

Q1 2021

INTERIM ANNOUNCEMENT AS OF 31 MARCH 2021

CANCOM

Key figures

CANCOM GROUP

in € million	Q1 2021	Q1 2020	Δ
Revenue	372.7	345.3*	+ 7.9 %
Gross profit	125.4	119.2	+ 5.2 %
EBITDA	31.0	26.0	+ 19.2 %
EBITDA margin	8.3 %	7.5 %	+ 0.8 pp
EBITA	20.1	16.2	+ 24.4 %
EBIT	16.2	11.8	+ 37.0 %
	31.3.2021	31.12.2020	Δ
Balance sheet total	1,249.5	1,249.9	- 0.1 %
Equity	630.7	614.7	+ 2.5 %
Equity ratio	50.4 %	49.2 %	+ 1.2 pp
Cash and cash equivalents	299.5	338.4	- 11.5 %
Employees	4,076	3,912	+ 4.2 %

CLOUD SOLUTIONS

in € million	Q1 2021	Q1 2020	Δ
Revenue	76.0	73.6*	+ 3.3 %
EBITDA	22.5	18.9	+ 19.0 %
EBITDA margin	29.6 %	25.6 %	+ 4.0 pp
ARR	224.3	189.1	+ 18.6 %

IT SOLUTIONS

in € million	Q1 2021	Q1 2020	Δ
Revenue	296.7	271.7*	+ 9.2 %
EBITDA	13.1	14.1	- 7.0 %
EBITDA margin	4.4 %	5.2 %	- 0.8 pp

* Previous year's figure adjusted due to change in accounting policy for the financial year 2021. Explanations are provided in the section „Results of operations, financial position and net assets“ in this quarterly statement.

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Group Interim Report

for the period 1 January to 31 March 2021

BASICS OF THE GROUP

The CANCOM Group (hereinafter „CANCOM“ or „CANCOM Group“) is one of the leading providers of IT services and IT infrastructure in Germany. In addition to its activities in its home market of Germany, CANCOM has subsidiaries or branches in the United Kingdom, Austria, Ireland, Belgium, Switzerland, Slovakia and the USA.

Structure of the CANCOM Group

The parent company of the CANCOM Group is CANCOM SE, based in Munich, Germany. It performs central financing and management functions for the Group companies, i.e., the investments it holds. In addition to the parent company's central management and financing activities, the operating units are supported in their day-to-day business operations by likewise centralized areas for purchasing, internal IT, warehousing/ logistics, finance, repair/service, vehicle and travel management and human resources („Central Services“), as well as marketing/ communications, legal and product management. In addition, the operating units have access to a specialized internal sales department („Competence Center“) across the organization.

In addition to these centralized functions, CANCOM's operating units are primarily decentralized and operate in units structured primarily by region. The organization comprises the regional units South, Southwest, Central, East, North, and West, as well as operating units in the United Kingdom, Belgium, and the USA. In addition, there are the E-commerce and Managed Services.

In its financial reporting, the CANCOM Group reports on the development of its operating business by means of two segments in addition to the Group as a whole: Cloud Solutions and IT Solutions.

Cloud Solutions

The Cloud Solutions group segment includes the (shared) managed services business and those product and service businesses that can be directly allocated to managed services contracts. In addition, there are all business activities in connection with the Group's own software product - the IT multicloud management software „AHP Enterprise Cloud“.

IT Solutions

The Group's IT Solutions segment comprises business relating to comprehensive strategic and technical consulting for projects in the areas of IT infrastructure, IT applications, and systems integration, as well as associated services such as planning and turnkey implementation. The segment also covers activities in the areas of IT procurement, eProcurement services, and IT remarketing.

Other companies

In addition to the two operating Group segments, the CANCOM Group's segment reporting also includes the Other Companies segment. This segment comprises the staff and management functions for central Group management, including the parent company CANCOM SE. Intra-Group investments as well as expenses for company acquisitions or income from company disposals are also included in this segment.

Changes in the basis or structure of the Group in the reporting period

In January 2021, CANCOM SE acquired 100 percent of the shares in Anders & Rodewyk Das Systemhaus für Computertechnologien GmbH, based in Hanover. The date of initial consolidation was 1 January 2021.

Business model and sales markets

CANCOM's product and service portfolio is geared to providing comprehensive advice and support to enterprise customers in adapting IT infrastructures and business processes to the requirements of digitalization. CANCOM acts as a provider of complete solutions and sees itself as a „Leading Digital Transformation Partner“ for its customers.

The range of services extends from strategic consulting for digital business processes to the partial or complete operation of IT systems (Managed Services), system design and integration, IT support, delivery and turnkey implementation of hardware and software, as well as e-procurement and remarketing, and the sale of CANCOM's own ‚AHP Enterprise Cloud‘ software.

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 (services business) and from remuneration and commissions for the sale of third-party IT products (sale of goods). The business model is supplemented by the sale of the in-house software ‚AHP Enterprise Cloud‘.

CANCOM thus combines the corporate activities of a managed services provider, a system house (value-added reseller), and a software manufacturer, and can thus generate additional synergy effects between these complementary business areas.

Management is pursuing a medium-term course of strategic transformation for the CANCOM Group. The provision of IT services, especially shared managed services, is to account for an increasing share of business activities in the future. In addition, since 2018 the company has been investing more in the further development of its in-house software ‚AHP Enterprise Cloud‘.

A key external factor influencing CANCOM's business development is the development of the IT market in the largest sales markets of Germany, the United Kingdom, Austria and Belgium. For the IT market as a whole - and therefore also for CANCOM - the general trend towards digitization, the increasing importance of IT processes in business and government, and the permanent further development of devices, technologies, and applications is a key driver. In addition, 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, are important

external factors that CANCOM cannot influence and that can have a positive or negative effect on business development. As a provider of IT services and products, however, the CANCOM Group's business model is not subject to any special industry-specific legal provisions, licensing requirements, or official supervision, i.e., external regulatory or politically influenced factors that go beyond the legal framework generally applicable to all companies.

The CANCOM Group's customer base primarily comprises commercial end users, ranging from small and medium-sized enterprises to large corporations and groups as well as public institutions. Geographically, the CANCOM Group is primarily active in Germany, but also in Austria, the United Kingdom, Ireland, Belgium, Switzerland and the USA.

ECONOMIC REPORT

Development of the overall economy and the IT market

With a revenue share of around 75 percent, Germany is by far the most important sales market for the CANCOM Group. Other important sales markets in terms of revenue volume are the United Kingdom, Austria, Belgium, Switzerland and the USA. In addition to the general economic development in these country markets, the overall market for information and communications technology - especially in Germany - also forms an essential framework and basis of comparison for assessing CANCOM's economic development.

Germany

In CANCOM's home market, economic output, measured in terms of gross domestic product, fell by 1.7 percent in the first quarter of 2021 compared with the previous quarter, according to the German Federal Statistical Office. The stricter Corona protection measures that have been in effect since December of the previous year had a particularly negative impact on the service sector and private consumption. The restrictions had a less significant impact on industry, manufacturing and trade. In its December 2020 forecast, the German Bundesbank nevertheless expects GDP to grow by 3.0 percent in the current year.

United Kingdom, Austria, Switzerland, Belgium and USA

In its May report, the Bank of England forecasts a 1.5 percent quarter-on-quarter decline in UK GDP for the first quarter of 2021.

According to an estimate by the European statistics authority Eurostat gross domestic product in Austria rose by 0.2 percent compared to the previous quarter

In Belgium, according to Eurostat, GDP in the first quarter was down by 0.6 percent above level of the previous quarter

February Economic Barometer 2021, the Swiss economic research institute BAK Economics expects Switzerland’s GDP to decline by 1.3 percent in the first quarter of 2021 compared with the previous quarter.

According to the U.S. Bureau of Economic Analysis, gross domestic product in the United States rose by 6.4 percent in the first quarter of 2021 compared with the previous quarter.

ICT market

In its most recent survey from January 2021, the German ICT industry association bitkom forecasts that the market volume for information and communications technology (ICT) in Germany will grow by 2.7 percent to € 174.1 billion in 2021. The positive development will be driven by the largest submarket in terms of volume, information technology, which is particularly important for CANCOM. Here, bitkom expects growth of 4.2 percent, distributed among the individual market segments as follows:

Outlook: Information Technology Market 2021, Germany*
(Change from previous year in percent)

Software:		+4.1 %
IT Services:		+1.1 %
IT hardware (incl. semiconductors):		+8.6 %

* Source: bitkom/EITO, January 2021

Business performance in the first three months of 2021

The CANCOM Group recorded significant revenue growth in the first quarter. Demand for IT products, IT consulting and IT services in virtually all industries and also in the public sector, remained at a high level. Revenue rose by 7.9 percent to € 372.7 million (previous year: € 345.3 million). In addition to the continued high demand for hardware and software, customers also requested more services and consulting compared with Q1 2020.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose very significantly year-on-year in the first quarter by 19.2 percent to € 31.0 million (previous year: € 26.0 million). The EBITDA margin of the CANCOM Group rose accordingly to 8.3 percent (previous year: 7.5 percent).

Order situation - Annual Recurring Revenue

CANCOM Group: Annual Recurring Revenue
(in € million)

March 2021		224.3
March 2020		189.1

Within the Group’s Cloud Solutions segment, CANCOM’s business activities include managed services and its proprietary AHP Enterprise Cloud software. Managed services contracts and software sales generate recurring monthly revenues over a fixed, multi-year contract term. Plannable recurring revenue enables a projection of expected future revenue over the next twelve months, starting from the last month of the respective reporting period. This Annual Recurring Revenue (ARR) amounted to € 224.3 million in the reporting period based on the month of March, representing a very significant annual increase of 18.6 percent (March 2020: € 189.1 million).

In the other areas of the Cloud Solutions group segment and in large parts of the IT Solutions group segment, information on the order situation as of the reporting date is not meaningful. This is due to the way in which contracts are often structured. They often cover longer periods, but their volume can change within these periods (framework agreements). In addition, there may also be very short periods between the order and the realization of sales,

so that in this case the order volume and sales in the reporting period are approximately the same. For this reason, information on the order situation beyond the ARR is not published in the CANCOM Group's financial reports.

Employees

As of 31 March 2021, the CANCOM Group had 4,076 employees (31 March 2020: 3,888). This represents an increase of 4.8 percent compared with the previous year's reporting date.

The employees were active in the following areas:

CANCOM Group: Employees		
	31.3.2021	31.3.2020
Professional Services	2,478	2,402
Distribution	869	793
Central Services	729	693
Total	4,076	3,888

Results of operations, financial position and net assets

Note:

The CANCOM Group implemented a permanent change in accounting policy at the beginning of financial year 2021, which changes the consolidated Group revenue and the cost of materials. Detailed explanations of the principal/agent classification performed and the general background have already been presented in sections A.3.2.2 and A.3.2.5 of the notes to the consolidated financial statements in the CANCOM Group's Annual Report 2020. The change relates to the recognition of revenue in connection with the sale of software licenses. Cancom no longer reports these in full as revenue (principal classification). Instead, since the beginning of fiscal year 2021, CANCOM has only reported the profit margin of these transactions as revenue (agent classification). This change exclusively reduces the revenue previously reported and, to the same extent, the cost of materials/cost of purchased services associated with these businesses. The change therefore has no impact on the earnings indicators EBITDA, EBITA, EBIT or profit/loss for the period. For better comparability, the prior-year figures have been adjusted in this interim statement.

The following table shows the effects of the change on key financial indicators of the CANCOM Group.

Presentation of gross/net statement of software licenses (principal/agent classification) (in T€)

	Q1 2021		Q1 2020	
	Agent classification (reported)	Principal classification	Agent classification (reported)	Principal classification
Revenues	372,736	459,615	345,315	428,429
Cost of materials/cost of purchased services	-249,677	-336,556	-227,946	-311,060
Gross profit	125,390	125,390	119,245	119,245
EBITDA	31,014	31,014	26,017	26,017
EBITA	20,138	20,138	16,189	16,189
EBITDA margin	8.3 %	6.7 %	7.5 %	6.1 %

Earnings

CANCOM Group: Revenue CANCOM Gruppe: Umsatz (in € million)

Q1 2021	372.7
Q1 2020	345.3*

* Prior-year figure adjusted, see note above.

In the first three months of financial year 2021, the CANCOM Group generated consolidated revenue of € 372.7 million (previous year: € 345.3 million). Compared to the same period of the previous year, this represents growth of 7.9 percent. Organic growth, which excludes the effects of acquisitions, was 6.9 percent.

In geographical terms, CANCOM achieved a 15.5 percent increase in revenue in Germany during the reporting period, to € 314.1 million (previous year: € 271.9 million). In its international business, CANCOM achieved revenue of € 58.7 million (previous year: € 73.4 million).

In the Cloud Solutions segment, CANCOM achieved a year-on-year increase in revenue of 3.3 percent to € 76.0 million in the first three months of 2021 (previous year: € 73.6 million). Growth in the Cloud Solutions segment was achieved purely organically.

In the IT Solutions segment, CANCOM increased revenue by 9.2 percent year-on-year to € 296.7 million in the reporting period (previous year: € 271.7 million). Organic revenue growth in the same period was 7.8 percent.

The CANCOM Group's total operating performance in the first quarter was € 375.1 million (previous year: € 347.2 million).

CANCOM Group: Cost of materials/cost of purchased services (in € million)

	Q1 2021	Q1 2020
Cost of materials/cost of purchased services	-249.7	-227.9

The cost of materials and purchased services increased by 9.6 percent compared with the first quarter of 2020 to € 249.7 million (previous year: € 227.9 million).

CANCOM Group: Gross profit (in € million)

Q1 2021	125.4
Q1 2020	119.2

In the first three months of 2021, the CANCOM Group's gross profit increased by 5.2 percent compared with the first quarter of 2020 to € 125.4 million (previous year: € 119.2 million). The gross profit margin was thus 33.6 percent (previous year: 34.5 percent). In the Cloud Solutions segment, CANCOM recorded a year-on-year increase in gross profit of 3.5 percent to € 43.0 million (previous year: € 41.5 million).

At € 76.2 million, gross profit in the IT Solutions segment in the reporting period was up 1.8 percent on the previous year (€ 74.9 million).

CANCOM Group: Personnel expenses (in € million)

	Q1 2021	Q1 2020
Wages and salaries	-68.6	-66.4
Equity-settled share-based payment transactions	-0.3	-0.2
Share-based payments with cash settlement	0.0	0.0
Social charges	-10.4	-9.0
Expenses for retirement benefits	-0.4	-0.4
Total	-79.8	-76.0

Personnel expenses in the period from January to the end of March 2020 amounted to € 79.8 million, up 5.0 percent on the prior-year figure (previous year: € 76.0 million).

Other operating expenses amounted to € 14.2 million in the reporting period, a decrease of 17.4 percent (previous year: € 17.2 million).

CANCOM Group: EBITDA
(in € million)

Q1 2021	31.0
Q1 2020	26.0

In the period from January to March 2021, EBITDA for the CANCOM Group amounted to € 31.0 million, representing growth of 19.2 percent year-on-year (previous year: € 26.0 million). The organic EBITDA growth of the CANCOM Group was 17.4 percent.

The Group's Cloud Solutions segment contributed to the increase in earnings in the first quarter of 2021 with EBITDA of € 22.5 million, an increase of 19.0 percent year-on-year (previous year: € 18.9 million). EBITDA development was entirely organic.

In the IT Solutions segment, CANCOM achieved EBITDA of € 13.1 million in the reporting period, a decrease of 7.0 percent compared with the same period last year (previous year: € 14.1 million). The organic decline in EBITDA was 10.4 percent.

CANCOM Group: EBITDA margin

Q1 2021	8.3 %
Q1 2020	7.5 %*

*Prior-year figures adjusted. Explanations in section A. 3.2.2. of the notes to the consolidated financial statements in the Annual Report 2020

In the first three months of the year, the CANCOM Group achieved an EBITDA margin of 8.3 percent (previous year: 7.5 percent). The EBITDA margin in the Cloud Solutions segment in the same period was 29.6 percent (previous year: 25.6 percent) and in the IT Solutions segment the EBITDA margin was 4.4 percent (previous year: 5.2 percent).

CANCOM Group: Depreciation and amortization
(in € million)

	Q1 2021	Q1 2020
Scheduled depreciation of property, plant and equipment	-5.1	-5.0
Amortization of intangible assets	-6.1	-6.1
Amortization of rights of use	-3.6	-3.1
Impairment losses on goodwill	0	0
Total	-14.8	-14.2

The CANCOM Group's depreciation and amortization increased by 4.2 percent year-on-year to € 14.8 million in the first three months of financial year 2021 (previous year: € 14.2 million).

CANCOM Group: EBITA
(in € million)

Q1 2021	20.1
Q1 2020	16.2

In the first three months of the current financial year, the CANCOM Group recorded EBITA growth of 24.4 percent to € 20.1 million (previous year: € 16.2 million).

In the Cloud Solutions segment, EBITA in the same period was € 17.7 million (previous year: € 14.7 million). In the IT Solutions segment, EBITA amounted to € 7.3 million (previous year: € 8.6 million).

CANCOM Group: EBIT
(in € million)

Q1 2021	16.2
Q1 2020	11.8

The CANCOM Group's EBIT in the reporting period was € 16.2 million (previous year: € 11.8 million). This represents an increase in EBIT of 37.0 percent over the previous year.

In the Cloud Solutions segment, EBIT amounted to € 15.2 million in the reporting period (previous year: € 11.5 million). In the IT Solutions segment, EBIT amounted to € 6.1 million (previous year: € 7.3 million).

CANCOM Group: Result for the period
(in € million)

Q1 2021	10.0
Q1 2020	8.7

The CANCOM Group's profit for the period from January to March inclusive of the current financial year was € 10.0 million (previous year: € 8.7 million). This corresponds to very significant growth of 14.9 percent.

Net assets and financial position

Principles and objectives of financial management

The principles and objectives of the CANCOM Group's financial management are described in the Annual Report 2020 and are unchanged.

Capital structure of the Group

The total assets of the CANCOM Group as of the reporting date of 31 March 2021 amounted to € 1,249.5 million (31 March 2020: € 1,186.7 million).

On the liabilities side, € 630.7 million of this amount was attributable to equity and € 618.7 million to debt. At the end of the reporting period, the equity ratio of the CANCOM Group was 50.4 percent (31 March 2020: 49.0 percent). Accordingly, the debt ratio was 49.6 percent (31 March 2020: 51.0 percent).

Both non-current and current interest-bearing financial liabilities are very small compared with total liabilities. Cash and cash equivalents exceed them many times over. At the end of the reporting period, the CANCOM Group therefore had negative net financial debt and positive net cash and cash equivalents of € 299.5 million (previous year: € 297.6 million).

The balance sheet as of March 31, 2021 already includes the liabilities and assets acquired in the acquisition of Anders & Rodewyk Das Systemhaus für Computertechnologien GmbH on a provisional basis.

Debt and equity

On the liabilities side of the balance sheet, current liabilities amounted to €491.8 million after the first three months of fiscal 2021 (March 31, December: €522.0 million). The change was mainly due to a decrease in trade accounts payable and other current liabilities.

At €126.9 million, non-current liabilities were significantly higher at March 31, 2021 than at the end of fiscal 2020 (December 31, 2020: € 113.2 million). The change was primarily due to an increase in other non-current financial liabilities.

Equity developed positively over the course of the first three months of the fiscal year and stood at € 630.7 million as of 31 March 2021 (31 December 2020: € 614.7 million).

Significant financing measures

In the first quarter of 2021, operating activities and necessary replacement investments were financed from cash and cash equivalents and operating cash flow. CANCOM did not carry out any significant financing measures in the reporting period.

Assets

On the assets side of the balance sheet, current assets amounted to € 762.2 million at the end of the reporting period on 31 March 2021 (31 December 2020: € 792.4 million). Cash and cash equivalents amounted to € 299.5 million at 31 March 2021 (31 December 2020: € 338.4 million), while trade receivables increased to € 334.4 million (31 December 2020: € 331.4 million). Inventories amounted to € 65.0 million at the end of March (31 December 2020: € 61.4 million).

Non-current assets amounted to € 487.3 million as of 31 March 2021 (31 December 2020: € 457.4 million).

Cash flow and liquidity

The cash flow statement shows a cash flow from operating activities of € -11.9 million for the period from January to March 2021 (previous year: € -60.4 million). The significant improvement mainly resulted from a change in trade receivables and trade payables compared with the previous year.

At € -19.6 million, cash flow from investing activities in the reporting period showed a significantly higher cash outflow than in the same period of the previous year (previous year: € -6.4 million). The main reason for this development was the purchase of Anders & Rodewyk Das Systemhaus für Computertechnologien GmbH.

At € -8.4 million, cash flow from financing activities was negative in the reporting months (previous year: € -0.1 million). The change compared with the previous year's figure resulted mainly from payments for the repayment of current financial debt, as well as payments from financial liabilities and from lease liabilities to leasing companies.

In the reporting period from January to March 2021, cash and cash equivalents decreased by € 38.9 million compared with cash and cash equivalents at the beginning of the financial year to € 299.5 million (31 December 2020: € 338.4 million). At the same time, the figure was slightly higher than at the same time in the previous year (previous year: € 297.6 million).

Opportunities and risks of future development

In the period under review, there were no significant changes to the assessment of opportunities and risks relating to the future development of the CANCOM Group already published in the Annual Report 2020. A detailed list of these opportunities and risks can be found in the Annual Report 2020, which was published on 30 March 2020.

Events after the end of the reporting period

There were no significant events after the end of the reporting period that need to be reported here.

FORECAST REPORT

Premises of the forecasts

The Executive Board of CANCOM SE does not foresee any significant changes for the CANCOM Group in the general economic conditions or the industry environment compared to the presentation made in the forecast report of the Annual Report 2020, to which reference is made in this context. However, the effects of the global shortage of semiconductors cannot be reliably assessed at the present time and make it difficult to plan business development.

Therefore, the Executive Board sees no reason to change the statements made in the Annual Report 2020 regarding the expected development of the CANCOM Group due to the business development or the currently ascertainable development of the general conditions at the time of preparing this interim statement.

Premises of the forecasts

The forecasts for the CANCOM Group and CANCOM SE include all information known to the Executive Board at the time this interim statement was prepared that could have an impact on business development. The outlook is based, among other things, on the expectations regarding economic development and the development of the IT market described in this interim statement or in the 2020 Annual Report.

With regard to the CANCOM Group as a whole and the individual IT Solutions and Cloud Solutions business units, unforeseeable events could influence the development of the Company or individual Group segments 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 forecasts.

The forecast developments in the key performance indicators relate exclusively to the development of the CANCOM Group in its Group structure as of the reporting date of 31 December 2020 (consolidated group). Any acquisitions in the current financial year 2021 are not taken into account.

Outlook for the CANCOM Group

The Executive Board of CANCOM SE confirms the forecast for the development of the CANCOM Group and CANCOM SE described in the Annual Report 2020.

Against the background of the business development in the first quarter of 2021 and the general conditions and premises stated here and in the Annual Report 2020, the Executive Board of CANCOM SE forecasts a significant increase in revenue, consolidated gross profit and a significant increase in consolidated EBITDA for the CANCOM Group. A very significant year-on-year increase is expected for Group EBITA.

For the IT Solutions Group segment, the Management Board expects a significant increase in revenue and EBITDA.

For the Cloud Solutions Group segment, the Executive Board expects a very significant increase in revenue and EBITDA. In addition, a very significant increase in annual recurring revenue (ARR) is expected compared with the figure for December 2020.

Munich, May 2021



Rudolf Hotter
CEO



Thomas Stark
CFO

Executive Board of CANCOM SE

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€)	31.3.2021	31.12.2020	31.3.2020
Current assets			
Cash and cash equivalents	299,547	338,371	297,593
Non-current assets and disposal groups held for sale	1,196	1,196	1,188
Trade receivables	334,400	331,368	312,539
Current contract assets	1,292	2,541	1,653
Capitalised current contract costs	5,592	5,589	5,828
Inventories	64,974	61,428	54,008
Other current financial assets	33,035	31,812	22,717
Other current non-financial assets	22,131	20,111	23,608
Total current assets	762,167	792,416	719,134
Non-current assets			
Property, plant and equipment	60,211	60,328	63,478
Intangible assets (other than goodwill)	87,159	81,392	85,667
Goodwill	223,137	208,072	209,652
Right-of-use assets	75,840	67,947	68,881
Financial assets and loans	5	5	4,005
Capitalised non-current contract costs	1,874	2,108	1,768
Deferred tax assets	7,997	7,747	8,863
Other non-current financial assets	26,047	26,787	21,759
Other non-current non-financial assets	5,034	3,057	3,444
Total non-current assets	487,304	457,443	467,517
Total assets	1,249,471	1,249,859	1,186,651

Consolidated balance sheet

LIABILITIES AND SHAREHOLDERS' EQUITY

(in T€)	31.3.2021	31.12.2020	31.3.2020
Current liabilities			
Current liabilities to banks	53	2,275	6,393
Trade liabilities	343,901	371,623	296,979
Other current financial liabilities	51,240	50,726	58,721
Current provisions	1,087	1,098	1,552
Current contract liabilities	45,379	37,794	38,614
Income tax liabilities	10,076	8,387	9,427
Other current non-financial liabilities	39,823	49,885	36,739
Liabilities directly associated with non-current assets and disposal groups held for sale	240	241	244
Total current liabilities	491,799	522,029	448,669
Non-current liabilities			
Non-current liabilities to banks	128	113	156
Other non-current financial liabilities	94,977	87,213	127,066
Non-current employee benefit provisions	1,873	1,932	1,890
Non-current other provisions	1,564	1,587	1,391
Non-current contract liabilities	10,598	7,864	7,056
Deferred tax liabilities	17,788	14,458	18,515
Other non-current non-financial liabilities	0	0	1
Total non-current liabilities	126,928	113,167	156,075
Shareholders Equity			
Issued capital	38,548	38,548	38,548
Capital reserves	375,814	375,474	374,305
Retained earnings including carryforwards and profit after taxes	211,564	201,470	167,956
Other reserves	4,540	-1,186	1,098
Non-controlling interests	278	357	0
Total equity	630,744	614,663	581,907
Total liabilities and shareholders' equity	1,249,471	1,249,859	1,186,651

Consolidated Statement of total Comprehensive Income

(in T€)	1.1.2021 - 31.3.2021	1.1.2020 - 31.3.2020 (adjusted*)
Revenues	372,736	345,315
Other operating income	911	382
Work performed by the entity and capitalised	1,897	1,874
Capitalised contract costs	-477	-380
Total output	375,067	347,191
Material expenses/cost of purchased services	-249,677	-227,946
Gross profit	125,390	119,245
Personnel expenses	-79,764	-76,040
Depreciation, amortisation, impairment of tangible assets, intangible assets and right-of-use assets	-14,848	-14,217
Impairment losses for financial assets including reversals of impairment losses	-437	28
Other operating expenses	-14,175	-17,216
Operating profit (EBIT)	16,166	11,800
Interest and similar income	1,113	337
Interest and similar expenses	-1,050	-1,813
Other financial income	92	662
Other financial expenses	0	-163
Foreign currency gains/losses	-368	1,962
Profit before income taxes	15,953	12,785
Income taxes	-5,936	-4,111
Profit after taxes from continuing operations	10,017	8,674
Profit after taxes from discontinued operations	0	0
Profit after taxes	10,017	8,674
of which: attributable to owners of the parent	10,096	8,674
of which: attributable to non-controlling interests	-79	0
Weighted average shares outstanding (units) undiluted	38,548,001	38,548,001
Weighted average shares outstanding (units) diluted	38,548,001	38,548,001
Earnings per share from continuing operations (undiluted) in €	0.26	0.23
Earnings per share from continuing operations (diluted) in €	0.26	0.23
Earnings per share from discontinued operations (undiluted) in €	0.00	0.00
Earnings per share from discontinued operations (diluted) in €	0.00	0.00
Earnings per share for profit after taxes attributable to the owners of the parent (undiluted) in €	0.26	0.23
Earnings per share for profit after taxes attributable to the owners of the parent (diluted) in €	0.26	0.23

* Vorjahreswert angepasst aufgrund veränderter Rechnungslegungspraxis ab dem Geschäftsjahr 2021. Erläuterungen sind im Abschnitt Ertrags-, Finanz- und Vermögenslage in dieser Quartalsmitteilung dargestellt.

Consolidated Statement of total Comprehensive Income

(in T€)	1.1.2021 - 31.3.2021	1.1.2020 - 31.3.2020 (adjusted*)
Profit after taxes	10,017	8,674
Other comprehensive income		
Items subsequently reclassified to profit after taxes (recycled)		
Gains/losses from the currency translation of foreign operations	5,726	-4,076
Items not subsequently reclassified to profit after taxes (not recycled)		
Gains/losses from the remeasurement of defined benefit plans	-1	0
Deferred taxes on items that are not reclassified to profit after taxes		0
Other comprehensive income for the period	5,725	-4,076
Total comprehensive income for the period	15,742	4,598
of which: attributable to owners of the parent	15,821	4,598
of which: attributable to non-controlling interests	-79	0

* Vorjahreswert angepasst aufgrund veränderter Rechnungslegungspraxis ab dem Geschäftsjahr 2021. Erläuterungen sind im Abschnitt Ertrags-, Finanz- und Vermögenslage in dieser Quartalsmitteilung dargestellt.

Consolidated Cash Flow Statement

(in T€)	1.1.2021 - 31.3.2021	1.1.2020 - 31.3.2020
Cash flow from operating activities		
Profit after taxes	10,017	8,674
Adjustments		
+ Depreciation, amortisation, impairment of tangible assets, intangible assets and right-of-use assets	14,848	14,217
+ Interest income and other financial income	-155	977
+ Income taxes	5,936	4,111
+/- Changes in non-current provisions	-108	-103
+/- Changes in current provisions	-53	422
+/- Gain/loss from disposal of non-current assets/liabilities	-155	-184
+/- Changes in inventories	-2,408	-8,542
+/- Changes in trade receivables, in contract assets, in capitalised contract costs and other assets	3,340	-47,299
+/- Changes in trade payables and other liabilities	-41,720	-24,781
- Interest paid	-465	-1,219
+/- Income taxes paid/received	-1,701	-5,123
+/- Other non-cash income and expenses	394	-1,732
+ Equity-settled share-based payment transactions	340	225
Total cash flow from operating activities	-11,890	-60,357
Cash flow from investing activities		
- Payments from acquisition of subsidiaries	-12,991	0
+ Proceeds from cash acquired in the acquisition of subsidiaries	732	0
- Payments for investments in tangible and intangible assets as well as right-of-use assets	-7,708	-7,806
+ Sales proceeds for tangible and intangible assets as well as for financial investments	345	574
+ Interest and dividends received	24	879
Total cash flows from investing activities	-19,598	-6,353
Cash flow from financing activities		
- Payments for capital increase costs	0	-6
+ Proceeds from non-current financial liabilities	20	0
- Payments for the repayment of non-current financial liabilities (including the portion presented as current)	-135	-2,080
- Payments for the repayment of lease liabilities (perspective of the lessee)	-4,244	-3,030
+/- Payments/proceeds resulting from issuing/repayment of current financial liabilities	-2,286	1,393
+/- Payments/proceeds resulting from financial liabilities and lease liabilities to leasing companies	-1,273	4,089
- Payments for interest on non-current financial liabilities and lease liabilities	-487	-297
Total cash flow from financing activities	-8,405	69
Net increase (decrease) in cash and cash equivalents	-39,893	-66,641
+/- Effect of exchange rate changes on cash and cash equivalents	1,069	-619
+/- Cash and cash equivalents, at the beginning of the period	338,371	364,853
Cash and cash equivalents, at the end of the period	299,547	297,593
thereof		
Changes in cash and cash equivalents from continuing operations	299,547	297,593
Changes in cash and cash equivalents from discontinued operations	0	0
	299,547	297,593

Segment information

(in T€)	Cloud solutions		IT solutions	
	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2020 (adjusted*)	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2020 (adjusted*)
Revenue				
Revenue from external customers	75,981	73,588	296,728	271,727
Inter-segment sales	3,346	1,875	3,896	2,486
Total income	79,327	75,463	300,624	274,213
Cost of materials/expenses for purchased services	-33,519	-33,344	-222,956	-198,448
Personnel expenses	-19,766	-20,083	-56,373	-50,286
Other income and expenses	-3,583	-3,169	-8,197	-11,391
EBITDA	22,459	18,867	13,098	14,088
Scheduled depreciation and amortization	-4,794	-4,199	-5,809	-5,506
Scheduled amortization	-2,489	-3,124	-1,208	-1,265
Operating result (EBIT)	15,176	11,544	6,081	7,317
Interest income	506	74	613	263
Interest expenses	-129	-54	-1,144	-1,606
Other financial result Income	0	0	0	0
Other financial result Expenses	0	0	0	-163
Currency gains/losses				
Income before income taxes	15,553	11,564	5,550	5,811
Income taxes				
Result for the period				
thereof attributable to shareholders of the parent company				
thereof attributable to non-controlling shareholders				

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Total operating segments		Other companies		Reconciliation statement		Consolidated	
Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2020 (adjusted*)	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2020 (adjusted*)	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2020 (adjusted*)	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2020 (adjusted*)
372,709	345,315	27	0				
7,242	4,361	100	61	-7,342	-4,422		
379,951	349,676	127	61	-7,342	-4,422	372,736	345,315
-256,475	-231,792	-27	-42	6,825	3,888	-249,677	-227,946
-76,139	-70,369	-3,625	-5,671	0	0	-79,764	-76,040
-11,780	-14,560	-1,018	-1,286	517	534	-12,281	-15,312
35,557	32,955	-4,543	-6,938	0	0	31,014	26,017
-10,603	-9,705	-273	-123	0	0	-10,876	-9,828
-3,697	-4,389	-275	0	0	0	-3,972	-4,389
21,257	18,861	-5,091	-7,061	0	0	16,166	11,800
1,119	337	1,359	1,345	-1,365	-1,345	1,113	337
-1,273	-1,660	-1,142	-1,498	1,365	1,345	-1,050	-1,813
0	0	92	662	0	0	92	662
0	-163		0	0	0	0	-163
				-368	1,962	-368	1,962
21,103	17,375	-4,782	-6,552	-368	1,962	15,953	12,785
				-5,936	-4,111	-5,936	-4,111
						10,017	8,674
						10,096	8,674
						-79	0

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.

CANCOM SE

Investor Relations

Erika-Mann-Straße 69

80636 München

Germany

Phone +49 89 54054-5511

Fax +49 8225 996-45193

ir@cancom.de

www.cancom.de