previous year: € 76.6 million). Organic EBITDA totalled € 66.1 million.

EBITDA in the Germany operating segment totalled € 51.4 million after nine months (previous year: € 53.0 million). Organic EBITDA totalled € 46.5 million. In the International business segment, EBITDA totalled € 35.1 million (previous year: € 23.6 million) and organic EBITDA amounted to € 19.6 million.

In the third quarter of 2024, the CANCOM Group's EBITDA totalled € 31.0 million (previous year: € 35.0 million) - the organic share amounted to € 29.7 million.

EBITDA in the Germany operating segment totalled € 17.3 million in the third quarter (previous year: € 20.6 million). EBITDA in the International operating segment totalled € 13.7 million in the third quarter (previous year: € 14.4 million).

CANCOM Group: EBITDA margin
(in %)

9M 2024	6.9
9M 2023	7.2

In the reporting period from January to September 2024, the CANCOM Group's EBITDA margin was 6.9 percent (previous year: 7.2 percent).

The EBITDA margin in the Germany operating segment was 6.1 percent in the reporting period (previous year: 6.4 percent). The EBITDA margin in the International segment was 8.3 percent (previous year: 10.1 percent).

In the third quarter of 2024, the CANCOM Group's EBITDA margin was 7.1 percent (previous year: 8.4 percent). In the Germany operating segment, the EBITDA margin for the third quarter was 6.1 percent (previous year: 7.7 percent) and in the International operating segment it was 9.0 percent (previous year: 9.2 percent).

Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):

³ **Gross profit** = total operating performance (revenue + other operating income + other own work capitalised + capitalised contract costs) less cost of materials/expenses for purchased services

⁴ **EBITDA** = Profit for the period + income taxes + currency gains/losses + result from companies accounted for using the equity method + other financial result + interest result + depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets

CANCOM Group: Depreciation and amortisation
(in € million)

	9M 2024	9M 2023
Scheduled depreciation of property, plant and equipment	11.0	9.9
Scheduled amortisation of software	10.1	13.1
Scheduled amortisation of right-of-use assets	19.2	14.2
Scheduled amortisation on customer bases etc.	9.0	6.0
Total	49.2	43.2

Depreciation and amortisation rose to € 49.2 million in the reporting period (previous year: € 43.2 million). In the third quarter, depreciation and amortisation reached € 16.2 million (previous year: € 18.1 million).

CANCOM Group: EBITA
(in € million)

9M 2024	46.3
9M 2023	39.3

The CANCOM Group's EBITA⁵ totalled € 46.3 million in the first nine months of the current financial year (previous year: € 39.3 million). In organic terms, EBITA totalled € 32.2 million.

In the Germany operating segment, EBITA totalled € 20.5 million in the reporting period (previous year: € 21.1 million). By contrast, EBITA in the International segment totalled € 25.8 million (previous year: € 18.3 million).

In the third quarter, the CANCOM Group achieved EBITA of € 17.5 million (previous year: € 20.5 million). In organic terms, EBITA totalled € 16.6 million. In the Germany segment, EBITA totalled € 6.9 million (previous year: € 9.7 million) and in the International segment remained unchanged at € 10.7 million (previous year: € 10.7 million).

CANCOM Group: EBIT
(in € million)

9M 2024	37.4
9M 2023	33.3

The CANCOM Group's EBIT⁶ totalled € 37.4 million in the first three quarters of the current financial year (previous year: € 33.3 million). In organic terms, EBIT totalled € 28.9 million.

EBIT in the Germany operating segment totalled € 16.2 million in the reporting period (previous year: € 18.5 million) and EBIT in the International operating segment amounted to € 21.2 million (previous year: € 14.8 million).

For the third quarter of 2024, the CANCOM Group's EBIT totalled € 14.9 million (previous year: € 16.9 million) with an organic share of € 14.7 million. EBIT in the Germany operating segment totalled € 5.6 million (previous year: € 8.7 million). By contrast, EBIT in the International business segment totalled € 9.3 million (previous year: € 8.2 million).

CANCOM Group: Profit of the period
(in € million)

9M 2024	26.5
9M 2023	24.9

As a result of the first nine months of 2024, the CANCOM Group's net profit for the period totalled € 26.5 million (previous year: € 24.9 million).

In the third quarter of 2024, the CANCOM Group's net profit for the period totalled € 9.3 million (previous year: € 10.4 million).

Financial position and net assets

Principles and objectives of financial management

The core objective of the CANCOM Group's financial management is to ensure liquidity at all times in order to guarantee day-to-day business operations. In addition, the aim is to optimise profitability and thus achieve the highest possible credit rating in order to secure favourable refinancing. The financing structure is primarily geared towards long-term stability and maintaining financial room for manoeuvre in order to exploit business and investment opportunities.

Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):

5 **EBITA** = profit for the period + income taxes + currency gains/losses + result from companies accounted for using the equity method + other financial result + interest result + amortisation of intangible assets resulting from company acquisitions (in particular customer bases, order backlogs)

6 **EBIT** = profit/loss for the period + income taxes + currency gains/losses + profit/loss from companies accounted for using the equity method + other financial result + interest result

Capital structure of the Group

The CANCOM Group's total assets amounted to € 1,377.9 million as at the reporting date of 30 September 2024 (31 December 2023: € 1,548.5 million). Of this amount, € 568.9 million was attributable to equity and € 809.0 million to liabilities. The equity ratio of the CANCOM Group was therefore 41.3 percent at the end of September and remained at a high level (31 December 2023: 46.8 percent). At 58.7 percent, the debt ratio was slightly higher than at the end of the 2023 financial year (31 December 2023: 53.2 percent). The decrease in total assets in the first nine months of 2024 compared to the end of the 2023 financial year was primarily from the reduction of trade receivables, contract assets, capitalised contract costs and other assets, as well as the reduction in cash and cash equivalents. As at the reporting date of 30 September 2024, this balance covered the level of interest-bearing financial liabilities. Accordingly, the CANCOM Group had no net financial debt as at the reporting date of 30 September 2024.

Debt and equity

Current liabilities, i.e. liabilities with a remaining term of less than one year, totalled € 585.9 million as at the 2024 reporting date (31 December 2023: € 599.2 million). The change compared to December 2023 is primarily due to the decrease in trade payables, the increase in liabilities to banks and the reduction in other current financial liabilities.

At € 223.1 million as at the reporting date, non-current liabilities were at the same level as at the end of the year (31 December 2023: € 224.8 million).

At € 568.9 million, equity as at the balance sheet date on 30 September 2024 was lower than the comparative figure (31 December 2023: € 724.5 million). The reduction in the first nine months of 2024 is primarily due to the dividend payment of € 35.1 million and the buyback of treasury shares totalling € 146.7 million.

Significant financing measures

In the reporting period, current business and necessary replacement investments were financed from cash and cash equivalents, operating cash flow and available credit lines. The same applies to all other investments.

Assets

The assets side of the balance sheet showed current assets of € 728.4 million as at 30 September 2024 (31 December 2023: € 911.1 million). Cash and cash equivalents fell to € 62.4 million as at 30 September 2024 (31 December 2023: € 222.5 million). Trade receivables fell to € 425.2 million in the 2024 reporting period (31 December 2023: € 475.5 million). While inventories remained stable, other current financial assets decreased to € 48.1 million (31 December 2023: € 56.4 million). Other current assets increased to € 69.1 million (31 December 2023: € 44.1 million).

Non-current assets amounted to € 649.4 million as at 30 September 2024 (31 December 2023: € 637.3 million). Changes occurred primarily in intangible assets, which fell to € 79.2 million at the end of the third quarter (31 December 2023: € 91.8 million). Other non-current assets increased to € 41.1 million as at the reporting date (31 December 2023: € 23.3 million).

Cash flow and liquidity

Based on a net profit for the period of € 26.5 million (previous year: € 24.9 million), cash flow from operating activities for the reporting period from January to September 2024 increased significantly to € 58.5 million (previous year: € -9.9 million). The addition to inventories only had an impact of € -0.2 million compared to the previous period (previous year: € -25.8 million), while the lower reduction in trade payables and other liabilities had a significant impact of € -25.6 million compared to the previous period (previous year: € -111.1 million). On the other hand, the lower reduction in trade receivables, contract assets, capitalised contract costs and other assets of € 16.0 million led to a lower cash inflow compared to the previous period (previous year: € 72.1 million).

Cash flow from investing activities in the first nine months of 2024 totalled € -40.1 million (previous year: € -101.8 million). This is characterised in particular by the acquisition of a business unit of DextraData GmbH and the acquisition of SBSK GmbH & Co KG. The comparative period in the previous year was characterised by the acquisition of CANCOM Austria Beteiligungs GmbH (formerly KBC Beteiligungs GmbH), Vienna, Austria, and its subsidiaries. In addition, payments for investments in property, plant and equipment, intangible assets and right-of-use assets contributed € -17.2 million (previous year: € -18.1 million) to the cash outflow.

At € -178.6 million, cash flow from financing activities in the reporting period was higher than in the same period of the previous year (previous year: € -100.6 million). In the reporting period, the figure was significantly influenced by the payment for the buyback of treasury shares as part of the 2023/24 share buyback programme and the 2024 buyback offer of CANCOM SE in the amount of € -146.7 million (previous year: € -33.7 million). Due to the utilisation of credit lines in the reporting period, current financial liabilities increased by € 30.0 million (previous year: € 0.8 million). The payment of the CANCOM SE dividend in particular, which totalled € -35.1 million (previous year: € -35.4 million), was also a significant factor.

In the first nine months, cash and cash equivalents therefore decreased by € 160.2 million compared to cash and cash equivalents at the beginning of the financial year. Cash and cash equivalents amounted to € 62.4 million as at 30 September 2024 (31 December 2023: € 222.5 million).

As a result, the CANCOM Group had positive cash and cash equivalents as of the reporting date and can draw on unutilised credit lines with financial institutions as of the reporting date for this interim report. As a result, the CANCOM Group is in a strong position to meet its payment obligations at all times.

Risks and opportunities of future development

There were no significant changes in the reporting period compared to the 2023 Annual Report and the assessment of opportunities and risks relating to the future development of the CANCOM Group published in the interim reports for the first and second quarters of 2024.

There have been changes to the assessment of individual risks in the CANCOM Group's financial year to date. In accordance with the internal guidelines for risk identification and assessment, a decentralised survey of relevant risk owners in the Group was carried out. As a result of these assessments, the evaluation of risks was adjusted.

Based on the survey results, the reputation risk is considered to be low (medium to date). This assessment is primarily due to the fact that CANCOM enjoys a good reputation with customers, which can be further strengthened by the CANCOM strategy. In addition, the confidentiality risks were combined with the key personnel and expertise risk due to the thematic proximity, meaning that the confidentiality risks will no longer be analysed separately in future. The confidentiality risk would have been categorised lower on the basis of the risk owner survey at the time of transfer. Following this adjustment, the assessment of the key personnel and expertise risk remains at a medium rating.

In addition to the risk adjustments following the risk owner survey, other topics relating to risk management were also analysed. AI systems that are used internally or sold to CANCOM customers were identified as a potential source of risk/opportunity. However, due to the existing internal guidelines, the available specialised staff and risks that have already been inventoried, a dedicated AI risk is not currently recorded in the risk inventory. In addition, the risk situation with regard to artificial intelligence is regularly discussed at the level of the Executive Board, the specialist departments and risk management, so that a direct recording or adjustment can be made at a later date if necessary.

FORECAST REPORT

Premises of the forecast

The forecasts for the CANCOM Group and CANCOM SE include all information known to the Executive Board at the time this report was prepared that could have an impact on business development. The outlook is based, among other things, on the expectations described with regard to economic development and the development of the IT market.

In this context, the Executive Board expressly draws attention to uncertainties in the assessment of general economic development. In the CANCOM Group's core markets, there is still a high degree of uncertainty about economic developments. This is also causing an increased level of uncertainty in CANCOM's important business with public-sector clients. Global, particularly macroeconomic uncertainty factors, such as an expansion of existing acts of war and regional tensions, make it even more difficult to assess developments.

With regard to the CANCOM Group as a whole, unforeseeable events could influence the development of the company as expected from today's perspective. Such events include, for example, the consequences of short-term legal or regulatory changes. Such events are not taken into account in the forecast.

The forecast developments in the key financial performance indicators relate exclusively to the development of the CANCOM Group in the 2024 financial year compared to the reporting date of 31 December 2023.

General conditions of the forecast

The growth prospects for the economic development of the markets in which the CANCOM Group is primarily active have deteriorated further over the course of the year. For Germany, market observers such as the IMF expect the economy to stagnate in 2024 compared to the previous year. The IMF has reduced its GDP forecast from July by 0.2 percentage points and now expects 0.0 percent growth for the German economy since October. The outlook for Austria has also deteriorated. In its October edition, the IMF predicts a decline in economic output of 0.6 percent compared to the previous year.

The economic slowdown is also having an impact on the IT market. The industry association Bitkom and the statistics platform Statista continue to expect the IT market as a whole to grow by 4.3 percent in 2024 compared to the previous year.

Forecast for the CANCOM Group

The markets are currently experiencing increased macroeconomic and geopolitical influences, which may also affect the IT sector. In particular, the economic and political conditions in CANCOM's core markets have influence the accuracy of forecasts.

In the fourth quarter, the CANCOM Group usually generates a significant proportion of its business with public sector and SME customers. The Executive Board of CANCOM SE expects the recent changes, particularly in the political environment, to have an impact on the investment behaviour of these customer groups. In addition, the geopolitical and macroeconomic conditions remain tense.

The Executive Board of CANCOM SE now assumes the following development for the 2024 financial year:

Performance indicators
(in € million)

	Forecast (11. Nov. 2024)	2023
Revenue	1,650 to 1,750	1,522.7
Gross profit	640 to 710	582.3
EBITDA	112 to 130	115.7
EBITA	57 to 75	64.1

Munich, November 2024

The Executive Board of CANCOM SE



Rüdiger Rath
CEO



Jochen Borenich
CSO



Thomas Stark
CFO

Note on the audit review

This document was neither subject to an audit pursuant to Section 317 of the German Commercial Code (HGB) nor to a review by an auditor.

Note rounding

Due to rounding, individual figures in this document may not add up precisely to the totals provided and percentages presented may not precisely reflect the absolute figures to which they relate.

Disclaimer future-oriented statements

This document contains statements which may relate to the future course of business and future financial performance, as well as to future events or developments affecting CANCOM, and may constitute forward-looking statements. These are based on current expectations, assumptions and estimates by the Executive Board, and on other information currently available to management, many of which are outside CANCOM's sphere of influence. These statements can be recognized by formulations and words such as „expect“, „want“, „assume“, „believe“, „aim“, „estimate“, „assume“, „expect“, „intend“, „could“, „plan“, „should“, „will“, „predict“ or similar terms. All statements, other than statements of historical fact, are forward-looking statements. Such forward-looking statements include, but are not limited to expectations regarding the availability of products and services, the financial and earnings position, business strategy and management's plans for future operating activities, economic developments and all statements regarding assumptions. Although these statements are made with great care, CANCOM, represented by the Executive Board, cannot guarantee the accuracy of the expectations, especially in the forecast report. Various known and unknown risks, uncertainties and other factors may cause the actual results to differ significantly from those contained in the forward-looking statements. The following factors, among others, are of significance in this context: external political influences, changes in the general economic and business situation, changes in the competitive position and situation, e.g. due to the appearance of new competitors, new products and services, new technologies, changes in the investment behavior of customer target groups, etc., as well as changes in business strategy. Should one or more of these risks or uncertainties materialize, or should it turn out that the underlying expectations do not materialize or that the assumptions made were incorrect, CANCOM's actual results, performance and achievements (both negative and positive) may differ substantially from those explicitly or implicitly stated in the forward-looking statement. No guarantee can be given for the appropriateness, accuracy, completeness or correctness of the information or opinions in this document. Furthermore, CANCOM does not assume any obligation and does not intend to update these forward-looking statements or to correct them in the event of developments other than those expected.

Consolidated balance sheet

ASSETS

(in T€)	30.9.2024	31.12.2023	30.9.2023
Current assets			
Cash and cash equivalents	62,370	222,549	180,419
Receivables from goods and services	425,225	475,498	414,189
Current contract assets	43,467	32,371	70,213
Capitalised current contract costs	0	234	469
Inventories	80,150	79,913	115,025
Other current financial assets	48,067	56,431	60,901
Other current assets	69,105	44,141	49,449
Total current assets	728,384	911,137	890,665
Non-current assets			
Property, plant and equipment	58,868	59,680	52,253
Intangible assets (other than goodwill)	79,186	91,764	89,019
Goodwill	268,598	261,725	256,563
Rights-of-use assets	121,586	122,164	119,867
Financial assets and loans	33	1,926	33
Investments in companies accounted for using the equity method	15,430	14,538	15,077
Deferred tax assets	13,837	10,971	10,769
Other non-current financial assets	50,817	51,306	52,465
Other non-current assets	41,123	23,264	22,079
Total non-current assets	649,478	637,338	618,125
Total assets	1,377,862	1,548,475	1,508,790

Consolidated balance sheet

LIABILITIES AND SHAREHOLDER'S EQUITY

(in T€)	30.9.2024	31.12.2023	30.9.2023
Current liabilities			
Current liabilities to banks	39,028	9,415	17,614
Trade liabilities	334,153	356,555	315,445
Other current financial liabilities	67,158	91,219	83,192
Current pension provisions and similar provisions	793	793	788
Current other provisions	7,404	7,913	8,404
Current contract liabilities	62,347	54,876	53,237
Income tax liabilities	11,254	7,896	5,843
Other current non-financial liabilities	63,804	70,505	59,880
Total current liabilities	585,941	599,172	544,403
Non-current liabilities			
Non-current liabilities to banks	1,186	1,311	0
Other non-current financial liabilities	153,957	154,105	154,133
Non-current pension provisions and similar provisions	23,501	24,302	22,406
Non-current other provisions	6,514	5,849	5,386
Non-current contract liabilities	20,587	19,008	17,106
Deferred tax liabilities	17,300	20,255	20,771
Other non-current liabilities	10	13	6
Total non-current liabilities	223,055	224,843	219,808
Shareholder's Equity			
Issued capital	35,017	36,687	38,872
Capital reserve	480,261	478,591	471,922
Retained earnings including profit carried forward and profit for the period	53,021	208,213	235,614
Other reserves	279	587	-2,044
Non-controlling interests	288	382	215
Total equity	568,866	724,460	744,579
Total liabilities and shareholder's and equity	1,377,862	1,548,475	1,508,790

Consolidated Statement of Comprehensive Income

(in T€)	Q3		9M	
	1.7.2024 to 30.9.2024	1.7.2023 to 30.9.2023	1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023
Revenues	422,598	415,828	1,257,943	1,062,861
Other operating income	1,747	4,632	6,066	8,034
Other own work capitalised	255	915	1,183	2,521
Capitalised contract costs	0	-235	-234	-703
Total output	424,600	421,140	1,264,958	1,072,713
Material expenses for purchased services	-250,583	-259,436	-751,780	-665,841
Gross profit	174,017	161,704	513,178	406,872
Personnel expenses	-112,436	-106,069	-348,242	-272,372
Depreciation, amortisation, impairment of tangible assets, intangible assets and right-of-use assets	-16,159	-18,131	-49,151	-43,241
Impairment losses on financial assets including reversals of impairment losses	-39	16	-1,110	226
Other operating expenses	-30,516	-20,651	-77,327	-58,176
Operating result (EBIT)	14,867	16,869	37,348	33,309
Interest and similar income	1,440	1,496	5,309	5,515
Interest and similar expenses	-1,793	-1,681	-4,226	-3,469
Other financial income	-57	192	509	1,107
Other financial expenses	-571	-1,741	-2,072	-1,790
Result from companies accounted for using the equity method	120	24	423	17
Currency gains/losses	1	4	22	124
Profit before income taxes	14,007	15,163	37,313	34,813
Income taxes	-4,749	-4,690	-10,809	-10,880
Profit after taxes from continuing operations	9,258	10,473	26,504	23,933
Result from discontinued operations	0	-114	0	1,015
Profit after taxes	9,258	10,359	26,504	24,948
of which attributable to shareholders of the parent company	9,257	10,365	26,515	25,028
of which attributable to non-controlling interest	1	-6	-11	-80
Weighted average shares outstanding (units) undiluted	32,733,329	38,233,609	34,441,636	36,631,124
Weighted average shares outstanding (units) diluted	32,733,329	38,233,609	34,441,636	36,631,124

Consolidated Statement of Comprehensive Income

(in T€)	Q3		9M	
	1.7.2024 to 30.9.2024	1.7.2023 to 30.9.2023	1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023
Earnings per share from continuing operations (undiluted) in €	0.28	0.27	0.77	0.66
Earnings per share from continuing operations (diluted) in €	0.28	0.27	0.77	0.66
Earnings per share from discontinued operations (undiluted) in €	0.00	0.00	0.00	0.03
Earnings per share from discontinued operations (diluted) in €	0.00	0.00	0.00	0.03
Earnings per share for profit after taxes attributable to the owners of the parent (undiluted) in €	0.28	0.27	0.77	0.68
Earnings per share for profit after taxes attributable to the owners of the parent (diluted) in €	0.28	0.27	0.77	0.68

(in T€)	Q3		9M	
	1.7.2024 to 30.9.2024	1.7.2023 to 30.9.2023	1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023
Profit after taxes	9,258	10,359	26,504	24,948
Other comprehensive income				
Items subsequently reclassified to profit after taxes				
Gains/losses from the currency translation of foreign operations	208	107	-237	-1,573
Gains/losses from financial assets measured at fair value through other comprehensive income	0	0	-71	0
Items not subsequently reclassified to profit after taxes				
Gains/losses from the remeasurement of defined benefit plans	-8	0	-8	0
Deferred taxes on items that are not reclassified to profit or loss for the period	-2	0	-2	0
Other comprehensive income for the period	198	107	-318	-1,573
Total comprehensive income for the period	9,456	10,466	26,186	23,375
of which: attributable to owners of the parent company	9,455	10,472	26,197	23,455
of which: attributable to non-controlling interests	1	-6	-11	-80

Consolidated Cash Flow Statement

(in T€)	1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023
Cash flow from operating activities		
Profit for the period	26,504	24,948
Adjustments		
+ Depreciation, amortisation, impairment of tangible assets, intangible assets and right-of-use assets	49,151	43,241
+ Net interest income and other financial result	58	-1,584
+ Income taxes	10,809	11,265
+/- Changes in non-current provisions	-172	487
+/- Changes in current provisions	-517	3,980
+/- Gain/loss from disposal of non-current assets/liabilities	-698	-391
+/- Changes in inventories	-226	-25,793
+/- Changes in trade receivables, contract assets, capitalised contract costs and other assets	15,977	72,134
+/- Changes in trade payables and other liabilities	-25,608	-111,086
- Interest paid	-1,298	-1,677
+/- Income taxes paid/received	-15,473	-24,214
+/- Other non-cash income and expenses	-14	-1,239
+/- Equity-settled share-based payments	0	7
+/- Loss/gain from the sale of a discontinued operation	0	-18
Total Cash flow from operating activities	58,493	-9,940
Cash flow from investing activities		
- Payments from the acquisition of subsidiaries	-28,699	-101,310
+ Proceeds from cash acquired in the acquisition of subsidiaries	606	12,088
+ Proceeds from the sale of a discontinued operation	0	610
- Payments from the acquisition of financial investments	-770	-115
- Payments for investments in tangible and intangible assets as well as right-of-use assets	-17,198	-18,073
+ Sales proceeds from tangible and intangible assets as well as from financial investments	3,092	584
+ Interest and dividends received	2,578	4,404
+ Dividends from joint ventures and associates	300	50
Total Cash flow from investing activities	-40,091	-101,762
Cash flow from financing activities		
- Payments due to the repurchase of own shares	-146,717	-33,689
- Disbursements for capital increase costs	0	-80
- Payments from the repayment of non-current financial liabilities (including the portion recognised as current)	-472	0
- Payments from the repayment of lease liabilities (perspective of the lessee)	-33,662	-34,433
+/- Payments/proceeds resulting from issuing/repayment of current financial liabilities	29,953	801
+/- Payment/proceeds resulting from financial liabilities and lease liabilities	10,484	4,262
- Payments for interest on non-current financial liabilities and lease liabilities	-3,044	-2,118
- Dividends paid	-35,101	-35,392
Total Cash flow from financing activities	-178,559	-100,649
Net increase (decrease) in cash and cash equivalents	-160,157	-212,351
+/- Effect of exchange rate changes on cash and cash equivalents	-22	-401
+/- Cash and cash equivalents at the beginning of the period	222,549	393,171
Cash and cash equivalents at the end of the period	62,370	180,419
thereof		
Cash and cash equivalents from continuing operations	62,370	180,419
Cash and cash equivalents from discontinued operations	0	0

Segment information

(in T€)	Germany		International	
	1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023	1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023
Revenue				
Revenue from external customers	837,643	829,331	420,300	233,530
Revenue between the business segments	9,055	5,811	21,480	14,679
Total income	846,698	835,142	441,780	248,209
Cost of materials/expenses for purchased services	-520,235	-526,457	-244,943	-150,536
Personnel expenses	-213,213	-208,077	-135,029	-64,295
Other income and expenses	-61,839	-47,629	-26,720	-9,807
EBITDA	51,411	52,979	35,088	23,571
Depreciation of property, plant and equipment, software and right-of-use assets	-30,890	-31,889	-9,292	-5,319
Scheduled amortisation on customer base etc.	-4,331	-2,628	-4,638	-3,405
Operating result (EBIT)	16,190	18,462	21,158	14,847
Interest income	4,373	5,582	1,351	567
Interest expenses	-2,657	-2,269	-1,984	-1,834
Other financial result (not affecting EBIT)	-602	-576	-516	34
Result before income taxes	17,304	21,199	20,009	13,614
Income taxes	-6,659	-7,448	-4,150	-3,432
Result from discontinued operations	0	762	0	253
Result for the period	10,645	14,513	15,859	10,435

Total business segments		Reconciliation		Consolidated	
1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023	1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023	1.1.2024 to 30.9.2024	1.1.2023 to 30.9.2023
1,257,943	1,062,861				
30,535	20,490	-30,535	-20,490		
1,288,478	1,083,351	-30,535	-20,490	1,257,943	1,062,861
-765,178	-676,993	13,398	11,152	-751,780	-665,841
-348,242	-272,372	0	0	-348,242	-272,372
-88,559	-57,436	17,137	9,338	-71,422	-48,098
86,499	76,550	0	0	86,499	76,550
-40,182	-37,208	0	0	-40,182	-37,208
-8,969	-6,033	0	0	-8,969	-6,033
37,348	33,309	0	0	37,348	33,309
5,724	6,149	-415	-634	5,309	5,515
-4,641	-4,103	415	634	-4,226	-3,469
-1,118	-542	0		-1,118	-542
37,313	34,813	0	0	37,313	34,813
-10,809	-10,880	0	0	-10,809	-10,880
0	1,015	0	0	0	1,015
26,504	24,948	0	0	26,504	24,948

This is a translation of CANCOM SE's interim report. Only the German version of the report is legally binding. No warranty is made as to the accuracy of the translation and the company assumes no liability with respect thereto. The company cannot be held responsible for any misunderstandings or misinterpretation arising from this translation.

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