

# INTERIM STATEMENT

## **Q1 2022**



# Key figures

## CANCOM GROUP

in € million	Q1 2022	Q1 2021	Δ
Revenue	300.9	337.2	- 10.8 %
Gross profit	109.5	104.7	+ 4.6 %
EBITDA	27.2	25.6	+ 6.3 %
EBITDA margin	9.1 %	7.6 %	+ 1.5 pp
EBITA	17.3	16.9	+2.3 %
EBIT	16.2	15.1	+ 7.1 %
	<b>31.3.2022</b>	<b>31.12.2021</b>	<b>Δ</b>
Balance sheet total	1,284.8	1,406.6	- 8.7 %
Equity	747.8	814.1	- 8.1 %
Equity ratio	58.2 %	57.9 %	+ 0.3 pp
Cash and equivalents	486.8	653.0	- 25.4 %
Employees (average)	3,663	4,048	- 9.5 %

## CLOUD SOLUTIONS

in € million	Q1 2022	Q1 2021	Δ
Revenue	75.5	58.9	+ 28.1 %
EBITDA	22.6	17.6	+ 27.9 %
EBITDA margin	29.9 %	29.9 %	+/- 0.0 pp
ARR	196.2	159.1	+ 23.3 %

## IT SOLUTIONS

in € million	Q1 2022	Q1 2021	Δ
Revenue	225.3	278.2	- 19.0 %
EBITDA	9.2	12.2	- 24.7 %
EBITDA margin	4.1 %	4.4 %	- 0.3 pp

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# Group Interim Report

for the period 1 January to 31 March 2022

## FUNDAMENTALS 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. In addition to its activities in its home market of Germany, the Group has subsidiaries or branches in Austria, Switzerland, Belgium, 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 also supported in their day-to-day 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/communications and product management. In addition, an internal specialised sales department („Competence Centre“) is available to the operational units across the organisation.

In addition to these centralised functions, CANCOM's operating units are primarily decentralised and operate in units structured primarily by region. The –organisation comprises the regional units South, Southwest, Central, East, North and West as well as locations in Belgium and the USA. In –addition, there are the supra-regional business units Managed Services, Public, eCom and Remarketing.

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

### Cloud Solutions

The group segment Cloud Solutions (IT as a Service) includes the business with (remote and/or shared) managed services as well as product and service business (hardware, software and services) that can be directly assigned to managed services customers. Characteristic of managed services are, among other things, recurring revenues for service level-based services and/or services with defined response times. As part of its service offering, the CANCOM Group is able to take over the complete or partial operation of IT for customers with such scalable as-a-service services - in particular shared managed services. „Cloud“ refers to a delivery architecture with location- and device-independent and usually broadband network-based access - especially data and application access - to central IT resources. CANCOM thus offers customers in this segment the necessary orientation and support for the transformation of their corporate IT into a cloud delivery architecture.

### IT Solutions

The group segment IT Solutions (IT as a Concept) includes business related to comprehensive strategic and technical consulting and services for projects in the area of IT infrastructure, IT applications and system integration as well as their planning and turnkey implementation. The segment also includes activities in the area of IT procurement, eProcurement services and remarketing.

### Other companies

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

## Business model and sales markets

CANCOM's product and service portfolio is geared towards advising and supporting corporate customers in adapting IT infrastructures and business processes to the requirements of digitalisation. 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 (primarily by means of managed services and standardised as-a-service offers), to system design and integration, IT support, delivery and turnkey implementation of hardware and software, e-procurement, logistics services and the remarketing of used IT.

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). Management is pursuing a medium-term course of strategic transformation of the CANCOM Group into a system house 4.0, in which an increasing proportion of business activity is to be the provision of IT services, specifically shared managed services.

Geographically, the CANCOM Group is primarily active in Germany, but also in Austria, Belgium, Switzerland and the USA. A key external factor influencing CANCOM's business development is therefore the development of the IT market in its largest sales markets, 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, the education sector and healthcare is increasing. New application possibilities for IT-based solutions and investments to improve existing infrastructures are contributing to market development.

Important external factors that CANCOM cannot influence and that may have a positive or negative impact on business development are, in particular, data protection regulations, the general threat situation in the area of cyber security, and also the quality certifications and environmental and social standards required by customers. 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 companies and corporations, as well as public institutions.

## ECONOMIC REPORT

### Development of the overall economy and the IT market

With a revenue share of over 90 percent, Germany is by far 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 country markets, the overall market for information and communication technology - especially in Germany - also forms an essential framework and basis of comparison for assessing CANCOM's economic development.

In CANCOM Group's home market of Germany, economic output, measured in terms of gross domestic product, rose by 0.2 percent in the first quarter of 2021 compared to the previous quarter, according to the Federal Statistical Office. At the beginning of the year, rising business investment in particular ensured GDP growth. However, significantly higher commodity prices and significantly higher inflation rates already had a negative effect on the general economic development at the beginning of the quarter. Since the end of February, the effects of the war in Ukraine have had an additional negative impact on economic development. Among other things, this led to a reduction in the growth forecast for global economic development in 2022 by the International Monetary Fund (IMF) by 0.8 percentage points to 3.6 percent shortly after the end of the reporting period. For Germany, the IMF now expects growth of only 2.1 percent, a forecast reduction of 1.7 percentage points.

### ICT market

In its most recent survey from January 2022, the German ICT industry association bitkom forecasts growth in the market volume for information and communication technology (ICT) in Germany of 4.0 percent to € 175.9 billion in 2022. The positive development will be driven by the largest sub-market in terms of volume, information technology, which is particularly important for CANCOM. Here bitkom expects growth of 5.9 percent to € 108.6 billion in 2022, distributed among the individual market segments as follows:

#### Outlook: Information Technology Market 2022, Germany\* (Change compared to previous year in percent)

Software:		+9.0 %
IT services:		+3.9 %
IT hardware (incl. semiconductors):		+5.7 %

\* Source: bitkom/EITO, January 2022

### Business performance in the first three months of 2022

In the first quarter of 2022, the CANCOM Group achieved an increase in operating earnings before interest, taxes, depreciation and amortisation (EBITDA), while revenue was lower than in the previous year. However, as the CANCOM Group's consolidated EBITDA and EBITA both exceeded the previous year's figures, the first quarter of 2022 was satisfactory overall. The development of revenue was largely influenced by the tense situation regarding the availability of IT hardware and lower demand from public administration framework contracts. The increase in EBITDA is primarily due to a good development in the high-margin Group segment Cloud Solutions. In addition, there was a disproportionate reduction in the cost of materials compared to revenue as well as very good income from as-a-service offerings.

Specifically, Group revenue in the first quarter of 2022 fell year-on-year to € 300.9 million (previous year: € 337.2 million). CANCOM was able to improve earnings before interest, taxes, depreciation and amortisation (EBITDA) in the first quarter compared to the previous year to € 27.2 million (previous year: € 25.6 million). The EBITDA margin of the CANCOM Group rose accordingly to 9.1 percent (previous year: 7.6 percent).

Customer demand for the CANCOM Group's IT products and services and the resulting order backlog remained high in the first quarter.

### Order situation - Annual Recurring Revenue

#### CANCOM Group: Annual Recurring Revenue (in € million)

March 2022		196.2
March 2021		159.1

Within the Group's Cloud Solutions segment, CANCOM's Managed Services business is included. Managed services contracts and software sales result in recurring monthly revenue 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)<sup>1</sup> amounted to € 196.2 million in the reporting period based on the month of March, which corresponds to an annual increase of 23.3 percent (March 2021 (adjusted): € 159.1 million).

In the other areas of the group segment Cloud Solutions and in large parts of the group segment IT Solutions, information on the order situation is not meaningful as of the reporting date. 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 can also be very short periods between the order and the realisation of revenue, so that in this case order volume and revenue are approximately the same in the reporting period. For this reason, information on the order situation beyond the ARR is not published in the CANCOM Group's financial reports.

### Employees

As at 31 March 2022, the CANCOM Group had 3,683 employees (March 2021 (adjusted): 3,489). This represents an increase of 5.6 percent in the number of employees as at the reporting date. The previous year's figure was adjusted due to the sale of the CANCOM UK Group.

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

<sup>1</sup> ARR = Monthly Recurring Revenue from the provision of Managed Services, from consumption-based subscription models (XaaS), the AHP Enterprise Cloud and from cloud licences and rental models x 12 months

The employees were active in the following areas:

#### CANCOM Group: Employees

	31.3.2022	31.3.2021	31.3.2021 (adjusted*)
Professional Services	2,181	2,478	2,047
Distribution	844	869	795
Central Services	658	729	647
<b>Total</b>	<b>3,683</b>	<b>4,076</b>	<b>3,489</b>

\*) Number of employees as at 31 March 2021 excluding employees of the CANCOM UK Group.

The average number of employees in the first quarter of 2022 was 3,663 (prior-year quarter: 4,048 employees).

#### Earnings, financial and asset situation

##### Notes:

As a result of the sale of the business activities in the United Kingdom and Ireland, the business results of the associated Group companies are summarised in full in the CANCOM Group's income statement under the item „Result from discontinued operations“. The key financial figures of the income statement presented below are therefore shown for the prior-year period without the contributions of the business activities in the United Kingdom and Ireland. Detailed explanations can be found in section A. 2.2.3 of the notes to the consolidated financial statements in the CANCOM Group Annual Report 2021.

#### Earnings situation

##### CANCOM Group: Revenue

(in € million)

Q1 2022	300.9
Q1 2021	337.2

In the first three months of the financial year 2022, the CANCOM Group generated consolidated revenue of € 300.9 million (previous year: € 337.2 million). Compared to the same period last year, this represented a decline of 10.8 percent. In the reporting period, the development of the CANCOM Group was entirely organic<sup>2</sup>.

At Group level, CANCOM generated € 206.5 million (previous year: € 251.6 million) from the sale of goods, i.e. in particular hardware and software, and € 94.3 million (previous year: € 85.6 million) from the provision of services in the quarter under review.

In geographical terms, CANCOM showed a 11.2 percent decline in revenue in Germany in the reporting period to € 278.9 million (previous year: € 314.1 million). In its international business, CANCOM achieved revenue of € 22.0 million (previous year: € 23.1 million).

In the Cloud Solutions Group segment, CANCOM achieved a year-on-year increase in revenue of 28.1 percent to € 75.5 million in the first three months of 2022 (previous year: € 58.9 million).

In the IT Solutions group segment, revenue in the reporting period was € 225.3 million (previous year: € 278.2 million).

The CANCOM Group's other operating income in the first quarter of 2022 was € 4.5 million (previous year: € 0.8 million).

The total operating revenue of the CANCOM Group in the first quarter of 2022 thus amounted to € 307.2 million (previous year: € 339.6 million).

##### CANCOM Group: Cost of materials/cost of purchased services

(in € million)

	Q1 2022	Q1 2021
Cost of materials/cost of purchased services	197.7	234.9

The cost of materials and purchased services fell in the reporting period by 15.8 percent to € 197.7 million (previous year: € 234.9 million) compared to the previous year.

##### CANCOM Group: Gross profit

(in € million)

Q1 2022	109.5
Q1 2021	104.7

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

2 Organic share of financial ratios = respective financial ratio (GAAP or non-GAAP) - contributions from companies that have been part of the scope of consolidation for less than 12 months

In the first three months of 2022, the CANCOM Group's gross profit<sup>3</sup> rose by 4.6 percent year-on-year to € 109.5 million (previous year: € 104.7 million). The gross profit margin thus rose to 36.4 percent (previous year: 31.0 percent).

In the Cloud Solutions Group segment, CANCOM recorded a year-on-year increase in gross profit of 24.2 percent to € 39.0 million (previous year: € 31.4 million).

In the IT Solutions Group segment, CANCOM generated gross profit of € 66.1 million in the reporting period (previous year: € 67.1 million).

#### CANCOM Group: Personnel expenses

(in € million)

	Q1 2022	Q1 2021
Wages and salaries	59.2	57.3
Equity-settled share-based payment transactions	0.2	0.3
Share-based payments with cash settlement	0	0
Social security contributions	10.3	9.8
Expenses for old-age provision	0.1	0.1
<b>Total</b>	<b>69.8</b>	<b>67.6</b>

Personnel expenses in the period from January to the end of March 2021 were 3.2 percent higher than in the previous year at € 69.8 million (previous year: € 67.6 million). The personnel expense ratio was 23.2 percent (previous year: 20.0 percent).

Other operating expenses amounted to € 12.4 million in the reporting period, which corresponds to an increase of 11.7 percent (previous year: € 11.1 million).

#### CANCOM Group: EBITDA

(in € million)

Q1 2022	27.2
Q1 2021	25.6

In the period from January to March 2022, the EBITDA<sup>4</sup> of the CANCOM Group amounted to € 27.2 million, which represents a growth of 6.3 percent compared to the previous year's figure (previous year: € 25.6 million).

The Cloud Solutions group segment contributed to the increase in earnings in the first quarter of 2022 with an EBITDA of € 22.6 million and thus an increase of 27.9 percent compared to the same period of the previous year (previous year: € 17.6 million).

In the IT Solutions Group segment, CANCOM achieved EBITDA of € 9.2 million in the reporting period, a decrease of 24.7 percent compared to the same period last year (previous year: € 12.2 million).

#### CANCOM Group: EBITDA margin

Q1 2022	9.1 %
Q1 2021	7.6 %

In the first three months of the year, the CANCOM Group achieved an EBITDA margin of 9.1 percent (previous year: 7.6 percent). The EBITDA margin in the Cloud Solutions segment in the same period was 29.9 percent (previous year: 29.9 percent) and in the IT Solutions segment the EBITDA margin was 4.1 percent (previous year: 4.4 percent).

#### CANCOM Group: Depreciation and amortisation

(in € million)

	Q1 2022	Q1 2021
Scheduled depreciation of property, plant and equipment	-3.5	-3.6
Scheduled amortisation of software	-3.1	-2.0
Scheduled amortisation of rights of use	-3.3	-3.1
Scheduled amortisation on customer bases etc.	-1.1	-1.8
Impairment of goodwill	0	0
<b>Total</b>	<b>-11.0</b>	<b>-10.5</b>

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

<sup>3</sup> Gross profit = total output (sales revenue + other operating income + other own work capitalised + capitalised contract costs) less cost of materials/expenses for purchased services

<sup>4</sup> EBITDA = profit for the period + income taxes + foreign exchange gains/losses + depreciation and amortisation of financial assets + income from investments + other financial result + interest result + depreciation and amortisation of property, plant and equipment, intangible assets and rights of use

Depreciation and amortisation for the CANCOM Group increased by 4.8 percent year-on-year to € 11.0 million in the first three months of the 2022 financial year (previous year: € 10.5 million).

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**CANCOM Group: EBITA CANCOM Gruppe: EBITA**  
(in € million)

Q1 2022		17.3
Q1 2021		16.9

In the first three months of the current financial year, the CANCOM Group recorded growth in EBITA<sup>5</sup> of 2.3 percent to € 17.3 million (previous year: € 16.9 million).

In the Cloud Solutions segment, EBITA in the same period was € 19.1 million (previous year: € 14.6 million). In the IT Solutions segment, EBITA amounted to € 2.7 million (previous year: € 6.8 million).

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**CANCOM Group: EBIT**  
(in € million)

Q1 2022		16.2
Q1 2021		15.1

The CANCOM Group's EBIT<sup>6</sup> amounted to € 16.2 million in the reporting period (previous year: € 15.1 million). This represents an increase in EBIT of 7.1 percent compared to the same period last year.

In the Cloud Solutions segment, EBIT amounted to € 18.3 million in the reporting period (previous year: € 13.6 million). In the IT Solutions segment, the EBIT was € 2.5 million (previous year: € 6.2 million).

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

Q1 2022		11.1
Q1 2021		10.0

The CANCOM Group's profit for the period from January to March of the current financial year was € 11.1 million (previous year: € 10.0 million). This represents an improvement of 11.0 percent.

## Financial and asset position

### Principles and objectives of financial management

The principles and objectives of the CANCOM Group's financial management are described in the Annual Report 2021 and are unchanged.

### Capital structure of the Group

The total assets of the CANCOM Group as at 31 March 2022 amounted to € 1,284.8 million (31 March 2021: € 1,249.5 million). On the liabilities side, € 747.8 million of this was attributable to equity and € 537.0 million to debt. The equity ratio of the CANCOM Group was thus 58.2 percent at the end of the reporting period (31 March 2021: 50.5 percent). The debt ratio fell accordingly to 41.8 percent (31 March 2021: 49.5 percent).

Both the non-current and current interest-bearing financial liabilities to banks have a very low volume of less than € 0.1 million (previous year: € 0.2 million) compared to the total liabilities. The amount of cash and cash equivalents exceeds these many times over as at the reporting date of 31 March 2022. As a result, the CANCOM Group has no net financial debt at the end of the reporting period, or this key figure is negative. Cash and cash equivalents increased to € 486.8 million (previous year: € 299.5 million).

### Debt and equity

On the liabilities side of the balance sheet, current liabilities amounted to € 403.9 million after the first three months of the 2022 financial year (31 December 2021: € 468.1 million). The change was mainly due to a decrease in trade payables, which stood at € 283.0 million on the reporting date (31 December 2021: € 317.0 million). The change was mainly due to a decrease in trade payables, a decrease in other current financial liabilities to € 56.7 million (31 December 2021: € 64.6 million) and lower other current liabilities of € 26.3 million (31 December 2021: € 39.1 million).

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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 + foreign exchange gains/losses + write-downs of financial assets + income from investments + other financial result + interest result + amortisation of customer bases, order backlogs, brands and impairment of goodwill

6 EBIT = profit for the period + income taxes + currency gains/losses + write-downs on financial assets + income from investments + other financial result + interest result

Non-current liabilities were higher at € 133.1 million as at 31 March 2022 than at the end of the 2021 financial year (31 December 2021: € 124.5 million). The change was primarily due to an increase in other non-current financial liabilities to € 106.7 million (31 December 2021: € 99.2 million). Equity decreased during the first three months of the financial year and stood at € 747.8 million as at 31 March 2022 (31 December 2021: € 814.1 million), mainly due to the development of retained earnings, which amounted to € 331.4 million (31 December 2021: € 397.8 million).

### Essential financing measures

The financing of ongoing business activities and necessary replacement investments was carried out in the first quarter of 2022 from cash and cash equivalents and the 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 € 937.9 million at the end of the reporting period on 31 March 2022 (31 December 2021: € 1,071.7 million). The decrease compared to year-end 2021 is mainly due to a lower level of cash and cash equivalents. They amounted to € 486.8 million as at 31 March 2022 (31 December 2021: € 653.0 million). Trade receivables amounted to € 290.6 million (31 December 2021: € 299.1 million). In contrast, inventories increased to € 96.3 million as at 31 March 2022 (31 December 2021: € 72.1 million).

Non-current assets amounted to € 346.9 million as at 31 March 2021 (31 December 2021: € 334.9 million). The change is mainly due to the development of other non-current financial assets of € 31.5 million (31 December 2021: € 20.3 million).

### Cash flow and liquidity

The cash flow statement shows a value of € -76.3 million for the cash flow from operating activities in the first quarter of 2022 (previous year: € -11.9 million). Based on a result for the period of € 11.1 million (previous year: € 10.0 million), the increase in inventories in the reporting period, which was recorded at € -24.2 million (previous year: € -2.4 million), had the greatest impact. The reduction of trade payables also had an impact of € -63.7 million on the operating cash flow (previous year: € -41.7 million) and thus contributed to the overall significantly lower value in the first quarter of 2022.

The cash flow from investing activities in the reporting period, at € -8.9 million, showed a lower outflow of cash and cash equivalents than the figure for the same period in the previous year (previous year: € -19.6 million). This development can essentially be explained by the purchase price payment made in the comparable period in connection with the acquisition of Anders & Rodewyk Das Systemhaus für Computertechnologien GmbH.

Cash flow from financing activities was clearly negative in the reporting months at € -80.9 million (previous year: € -8.4 million). This is mainly due to the ongoing share buy-back programme of CANCOM SE. Payments due to the repurchase of treasury shares amounted to € -78.8 million (previous year: € -0).

In the reporting period from January to March 2022, cash and cash equivalents decreased by € 166.2 million to € 486.8 million (31 December 2021: € 653.0 million) compared to cash and cash equivalents at the beginning of the financial year. However, the value was above the level at the same time in the previous year (31 March 2021: € 299.5 million).

### Opportunities and risks of future development

In the reporting period, there have been no significant changes to the assessment of opportunities and risks with regard to the future development of the CANCOM Group already published in the Annual Report 2021. This is particularly the case because the current development of the global economy and the geopolitical situation, as well as the tense situation in the supply chain for IT components, are reflected in two items in particular, the „economic and (geo-)political risks“ and the „supplier dependency risks“ within the risk management system. These items are already rated as high risks in the risk assessment published in the Annual Report 2021, and thus in the highest possible risk level. A detailed list of these opportunities and risks can be found in the Annual Report 2021, which was published on 29 March 2022.

### Events after the end of the reporting period

After the end of the reporting period, events occurred, primarily due to the deterioration in forecasts for the development of the global economy, the prolonged lockdowns in important economic regions in China and a resulting foreseeable deterioration in the situation in the supply chain for IT components, which led the Executive Board to adjust the annual forecast for the CANCOM Group and CANCOM SE.

## FORECAST REPORT

The Executive Board of CANCOM SE adjusted the forecast for the CANCOM Group in an ad hoc announcement on 3 May 2022. The Executive Board decided to update the forecast in view of the fundamental deterioration in the global macroeconomic situation, the lack of encouraging developments in the global supply chain for IT components for the foreseeable future, and current changes in the behaviour of key customers in the public sector.

### Framework conditions

Continuing lockdowns to combat the spread of the coronavirus have significantly impaired important supply chains for IT components since the end of March, particularly in China. Whereas at the time of the initial publication of the forecast for the 2022 financial year it was still assumed that the pandemic control measures would last only a short time and cover only a small area, the local authorities repeatedly tightened and extended the measures in the course of April.

At the same time, in Germany, the CANCOM Group's core market, existing framework agreements with the public sector at federal level are not being used as planned and orders are being postponed. Expected call-offs will encounter a tight supply situation in the course of the year.

In conjunction with the lowering of growth forecasts for the global economy, the outlook for the general economic development and the development of the IT industry is correspondingly much less positive than expected compared to the time the forecast was prepared. The Executive Board had already pointed out the increased uncertainty of the annual forecast in the 2021 annual report.

### Premises of the forecasts

The updated forecast for the CANCOM Group includes all information known to the Executive Board at the time of preparing this interim statement that could have an impact on business development. The outlook is based, among other things, on the adjusted expectations with regard to economic development and the development of the IT market, which are described in this interim statement.

With regard to the CANCOM Group as a whole and the individual IT Solutions and Cloud Solutions business units, unforeseeable events could affect the expected development of the Company or individual Group segments 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 at the reporting date of 31 December 2021 (consolidated group). Any acquisitions in the current financial year 2022 are not taken into account.

### Outlook for the CANCOM Group

The Executive Board of CANCOM SE believes that the CANCOM Group is well positioned for the current year despite the challenging general conditions. However, the availability of IT hardware will influence the CANCOM Group's revenue and earnings performance. Accordingly, the Executive Board now anticipates significant growth for the CANCOM Group in financial year 2022.

Against the background of the business development in the first quarter of 2022 and the general conditions and premises stated in this interim announcement, the Executive Board of CANCOM SE forecasts a significant increase in revenue, consolidated gross profit and a significant increase in consolidated EBITDA and consolidated EBITA for the CANCOM Group compared to the previous year.

For the Cloud Solutions Group segment, the Executive Board expects a significant increase in revenue and EBITDA. In addition, a very significant increase in Annual Recurring Revenue (ARR) is expected compared to the December 2021 figure.

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

Munich, Germany, May 2022



Rudolf Hotter  
CEO



Thomas Stark  
CFO



Rüdiger Rath  
COO

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€)	31.3.2022	31.12.2021	31.3.2021
<b>Current assets</b>			
Cash and cash equivalents	486,808	652,965	299,547
Non-current assets and disposal groups held for sale	0	0	1,196
Trade receivables	290,586	299,116	334,400
Current contract assets	1,962	2,296	1,292
Capitalised current contract costs	937	937	5,592
Inventories	96,315	72,148	64,974
Other current financial assets	42,020	33,177	33,035
Other current non-financial assets	19,326	11,108	22,131
<b>Total current assets</b>	<b>937,954</b>	<b>1,071,747</b>	<b>762,167</b>
<b>Non-current assets</b>			
Property, plant and equipment	39,637	40,721	60,211
Intangible assets (other than goodwill)	65,848	64,491	87,159
Goodwill	113,451	113,451	223,137
Right-of-use assets	82,871	83,770	75,840
Financial assets and loans	5	5	5
Capitalised non-current contract costs	937	1,171	1,874
Deferred tax assets	8,427	5,976	7,997
Other non-current financial assets	31,472	20,295	26,452
Other non-current non-financial assets	4,243	5,017	4,629
<b>Total non-current assets</b>	<b>346,891</b>	<b>334,897</b>	<b>487,304</b>
<b>Total assets</b>	<b>1,284,845</b>	<b>1,406,644</b>	<b>1,249,471</b>

# Consolidated balance sheet

## LIABILITIES AND SHAREHOLDERS' EQUITY

(in T€)	31.3.2022	31.12.2021	31.3.2021
<b>Current liabilities</b>			
Current liabilities to banks	5	1,997	53
Trade liabilities	283,013	316,982	343,901
Other current financial liabilities	56,706	64,646	51,487
Current employee benefit provisions	41	41	0
Current other provisions	838	2,017	1,087
Current contract liabilities	26,178	30,695	45,379
Income tax liabilities	10,797	12,660	10,076
Other current non-financial liabilities	26,329	39,084	39,576
Liabilities directly associated with non-current assets and disposal groups held for sale	0	0	240
<b>Total current liabilities</b>	<b>403,907</b>	<b>468,122</b>	<b>491,799</b>
<b>Non-current liabilities</b>			
Non-current liabilities to banks	11	12	128
Other non-current financial liabilities	106,692	99,167	94,977
Non-current employee benefit provisions	1,546	1,552	1,873
Non-current other provisions	1,695	1,712	1,564
Non-current contract liabilities	10,524	11,838	10,598
Deferred tax liabilities	12,651	10,172	17,788
<b>Total non-current liabilities</b>	<b>133,119</b>	<b>124,453</b>	<b>126,928</b>
<b>Shareholders' Equity</b>			
Issued capital	38,548	38,548	38,548
Capital reserves	377,035	376,846	375,814
Retained earnings including carryforwards and profit after taxes	331,417	397,789	211,564
Other reserves	584	535	4,540
Non-controlling interests	235	351	278
<b>Total equity</b>	<b>747,819</b>	<b>814,069</b>	<b>630,744</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,284,845</b>	<b>1,406,644</b>	<b>1,249,471</b>

# Consolidated Statement of total Comprehensive Income

(in T€)	1.1.2022 - 31.3.2022	1.1.2021 - 31.3.2021
Revenues	300,894	337,174
Other operating income	4,465	777
Work performed by the entity and capitalised	2,037	1,897
Capitalised contract costs	-234	-276
<b>Total output</b>	<b>307,162</b>	<b>339,572</b>
Material expenses/cost of purchased services	-197,704	-234,894
<b>Gross profit</b>	<b>109,458</b>	<b>104,678</b>
Personnel expenses	-69,801	-67,561
Depreciation, amortisation, impairment of tangible assets, intangible assets and right-of-use assets	-11,023	-10,498
Impairment losses for financial assets including reversals of impairment losses	-51	-425
Other operating expenses	-12,372	-11,064
<b>Operating profit (EBIT)</b>	<b>16,211</b>	<b>15,130</b>
Interest and similar income	524	1,050
Interest and similar expenses	-1,141	-911
Other financial income	327	0
Foreign currency gains/losses	1	26
<b>Profit before income taxes</b>	<b>15,922</b>	<b>15,295</b>
Income taxes	-4,772	-5,772
<b>Profit after taxes from continuing operations</b>	<b>11,150</b>	<b>9,523</b>
Profit after taxes from discontinued operations	0	494
<b>Profit after taxes</b>	<b>11,150</b>	<b>10,017</b>
of which: attributable to owners of the parent	11,266	10,096
of which: attributable to non-controlling interests	-116	-79
Weighted average shares outstanding (units) undiluted	36,996,536	38,548,001
Weighted average shares outstanding (units) diluted	37,069,655	38,548,001
<b>Earnings per share from continuing operations (undiluted) in €</b>	<b>0.30</b>	<b>0.25</b>
<b>Earnings per share from continuing operations (diluted) in €</b>	<b>0.30</b>	<b>0.25</b>
<b>Earnings per share from discontinued operations (undiluted) in €</b>	<b>0.00</b>	<b>0.01</b>
<b>Earnings per share from discontinued operations (diluted) in €</b>	<b>0.00</b>	<b>0.01</b>
<b>Earnings per share for profit after taxes attributable to the owners of the parent (undiluted) in €</b>	<b>0.30</b>	<b>0.26</b>
<b>Earnings per share for profit after taxes attributable to the owners of the parent (diluted) in €</b>	<b>0.30</b>	<b>0.26</b>

# Consolidated Statement of total Comprehensive Income

(in T€)	1.1.2022 - 31.3.2022	1.1.2021 - 31.3.2021
<b>Profit after taxes</b>	<b>11,150</b>	<b>10,017</b>
<b>Other comprehensive income</b>		
<b>Items subsequently reclassified to profit after taxes (recycled)</b>		
Gains/losses from the currency translation of foreign operations	49	5,726
<b>Items not subsequently reclassified to profit after taxes (not recycled)</b>		
Gains/losses from the remeasurement of defined benefit plans	0	-1
Deferred taxes on items that are not reclassified to profit after taxes	0	0
<b>Other comprehensive income for the period</b>	<b>49</b>	<b>5,725</b>
<b>Total comprehensive income for the period</b>	<b>11,199</b>	<b>15,742</b>
of which: attributable to owners of the parent	11,315	15,821
of which: attributable to non-controlling interests	-116	-79

# Consolidated Cash Flow Statement

(in T€)	1.1.2022 - 31.3.2022	1.1.2021 - 31.3.2021
<b>Cash flow from operating activities</b>		
Profit after taxes	11,150	10,017
Adjustments		
+ Depreciation, amortisation, impairment of tangible assets, intangible assets and right-of-use assets	11,023	14,848
+ Interest income and other financial income	290	-155
+ Income taxes	4,772	5,936
+/- Changes in non-current provisions	-27	-108
+/- Changes in current provisions	-1,180	-53
+/- Gain/loss from disposal of non-current assets/liabilities	-150	-155
+/- Changes in inventories	-24,157	-2,408
+/- Changes in trade receivables, in contract assets, in capitalised contract costs and other assets	-6,292	3,340
+/- Changes in trade payables and other liabilities	-63,722	-41,720
- Interest paid	-646	-465
+/- Income taxes paid/received	-7,593	-1,701
+/- Other non-cash income and expenses	0	394
+ Equity-settled share-based payment transactions	189	340
<b>Total cash flow from operating activities</b>	<b>-76,343</b>	<b>-11,890</b>
<b>Cash flow from investing activities</b>		
- Payments from acquisition of subsidiaries	-1,180	-12,991
+ Proceeds from cash acquired in the acquisition of subsidiaries	0	732
- Payments for investments in tangible and intangible assets as well as right-of-use assets	-8,022	-7,708
+ Sales proceeds for tangible and intangible assets as well as for financial investments	218	345
+ Interest and dividends received	86	24
<b>Total cash flows from investing activities</b>	<b>-8,898</b>	<b>-19,598</b>
<b>Cash flow from financing activities</b>		
- Payments due to the repurchase of own shares	-78,831	0
+ Proceeds from non-current financial liabilities	0	20
- Payments for the repayment of non-current financial liabilities (including the portion presented as current)	-1	-135
- Payments for the repayment of lease liabilities (perspective of the lessee)	-6,217	-4,244
+/- Payments/proceeds resulting from issuing/repayment of current financial liabilities	-1,991	-2,286
+/- Payments/proceeds resulting from financial liabilities and lease liabilities to leasing companies	6,368	-1,273
- Payments for interest on non-current financial liabilities and lease liabilities	-258	-487
<b>Total cash flow from financing activities</b>	<b>-80,930</b>	<b>-8,405</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-166,171</b>	<b>-39,893</b>
+/- Effect of exchange rate changes on cash and cash equivalents	14	1,069
+/- Cash and cash equivalents, at the beginning of the period	652,965	338,371
<b>Cash and cash equivalents, at the end of the period</b>	<b>486,808</b>	<b>299,547</b>
thereof		
Changes in cash and cash equivalents from continuing operations	486,808	299,547
Changes in cash and cash equivalents from discontinued operations	0	0
	<b>486,808</b>	<b>299,547</b>

# Segment informationen

(in T€)	Cloud solutions		IT solutions	
	Jan. 1 - Mar. 31, 2022	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2022	Jan. 1 - Mar. 31, 2021
<b>Revenue</b>				
Revenue from external customers	75,502	58,927	225,272	278,220
Inter-segment sales	3,909	3,346	1,753	3,896
Total income	79,411	62,273	227,025	282,116
Cost of materials/expenses for purchased services	-38,432	-28,269	-164,356	-213,423
Personnel expenses	-16,162	-14,535	-50,073	-49,401
Other income and expenses	-2,254	-1,828	-3,399	-7,087
<b>EBITDA</b>	22,563	17,641	9,197	12,205
Scheduled depreciation and amortization	-3,453	-3,020	-6,458	-5,449
Scheduled amortization	-805	-979	-252	-502
<b>Operating result (EBIT)</b>	18,305	13,642	2,487	6,254
Interest income	198	445	330	611
Interest expenses	-38	-49	-1,088	-1,086
Other financial result Income	0	0	0	0
Currency gains/losses				
<b>Income before income taxes</b>	18,465	14,038	1,729	5,779
Income taxes				
Result from discontinued operations	0	1,515	0	-230
<b>Result for the period</b>				
thereof attributable to shareholders of the parent company				
thereof attributable to non-controlling shareholders				

Total operating segments		Other companies		Reconciliation statement		Consolidated	
Jan. 1 - Mar. 31, 2022	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2022	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2022	Jan. 1 - Mar. 31, 2021	Jan. 1 - Mar. 31, 2022	Jan. 1 - Mar. 31, 2021
300,774	337,147	120	27				
5,662	7,242	169	100	-5,831	-7,342		
306,436	344,389	289	127	-5,831	-7,342	300,894	337,174
-202,788	-241,692	-41	-27	5,125	6,825	-197,704	-234,894
-66,235	-63,936	-3,566	-3,625	0	0	-69,801	-67,561
-5,653	-8,915	-1,208	-693	706	517	-6,155	-9,091
31,760	29,846	-4,526	-4,218	0	0	27,234	25,628
-9,911	-8,469	-55	-273	0	0	-9,966	-8,742
-1,057	-1,481	0	-275	0	0	-1,057	-1,756
20,792	19,896	-4,581	-4,766	0	0	16,211	15,130
528	1,056	637	1,359	-641	-1,365	524	1,050
-1,126	-1,135	-656	-1,141	641	1,365	-1,141	-911
0	0	327	0	0	0	327	0
				1	26	1	26
20,194	19,817	-4,273	-4,548	1	26	15,922	15,295
				-4,772	-5,772	-4,772	-5,772
0	1,285	0	-234	0	-557	0	494
						<b>11,150</b>	<b>10,017</b>
						11,266	10,096
						-116	-79

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](mailto:ir@cancom.de)

[www.cancom.de](http://www.cancom.de)