q.beyond
expect the next

Annual Report 2024

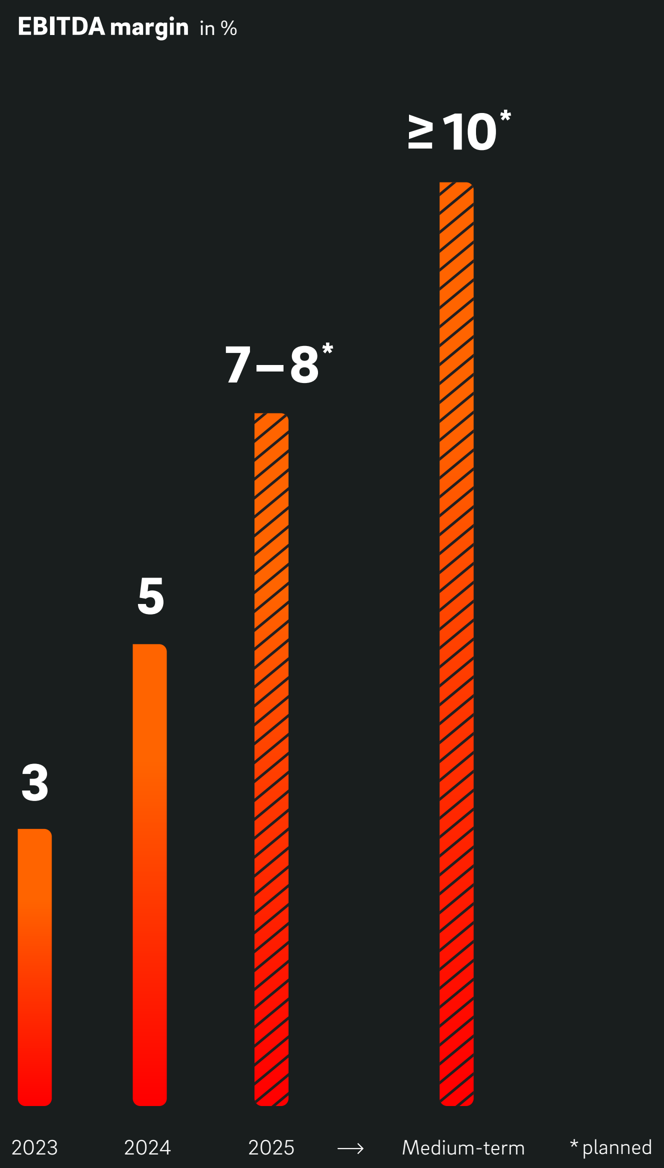
2024: EBITDA rises by 84% and exceeds expectations

Key Data

€ million	2024	2023
Revenues	192.6	189.3
Managed Services	135.3	129.0
Consulting	57.3	60.3
EBITDA	10.5	5.7
Depreciation and amortisation[1, 2]	15.5	16.7
EBIT	(5.0)	(10.9)
Consolidated net income	(4.0)	(16.4)
Earnings per share[3] (in €)	(0.04)	(0.14)
Capital expenditure[4]	3.6	2.3
Free cash flow	3.2	1.7
Net liquidity[5]	39.1	37.6
Shareholders' equity[5]	94.6	99.4
Equity ratio[5] (in %)	61.9	64.4
Xetra closing price[5] (in €)	0.73	0.60
Number of shares[5]	124,579,487	124,579,487
Market capitalisation[5]	90.9	74.7
Number of employees[5]	1,094	1,111

[1] Including share-based remuneration.
[2] Including depreciation of right-of-use assets (IFRS 16).
[3] Diluted and basic.
[4] Not accounting for IFRS 16.
[5] As of 31 December.

2025plus Strategy



Driven by the strategy’s levers, the EBITDA margin is set to rise to at least 10% in the medium term.

“The 2025 Strategy is working! More than 95% of our customers now extend their contracts and nine out of ten draw on more than one of our services.”

Thies Rixen
CEO of q.beyond AG

Since taking up his position in April 2023, this graduate in business administration has promoted the company’s transformation. Here, profitability has had priority over growth.

Nora Wolters
CFO of q.beyond AG

Since joining q.beyond at the start of 2023, this seasoned manager has succeeded in sustainably and significantly increasing the company’s earnings and financial strength.

www.qbeyond.de/management-board

Dear Shareholders,

The “2025 Strategy” is working! And it is taking effect even faster than originally planned. EBITDA, the crucial key figure in assessing our company’s earnings strength, reached € 10.5 million in 2024, exceeding the full-year forecast even after it had been raised in November 2024. For this year, we have planned for EBITDA to rise further to between € 12 million and € 15 million and, moreover, for consolidated net income to turn sustainably positive. The company’s earnings strength will thus show a further significant increase even though we are operating in a climate that, just a short while ago, hardly anyone would have thought possible: Germany remains firmly in the grip of an economic slowdown, war is being waged in Europe, and global trade is being held back by rising tariffs.

The 2025 Strategy demonstrably offers the right answer to these challenges. It focuses on boosting the company’s earnings and financial strength. In the past two years, profitability was accorded priority over growth. At the same time, the focused business model and lean organisation are strengthening our relationships with our customers, more than 95% of whom now extend their contracts. Nine out of ten customers draw on more than one service from our company, honouring its broad solutions portfolio. Our top customers have on average remained loyal to q.beyond for more than 10 years. We would like to take this chance to thank all our customers for the trust they have placed in us and for our superb working relationships. We owe our particular thanks to all our staff. Their expertise and willingness to perform ensure that our customers remain satisfied on an ongoing basis.

Heading for service leadership with the “2025plus Strategy”

The further developed 2025plus Strategy will enable q.beyond to address its customers’ needs even more effectively in future, further strengthening these relationships while at the same time underpinning its position as the service leader in the German market and beyond. The focus here is on three topics: extending sector expertise, further developing the team, and expanding abroad with customers.

q.beyond currently focuses on five attractive sectors: retail, logistics, manufacturing, banking & insurance, and the public sector. These sectors account for more than 70% of the company’s total revenues. The greater our understanding of a given sector and the more far-reaching our corresponding applications expertise, the more we will succeed in attracting new customers and raising our “share of wallet” with existing customers. That is demonstrated by the progress made at our logineer subsidiary, which now has contracts with

In the years ahead, q.beyond will expand its expertise in all five focus sectors and also enter additional sectors.

more than 150 customers and is one of the largest service partners for CargoWise, the global software platform for logistics companies. Growing customer totals also create benefits of scale: today, logineer already generates double-digit margins.

With this in mind, we will expand our expertise in all five focus sectors in the years ahead and enter additional sectors. We will achieve this primarily by drawing on our own internal resources, but also by making targeted acquisitions, particularly of profitable sector specialists and especially in new industrial sectors. With net liquidity of € 39.1 million and no debt at the end of 2024, our company is superbly positioned for acquisitions of this nature.

Exploiting the disruptive force of artificial intelligence

To make optimal use of the opportunities arising in attractive sectors, q.beyond will increasingly invest in further developing its team. Core topics covered by our proprietary Academy currently include cloud technologies, applications expertise, cybersecurity, and artificial intelligence (AI). In the years ahead, AI will trigger disruptive changes in nearly all sectors. One of the key tasks facing q.beyond's team is to support customers in tackling this transformation by providing extensive AI expertise and ensuring that they assume a pioneering role in AI applications.

That holds true not only for Germany; today, we already support IT at medium-sized companies outside the country's borders as well. In addition, foreign companies already procure solutions and services from q.beyond via our indirect sales channel. With the 2025plus Strategy, we will press ahead with the internationalisation of the business by marketing our service portfolio more actively abroad. We stand to benefit here from the expansion in our nearshoring and offshoring locations in Latvia, Spain, India, and – since 2025 – the USA as well. More than 170 IT experts already work at these sites now and the share of the workforce employed there is set to rise to 30% in the medium term. The internationalisation envisaged in the 2025plus Strategy, therefore, represents a logical consequence of developments at q.beyond and its customers.

Higher company value is the core goal

The core goal of the 2025plus Strategy is clear: we intend to achieve a further significant increase in our earnings strength and in this way substantially raise the company's value. In the medium term, we aim to generate an EBITDA margin of at least 10%, twice its current level. This will inject fresh potential into q.beyond's shares. The company value had already risen by 22% last year. Analysts assume that, as earnings rise, far higher share prices will be possible than at present. One of our overriding tasks is to exploit this share price potential in close dialogue with interested investors.

Higher share prices are not the only way for you, our shareholders, to participate in the success of your company. We aim to pay you a dividend once again in the medium term and will lay the necessary foundations in the quarters ahead. We suspect that many of you have long been waiting for this. We are aware of this and would like to take this opportunity to thank you for your enduring commitment. Your loyalty will be rewarded. After all, the 2025plus Strategy will further boost our earnings strength and further increase the value of your company!

Cologne, 25 March 2025

Thies Rixen
Board member

Nora Wolters
Board member

Strategic Lever

Boosting our understanding of a sector such as logistics raises our chances of generating attractive margins. Targeted acquisitions may further drive this process.

Expanding our Sector Expertise

Contents

Report of the Supervisory Board

Dr. Bernd Schlobohm
Supervisory Board Chair

Dear Shareholders,

The "2025 Strategy" and the associated process of far-reaching restructuring played a crucial role in enabling our company to sustainably improve its earnings strength in 2024. This progress is all the more remarkable if it is considered that Germany has been affected by an ongoing recession. We would like to thank the Management Board and the whole team very warmly for the great commitment they have shown in a challenging climate and for consistently implementing the 2025 Strategy. We also owe our thanks to all shareholders who have placed their trust in us and accompanied the further development in our company.

In what follows, we inform you about the work performed by the Supervisory Board in the 2024 financial year.

Activities of the Supervisory Board

In the 2024 financial year, the Supervisory Board again performed all the duties incumbent on it by law and the Articles of Association. It continually monitored and advised the Management Board in its management of q.beyond AG and the Group. Its supervision and advice also covered sustainability issues. The Supervisory Board was directly involved in all decisions and measures of material significance, particularly those impacting on the company's financial position, financial performance, and cash flows. After careful consideration, it voted on all measures for which its consent is required by law, the Articles of Association, and the Rules of Procedure of the Management Board.

The Supervisory Board also regularly met in the absence of the Management Board. At such meetings, the Supervisory Board addressed agenda items relating either to the Management Board or to internal Supervisory Board matters. At their joint meetings, the Supervisory and Management Boards discussed key aspects of the company's business policy and strategy, as well as its performance and planning. Moreover, the chairs of the two boards were in regular contact to discuss current company-related topics arising between Supervisory Board meetings.

The Management Board informed the Supervisory Board with regular, timely and detailed reports, both written and oral, about the company's business performance, and drew in particular on monthly and quarterly financial statements and rolling budget/actual comparisons. Specifically, these reports also included information about variances between the company's actual business performance and its internal planning and publicly communicated financial targets. The corresponding Management Board reports also contained all relevant information about the company's strategic development and planning, risk situation, risk management, and compliance. All enquiries and requests for additional information by the Supervisory Board were promptly and thoroughly answered by the Management Board.

Topics addressed by the Supervisory Board

The main focuses of Supervisory Board meetings and resolutions in the 2024 financial year were:

1. Implementation of the 2025 Strategy
In the past year, the Supervisory Board again closely addressed the progress made in implementing the corporate strategy. It requested and received extensive information about core measures, such as the introduction of a new CRM tool. A further significant focus of its deliberations involved measures to increase profitability, particularly in the Consulting segment.

2. Further development of strategy
The Supervisory Board was involved from an early stage in the process of compiling a strategy for the period extending beyond the 2025 financial year. It approved the targets and priorities set by the Management Board. Key focuses here are on further raising the EBITDA margin to at least 10% in the years ahead and on the impact of AI (artificial intelligence) on the business model.

3. M&A activities
Integral components of the 2025 strategy on the one hand involve focusing the business model more clearly and on the other hand include targeted acquisitions. The Supervisory Board regularly exchanged opinions with the Management Board concerning potential takeover candidates and also discussed possibilities of streamlining the portfolio. No specific resolutions were adopted in this respect in the past year. At the same time, the Supervisory Board addressed the progress made in integrating previous acquisitions, the operating performance of existing subsidiaries and shareholdings, and the honing of the M&A strategy, above all with a view to expanding the company's sector expertise.

Composition of the Supervisory Board

The Supervisory Board is composed in accordance with the requirements of the German Stock Corporation Act (AktG) and the German One-Third Participation Act (DrittelbG) and comprises four shareholder and two employee representatives. The shareholder representatives continue without amendment to include Dr. Bernd Schlobohm (Supervisory Board Chair), Ina Schlie (Deputy Chair), and Gerd Eickers. They also include Thorsten Dirks, who was initially appointed by court on 25 January 2024 to succeed the deceased member Dr. Frank Zurlino. Thorsten Dirks was subsequently elected to the Supervisory Board by the Annual General Meeting on 29 May 2024. The employee representatives are without amendment Martina Altheim and Matthias Galler.

Supervisory Board meetings and committees

As well as four scheduled meetings, the Supervisory Board also held one unscheduled meeting in the 2024 financial year. Of these five meetings, three were held in person and one purely as a video conference. The remaining meeting was held with some Supervisory Board members attending in person and the others by video link. All members participated in all meetings. Where necessary, the Supervisory Board also adopted written resolutions on individual topics by circulating and approving the respective documents.

To assist its work, the Supervisory Board has formed four committees: the Human Resources Committee, the Audit Committee, the Nomination Committee, and the Strategy Committee. Committee chairs regularly report to the full Supervisory Board on the work of their committees. All committee members attended all meetings of their respective committees in 2024.

The **Human Resources Committee** met on one occasion in the year under report, with this meeting being held as a video conference. The committee prepared the Supervisory Board's decisions concerning the target achievement of Management Board members in the 2023 financial year and the conclusion of target agreements with Management Board members for the 2024 financial year. The committee still comprises the following members: Dr. Bernd Schlobohm (Chair), Martina Altheim, and Gerd Eickers.

The members of the **Audit Committee** include without amendment Ina Schlie as Chair and Dr. Bernd Schlobohm. Gerd Eickers was a member of committee from December 2023 until the Supervisory Board meeting in March 2024, at which he stood down from this position. The Supervisory Board subsequently elected Thorsten Dirks as a new member of the committee. Ina Schlie has specific expertise both in auditing and in accounting. Dr. Bernd Schlobohm and Thorsten Dirks also have specific expertise in auditing. Ina Schlie and Thorsten Dirks have specific expertise in sustainability. The Audit Committee monitors the financial reporting process and may submit recommendations to safeguard its integrity. It also monitors the effectiveness of the internal control, risk management and internal audit systems, as well as compliance, and prepares all decisions required by the full Supervisory Board in this respect. Moreover, the Audit Committee deals with the audit of the financial statements and is responsible for selecting and issuing the audit assignment to the auditor, as well as for monitoring the auditor's independence and audit quality. It decides whether the company may commission the auditor to provide non-audit services and, if applicable, monitors the auditor's provision of such services. The Audit Committee regularly held meetings with the auditor, also in the absence of the Management Board.

The Audit Committee held five meetings in the past financial year, with two meetings taking place in person and three held solely as video conferences. The committee reviewed the documents relating to the annual and consolidated financial statements, including the dependent company report, for the 2023 financial year in the presence of the appointed auditor, Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (since 1 June 2024: Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft), held in-depth discussions about these documents and the accompanying audit reports submitted by the auditor, and subsequently adopted recommendations for the full Supervisory Board resolution on the annual and consolidated financial statements and their audit.

Prior to publication, the half-year financial report as of 30 June 2024 and the interim statements as of 31 March and 30 September 2024 were discussed with the Audit Committee.

Consistent with the resolution adopted by the Annual General Meeting, the Audit Committee awarded the assignment to audit the financial statements for the 2024 financial year and determined the audit fee. To prepare the audit of the financial statements, in December 2024 the Audit Committee dealt with the audit planning and audit focuses in the presence of the auditor responsible for the assignment. Key audit matters for the 2024 financial year included the recoverability of goodwill, the change in segment reporting implemented at the beginning of 2024, the recoverability of investments in associates and shareholdings, revenue recognition pursuant to IFRS 15 and the German Commercial Code (HGB), and the assessment of the call and put options relating to third-party shareholdings in q.beyond Data Solutions GmbH.

The Audit Committee regularly took receipt of reports from the Heads of “Internal Audit and Compliance” and of “Investor Relations” on their respective areas of activity. The committee also regularly addressed the risk reporting by the Management Board. Furthermore, in the past year it dealt at an early stage with the preparations for reporting in accordance with the European Corporate Sustainability Reporting Directive (CSRD) and the auditing of this reporting.

The task of the **Nomination Committee** is to propose suitable candidates to the full Supervisory Board for its nominations at any forthcoming election of shareholder representatives to the Supervisory Board at the Annual General Meeting. Gerd Eickers is without change a member of the Nomination Committee and its Chair. Dr. Bernd Schlobohm was a member of the committee from December 2023 until the Supervisory Board meeting in March 2024, at which he stood down from this position. The Supervisory Board subsequently elected Thorsten Dirks as a new member of the committee. The Nomination Committee did not hold any meetings in the 2024 financial year.

The members of the **Strategy Committee** are unchanged and comprise Dr. Bernd Schlobohm as its Chair and Ina Schlie. At its meeting in March 2024, the Supervisory Board also elected Thorsten Dirks as a further member of the committee. The Strategy Committee has a purely advisory function and addresses the strategic, and thus long-term development of q.beyond AG. The committee held two meetings in 2024, with one meeting being held in person and the other meeting with some members attending in person and others by video link.

The committee dealt in particular with the progress made in implementing the 2025 Strategy, the development of strategy for the period extending beyond the 2025 financial year, the impact of AI (artificial intelligence) on the business model, and possibilities to intensify and extend the company's sector expertise, particularly by making targeted acquisitions.

Corporate governance

The Supervisory Board continuously monitors the status and development in the German Corporate Governance Code and the implementation of the Code's recommendations at q.beyond AG. At its meeting on 5 December 2024, the Supervisory Board acting together with the Management Board submitted its annually updated Declaration of Compliance pursuant to § 161 AktG with the recommendations made in the Code version dated 28 April 2022. Together with the Supervisory Board, the Management Board reports in detail on corporate governance in the Corporate Governance Statement. The Declaration of Compliance and the Corporate Governance Statement are permanently available on the company's website.

Each member of the Supervisory Board discloses any conflicts of interest that may arise, taking due account of the recommendations made in the German Corporate Governance Code. To avoid a potential conflict of interests, the Supervisory Board members Dr. Bernd Schlobohm and Gerd Eickers did not participate in the adoption of the Supervisory Board resolution approving the sale of hardware to Teleport Köln GmbH, a company related to these two individuals. No conflicts of interest arose in the year under report.

Members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties and are supported by the company. The company enquires as to which training measures the Supervisory Board members require and keeps them regularly informed of the latest legislative amendments and of relevant developments, particularly in corporate governance and sustainability. New members of the Supervisory Board are able to meet the Management Board to discuss underlying and current topics, and thus gain an overview of those topics relevant to the company ("onboarding").

Audit of financial statements

Consistent with the recommendation made by the Audit Committee, the Supervisory Board proposed to the Annual General Meeting on 29 May 2024 that Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg (since 1 June 2024: Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg) should again be elected as auditor and group auditor for the 2024 financial year. In line with the resolution adopted by the Annual General Meeting, the Audit Committee awarded the audit assignment to Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. This firm has been the auditor of q.beyond AG since the 2021 financial year. The audit opinion was signed by the auditor responsible for the audit, namely Martin Schulz-Danso, for the first time for the 2021 financial year.

Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft audited the annual financial statements and management report of q.beyond AG as of 31 December 2024, which were prepared by the Management Board in accordance with the requirements of the German Commercial Code (HGB), and the consolidated financial statements and group management report as of 31 December 2024, which were prepared in accordance with International Financial Reporting Standards (IFRS) as requiring application in the European Union and the supplementary provisions of German commercial law applicable pursuant to § 315e HGB. It also audited the report on relationships with affiliated companies and the remuneration report pursuant to § 162 AktG, which was jointly prepared by the Management and Supervisory Boards.

The auditor granted unqualified audit opinions to the company's annual and consolidated financial statements for the 2024 financial year, including the respective management reports.

In respect of the report on relationships with affiliated companies (dependent company report), the auditor granted the following unqualified audit opinion:

"Based on our audit and assessment performed in accordance with professional standards, we confirm that

1. the factual information in the report is correct;
2. the company's compensation with respect to the transactions listed in the report was not incommensurately high."

In respect of the remuneration report pursuant to § 162 AktG, the auditor concludes that the remuneration report for the 2024 financial year, including the associated disclosures, is in all material respects consistent with the requirements of § 162 AktG.

The non-financial (group) report prepared as of 31 December 2024 was not subject to any audit requirement and was not reviewed by the external auditor.

The aforementioned documents, including the audit reports submitted by the auditor and the non-financial (group) report, were provided to all Supervisory Board members in good time ahead of their review and, in the case of the remuneration report prepared in accordance with § 162 AktG, in good time ahead of their resolution. At its meeting on 25 March 2025, the Supervisory Board discussed all these documents and the auditor's audit reports with the Management Board and the auditor, taking due account of the findings of the preliminary review conducted by the Audit Committee in the presence of the auditor on 17 March 2025. The auditor reported to the meeting on 25 March 2025 on the scope, focuses and key findings of its audit and dealt in particular with the key audit matters and audit actions taken. The auditor also informed the meeting about its findings on the internal control system in respect of the financial reporting process and the early risk detection system and was available to answer questions and provide further information. The auditor informed the Supervisory Board of services it provided in addition to the audit of the financial statements and that there were no circumstances indicating that its impartiality was impaired.

Following completion of the audit by the Audit Committee and based on its own review, the Supervisory Board endorsed the findings of the audits conducted by the auditor and did not raise any objections to the annual financial statements (HGB) and management report of q.beyond AG, the consolidated financial statements (IFRS) and group management report, the report and concluding statement by the Management Board on relationships with affiliated companies (dependent company report), and the non-financial (group) report of q.beyond AG for the 2024 financial year. The non-financial (group) report will be published on the company's website at the latest by the end of April 2025.

Consistent with the recommendation submitted by the Audit Committee, the Supervisory Board approves both the consolidated financial statements (IFRS) and the annual financial statements (HGB). The annual financial statements are thus adopted.

Cologne, 25 March 2025
On behalf of the Supervisory Board of q.beyond AG

Dr. Bernd Schlobohm
Supervisory Board Chair

q.beyond Shares

Higher profitability boosts the share price: q.beyond's shares gained 22% in value in the past year, outperforming their peer group and even surpassing the DAX.

2024 on the stock markets: small caps in low demand

The DAX crossed the 20,000-point mark for the first time ever in 2024, while the Dow Jones soared above 45,000 points. This widely reported race from one record high to the next nevertheless fails to show how challenging the climate actually was for most listed companies in the past year. That was because interest focused above all on blue chip stocks with their strong market presence and high market capitalisations. In this environment, the DAX gained 19% last year, while the TecDAX rose by a mere 2%. The Scale 30 Index, which indicates the performance of smaller companies in Germany, even lost 3% in value. Given the global "polycrisis" and high levels of market volatility, institutional investors in particular shied away from directing funds to small caps.

q.beyond's share price with significant growth to € 0.73 in 2024

Listed IT service providers in Germany also felt the effects of this hesitancy to invest in small and mid-cap stocks. In some cases, they even faced share price losses of 30% and more. By comparison, our share price rose by 22% to € 0.73, albeit from a low level. The share price posted significant growth above all in the second quarter of 2024, reflecting capital market reaction to the significant improvement in EBITDA following publication of the quarterly results. It subsequently stabilised above the € 0.70 mark.

Thanks to this share price growth, q.beyond has managed to close the valuation gap to its peer group which was still in place at the beginning of the year.

Similar to its approach for most other IT service providers, the capital market now tends to base its valuations on 6 to 7 times EBITDA for 2024. Twelve months earlier, this multiple still stood at 8 to 9 times EBITDA. This reduction, which documents the scepticism many investors feel towards second-tier stocks, held back our share price performance in the second half of 2024 in particular.

Share price targets of up to € 1.40

If q.beyond's profitability continues to rise in the current year and thereafter, then the share price growth can be expected to continue. The four analysts regularly covering our company are also convinced of this. They all recommend buying the shares, stating price targets of between € 1.20 and € 1.40. It is therefore not inconceivable that q.beyond's share price could almost double in value.

Management and Supervisory Boards purchase further q.beyond shares

This did not go unnoticed by many institutional investors, even if they themselves still remain reserved. Their share of free float rose only slightly from 32% in the previous year to 33% in 2024. Paladin Asset Management continues to hold more than 5% of q.beyond's shares. At the end of 2024, 67% of free float was held by retail investors.

Overall, free float accounted for 74.6% of q.beyond's shares and was distributed among 19,658 shareholders as of 31 December 2024. The number of free-float shareholders thus decreased year-on-year by 1,759. 25.4% of q.beyond's shares are owned by Dr. Bernd Schlobohm and Gerd Eickers, the company's two founders. Now members of the Supervisory Board, these two individuals have not sold any shares since the company's IPO in spring 2000. On the contrary, they have repeatedly further raised their shareholdings in the intervening years, with Dr. Bernd Schlobohm most recently acquiring a further 48,862 shares in May 2024.

The Supervisory and Management Boards are convinced by our company's strategy and the resultant share price potential, as is documented by further share purchases in the past year. Thorsten Dirks, a new Supervisory Board member, acquired 100,000 shares in q.beyond following his election by the Annual General Meeting, while CEO Thies Rixen increased his shareholding by 35,535 to 336,035 shares in 2024, and CFO Nora Wolters purchased 50,000 shares.

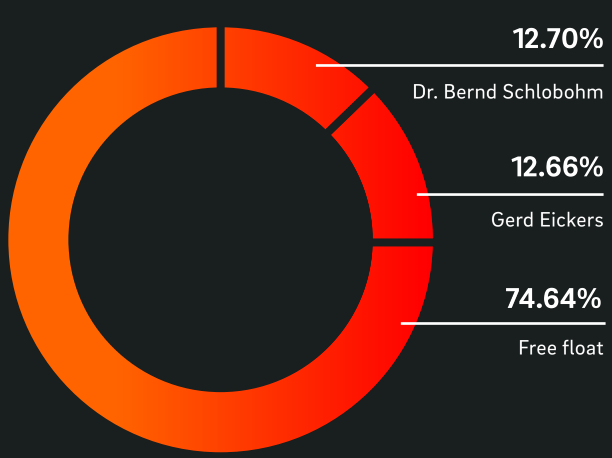
Close dialogue with investors

Managers' transactions are closely registered and serve to boost investor confidence. The close dialogue held by the Management Board and Investor Relations (IR) with interested parties, whether at

Institute	Analyst	Target price	Recommendation
Warburg Research	Felix Ellmann	€ 1.40	Buy
NuWays	Philipp Sennewald	€ 1.30	Buy
Stifel Europe Bank	Yannik Siering	€ 1.20	Buy
Montega	Christoph Hoffmann	€ 1.20	Buy

q.beyond's share price performance
(indexed)

Shareholder structure as of 31 December 2024



q.beyond's shares were on the rise in 2024 – unlike those of other IT service providers, which faced share price reductions.

capital market conferences, at roadshows or in one-to-one meetings, promotes the same objective. In 2024, our company was represented at the following conferences: the Spring Conference of the Equity Forum, the Stifel German Corporate Conference, the 12th Montega Hamburg Investors' Days, the NuWays European Midcap Event, and the German Equity Forum at Deutsche Börse.

All relevant information about our shares is available at **www.qbeyond.de/en/investor-relations/.** Our IR website contains reports and announcements, as well as key figures on our shares, the latest consensus among analysts, and much more. It also provides presentations and recordings of comments made by the Management Board in conference calls held after the publication of quarterly results. Furthermore, the IR department is in ongoing email and telephone contact with retail and institutional investors.

Key facts about q.beyond shares

Securities identification code	513 700
ISIN	DE0005137004
Trading symbol	QBY
Bloomberg symbol	QBY GY
Reuters symbol	QBYn.DE
Market segment	Prime Standard
Stock exchanges	Xetra and regional German stock exchanges
Designated sponsorship	Hauck Aufhäuser Lampe Privatbank AG
Shares outstanding as of 31 December 2024	124,579,487
Share class	No-par-value registered shares of common stock
Xetra closing price on 29 December 2023	€ 0.60
Xetra share price high in 2024	€ 0.91
Xetra share price low in 2024	€ 0.51
Xetra closing price on 30 December 2024	€ 0.73

Strategic Lever

Developing our Team

Targeted measures to expand our team's expertise, especially in promising areas such as AI and security, are enabling us to access new opportunities in the market.

Group Management Report[1]

[1] Contents of websites or publications to which we refer in the Group Management Report do not form part of the Group Management Report but merely serve to provide further information. One exception is the Corporate Governance Statement pursuant to § 289f and § 315d HGB.

Group Fundamentals

Business Activities

q.beyond AG ("q.beyond" or "the company") is a leading IT service provider in the German market and is the key to successful digitalisation. We help our customers find, implement and operate the best digital solutions for their businesses. Our team of around 1,100 experts accompanies SME customers reliably as they tackle their digital transformation. We have all-round expertise in cloud, applications, artificial intelligence (AI), and security. Our company has locations throughout Germany and in Latvia, Spain, India, and the USA, as well as its own certified data centres in Germany.

The operating business is managed in the two segments of "Consulting" and "Managed Services".

Consulting: comprehensive range of consulting and development services

The "Consulting" segment comprises a wide variety of consulting and customised development services. Consulting activities focus on supporting customers in using SAP and Microsoft solutions (applications). In addition, we offer reliable security services which protect our customers against attacks on their IT. These services are adapted to specific requirements on location, which is also the case for our data intelligence services, which enable customers to improve their business processes and to analyse data and make forecasts on a cross-system basis. In our development activities, we adapt software on behalf of customers and supply solutions in the form of mobile apps and of cloud-based and other applications which enable customers to further develop their businesses.

One promising business field for the future that we are also already accessing today is AI services. Here, we support customers by providing AI consulting and training for their employees, as well as by identifying suitable application cases and by implementing and optimising AI services and technologies.

Managed Services: scalable cloud solutions for IT operations

The services offered in the "Managed Services" segment have as their centrepiece the provision of a flexibly adaptable, networked, and secure IT structure for companies to operate their IT. The portfolio ranges from turnkey cloud modules to digital workplaces facilitating networked mobile work to individual IT outsourcing services. Private cloud solutions can be implemented just as successfully as hybrid concepts which, depending on the tasks to be performed, can integrate different cloud infrastructures and services, as well as cloud applications from various providers. The range of services further includes turnkey colocation solutions at our high-performance data centres at the Hamburg location.

Market and Competitive Position

We are a full-service IT service provider and predominantly work on behalf of medium-sized companies based in Germany. Our company, which itself bears all the hallmarks of a medium-sized company, has a nationwide presence across Germany, and all its data centres are located within the country's borders. To enable us to address the specific needs of our customers, we focus on the key sectors of retail, logistics, manufacturing, banking & insurance, and the public sector.

In 2024, this focusing of our activities was one of the factors enabling our company to retain existing customers and gain new customers despite the challenging recent economic backdrop. According to the Lünendonk Study "The Market for IT Services in Germany 2024", our company maintained its position as one of the top 12 IT service companies in Germany ranked by revenues.[2] According to the study, our portfolio meets current customer requirements in terms of solutions for data and analytics, cybersecurity, and hybrid cloud services.

The strong position held by our company in the cloud business is underlined by two designations received in the past year in "ISG Provider Lens™", the widely respected comparison of providers. This conferred "Leader" status on q.beyond for "Managed Services for Midmarket" and "Managed Hosting for Midmarket", two important market segments for business with German SMEs.[3] The 2024 study compares the cloud services offered by 100 IT service providers and thus provides decision-makers with an independent overview of the market.

Our portfolio meets current customer needs in terms of solutions for data and analytics, cybersecurity, and hybrid cloud services.

[2] www.qbeyond.de/en/press-releases/2024/2024-luenendonk-study-qbeyond-is-one-of-the-leading-it-service-providers
[3] www.qbeyond.de/en/press-releases/2024/qbeyond-is-a-leader-in-cloud-services-isg-awards-top-status-in-two-categories

Implementation of the 2025 Strategy is well advanced and a crucial factor enabling our earnings strength to rise so significantly despite the ongoing recession.

Strategy

2025 Strategy: heading for greater earnings strength

In the past financial year, the "2025 Strategy" unveiled in spring 2023 continued to be implemented with absolute consistency. This pursues three strategic priorities: it focuses the business model more clearly, increases the effectiveness of the company's go-to-market approach, and enhances efficiency with "One q.beyond".

The goal of the 2025 Strategy is to significantly boost our earnings and financial strength and thus increase the value of the company. In spring 2023, the Management Board formulated ambitious targets in this respect: the EBITDA margin for the 2025 financial year should rise to between 7% and 8%. In addition, the target was set of achieving sustainably positive consolidated net income. Although the economy in our German home market has performed significantly more weakly in the past two years than expected at the time, in keeping with its plans our company is approaching these targets. For 2025, it has budgeted for the EBITDA margin to rise to between 7% and 8% (following 5% in 2024, and 3% in 2023), for positive consolidated net income, and for positive free cash flow for the third consecutive year.

2025 Strategy proves its value in challenging conditions

Implementation of the 2025 Strategy is now well advanced and a crucial factor enabling our earnings strength to rise so significantly despite the ongoing recession in Germany. Our company now focuses its cloud, application, AI, and security expertise on select focus sectors and provides customers here with a comprehensive portfolio of services which range from consulting to development to operations. Our company's success in the past year is also due to the increased effectiveness of its go-to-market approach with two distribution channels now in place: direct sales supports larger customers, while indirect sales provides smaller and medium-sized companies with efficient access to our portfolio of services. The automated sales model, which works with strong partners such as Telekom Deutschland or Vodafone, is based on a "product factory" offering standardised services.

A further decisive factor underpinning our increased earnings strength is the progress made with One q.beyond. Here, we have simplified structures, not least by merging subsidiaries into q.beyond AG, and standardised numerous processes. In its external communications, our company now operates under one brand with a uniform product portfolio. Additional major contributions to our increased efficiency have been made by the growing share of our nearshoring and offshoring activities. Our company now has locations in Latvia, Spain, India, and the USA, makes targeted efforts to recruit further IT experts in these countries, and thus effectively counters the shortage of specialists at German locations.

EBITDA margin set to rise to at least 10% in the medium term

The expansion in our nearshoring and offshoring activities also offers a lever to further increase our earnings strength beyond 2025. We aim to raise our EBITDA margin to at least 10% in the medium term. Factors contributing to this growth include stable demand for digitalisation projects among German SMEs, as well as a further rise in the nearshoring and offshoring ratio and growing deployment of AI.

The EBITDA margin of at least 10% is the core target within the further developed "2025plus Strategy". As it heads towards becoming the IT service leader, q.beyond intends in particular to strengthen competencies critical to its success, such as AI and security, among its teams at domestic and foreign locations, increasingly internationalise its customer business, and expand its sector expertise by, among other things, making targeted acquisitions.

The resultant rise in our earnings strength offers us the opportunity to achieve a significant further increase in the company's value in the years ahead. In 2024, this key figure already grew by 22% to € 90.9 million.

Research and Development

Innovation is a key aspect of our operating business. This mostly involves quality and process-related innovations and also means integrating new software into existing or new solutions.

This being so, we view research and development ("R&D") as a cross-divisional activity. As in previous years, we have therefore not reported the number of employees working in R&D. Our R&D expenses were limited to € 0.8 million in 2024, as against € 2.0 million in the previous year, and were channelled above all into developing our AI expertise. In addition, we have reported own work capitalised amounting to € 0.9 million (2023: € 0.0 million) at a subsidiary which has developed a software facilitating seamless data transmission between SAP S/4HANA and transport management systems.

Organisation

Our company has its headquarters in Cologne and locations throughout Germany. These are supplemented by two nearshoring locations at which q.beyond has wholly-owned subsidiaries: SIA Q.BEYOND, which is located in Riga/Latvia, and q.beyond ibérica S.L., which is based in southern Spain. Furthermore, q.beyond holds 63% of the shares in the data analytics specialist q.beyond Data Solutions GmbH, and a 51% stake in q.beyond logineer GmbH, which markets turnkey IT services for medium-sized logistics companies; both of these companies are based in Hamburg. q.beyond logineer GmbH in turn owns 100% of the shares in q.beyond logineer India Private Limited at the offshoring location in Chennai/India, and in logineer USA LLC, which is based in Charlotte/USA. A complete overview of the scope of consolidation as of 31 December 2024 can be found in **Note 34 of the Notes to the Consolidated Financial Statements.**

Corporate Management

q.beyond is primarily managed on the level of its segments. The most important key financial performance indicators referred to on overall group level are revenues, EBITDA, and free cash flow. To date, no reference has been made to non-financial performance indicators for corporate management purposes.

EBITDA is defined as earnings before interest, taxes, share-based remuneration, and impairment losses and depreciation/amortisation recognised on property, plant and equipment and intangible assets. The EBITDA margin corresponds to EBITDA stated as a percentage of revenues. Free cash flow presents the change in net liquidity before acquisitions and distributions, but nevertheless includes inflows of funds from divestments. The key figure referred to by the Management Board when managing the segments is gross profit. This is defined as revenues less cost of revenues. In the context of the income statement, revenues and cost of revenues are thus fully allocated to the respective segments.

Monthly reports contain all relevant key figures and budget/actual comparisons and serve as an important basis for the Management and Supervisory Boards to assess and manage the company. Moreover, the latest budget/actual comparisons are used as a basis for regularly updating the rolling planning. This acts as an early warning system for potential variances, thus enabling corrective measures to be taken at an early stage. One integral component of reporting is the risk management system, which is described in greater detail in the risk report and ensures that any changes in opportunities and risks are directly factored into the management system.

Employees

q.beyond had 1,094 employees as of 31 December 2024, as against 1,111 employees one year earlier. Our Sustainability Report contains extensive information about our personnel strategy and policies.

Sustainability Report

Pursuant to § 289b (3) and § 315b (3) of the German Commercial Code (HGB), we compile a separate non-financial (group) report independently of the Group Management Report. This separate report will be published on our website at **www.qbeyond.de/en/ir-publications** by the end of April 2025 and will then be permanently available there. It will include disclosures on the non-financial declaration pursuant to § 315c HGB in conjunction with § 289c HGB and will be reviewed by the Supervisory Board.

Corporate Governance Statement

We have published our Corporate Governance Statement for the 2024 financial year pursuant to § 289f and § 315d of the German Commercial Code (HGB) at **www.qbeyond.de/en/cgs** and made this permanently available. As well as the corporate governance declaration made pursuant to § 161 of the German Stock Corporation Act (AktG), this statement also includes extensive disclosures on corporate governance practices and on the composition and mode of operation of the Management and Supervisory Boards, as well as a description of the diversity concept.

Remuneration Systems and Remuneration Report

Consistent with legal requirements, the Management and Supervisory Boards have compiled a separate Remuneration Report pursuant to § 162 of the German Stock Corporation Act (AktG) for the 2024 financial year. The report will be submitted for approval by the Annual General Meeting in May 2025. Pursuant to § 87a AktG, it provides extensive information on the remuneration system for the Management Board and includes all disclosures required on the remuneration granted and owed to the Management and Supervisory Boards.

Listed companies are required to adopt a resolution on the remuneration of their Supervisory Board members at least every four years. The Annual General Meeting of q.beyond AG most recently adopted a resolution on the remuneration system for the Supervisory Board on 12 May 2021. In respect of the remuneration system for the Management Board, the Annual General Meeting of q.beyond AG most recently adopted a resolution on 24 May 2023.

In preparation for the decision to be taken by the Supervisory Board with regard to Supervisory Board remuneration, the Human Resources Committee reviewed the remuneration for Supervisory Board members of q.beyond AG as stipulated in § 15a of the Articles of Association, and the remuneration system for Supervisory Board members adopted by the Annual General Meeting on 12 May 2021.

This review did not result in any requirement for structural amendments. The existing system has proved appropriate. It conforms to customary market standards and legal requirements, while also accounting for the recommendations made by the German Corporate Governance Code. The level of remuneration paid is appropriate, also with a view to Supervisory Board remuneration at other comparable listed companies.

Based on the draft resolution submitted by the Human Resources Committee, in March 2025 the Supervisory Board decided to propose to the Annual General Meeting of q.beyond AG on 22 May 2025 that the remuneration system for Supervisory Board members most recently adopted by Annual General Meeting on 12 May 2021 should be confirmed without amendment, as should the remuneration of Supervisory Board members derived on this basis and stipulated in § 15a of the Articles of Association of q.beyond AG.

The Remuneration Report for the 2024 financial year, the auditor's report on its audit of the Remuneration Report, the currently valid remuneration system for members of the Management and Supervisory Boards, and the most recent resolutions adopted by the Annual General Meeting in respect of the remuneration systems for the Management and Supervisory Boards and of Supervisory Board remuneration will be available from 31 March 2025 on the company's website at **www.qbeyond.de/remuneration.**

Takeover-Related Disclosures and Explanatory Comments

The following overview outlines the disclosures mandatory under § 315a (1) of the German Commercial Code (HGB). Overall, these involve regulations that are typical at listed companies. The disclosures below reflect the circumstances at the balance sheet date.

Composition of issued capital

Issued capital amounted to € 124,579,487 as of 31 December 2024 and was divided into 124,579,487 no-par registered ordinary shares. According to the Share Register, these shares were distributed among 19,658 shareholders.

Limitations on voting rights or transfer of shares

Each share grants one vote at the Annual General Meeting. A voting and pooling agreement is in place between the following shareholders with direct and indirect holdings in q.beyond: Dr. Bernd Schlobohm, Gerd Eickers, and Gerd Eickers Vermögensverwaltungs GmbH & Co. KG. This agreement provides for the uniform exercising of voting rights and restrictions relating to the disposability of the pool-bound shares.

The Management Board is otherwise not aware of any further limitations on voting rights or restrictions on the transfer of shares. There are also no special rights conferring powers of control. Furthermore, there are no voting right controls for employee holdings in capital.

Capital holdings of more than 10%

The following direct and (pursuant to § 34 of the German Securities Trading Act [WpHG]) indirect holdings in the company's capital exceed 10% of voting rights. A voting and pooling agreement is in place between the following shareholders with direct and indirect holdings in q.beyond: Dr. Bernd Schlobohm, Gerd Eickers, and Gerd Eickers Vermögensverwaltungs GmbH & Co. KG; together, these shareholders hold a combined total of 25.36% of the voting rights in q.beyond. Specifically, this results in the following direct and indirect shares of voting rights:

- Dr. Bernd Schlobohm, Germany, 25.36% of voting rights (of which 12.70% directly and 12.66% indirectly)
- Gerd Eickers Vermögensverwaltungs GmbH & Co. KG, Cologne, Germany, 25.36% of voting rights (of which 12.66% directly and 12.70% indirectly)
- Gerd Eickers, Germany, 25.36% of voting rights (indirectly).

Appointment and dismissal of Management Board members

The appointment and dismissal of members of the Management Board is governed by § 84 and § 85 of the German Stock Corporation Act (AktG) and by § 7 of the Articles of Association in their version dated 26 February 2024. Pursuant to § 7 of the Articles of Association, the Management Board comprises one or more individuals. The Supervisory Board determines the number of Management Board members. Even though issued capital exceeds € 3 million, the Supervisory Board may stipulate that the Management Board should consist of only one individual. The appointment of deputy members of the Management Board is permitted.

Amendments to Articles of Association

Pursuant to § 179 AktG, amendments to the Articles of Association require a resolution adopted by a majority of at least 75% of issued capital represented at a shareholders' meeting. Pursuant to § 15 of the Articles of Association, the Supervisory Board is authorised to adopt amendments and additions to the Articles of the Association that are of a purely formal nature and in themselves do not involve any changes to actual content.

Acquisition and buyback of treasury stock

By resolution of the Annual General Meeting on 24 May 2023, the Management Board is authorised pursuant to § 71 (1) No. 8 AktG until 23 May 2028 to acquire q.beyond shares on a scale of up to 10% of issued capital and, in specific cases, to use these to the exclusion of subscription rights. The Management Board has not acted on this authorisation to date.

Authorised capital

By resolution of the Annual General Meeting on 20 May 2020, the Management Board is authorised, subject to approval by the Supervisory Board, to increase the company's issued capital by up to a total of € 37,000,000 on one or several occasions up to 19 May 2025 by issuing new no-par registered shares in return for contributions in cash and/or kind (Authorised Capital 2020). When drawing on authorised capital, the Management Board may, subject to approval by the Supervisory Board, exclude shareholders' subscription rights in five cases: (1) to exclude residual amounts from shareholders' subscription rights; (2) when the new shares are issued in return for contributions in kind, particularly in the context of company acquisitions; (3) if, pursuant to § 186 (3) Sentence 4 AktG, the new shares are issued in return for cash contributions and if, at the time of final stipulation, the issue price does not fall materially short of the stock market price of the shares already listed; (4) to the extent necessary to issue subscription rights for new shares to the bearers or creditors of warrant and/or convertible bonds in order to avoid dilution of their respective holdings; and (5) if the new shares are to be issued to employees of the company, employees of a company affiliated to the company, or members of the management of a company affiliated with the company in the context of share participation or other share-based plans. The number of shares issued to the exclusion of subscription rights in the final case may not exceed an aggregate total of 5% of issued capital.

This authorised capital is intended to enable q.beyond to react swiftly and flexibly to opportunities arising on the capital market and where necessary to obtain equity capital on favourable terms. No use was made of authorised capital in the past financial year.

Conditional capital

Conditional capital amounts to a total of € 25,440,900 and is divided into Conditional Capital IV (€ 25,000,000) and Conditional Capital VIII (€ 440,900).

Conditional Capital VIII serves to secure the conversion rights of bearers of convertible bonds that q.beyond has issued within the framework of existing stock option plans to Management Board members, managing directors of affiliated companies, employees of q.beyond, and of affiliated companies. Conditional Capital IV may be used by the Management Board to create tradable warrant and/or convertible bonds. The Management Board is authorised by resolution of the Annual General Meeting on 20 May 2020 to issue such instruments in order to access an additional, low-interest financing option given favourable capital market conditions. The bonds may be issued in return for both cash contributions and contributions in kind. The Management Board is authorised, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights to these warrant and/or convertible bonds in four cases: (1) to settle residual amounts resulting from the subscription ratio; (2) when the bonds are issued in return for contributions in kind, particularly in the context of company acquisitions; (3) if, in the case of bonds being issued in return for cash contributions pursuant to § 186 (3) Sentence 4 AktG, the issue price does not fall materially short of the market value of the bonds; and (4) to the extent necessary to issue subscription rights to the bearers or creditors of warrant and/or convertible bonds previously issued in order to avoid dilution of their respective holdings. To date, the Management Board has not acted on the authorisation to issue tradable warrant and/or convertible bonds.

Capital limits for the exclusion of subscription rights

The exclusion of shareholders' subscription rights pursuant to § 186 (3) Sentence 4 AktG may apply for the use of treasury stock, for the issue of new shares from authorised capital, and for the issue of warrant and/or convertible bonds corresponding to an aggregate total of no more than 10% of issued capital during the term of the respective authorisation. Apart from this, the exclusion of shareholders' subscription rights for the issue of new shares from authorised capital and for the issue of warrant and/or convertible bonds (excluding those issued within q.beyond's stock option plans) may not exceed an aggregate total of 20% of issued capital during the term of the respective authorisation. Treasury stocks sold to the exclusion of subscription rights would be imputed to the 20% of issued capital limit if they were sold during the term of the other authorisations.

Further details apply in accordance with the underlying resolutions adopted by the Annual General Meeting for each of these measures.

Material agreements applicable in the event of takeover bids

The company has no material agreements conditional on a change of control due to a takeover bid. Furthermore, no compensation agreements in the event of a takeover bid have been concluded either with the Management Board or with employees.

Business Report

Overall Summary/ Actual vs. Forecast Business Performance

EBITDA rises to € 10.5 million and exceeds expectations

In what was a very challenging economic climate, consistent implementation of the 2025 Strategy enabled us to improve our earnings strength even more significantly in 2024 than we had originally expected. EBITDA for the past financial year rose by 84% to € 10.5 million. At the beginning of the year, we budgeted for EBITDA to rise by at least 40% to between € 8 million and € 10 million. To account for the progress made in our operations, in November 2024 this forecast was raised to significantly more than 40%. In view of the ongoing recession, the updated forecast also predicted that revenues would be closer to € 192 million than € 198 million, and thus specified the original forecast range of between € 192 million and € 198 million in greater detail. With revenues of € 192.6 million, we met this forecast as well. The same holds true for the sustainably positive free cash flow forecast at the beginning of the year; our company increased this key figure by 88% to € 3.2 million in 2024.

The growth in all key figures and the achievement and surpassing of the forecast despite the continuing recession in Germany shows how well our company is now positioned thanks to the 2025 Strategy. Its well-focused business model and lean organisation have enhanced its efficiency and resilience and, in conjunction with the more effective go-to-market approach, made it easier for the company to seize opportunities arising in the market even in difficult conditions.

Macroeconomic and Industry Framework

The economic climate in our German home market in the past year was shaped by the ongoing recession. The country's gross domestic product contracted for the second year in succession. According to calculations compiled by the Federal Statistical Office, GDP fell year-on-year by 0.2% in 2024.[4] This authority believed that a stronger economic performance had been prevented in particular by growing competition facing the German export sector in major sales markets, high energy costs, ongoing elevated interest rates, and an uncertain economic outlook. This uncertainty was one of the reasons why corporate investment in equipment showed a price-adjusted decline of 5.5% within one year.

The IT sector was also unable to fully escape the effects of this unwillingness to invest. At the beginning of the year, the Bitkom sector association saw potential for IT revenues in Germany to grow by 6.1% to € 151.5 billion in 2024.[5] Ultimately, this growth reached 4.4% and was largely driven by increased software revenues. Double-digit revenue growth was reported for business with AI platforms, collaboration tools, and IT security solutions.[6] By contrast, revenue growth in the market for IT services, q.beyond's core market, was no higher than 3.8%.

[4] www.destatis.de/EN/Press/2025/01/PE25_019_811.html
[5] www.bitkom.org/Presse/Presseinformation/Digitalbranche-von-Krisen-unbeeindruckt (only available in German)
[6] www.bitkom.org/Presse/Presseinformation/Lichtblick-Rezession-Digitalbranche-waechst (only available in German)

Business Performance

73% of revenues in the past financial year were of a recurring nature. 71% of revenues were generated in the five focus sectors.

Growing earnings strength driven by consistent implementation of 2025 Strategy

The significant increase in q.beyond's earnings strength documents the success of the 2025 Strategy unveiled in spring 2023. Its implementation involved a process of far-reaching transformation. With a lean organisation and effective go-to-market approach, our company now focuses on higher-margin business fields. In One q.beyond, we succeeded in just under two years in significantly simplifying structures and processes and substantially raising the share of nearshoring and offshoring activities. As of 31 December 2024, the share of the workforce employed at the locations in Latvia, Spain, and India already stood at 14%, compared with 3% at the end of 2022.

Clearer focus for business model boosts resilience

One aspect of the 2025 Strategy involves focusing sales activities on select sectors. The company has succeeded here: in the past year, 71% of revenues were attributable to the five focus sectors of retail, logistics, manufacturing, banking & insurance, and the public sector. The resilience of our business model is further boosted by the high share of recurring revenues resulting from multiyear contracts. In 2024, these accounted for 73% of total revenues. Many of our customer relationships have been in place for more than 20 years, documenting the reliability and quality of our services and a high degree of customer satisfaction.

Expansion in security business

We are systematically expanding our portfolio to further enhance our attractiveness for existing and new customers. In 2024, one focus here involved further developing the range of solutions offered independently of individual manufacturers in our IT security services. A "Cyber Defense Center" now pools the skills of specially trained experts and serves to proactively avert cybersecurity risks and defend against any threats. This expansion in our security expertise is also in line with what customers currently need. In the past year, q.beyond successfully gained several customers in the form of companies and public institutions that operate critical infrastructures and are therefore subject to particularly strict security requirements.

The strength of our company's performance in this area is documented, for example, by its assumption of managed services for Rosneft Deutschland, a company under trust management by the Federal Network Agency (BNetzA), in line with the standards set by the Federal Office for Information Security (BSI) for critical infrastructures. Following a successful transition phase, we are responsible for operating IT services at what is one of the largest mineral oil processing companies in Germany. These services are provided at our certified high-security data centres on the basis of a 5-year contract.

Successful deployment of AI at growing number of customers

Increased use of artificial intelligence (AI) is also creating new opportunities to cooperate with customers. We are continually extending our expertise in this field and simultaneously drawing on AI tools to enhance our internal efficiency. We estimate that consistent deployment of AI will enable us to reduce our operating costs by up to 20% over the next 3 years.

In the past financial year, we supported customers with our AI expertise in areas including knowledge and document management, as well as in automated image analysis. One SME, for example, works with an AI-supported chat bot that meets the strict requirements of the General Data Protection Regulation (GDPR). The voice model integrates indexed data memories enabling different users to access a variety of information.

Starting in 2025, we will extend our AI expertise to include a technology and sales partnership with aiomatic. This software provider has developed an AI-based solution for the predictive maintenance of production machinery. q.beyond will now develop the consulting activities to cover this digital maintenance assistant. In addition, it is planned to host aiomatic's solution at our high-security data centres. We are already working together with aiomatic at the first customers: one example involves monitoring and maintaining large-scale baking lines at a market-leading bread manufacturer.

Integrated software development gains momentum

The expansion in the development business, traditionally an area with higher margins, is also making a major contribution to increasing the company's earnings strength. Our approach of linking development services with our established cloud business for the operation of IT infrastructures is being well received in the market. In 2024, all software customers extended the terms, and in many cases also the scopes, of their contracts.

In several cases, the apps developed and brought to market maturity together with customers have been singled out for awards. A team from q.beyond has developed an app for the energy company MAINGAU, for example, which is based on an open source platform and provides e-car drivers with a permanent overview of the more than half a million charging points currently available throughout Europe. Our experts also supported an operator of technical systems for electronic fare management in the public transport sector in developing a copy-protected electronic ticket meeting the highest security requirements. The "Mobile Ticketing Crypto Service" can also be used for other applications, such as admissions checks, and thus harbours additional potential.

5%

EBITDA margin – two percentage points higher than in 2023.

Key Performance Indicators

Revenues grow to € 192.6 million in 2024

Revenues rose to € 192.6 million in the past financial year, up from € 189.3 million in the previous year. This growth was driven by gains in the "Managed Services" segment, where revenues increased by 5% to € 135.3 million. Whereas multiyear contracts are customary or even the norm in the IT operations business, many customers prefer short contract terms when it comes to consulting and development projects. The continued reluctance shown by SMEs to invest therefore had a greater impact on the "Consulting" segment. Revenues here stood at € 57.3 million in 2024, as against € 60.3 million in 2023. When comparing these revenue figures, it should be noted that, consistent with the 2025 Strategy, we optimised our consulting portfolio and discontinued activities in low-margin business fields.

EBITDA rises to € 10.5 million

EBITDA, a definition of which can be found on Page 26, increased from € 5.7 million in the previous year to € 10.5 million in 2024. This significant improvement was driven by higher efficiency thanks to the progress made in implementing the 2025 Strategy. The EBITDA margin improved by 2 percentage points within one year to reach 5%.

Free cash flow increases to € 3.2 million

Our company increased its free cash flow to € 3.2 million in the past financial year, compared with € 1.7 million in 2023. As in previous years, the free cash flow corresponds to the change in net liquidity excluding IFRS 16 lease liabilities, with this figure being previously adjusted to exclude non-operating items such as acquisitions.

Net liquidity rose by € 1.5 million to € 39.1 million in the past financial year. The third quarter of 2024 also witnessed a payment of € 1.3 million for the contractually agreed further tranche of the purchase price for q.beyond Data Solutions (previously: productive-data). In addition, at the end of the year our logineer subsidiary distributed an amount of € 0.4 million to non-controlling shareholders. The inclusion of these two items resulted in a free cash flow of € 3.2 million.

Our company has no debt and its net liquidity rose by € 1.5 million to € 39.1 million in 2024.

Earnings Performance

Gross profit rises by 40% to € 23.5 million in 2024

Cost of revenues decreased by € 3.5 million to € 169.0 million in the past financial year, while revenues grew over the same period by € 3.3 million to € 192.6 million. The reduction in cost of revenues was largely due to the focus on higher-margin services and solutions in line with the 2025 Strategy, as well as to the reduced deployment of external employees. As a result, gross profit rose by a rounded total of € 6.7 million to € 23.5 million. The gross margin improved from 9% in the previous year to 12%.

+40%

Gross profit improved to € 23.5 million in 2024.

The higher level of efficiency resulting from the far-reaching transformation triggered by the 2025 Strategy also impacted positively on other major cost items. Due above all to lower personnel expenses, sales and marketing expenses fell to € 11.4 million, down from € 15.2 million in the previous year. For the same reason, general and administrative expenses fell from € 18.8 million in 2023 to € 14.9 million in the year under report. Furthermore, the other operating result contracted to € 1.0 million in 2024, compared with € 9.2 million in the previous year.

Higher EBITDA thanks to progress in operations

The rise in EBITDA from € 5.7 million to € 10.5 million was thus driven by progress in the operating business. The abridged income statement below presents the decisive parameters. In line with the company's intra-year quarterly reporting, it includes depreciation and amortisation as a separate line item, thus facilitating an assessment of our company's operating earnings strength. Consistent with IAS 1, in the consolidated financial statements depreciation and amortisation form part of the individual cost items.

Depreciation and amortisation, including share-based remuneration, stood at € 12.3 million in 2024, compared with € 13.8 million in the previous year; of this, an amount of € 4.1 million in the past year involved the depreciation of right-of-use assets pursuant to IFRS 16 (2023: € 3.7 million). Impairment losses showed a slight increase to € 3.2 million, up from € 2.9 million in the previous year. These related above all to the final remaining investment in a start-up company, cargonerds GmbH, which was fully written down given uncertain market prospects for its innovations.

Consolidated net income improves by € 12.4 million

Operating earnings (EBIT) stood at € -5.0 million in the past financial year, compared with € -10.9 million in the previous year. Due to a higher financial result resulting from the higher interest rate on investments, the loss before taxes on income decreased to € -4.4 million, compared with € -11.3 million in the previous year. This factor was supplemented by a positive income tax item of € 0.4 million (2023: € -5.2 million). Consolidated net income therefore improved from € -16.4 million in the previous year to € -4.0 million in the year under report. Positive consolidated net income is budgeted for the 2025 financial year.

€ million	**2024**	**2023**
Revenues	**192.6**	**189.3**
Cost of revenues[1]	(158.1)	(161.7)
Gross profit[1]	**34.5**	**27.6**
Sales and marketing expenses[1]	(10.9)	(14.6)
General and administrative expenses[1]	(14.0)	(16.4)
Other operating result	1.0	9.2
EBITDA	**10.5**	**5.7**
Depreciation and amortisation (including share-based remuneration)	(12.3)	(13.8)
Impairment losses	(3.2)	(2.9)
Operating earnings (EBIT)	**(5.0)**	**(10.9)**

[1] Excluding depreciation, amortisation and share-based remuneration.

Earnings Performance by Segment

Managed Services generates gross margin of 22%

The Managed Services segment upheld its growth in 2024 and thus outperformed expectations. Revenues grew by 5% to € 135.3 million. By contrast, cost of revenues rose by a mere 1% to € 105.9 million, visibly documenting the success of consistent implementation of the 2025 Strategy and the associated efficiency gains.

Gross profit in the Managed Services business improved within one year by 20% to € 29.5 million. The gross margin rose by 3 percentage points to 22%.

Consulting also posts significant rise in gross margin

As is explained on **Page 35**, revenues in the Consulting segment amounted to € 57.3 million in the past financial year, compared with € 60.3 million in the previous year. Over the same period, the company managed to reduce the cost of revenues in this segment by € 5.1 million to € 52.2 million. Relevant factors here included a reduction in the number of external consultants and the non-recurrence of one-off charges. As a result, gross profit in the Consulting business rose to € 5.1 million, up from € 2.9 million in 2023. The gross margin improved by 4 percentage points to 9%.

Financial Position

Rising net liquidity and no debt

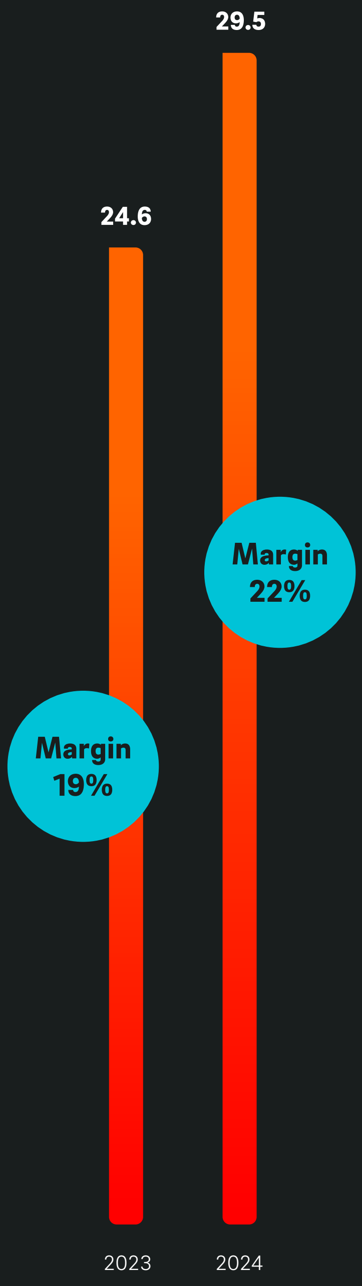
Our company finances all its activities from existing liquidity. As of 31 December 2024, the balance sheet included cash and cash equivalents of € 39.1 million, compared with € 37.6 million in the previous year. There were no liabilities to banks and our company is free of debt.

Financial management safeguards the smooth financing of the operating business and of upcoming capital expenditure. In this, it pursues two core objectives: maintaining and optimising the company's financing capacity and reducing its financial risks. Surplus liquidity is exclusively invested in money market and low-risk investments. As q.beyond's operations are predominantly located in the euro area, the company is not exposed to any exchange rate risks. Further information about financial risk management can be found in **Note 40 of the Notes to the Consolidated Financial Statements.**

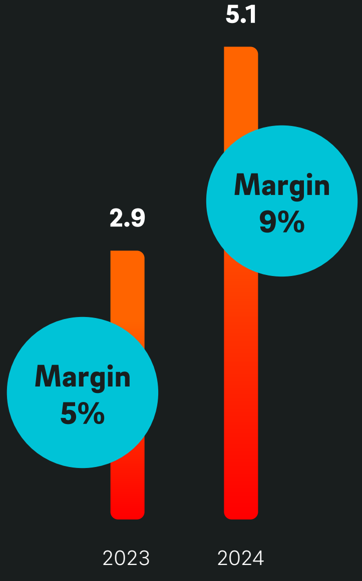
The cash flow statement provides information about the changes in liquid funds in the past financial year. The cash flow from operating activities improved from € 6.5 million in the previous year to € 10.5 million in 2024. The cash flow from investing activities totalled € -3.4 million, compared with € -1.7 million in 2023. The cash flow from financing activities, which involves repayments of lease liabilities and the payment of a purchase price tranche to acquire further shares in q.beyond Cloud Solutions GmbH, came to € -5.7 million, compared with € -3.5 million in the previous year. The net total of these three figures produced an increase in cash and cash equivalents by a rounded total of € 1.5 million to € 39.1 million.

Consistent implementation of the 2025 Strategy led to significantly higher operating earnings in both segments in the past financial year.

Gross profit Managed Services
in € million



Gross profit Consulting
in € million



Asset Position

Moderate capital expenditure of € 3.6 million

Excluding the impact of IFRS 16, capital expenditure stood at € 3.6 million in the past financial year, compared with € 2.3 million one year earlier. Key focuses were on modernising the cooling technology at our data centre in Hamburg and implementing internally developed software for seamless data transmission between SAP S/4HANA and transport management systems to facilitate efficient analyses in the logistics sector.

The extended period of moderate capital expenditure has influenced the consolidated balance sheet. Total assets amounted to € 152.9 million as of 31 December 2024, compared with € 154.3 million in the previous year. Here, non-current assets decreased in value to € 58.4 million, compared with € 65.1 million at the previous year's balance sheet date. This reduction was chiefly attributable to depreciation and amortisation, as well as to impairment losses. As a result, property, plant and equipment (including land and buildings) fell in value from € 31.8 million as of 31 December 2023 to € 27.7 million as of the balance sheet date. Following the impairment loss recognised on the investment in cargonerds GmbH, the balance sheet no longer includes any financial assets recognised using the equity method (31 December 2023: € 2.8 million).

Current assets rose to € 94.5 million as of 31 December 2024, up from € 89.3 million one year earlier. This change was due in part to the increase in trade receivables to € 35.2 million (31 December 2023: € 34.1 million) and in prepayments to € 9.4 million (31 December 2023: € 6.8 million). These factors were supplemented by the rise already referred to above in cash and cash equivalents to € 39.1 million.

Equity ratio of 62%

Our company is free of debt and very solidly financed. That is apparent in the equity and liabilities side of the consolidated balance sheet as of 31 December 2024. At this point in time, the equity ratio stood at 62%, compared with 64% as of 31 December 2023. The reduction resulted from the lower level of shareholders' equity, which – due above all to the accumulated deficit – fell from € 99.4 million at the balance sheet date at the end of 2023 to € 94.6 million.

Non-current liabilities fell from € 13.3 million in the previous year to € 11.0 million as of 31 December 2024. These mainly comprise lease liabilities, financial liabilities for call-put options relating to the acquisition of further shares in subsidiaries already consolidated, and pension provisions.

By contrast, current liabilities rose to € 47.3 million as of 31 December 2024, as against € 41.6 million as of 31 December 2023. This was decisively due to the increase in trade payables and other liabilities by € 8.0 million to € 33.5 million as of 31 December 2024.

Outlook, Opportunity and Risk Report

Overall Summary of Outlook

Significantly higher EBITDA of € 12 million to € 15 million planned for 2025

Based on our planning, our company's earnings strength is set to rise further in the current financial year. We have budgeted for EBITDA to increase to between € 12 million and € 15 million (2024: € 10.5 million), positive consolidated net income (2024: € -4.0 million), and ongoing positive free cash flow (2024: € 3.2 million) accompanied by revenues of between € 184 million and € 190 million. When comparing revenues with the previous year's figure, it should be noted that, in liaison with its customers, q.beyond will uphold its focus on profitable solutions and services in the current year. Based on this approach, the comparable previous year's revenue figure stands at around € 180 million. This outlook is based on the assumption that Germany's economy moves on from its recession and achieves growth, however weak, in the current year.

Future Macroeconomic and Industry Framework

At the beginning of 2025, both the Federal Government[7] and the International Monetary Fund[8] forecast an 0.3% increase in German gross domestic product in the current financial year and thus an end to the two-year recession. Despite this, the German economy will continue to underperform most industrial and emerging economies.

According to Bitkom, the IT sector will be able to detach itself from the overall economy in the current year. In its forecast, the sector association expects IT revenues in Germany to grow this year by 5.9% to € 158.5 billion, with this increase being driven not least by the rapid rise in demand for AI solutions. The German market for IT services, q.beyond's core market, is forecast to grow by 5.0% to € 53.8 billion.[9]

Our company's earnings strength is set to rise further in the current financial year.

[7] www.bmwk.de/Redaktion/DE/Pressemitteilungen/2025/20250129-jahreswirtschaftsbericht-2025.html (only available in German)
[8] www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025
[9] www.bitkom.org/Presse/Presseinformation/Lichtblick-Rezession-Digitalbranche-waechst (only available in German)

Expected Earnings, Financial, and Asset Position

As planned, 2025 Strategy leads to sustainably positive consolidated net income

Consistent implementation of the 2025 Strategy will lead to a further sustainable and significant increase in profitability in the current financial year. We expect to raise EBITDA to between € 12 million and € 15 million and to achieve sustainably positive consolidated net income. Key factors driving the growth in our earnings strength in the current year are the expansion in our sector expertise, greater use of AI in our operations, and a rise in the share of nearshoring and offshoring activities to 20% by the end of the year.

Increased earnings strength will make a crucial contribution enabling q.beyond to generate sustainably positive free cash flow once again in 2025 and thus further raise its net liquidity from its current level of € 39.1 million. This way, our company, which has no debt, will increase its financial scope to deepen or extend its sector expertise in particular, also by making targeted acquisitions.

Expected Earnings Performance by Segment

As was the case in 2024, sales activities will focus on gaining customers for development and consulting services, as these generally also generate manifold leads for IT operations. In the Consulting segment, we therefore expect to see significant revenue growth and a higher gross margin. Accounting for the focus on profitable solutions and services explained under “Overall Summary of Outlook”, we expect to see a reduction in revenues and an unchanged gross margin in the Managed Services segment.

Opportunity Management

Dynamic developments in our markets present us with ever new opportunities. Responsibility for identifying and acting on these lies with the operational managers. They are familiar with their specific market environments and their inherent potential. They also draw on expertise available in the sales and marketing department, as well as on various market and competition analyses. The further development in our personnel strategy will also produce opportunities. The ongoing build-up of expertise, the increase in the share of nearshoring and offshoring activities, and good working conditions will increase the performance capacity of our organisation and make it easier to seize opportunities arising in the market.

Profitability will continue to grow sustainably and significantly in the current financial year. The 2025 Strategy is working!

Revenues

Revenues of € 184 million to € 190 million planned for 2025.

Consolidated net income

The far-reaching restructuring in 2023 and 2024 is paying off: consolidated net income planned to be positive in 2025.

Specific opportunities are factored into the rolling planning, with a review being performed at an early stage to ascertain the risks involved in pursuing and implementing these opportunities. Here, the benefits of dovetailing risk and opportunity management are especially clear. In what follows, we report on the future developments and events that could lead to a positive variance from the full-year outlook for 2025. By analogy with risks, the company classifies these as “major opportunities” with a comparatively high probability of occurrence and a substantially positive contribution to its earnings, financial, and asset position.

Individual Opportunities

Our “major opportunities” are presented below in descending order of significance to our company:

- **Greater demand for consulting services.** Given advancing digitalisation and the increasing need to integrate artificial intelligence into processes, the interest shown by medium-sized customers may rise more sharply than planned.

- **Rapid implementation of new SAP solutions.** The urgent technological advance to S/4HANA offers the opportunity of further promoting the SAP business. As many medium-sized companies have delayed implementing this conversion to date, demand for corresponding consulting and implementation services may possibly exceed expectations this year.

- **Greater awareness for cybersecurity solutions.** We now offer a wide range of security solutions enabling us to provide the best possible protection to our customers’ IT infrastructures. We are increasingly marketing this portfolio on a stand-alone basis. As the threat posed by cybercrime constantly continues to grow, demand for corresponding solutions may turn out higher than planned.

- **Higher revenues from indirect sales.** With the 2025 Strategy, we have increased the effectiveness of our go-to-market approach and, in particular, expanded our indirect sales activities. Strong partners such as Telekom Deutschland and Vodafone mean that demand for q.beyond’s standardised IT services from small and medium-sized companies might rise more significantly in the current year than expected.

- **Growing interest in development expertise.** Proprietary solutions still form part of the IT landscape at many medium-sized companies. Given the relocation of systems to the cloud and ever-growing requirements, these solutions are reaching their limits. In view of this, we might be able to generate higher revenues from customer-specific software development than expected.

Risk Management

For listed companies, the obligation to establish an appropriate and effective internal control system (ICS) and a corresponding risk management system (RMS) is enshrined in law in the German Stock Corporation Act (AktG). In addition, q.beyond complies with the recommendations made by the German Corporate Governance Code (DCGK) in respect of establishing a compliance organisation.

Like any other company, q.beyond is permanently exposed to numerous potential risks. Consciously addressing and assessing these enables us to boost our competitiveness and is a key foundation for our sustainable business success.

We see one key objective of professional risk management as that of upholding and continually strengthening our business resilience. In our understanding, this latter factor is based on sustainable growth, robust core processes, satisfied and innovative employees, consistent customer focus, and a portfolio able to react quickly enough to economic, ecological and social developments. All events, actions, or omissions that could potentially pose a threat to our business resilience, and thus to the success or even the continued existence of our company, are already identified, analysed, assessed, managed, and monitored by the RMS at the earliest possible stage of their development.

Risk management comprises coordinated procedures, measures and the necessary rules for dealing with the risks identified. An appropriate approach to handling risks is therefore an important factor in decision-making processes at q.beyond AG and all subsidiaries.

Organisation and Procedures

We have implemented a company-wide uniform integrated RMS to ensure the effectiveness of our risk management and facilitate the aggregation of risks and transparent reporting. The use of a risk management software that has proven its worth enables us to classify risks precisely and, as a result, to focus on material risks.

Risk management as integral component of decision-making processes

The RMS is an integral component of decision-making processes. It ensures that risk assessments are considered in all decisions and that measures to reduce, transfer, or avoid risks are taken at an early stage. Quarterly reports raise awareness of risk issues among all managers with relevant responsibility.

Policies, procedures, and work instructions are in place to flank the RMS and ensure its implementation in day-to-day operations. The risk analyses, such as those required for management systems under ISO 27001 (Information Security), ISO 9001 (Quality Management), and the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), which has been applicable since the 2024 calendar year, ensure uniform and efficient reporting. We are preparing for certification under ISO 50001 (Energy Management).

The RMS covers all company departments. As risk coordinators, managers from all business units continually monitor, assess, and update the risks arising. These managers report to Corporate Risk Management at least once a quarter. Ad-hoc reports are submitted when there is a need to provide information about previously undetected risks with significant implications or when material changes are required in the assessment of risks already detected. This process ensures that potential risks in the operating business can be detected at an early stage.

Corporate Risk Management responsible for reporting

Corporate Risk Management is responsible for risk reporting to the Management Board. It sees to the consolidation and documentation of the risks assessed by the risk coordinators. Based on the risk reports for departments, it compiles a compact report (using the "R2C_GRC" risk management software) on a quarterly basis and forwards this to the Management Board. The Management Board is informed immediately of any newly detected high risks.

The respective quarterly risk report is discussed at a separate risk meeting held between Corporate Risk Management and the Management Board. This meeting serves above all to review the completeness of the risks recorded, validate risk assessments, assess the appropriateness of the measures planned to address risks, and monitor the effectiveness over time of measures already initiated or implemented. The results of the regular risk meeting are subsequently shared with the risk managers at business units.

The Management Board informs the Supervisory Board Audit Committee with an extensive risk report at least once a year. Corporate Risk Management also serves as an interface to other audit and/or certification processes and ensures that, there too, the risks relevant to the company are uniformly recorded.

Risk Management Guidelines issued by the Management Board govern the approach to handling risks and define risk management processes and organisational structures. These requirements are reviewed and modified as necessary on a regular basis, and at least once a year. The most recent review occurred in October 2024.

When auditing the financial statements, the external auditors also review each year whether the early-warning risk identification system is suitable for the early detection of any risks to the company's continued existence. Further information about the RMS in respect of financial instruments recognised under IFRS 7 can be found in **Note 40 of the Notes to the Consolidated Financial Statements.**

Risk Assessment Methodology

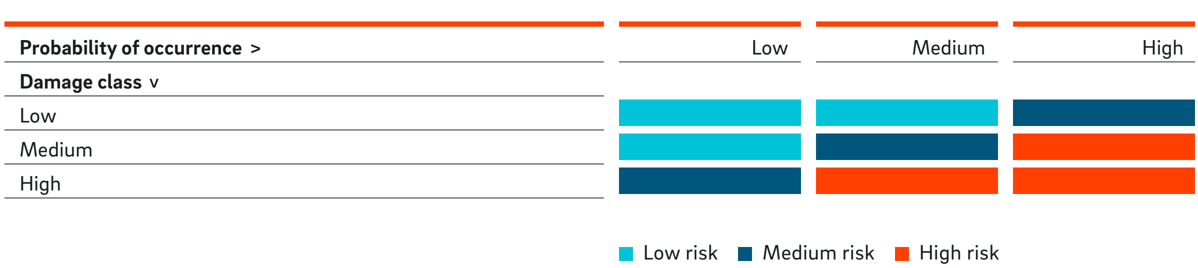
The risk management software supports the overall risk management process throughout the company. It is used to classify a risk in terms of its estimated probability of occurrence and potential implications in a gross view. This means that the probability of occurrence and scope of damage are initially assessed without accounting for any measures taken to minimise, transfer, or avoid risks. This is followed by a net view of each risk, i.e. the assessment accounts for all measures already taken or at least initiated to manage the respective risk. Based on the results of this net view, the risks identified are subsequently allocated to one of a total of three risk classes.

The classification of a risk as “low”, “medium”, or “high” is based on the combination of its probability of occurrence and its scope of damage. The following diagram provides an overview of the methodology used to classify risks.

General risks are analysed to assess whether and how these could specifically harm our company. If this analysis concludes that relevant damage from such risks really is conceivable, then these risks are included as specific risks. General risks (e.g. global catastrophes, financial system collapse, war, terrorist attacks, pandemics) are only included in the RMS if they have a concrete reference to our company.

This risk analysis and classification is followed by measures aimed at dealing with and monitoring risks. These serve to reduce existing risks, hedge risks with insurance coverage, if economically expedient, and raise awareness of existing residual risks and/or risk acceptance.

Classification of risks



Assessment of probability of occurrence
Low: Improbable (less than 30%)
Medium: Probable
High: Highly probable (more than 70%)

Assessment of scope of damage (adverse impact on liquidity/cash flow)
Low: Below € 250,000
Medium: Up to € 1,000,000
High: Over € 1,000,000

Focus on high risks

The external risk report only includes those risks that still have to be deemed material for our future business performance even when all risk reduction, transfer, and avoidance measures have been accounted for. Based on the classification outlined above, these risks are categorised as high risks. A risk that is allocated to the "high" damage class, for example, is only assessed as constituting a "high risk" in the overall assessment if there is also at least a "medium" probability of occurrence. As a result of this risk analysis, in our external risk report we report risks that are individually material or aggregate risks that are individually immaterial into suitable risk categories. In its internal risk reporting, the company bases its relevant risk categories in particular on a distinction between those risks that impact on the company from outside (e.g. macroeconomic risks, technological and regulatory risks, procurement risks, specific customer and partner risks, competitive risks, cyber risks, sustainability risks) and those that rather arise internally within the organisation (e.g. human resources risks, performance/operations stability/quality management risks, specific process and financial risks, compliance, and legal risks).

The assessments and accompanying comments and requirements are only provided in quantitative terms in cases where quantitative assessment of the specific scope of damage is possible. As this is generally not the case, however, the relevant risks are usually classified in terms of classes of damage.

Individual Risks

Risk monitoring focuses on the actual risk situation, i.e. due account is taken of existing measures to reduce, transfer, or avoid risks. Based on this net perspective, the following relevant risks were assessed as "high" and are presented below in descending order of significance. No material new high risks have been added compared with the previous year. Minor changes have nevertheless arisen in the order of significance.

Information security and cybersecurity risks

q.beyond accords the utmost priority to ensuring information security and data protection. Not least in view of the marked rise in the number of cyberattacks, our company is continually stepping up its efforts to protect its resources, systems, and data both for the Group's own IT and for customers' systems. These measures also include implementing the EU Regulation on Digital Operational Resilience for the Financial Sector (in short: DORA), which took effect from January 2025, and making detailed preparations for national implementation of the EU's NIS-2 Directive to strengthen cybersecurity and the German Umbrella Act for Critical Infrastructure (KRITIS Dachgesetz).

Our modern IT security systems are permanently monitored and continuously enhanced together with the structures in our IT service management. Audits performed by external experts in accordance with ISO 27001 or pursuant to ISAE 3402 help us to identify any areas of risk as swiftly as possible and consistently eliminate any weak points. These measures also include regular penetration tests which we commission to detect any potential security gaps in our networks that could be exploited by criminally motivated attackers, as well as measures to safeguard fully functional emergency management.

Despite professional protective measures, the possibility cannot be excluded that cyberattacks motivated by fraud or malicious criminal intent will be directed at the systems at q.beyond, one of its subsidiaries, or customer systems supervised by q.beyond. In view of this, we have allocated a medium probability of occurrence to this risk. Such attacks could have significant negative economic implications for our Group, our customer and service relationships, and our reputation. Not only that, they could also result in significant legal and financial charges. The potential scope of damage could therefore exceed € 1 million. Suitable plans to continue business activities and professional emergency management assist in mitigating the effects of cyberattacks as far as possible.

Macroeconomic risks

In recent years, companies have increasingly been exposed to numerous risks resulting from geopolitical tensions and economic uncertainty. Macroeconomic developments in Germany are now being significantly impeded by the exogenous shocks triggered by geopolitical conflicts, such as the war in Ukraine and constant unrest in the Middle East, and above all by fears of growing trade conflicts between the USA, China, and Europe. In parallel, confidence levels within the German economy have also been adversely affected by domestic policy conflicts. Looking ahead, macroeconomic developments are therefore subject to a high degree of uncertainty.

We believe that it is highly likely that this uncertainty and continuing macroeconomic weakness will impair demand for consulting services and digitalisation projects. The possibility cannot be excluded that existing or new customers will postpone decisions on investments or reduce their volume. Our company is already feeling the effects of this widespread uncertainty today. This calls for greater sales efforts to secure contract opportunities. Furthermore, increased price sensitivity is sharply influencing the offers submitted by competitors. The Management Board continually monitors the latest developments and evaluates the measures required in response. With its positive performance in the past financial year, q.beyond has demonstrated its ability to generate profitable growth even in very challenging conditions. The 2025 Strategy has sustainably boosted the resilience of our business model. We nevertheless cannot exclude the possibility of materially negative financial effects.

Challenges posed by increased use of artificial intelligence

Artificial intelligence (AI) is becoming one of the most important key technologies and harbours substantial opportunities for science, business, and society. Developments in AI are advancing very rapidly. The enormous rise in the performance capacity of AI systems and their widespread use in various areas of application also present great opportunities for our company. At the same time, the rapid developments in AI and new forms of individual use also create new challenges.

The deployment of AI may give rise to liability risks resulting in particular from application errors and from infringements of legal requirements, such as data protection laws and information security requirements. Furthermore, the increasing use of AI may also lead to a loss of expertise and create concerns among employees.

Merely in view of market developments, AI will be a core component of our future service portfolio. Should q.beyond not succeed in adapting and exploiting the technical and economic opportunities offered by AI at least to the same extent as its competitors, then this could impair the company's future economic performance.

Furthermore, drawing on the opportunities harboured by AI may further exacerbate the threat posed by cyberattacks and the resultant damage if criminal attackers manage to use the evolving possibilities of AI to damage companies and society to their own benefit.

Drawing on the opportunities that may be associated with artificial intelligence is one of the top priorities on the agenda of our management, as is monitoring the resultant risks. A dedicated company department under the management of our Chief Technical Officer is charged with optimally exploiting AI-related opportunities and minimising the associated risks. Based on our in-depth analysis of the opportunities presented by the key technology of AI, we believe that our company is well positioned in this respect. Due to the rapid rise in the number of AI applications and growing competition, however, we cannot fully exclude the possibility that financial risks in excess of € 1 million will materialise.

Sustainability-related risks

Particularly because of climate change, the topic of sustainability has gained enormously in significance in recent years. This also involves a notable increase in regulatory requirements.

If insufficient steps are taken to adapt to climate change, the physical effects (particularly extreme weather situations such as heatwaves and storms) might result in damage to and downtime at our data centre infrastructure, as well as overheating at our data centres. Implications for our employees in terms of their health and safety also cannot be excluded. Based on a medium probability of occurrence, the potential risks may result in a high scope of damage. We are responding to these risks by, among other aspects, ensuring targeted budgeting of suitable investments and associated technical and construction measures.

At the same time, our company has to prepare for new reporting requirements. In particular, compliance with European sustainability initiatives, such as the Corporate Sustainability Reporting Directive (CSRD), the EU Regulation Establishing a European Single Access Point (ESAP), and the EU Taxonomy Regulation require capital market-oriented companies such as q.beyond to extend their management models to include strategic non-financial key figures. Should q.beyond be unable to adequately meet these regulatory requirements, then it would risk losing competitiveness. We are therefore making detailed preparations for these new requirements and thus reducing this risk as far as possible.

Shortage of specialists

Our company needs qualified specialists to operate and further develop its own product portfolio and to be able to market existing and new services. Given the growing shortage of IT specialists in the German labour market, it is sometimes difficult to find adequate replacements for the relevant positions within a short timeframe. That is particularly true for the region surrounding Hamburg, as well as for southern Germany. This risk may be exacerbated by employees resigning, particularly when this leaves the company without the resources needed to maintain the same level of performance capacity or when the employees resigning have special expertise that cannot be replaced immediately. In particular, the shortage of specialist staff may result in bottlenecks in operations, in the development of services, and in the consulting business, as well as in administration departments. Our company counters this risk by consistently training young specialists, offering a range of targeted retention measures for those specialists and executives who are especially important to the company's operations, and consistently extending our nearshoring and offshoring activities. The further expansion in personnel capacities at our subsidiaries in Latvia, Spain, India and, since autumn 2024, also in the USA is extending the opportunities to recruit very well-trained staff for our company. Furthermore, we are making efforts to ensure duplicate coverage for key functions and to build our own capacities for the further development of our portfolio. We nevertheless see a high probability that our company will have to make significant efforts, also of a financial nature, to maintain a suitable level of qualifications among our employees.

Unexpected charges due to rising energy procurement and licence prices and higher personnel expenses

Three cost factors are still particularly relevant to our company's earnings performance: electricity prices, licence costs, and personnel expenses. Energy market prices may have stabilised recently and even fallen in some cases. Market watchers nevertheless expect them to rise further in the years ahead, not least as a result of higher CO_2 taxes and high grid fees.

q.beyond has fixed its electricity procurement prices for 2025 and is thus not exposed to any risks from variable prices in the current financial year. The company has otherwise not concluded any energy derivatives.

Licencing costs, particularly for SAP and Microsoft, remain high. Depending on individual contracts, there is the risk that price increases cannot be passed on to customers in full, or only at a later point in time. The resultant risks are minimised by strict licence management.

The development in personnel expenses also continues to involve great uncertainty. In particular, the shortage of specialists witnessed for years now boosts the negotiating position of existing and potential employees and increases their willingness to switch employer. As the baby boomer generation is due to retire in the coming years, no significant change is to be expected in the shortage of staff in the medium term.

To retain high-performing employees and continue to be viewed as an attractive employer for specialists and management staff, it may therefore be necessary to pay significantly higher salaries and introduce other incentive models.

The development in these cost items is continually observed and regularly evaluated by the management. Overall, the management sees a high probability of costs rising further. The company is making constant efforts to reduce its energy consumption and fix its supply prices, at least for the medium term, and continually monitors the progress made with these efforts. The higher personnel expenses are being factored into price calculations for offers submitted in order to minimise their impact on profitability. At the same time, the company is implementing a variety of measures to increase its attractiveness as an employer and limit its staff turnover rate. These include generous home office regulations, flexible working hours, and additional pension provision.

Overall Summary

Taking due account of the potential scope of damage and probabilities of occurrence of these and other potential risks, no risks that could result in any permanent and significant impairment of the company's asset or financial position in the current financial year are discernible at present. In organisational terms, all expedient and reasonable measures have been taken to enable the company to detect potential risks at an early stage and take appropriate action.

Due to these or other risks, as well as to erroneous assumptions, future earnings may nevertheless deviate materially from the expectations of our company and its management. To the extent that they do not constitute historic facts, all disclosures in this Group Management Report are forward-looking statements. They are based on current expectations and forecasts of future events and are regularly reviewed within the company's risk management.

Key Features of the Internal Control and Risk Management System

(unaudited)

Our internal control system (ICS) is based on principles, policies, and measures introduced by the Management Board and intended to ensure that decisions taken by the Management Board are implemented within the organisation. The ICS includes the management of risks and opportunities relating to the achievement of business targets, the correctness and reliability of internal and external financial reporting, and compliance with the legal requirements and regulations relevant to q.beyond. These also include sustainability aspects.

Our ICS is aligned to the globally recognised "COSO Framework" (Committee of Sponsoring Organizations of the Treadway Commission). This model defines the elements of a control system and sets the standard by which the appropriateness and effectiveness of the ICS is to be assessed. q.beyond AG and all associated companies are integrated into our ICS. The Management Board bears overall responsibility for the ICS. At the end of each financial year, it assesses the appropriateness and effectiveness of the ICS. The relevant managers at the business units and subsidiaries are obliged to implement an appropriate and effective ICS which conforms to group requirements in their respective areas of responsibility. The ICS regularly forms the object of audit activities performed by our Internal Audit department as part of an annual internal audit plan derived from a risk-oriented approach; the ICS is nevertheless also audited by external auditors (e.g. ISAE 3402 audits). The audit plan of the Internal Audit department is regularly agreed with the Supervisory Board Audit Committee. Furthermore, the Audit Committee ensures that it is kept regularly informed of the audit findings and of the measures identified by the management on this basis.

As of 31 December 2024, the Management Board had no indication that the ICS or the risk management system were not appropriate or effective in their respective entirety. Due consideration should nevertheless be granted to the inherent limitations on the effectiveness of any risk management and control system. No system, even if assessed as being appropriate and effective, can guarantee, for example, that all risks actually arising are detected in advance or exclude all breaches of processes in all circumstances.

The Supervisory Board Audit Committee is integrated into the ICS. In particular, it monitors financial reporting and the associated processes, as well as the appropriateness and effectiveness of the ICS, the risk management system, and the internal audit system.

Compliance Management System

(unaudited)

The objective of the compliance management system (CMS) in place at q.beyond AG is to detect and assess any breaches of obligations at an early stage and thus enable the company to react appropriately to such. By stipulating preventative measures, it is also intended to avert any breaches of obligations and cases of damages and liability. Based on the assessment of the Management and Supervisory Boards, the CMS in place at q.beyond AG currently meets all requirements of the relevant legal provisions stipulated in the German Stock Corporation Act (AktG) and the German Corporate Governance Code (DCGK).

The Management Board is responsible for the CMS. The Head of Internal Audit and Compliance acts as the Compliance Officer and is responsible for structuring, enhancing, and implementing the CMS throughout the Group. He reports to the Management Board and senior management; in liaison with the Management Board, he also regularly reports to the Supervisory Board and its Audit Committee. In the event of material compliance-related issues in which the Management Board is directly involved, the Compliance Officer is obliged to inform the Supervisory Board Chair or the Audit Committee Chair directly. The Head of Compliance regularly coordinates his approach and the relevant matters with the heads of the People and Culture, Finance, and IT Security departments.

All employees are bound to comply with ethical business practices. Our company strictly ensures that all of its employees, directors, and officers at all times comply with applicable laws, internal policies, and codes of conduct. To prevent illegal or improper business decisions, corresponding compliance considerations are factored into business processes from the outset. This reduces liability risks while enhancing our standing as a reliable partner, particularly with SME customers.

As well as fostering a culture of compliance and communication appropriate to the respective addressee, the Compliance Officer is also charged with regularly reviewing the effectiveness of the CMS, monitoring compliance-related targets, and continually improving the CMS. To account for this, the key focuses of the compliance management system are regularly reviewed by the Management and Supervisory Boards of q.beyond AG, with corrective measures being taken where necessary.

Those risks that could potentially prevent compliance-related targets from being met are identified and assessed at least once a year. This risk inventory also assists in prioritising suitable measures to prevent illegal actions. Among other aspects, the compliance programme includes requirements and recommended actions on a uniform basis for the company as whole or for specific business units and departments in the form of policies, work instructions, and process descriptions. On a superordinate basis, the Code of Conduct summarises all compliance-related principles, rules of conduct, and guidelines for business activity.

Despite all preventative measures, the possibility of laws being violated or of severe breaches of obligations occurring at the company cannot be excluded entirely. q.beyond AG established an appropriate and effective whistleblowing and complaints mechanism in 2018. All stakeholder groups are called on to report any concerns they may have as to suspected infringements of applicable laws or our company's regulations.

SAFE CHANNEL, an electronic whistleblowing tool, is available to everyone within and outside the company at all times and free of charge. It provides a confidential means to report any suspicions of illegal and unethical conduct, also anonymously if preferred. Any infringements discovered are investigated objectively by trained specialist staff, supported if appropriate by external experts, and are consistently and transparently sanctioned without regard to the reputation of the relevant person or their hierarchical position. The whistleblowing and complaints mechanism satisfies the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), which took effect in the 2023 calendar year and required mandatory application by q.beyond AG from the 2024 calendar year.

Key Features of the Internal Control System (ICS) in Respect of Financial Reporting

Risk management in respect of financial reporting forms an integral component of the RMS. The risks involved in accounting and financial reporting are constantly monitored, with the results being factored into group-wide reporting. Within the audit of the annual financial statements, the external auditor also reviews the financial reporting process. Based on the auditor's findings, both the Supervisory Board Audit Committee and the full Supervisory Board deal with the internal control system in respect of the financial reporting process.

The RMS is characterised by the following key features:

- Our company has a clear management and corporate structure. Accounting activities for subsidiaries are performed either by q.beyond AG itself on the basis of agency agreements or handled in close liaison with the subsidiaries. Individual process responsibility is clearly allocated at all subsidiaries.

- Our company ensures strict compliance with legal requirements and International Financial Reporting Standards (IFRS) by means of a range of measures including employing qualified specialists; providing targeted and ongoing training and development for these specialists; strictly observing the dual control principle; separating execution, billing, and approval functions in organisational terms; and clearly segregating duties for document creation and posting in the controlling department.

- The accounting software at all group units is comprehensively protected against unauthorised access. The correct and prompt recording of all major transactions at all companies is ensured.

- Once prepared, the separate financial statements of group companies are transferred to a uniform consolidation system in which intercompany transactions are eliminated. This system then provides the basis for the consolidated financial statements and for major disclosures in the Notes to the Consolidated Financial Statements and the Group Management Report.

- The annual financial statements of material group companies are subject to an audit conducted in accordance with German commercial law (HGB), while the other group companies are at least subject to an audit review within the audit of the consolidated financial statements.

- Group-wide monthly reporting ensures the early detection of potential risks during the financial year.

With these measures, we create the necessary transparency for our financial reporting and – to the greatest extent possible – prevent any potential risks arising in this process.

Strategic Lever

Expanding Abroad

We are internationalising our business alongside our customers. Our locations in Latvia and Spain are springboards for growing into new markets.

Financial Report

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

€ 000s	Note	2024	2023
Revenues	6	**192,585**	**189,280**
Cost of revenues	7	(169,043)	(172,472)
Gross profit		**23,542**	**16,808**
Sales and marketing expenses	7	(11,449)	(15,169)
General and administrative expenses	7	(14,905)	(18,819)
Impairment losses	8	(3,167)	(2,929)
Other operating income	9	1,502	9,431
Other operating expenses	9	(480)	(259)
Operating earnings (EBIT)		**(4,957)**	**(10,937)**
Financial income	10	1,431	735
Financial expenses	10	(542)	(508)
Income from associates	11	(332)	(548)
Earnings before taxes		**(4,400)**	**(11,258)**
Income taxes	38	381	(5,180)
Consolidated net income		**(4,019)**	**(16,438)**
Other comprehensive income			
Line items that are not reclassified in the income statement			
Actuarial losses from defined benefit pension plans	26	(461)	(147)
Tax effect	38	147	48
Currency translation	26	(26)	(17)
Other comprehensive income after taxes		**(340)**	**(116)**
Total comprehensive income		**(4,359)**	**(16,554)**
Attribution of consolidated net income			
Owners of the parent company		(4,948)	(17,477)
Non-controlling interests		929	1,039
Attribution of consolidated net income		**(4,019)**	**(16,438)**
Attribution of total comprehensive income			
Owners of the parent company		(5,288)	(17,593)
Non-controlling interests		929	1,039
Attribution of total comprehensive income		**(4,359)**	**(16,554)**
Earnings per share (basic) in €	12	(0.04)	(0.14)
Earnings per share (diluted) in €	12	(0.04)	(0.14)

Consolidated Statement of Cash Flows

€ 000s	Note	2024	2023
Cash flow from operating activities	32		
Earnings before taxes		(4,400)	(11,258)
Depreciation and amortisation of non-current assets	8, 14, 17	8,718	11,041
Write-downs of equity investments	11	2,431	1,966
Goodwill impairments	15	235	-
Depreciation of right-of-use assets (IFRS 16)	16	4,056	3,680
Other non-cash income and expenses		(20)	734
Loss (profit) from retirement of assets		38	(1)
Income taxes paid		(1,891)	(1,715)
Income taxes received		1,459	1,622
Interest received		1,214	608
Interest paid in connection with leases (IFRS 16)	16	(324)	(270)
Net financing income	10	(888)	(228)
Income from associates	11	332	548
Changes in provisions	28, 29	(1,334)	2,382
Changes in trade receivables	18	(2,437)	3,940
Changes in trade payables		6,951	(3,224)
Changes in other assets and liabilities		(3,614)	(3,352)
Cash flow from operating activities	32	**10,526**	**6,473**
Cash flow from investing activities	33		
Payments for purchase of intangible assets		(1,008)	(248)
Payments for purchase of property, plant and equipment	14	(2,562)	(2,328)
Proceeds from sale of property, plant and equipment		10	873
Proceeds from sale of financial assets recognised at equity	14	150	-
Cash flow from investing activities	33	**(3,410)**	**(1,703)**
Cash flow from financing activities	33		
Payments to non-controlling shareholders/other distributions		(426)	-
Payment to exercise purchase price tranche for q.beyond Data Solutions GmbH	27	(1,319)	-
Repayments of convertible bonds		(2)	(3)
Repayments of loans		-	(500)
Payment into a capital reserve		-	298
Repayments of lease liabilities	16	(3,923)	(3,311)
Cash flow from financing activities	33	**(5,670)**	**(3,516)**
Change in cash and cash equivalents		**1,446**	**1,254**
Cash and cash equivalents as of 1 January		37,642	36,388
Cash and cash equivalents as of 31 December	22	**39,088**	**37,642**

Consolidated Balance Sheet

€ 000s	Note	31 Dec. 2024	31 Dec. 2023
ASSETS			
Non-current assets			
Property, plant and equipment	14	12,490	15,864
Land and buildings	14	15,225	15,943
Goodwill	15	13,720	13,948
Right-of-use assets	16	8,429	8,637
Other intangible assets	17	4,368	5,481
Financial assets recognised at equity	11	-	2,763
Trade receivables	18	1,375	-
Prepayments	19	1,208	1,211
Other non-current assets	21	1,616	1,203
Non-current assets		**58,431**	**65,050**
Current assets			
Trade receivables	18	35,218	34,135
Prepayments	19	9,384	6,776
Inventories	20	85	109
Other current assets	21	10,680	10,631
Cash and cash equivalents	22	39,088	37,642
Current assets		**94,455**	**89,293**
TOTAL ASSETS		**152,886**	**154,343**

€ 000s	Note	31 Dec. 2024	31 Dec. 2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	23	124,579	124,579
Capital reserve	24	144,382	144,382
Other reserves	26	(775)	(435)
Accumulated deficit		(175,629)	(170,680)
Equity attributable to owners of parent company		**92,557**	**97,846**
Non-controlling interests		2,053	1,549
Shareholders' equity		**94,610**	**99,395**
Liabilities			
Non-current liabilities			
Lease liabilities	16	4,627	5,239
Other financial liabilities	27	2,254	3,841
Accrued pensions	28	2,191	2,099
Other provisions	29	898	928
Trade payables	30	-	375
Deferred tax liabilities	38	1,015	829
Non-current liabilities		**10,985**	**13,311**
Current liabilities			
Trade payables and other liabilities	30	33,457	25,530
Lease liabilities	16	4,081	3,395
Other financial liabilities	27	1,514	1,342
Other provisions	29	2,656	4,053
Tax provisions	29	4,812	5,996
Deferred income	31	771	1,321
Current liabilities		**47,291**	**41,637**
Liabilities		**58,276**	**54,948**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**152,886**	**154,343**

Consolidated Statement of Changes in Equity

€ 000s	Note	Equity attributable to equity holders of q.beyond AG			
		Issued capital	Capital reserve	Other reserves (Actuarial losses)	Accumulated deficit
Balance as of 1 January 2024		**124,579**	**144,382**	**(435)**	**(170,680)**
Consolidated net income		-	-	-	(4,948)
Other comprehensive income, net of taxes	26	-	-	(314)	-
Currency translation differences	26	-	-	(26)	-
Total comprehensive income		**-**	**-**	**(340)**	**(4,948)**
Distribution to non-controlling interests		-	-	-	-
Balance as of 31 December 2024		**124,579**	**144,382**	**(775)**	**(175,629)**
Balance as of 1 January 2023		**124,579**	**144,084**	**(319)**	**(153,203)**
Consolidated net income		-	-	-	(17,477)
Other comprehensive income, net of taxes	26	-	-	(99)	-
Currency translation differences	26	-	-	(17)	-
Total comprehensive income		**-**	**-**	**(116)**	**(17,477)**
Payment into a capital reserve	24	-	298	-	-
Balance as of 31 December 2023		**124,579**	**144,382**	**(435)**	**(170,680)**

Total	Non-controlling interests	Total equity	
97,846	**1,549**	**99,395**	**Balance as of 1 January 2024**
(4,948)	929	(4,019)	Consolidated net income
(314)	-	(314)	Other comprehensive income, net of taxes
(26)	-	(26)	Currency translation differences
(5,288)	**929**	**(4,359)**	**Total comprehensive income**
-	(426)	(426)	Distribution to non-controlling interests
92,558	**2,052**	**94,610**	**Balance as of 31 December 2024**
115,141	**510**	**115,651**	**Balance as of 1 January 2023**
(17,477)	1,039	(16,438)	Consolidated net income
(99)	-	(99)	Other comprehensive income, net of taxes
(17)	-	(17)	Currency translation differences
(17,593)	**1,039**	**(16,554)**	**Total comprehensive income**
298	-	298	Payment into a capital reserve
97,846	**1,549**	**99,395**	**Balance as of 31 December 2023**

Notes to the Consolidated Financial Statements for the 2024 Financial Year

Company Information

q.beyond AG ("q.beyond" or "the company") is a leading IT service provider in the German market and is the key to successful digitalisation. We help our customers find, implement, and operate the best digital solutions for their businesses. Our team of around 1,100 experts accompanies SME customers reliably as they tackle their digital transformation. We have all-round expertise in cloud, applications, artificial intelligence (AI), and security. Our company has locations throughout Germany and in Latvia, Spain, India, and the USA, as well as its own certified data centres in Germany.
q.beyond AG is a stock corporation registered in the Federal Republic of Germany. Its legal domicile is Richard-Byrd-Strasse 4, 50829 Cologne, Germany. The company is registered in the Commercial Register of the Cologne District Court under number HRB 28281. q.beyond AG has been listed on the Deutsche Börse stock exchange since 19 April 2000 and in the Prime Standard since the beginning of 2003.

Accounting Policies

1 Basis of preparation

Pursuant to Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and the Council dated 19 July 2002, the company is required to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Pursuant to § 315e (1) of the German Commercial Code (HGB), it is thus exempted from preparing consolidated financial statements in accordance with HGB.
q.beyond prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) that require application in the European Union (EU) as of 31 December 2024, as well as with the supplementary requirements of § 315e (1) of the German Commercial Code (HGB). The company took due account of all IFRSs requiring mandatory application in the EU in the 2024 financial year, as well as of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

In its consolidated financial statements, q.beyond generally makes application of the cost method. Material exceptions relate to liabilities for equity-settled share-based payments and the net liability for defined benefit pension plans.

The financial year of q.beyond AG and its subsidiaries included in consolidation corresponds to the calendar year. The consolidated financial statements are presented in euros, the company's functional currency. Unless stated otherwise, all amounts are rounded up or down to the nearest thousand euro amount (€ 000s). The rounding up or down of figures may result in minor discrepancies on a scale of € 1k or 0.1% between numbers and percentages in this Annual Report.

No events or transactions which would have a material effect on the Group's financial position, financial performance, or cash flows occurred between the end of the reporting period and 25 March 2025 (the date on which the consolidated financial statements were approved by the Management Board for submission to the Supervisory Board).

The consolidated income statement has been prepared using the cost-of-sales method. In the interests of clarity and informational value, individual line items have been aggregated in the income statement and balance sheet. These line items are reported and commented on separately in the notes.

2 Scope of consolidation and amendments under company law

The consolidated financial statements comprise the financial statements of q.beyond AG and its subsidiaries as of 31 December of each financial year. The financial statements of subsidiaries included in consolidation have been prepared on the basis of uniform accounting policies pursuant to IFRS 10 (Consolidated Financial Statements). Apart from q. beyond logineer India Private Limited, all subsidiaries have the same balance sheet date as the parent company q.beyond AG. q.beyond logineer India Private Limited has a deviating financial year ending on 31 March 2025. For this company, the interim financial statements as of 31 December 2024 have been included in the consolidated financial statements.

All intragroup transactions and balances are eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, i.e. the date on which q.beyond obtains control. Inclusion by way of full consolidation ends upon the parent company no longer exercising control. Information on the companies included in the consolidated financial statements is provided in Note 34.

Non-controlling interests are measured upon acquisition at their respective share of identifiable net assets at the company thereby acquired.

By way of three call options exercisable in the years from 2024 to 2026, the company has committed to acquire the 49% of the shares in q.beyond Data Solutions GmbH which it does not own. Based on a probability-weighted scenario analysis, the obligations of € 4,444k resulting from the options in the previous year were recognised under financial liabilities. The development in this item in the 2024 financial year has been presented in Note 27 (Other financial liabilities).

By exercising the first call option in the 2024 financial year, q.beyond AG acquired further shares in q.beyond Data Solutions GmbH. The share of voting rights held by q.beyond AG in q.beyond Data Solutions increased from 51% to 62.95% in the 2024 financial year. This did not have any implications for capital consolidation.
All of the shares held in the associate snabble GmbH, Bonn, were sold in the 2024 financial year. The carrying amount of this investment had already been written down in full in the 2023 financial year. Information about the sale of these shares can be found in Note 9.
q.beyond logineer GmbH, a subsidiary in which q.beyond AG holds 51% of the shares, founded a wholly-owned subsidiary, logineer USA LLC, based in Charlotte, North Carolina, on 22 July 2024. No business operations took place in the financial year under report. Operations commenced in January 2025.

3 Significant judgements and estimates

The application of accounting policies requires the use of judgements and of forward-looking assumptions and estimates. Actual outcomes may differ from those assumptions and estimates. Significant adjustments to the carrying amounts of assets and liabilities may therefore be required within the coming financial year. The use of judgements, assumptions, and estimates was required in particular for the accounting treatment of the following items:

(a) Judgements made when applying accounting policies which could have the most material impact on the amounts recognised in the consolidated financial statements relate to the following items:

Note 6 – Revenues: Determining the percentage of completion for performance obligations satisfied over time

Note 6 – Revenues: Determining allocation of the transaction price to the performance obligations

Note 16 – Term of lease contract: Determining whether the exercising of extension options is reasonably certain

(b) Assumptions and estimates mainly relate to the following items:

Notes 15 and 17 – Impairment test on **goodwill:** Significant assumptions underlying calculation of the recoverable amount

Note 16 – Determining discount rates to calculate the present value of **lease liabilities**

Note 18 – Trade receivables: Measuring allowances based on expected credit losses: significant assumptions used to determine weighted average default rate

Note 38 – Recognition of **deferred tax assets:** Availability of future taxable earnings against which deductible temporary differences can be offset

Note 27 – Other financial liabilities: Significant assumptions concerning level of future payments for call-put obligations relating to the acquisition of shares in q.beyond Data Solutions GmbH

Note 28 – Measurement of **pension provisions:** Actuarial assumptions

Note 29 – Recognition and measurement of **provisions:** Assumptions concerning probability and scale of outflow of benefits

4 Summary of significant accounting policies

Revenue and expense recognition. Revenues are recognised upon satisfaction of the respective performance obligation by transfer of the promised good or promised service to the customer. The asset counts as transferred when the customer gains control over it. Furthermore, the following criteria have to be met for revenues to be recognised:

- For services performed by q.beyond, the benefits of those services generally flow to customers who simultaneously receive and consume the benefits of the services while they are being performed (IFRS 15.35a). On this basis, revenues are recognised over time.
- For services performed in regular IT service operations, q.beyond draws on the practical expedient provided for in IFRS 15.B16, under which revenues are recognised in the amount for which q.beyond is entitled to invoice the customer, as q.beyond is entitled to consideration in the amount directly corresponding to the value of services already performed.
- For the performance of transition services (mainly in connection with the outsourcing of IT infrastructures) which precede the performance of regular IT service operations, revenues are recognised based on the percentage of completion. This is determined using “milestones reached” as a specific variant of the output-based method.
- For services performed in regular IT service operations, standalone prices are, as a general rule, contractually allocated to the individual performance obligations. No further allocation is therefore required.
- For transition services, standalone milestones are measured at expected cost plus a margin (IFRS 15.79b), with the transaction price being allocated to individual milestones on this basis.
- q.beyond recognises interest income when interest arises. Interest income also includes interest unwound on finance lease receivables from multiple element arrangements. This is calculated using the effective interest method based on a rate which discounts the estimated future cash flows over the expected life of the financial instrument to its net carrying amount.

- q.beyond has concluded a low volume of multiple element arrangements with some customers. Multiple element arrangements consist of a service portion and a hardware lease, where the fair values of the two components are separable and can be reliably determined. Application of IFRS 16 requirements to hardware leases means that q.beyond acts as lessor in certain multiple element arrangements. The lease agreements relate to identifiable assets usable exclusively by the customer. Revenues for services performed under the service contract are distributed in line with performance over the contractual period. For the portion of the multiple element arrangement classified as a finance lease, the revenues are recognised upon inception of the arrangement and the interest portion is recognised over the term of such. In these cases, amounts owed by customers (lessees) under a finance lease are recognised as discounted receivables. When measuring hardware leases as operating leases, the revenues are recognised on a monthly basis in accordance with the contractual terms. The total contractual performance is apportioned to the respective components using the residual value method, as this most closely reflects the economic substance of the contracts.
- Operating expenses are recognised when the performance has been utilised or at the time they are incurred.

Specifically, q.beyond structures its revenue recognition as follows:

The services offered in the **"Managed Services"** segment have as their centrepiece the provision of a flexibly adaptable, networked, and secure IT structure for companies to operate their IT. The portfolio ranges from turnkey cloud modules to digital workplaces facilitating networked mobile work to individual IT outsourcing services. Private cloud solutions can be implemented just as successfully as hybrid concepts which, depending on the tasks to be performed, can integrate different cloud infrastructures and services, as well as cloud applications from various providers. Revenues from rental and service agreements are recognised in line with the services performed. Furthermore, this segment generates revenues from sales of hardware and software. Revenues from the sale of hardware and from rental and lease transactions viewed as sales in terms of their economic substance are recognised upon shipment of the hardware to the customer and provided that the company does not have any unsatisfied obligations impacting on final acceptance by the customer. All costs resulting from these obligations are recognised at the same time as the corresponding revenues.

The **"Consulting"** segment comprises a wide variety of consulting and customised development services. We adapt software on behalf of customers and supply solutions in the form of mobile apps and of cloud-based and other applications which enable customers to further develop their businesses. Consulting activities focus on supporting customers in using SAP and Microsoft solutions. In addition, the company offers reliable security services which protect our customers against attacks on their IT, as well as business intelligence solutions. These enable customers to improve their business processes and to analyse data and make forecasts on a cross-system basis. Revenues from the respective service contracts are recognised in line with the services performed, i.e. basically on a time-apportioned basis over the contract term. Revenues from contracts for services charged in line with time inputs are recognised upon performance of the working hours and at the contractually agreed hourly rates.

Foreign currency translation. q.beyond presents its consolidated financial statements in euros. Transactions in currencies other than the euro are initially recognised using the spot exchange rate on the transaction date. Differences arising from changes in the exchange rate between the transaction date and the settlement or balance sheet date are recognised through profit or loss.
Assets and liabilities at foreign subsidiaries which have functional currencies other than the euro are translated using the average spot exchange rate at the end of the period under report. By contrast, income and expenses are translated using intra-year average exchange rates. The differences arising from translation are recognised in shareholders' equity and only reclassified through profit or loss when the gain or loss generated upon the sale of a foreign subsidiary is recognised. Line items in the consolidated statement of cash flows are translated at intra-year average exchange rates, while cash and cash equivalents are translated using the average spot exchange rate at the end of the period under report.

Property, plant and equipment. q.beyond recognises property, plant and equipment at cost less accumulated depreciation and impairment losses. Repair and maintenance expenses that do not constitute material replacement investments are directly expensed in the period in which they are incurred. The estimated useful lives of assets are taken as the basis for applying straight-line depreciation.
Any excess in the carrying amount of an asset over its respective recoverable amount is recognised through profit or loss as an impairment loss. Property, plant and equipment are subject to straight-line depreciation over the following expected useful lives:

	Useful life in years
Property, plant and equipment	
Buildings	10 – 50
Installations on third-party land	3 – 20
Network and technical equipment	2 – 25
Plant and operating equipment	2 – 15

Borrowing costs. Borrowing costs are recognised as an expense in the period in which they are incurred. There are no qualifying assets as defined in IAS 23.

Business combinations and goodwill. q.beyond accounts for business combinations using the acquisition method. This involves recognising all identifiable assets, liabilities, and contingent liabilities of the acquired business at fair value. Goodwill arising in a business combination is initially measured at the amount by which the company's interest in the fair value of the identifiable assets, liabilities, and contingent liabilities exceeds the consideration transferred to the seller in connection with the business combination. q.beyond tests goodwill for impairment at least once a year and upon any change in circumstances or other indication that the carrying amount is potentially impaired.

Other intangible assets. Intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination corresponds to their fair value as of the date of acquisition. Internally generated intangible assets are capitalised if the IAS 38 recognition criteria are met. The costs involved relate primarily to personnel and materials. Costs not eligible for capitalisation are recognised through profit or loss in the period in which they arise. An assessment is made initially as to whether the useful lives of intangible assets are finite or indefinite. Intangible assets with finite lives are subject to straight-line amortisation over their useful economic lives and tested for impairment whenever there is any indication of such. The company does not hold any intangible assets with indefinite useful lives.
For assets with finite useful lives, the amortisation period and method are reviewed at least at the end of each financial year.
Other intangible assets primarily include software, licences, and similar rights, as well as brands and customer bases recognised upon initial consolidation.
Any excess in the carrying amount of an asset over its respective recoverable amount is recognised through profit or loss as an impairment loss.
Acquired software is amortised over periods of 2 to 5 years. Internally generated intangible assets (development expenses) are amortised after completion of the development phase over a period of 5 years.
Acquired brands are written down over periods of up to 10 years.
The useful lives for acquired customer bases amount to 10 years.

Financial assets recognised using the equity method. The shares held by q.beyond in financial assets recognised using the equity method comprise investments in associates. Associates are companies over which q.beyond has significant influence, but not control or joint control, over the financial and operating policy decisions of the companies.
The equity method requires investments in an associate to be recognised in the balance sheet at cost.
The goodwill relating to an associate is included in the carrying amount of the investment and is not subject to amortisation. In applying the equity method, q.beyond determines as of the balance sheet date whether any additional impairment losses require recognition in connection with the net investment held by q.beyond in the associate. The income statement includes q.beyond's share in the performance of the associate.
Changes recognised by the associate directly in equity are also recognised by q.beyond directly in equity in line with its share and – where necessary – included in the statement of changes in equity.

Financial instruments

Financial assets and liabilities. q.beyond has financial assets and liabilities within the scope of IFRS 9 that are primary debt instruments.

q.beyond measures financial assets and liabilities within the scope of IFRS 9 as follows:

	IFRS 9 category
Assets not measured at fair value	
Cash and cash equivalents	Amortised cost
Current trade receivables and other current assets	Amortised cost
Liabilities not measured at fair value	
Trade payables and other liabilities	Amortised cost
Other financial liabilities	Amortised cost
Liabilities measured at fair value	
Liabilities due to call/put options	Fair value measurement through profit or
	loss based on a Level 3 measurement model
	as no market data is available.

The classification category is based on the management requirements for financial debt instruments (“business model”) and the cash flow criterion (“basic loan feature/SPPI”).
The company determines this classification upon initial recognition and reviews the allocation at the end of each financial year. Where permitted and necessary, items are reclassified between categories.
Upon initial recognition, q.beyond measures financial assets at fair value. q.beyond recognises financial assets using performance-date accounting.
Cash and cash equivalents and trade receivables with fixed or determinable payments that are not listed on an active market are measured at amortised cost using the effective interest method, less any impairments, and including transaction costs. Gains and losses are recognised in period earnings if the assets are derecognised or impaired, as well as in the context of amortisations.
Moreover, other assets are recognised at nominal value and reported in line with their respective terms in the “Non-current assets” and “Current assets” line items.

Impairments of financial assets. The expected credit loss model pursuant to IFRS 9 requires not only an appraisal of information about past events and current conditions but also due consideration of forecasts of future economic conditions.

Financial instruments and contract assets. The estimated volume of expected receivables defaults is calculated using the simplified lifetime model based on experience with actual receivables defaults. All receivables have homogenous risk characteristics and are therefore not divided by customer group.

q.beyond recognises impairments for expected credit losses on:

- financial assets measured at amortised cost
- contract assets
- other receivables, including lease receivables.

Application of the IFRS 9 impairment requirements has not resulted in any material impairment of cash and cash equivalents. These are exclusively deposited on a short-term basis at German banks with investment grade ratings issued by the rating agencies Standard & Poor's, Fitch, and Moody's.
q.beyond measures impairments in the amount of lifetime expected credit losses. When determining whether the default risk of a financial asset has increased significantly since initial recognition and estimating expected credit losses, q.beyond draws on reasonable and supportable information that is relevant and available within a reasonable timeframe and at reasonable cost. This includes both quantitative and qualitative information and analysis based on historical data at q.beyond and on in-depth assessments which include forward-looking information.
q.beyond assumes that the default risk for a financial asset has increased significantly when it is more than 180 days past due.
Financial assets are considered to be in default when the debtor is unlikely to be able to meet its credit obligation to q.beyond in full without q.beyond reverting to measures such as drawing on collateral (if available).
Lifetime expected credit losses are the credit losses expected to result from all potential default events during the expected term of the financial instrument.
The maximum period over which expected credit losses are measured is the maximum contractual period over which q.beyond is exposed to credit risk. Expected credit losses represent the probability-weighted estimates of credit losses.

Credit-impaired financial assets. q.beyond determines as of each balance sheet date whether financial assets recognised at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

Indicators that a financial asset may be credit impaired include the following observable data:

- Significant financial difficulty of the debtor
- Breach of contract, such as default or more than 180 days past due
- Probability that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of impairments for expected credit losses in the balance sheet. Impairments of financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairments. An impairment loss is charged to the gross carrying amount of a financial asset when, based on reasonable assessment, q.beyond expects that all or a portion of the financial asset will not be recovered. q.beyond performs an individual assessment of the time at which an impairment loss should be recognised, and the amount of such, based on whether there is reasonable expectation of collection.
Reminders are issued for outstanding receivables as soon as they become overdue. For all receivables, if payment is more than 180 days past due this is viewed as an indication of an increase in default risk. This triggers an impairment test for the receivable, i.e. all receivables that are more than 180 days past due are individually analysed to assess any need for impairment.
Based on historic recoverability data for the past five years, receivables that are not more than 180 days past due have a very low default rate of 0.1%. q.beyond does not expect to collect any significant proportion of impaired amounts. Financial assets for which impairment losses have been recognised may nevertheless be subject to enforcement measures to collect overdue receivables.

Contract acquisition costs. Contract acquisition costs are accounted for in accordance with IFRS 15. This involves recognising the costs incurred to obtain and perform the contract and writing these down over the expected contract term. If the costs exceed the expected revenues, the resultant loss is recognised immediately as an expense.

Prepayments. Transitory items involving outlays prior to the balance sheet date and relating to a specified period after the balance sheet date are recognised as prepayments.

Inventories. q.beyond initially measures inventories at cost. As of the balance sheet date, items are stated at the lower of cost and net realisable value.

Cash and cash equivalents. Cash and cash equivalents reported in the balance sheet and statement of cash flows comprise cash on hand, cash at banks, and short-term deposits with original maturities of three months or less. Cash funds that are subject to restrictions on disposal are recognised under other assets.

Provisions. A provision is recognised when q.beyond has a legal or constructive obligation as a result of a past event, when it is likely that an outflow of resources embodying economic benefits will be required to settle such an obligation, and when the amount of obligation can be reliably estimated. Where q.beyond expects some or all of a recognised provision to be reimbursed, the reimbursement is only recognised as a separate asset if the reimbursement is virtually certain. The expense for allocations to the provision is recognised in the income statement net of any reimbursement.

Severance payments. Provisions are recognised for any existing legal or constructive obligations to grant severance payments to employees in connection with the termination of employment.

Dismantling obligations. Provisions are recognised to cover the obligation to return the space let at a data centre to a contractually agreed state following expiry of the expected term of letting.

Restructuring measures. A provision for restructuring measures is recognised as soon as q.beyond has approved a detailed and formal restructuring plan and the respective measures have either begun or been publicly announced.

Pensions. The obligations for defined benefit plans are determined separately for each plan using the projected unit credit method and on the basis of an actuarial survey. Actuarial gains and losses are recognised under other reserves within other comprehensive income. The assumptions used by the company to measure actuarial obligations are described in Note 28. Obligations for contributions to defined contribution plans are expensed as soon as the associated work has been performed.

Stock option plans. q.beyond's employees may receive share-based remuneration in the form of equity instruments in return for work performed. q.beyond measures the expense of issuing such equity instruments on the basis of the fair value of the equity instrument at the grant or provision date (based on the stock option plans resolved or modified after 7 November 2002) and uses an appropriate option price model. Further details can be found in Note 36. The expense recognised for granting equity instruments and the corresponding increase in equity are spread over the vesting period of the options.
q.beyond does not recognise any expense for remuneration claims which cannot be exercised. If the terms and conditions of an equity-based remuneration agreement are modified, q.beyond recognises as a minimum the level of expense that would have arisen in the absence of such modification.
If an equity-based remuneration agreement is cancelled, q.beyond accounts for the agreement as if it had been exercised on the cancellation date and recognises the previously unrecognised expense immediately.

Employee stock programmes. These involve equity-based cash remuneration for programme participants. Entitlement to equity-based remuneration is linked to the performance of work over a specified period. The liability to be recognised accumulates over the period in which the obligation arises.
Initial measurement is based on fair value as of the date on which the commitment is made. If the amount of equity-based cash remuneration depends on the share price performance, fair value is determined on the basis of an option price model. In subsequent periods, the liability is remeasured at the end of each period. To present remeasurement in the balance sheet, application is made of the full fair value approach, in which, irrespective of its cause, the change in the value of the liability is treated in its entirety as a remeasurement.

Leases. Upon commencement of the respective contract, q.beyond assesses whether it is or contains a lease. This is the case when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. q.beyond bases its assessment of whether a contract conveys the right to control an identified asset on the definition of a lease provided in IFRS 16. This method is applied to contracts concluded on or after 1 January 2019.

I q.beyond as lessee

Upon the commencement or amendment of a contract containing a lease component, q.beyond divides the contractually agreed consideration on the basis of the relative stand-alone prices. For closed non-lease components in the case of leased vehicles, q.beyond has nevertheless opted to forego separating the non-lease components and has rather recognised the lease and non-lease components as a single lease component.
At the commencement date, q.beyond recognises an asset for the right thereby conveyed to use the leased asset ("right-of-use asset") and a lease liability.
The right-of-use asset is initially measured at cost, corresponding to the initial measurement of the lease liability, adjusted to account for payments made at or before the commencement date, plus any initial direct costs and the estimated costs of dismantling or removing the underlying asset or of restoring the underlying asset or the place in which it is located, and less any lease incentives received.
In subsequent periods, the right-of-use asset is subject to straight-line depreciation from the commencement date though to the end of the lease period. Furthermore, the right-of-use asset is corrected where necessary to account for impairments and adjusted to account for specified remeasurements of the lease liability.
The lease liability is initially recognised at the present value of the lease payments that have not yet been paid at the commencement date, discounted using the interest rate implicit in the lease or, if that cannot be readily determined, using q.beyond's incremental borrowing rate. In general, q.beyond uses its incremental borrowing rate as the discount rate.
To calculate its incremental borrowing rate, q.beyond obtains interest rates from various external financing sources and makes specified adjustments intended to account for the lease conditions and asset type.

The lease payments included in the measurement of the lease liability comprise:

- fixed payments
- variable payments that depend on an index or a rate
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at its updated carrying amount using the effective interest method. It is remeasured if the future lease payments change due to a change in an index or if q.beyond changes its assessment concerning the exercising of any extension or termination option.
Any such remeasurement of the lease liability leads to a corresponding adjustment in the carrying amount of the right-of-use asset, or to recognition of such remeasurement through profit or loss if the carrying amount of the right-of-use asset is reduced to zero.

q.beyond has drawn on the following significant options and practical expedients:

- Right-of-use assets and lease liabilities are recognised as separate line items in the balance sheet.
- Lease contracts for low-value assets are not treated as leases, but are rather presented as current expenses.
- Short-term leases (less than twelve months) are not recognised in the balance sheet.
- Leases of intangible assets are not within the scope of IFRS 16 but are rather governed by IAS 38.

II q.beyond as lessor

Upon the commencement or amendment of a contract containing a lease component, q.beyond divides the contractually agreed consideration on the basis of the relative stand-alone prices. For arrangements containing lease and non-lease components, q.beyond applies IFRS 15 to allocate the contractually agreed consideration.
When q.beyond acts as a lessor, each lease is classified upon commencement of the contract either as a finance lease or as an operating lease.
To assess each lease, q.beyond has performed an overall assessment to ascertain whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. The lease is classified as a finance lease where this is this case, and otherwise as an operating lease. In making this assessment, q.beyond accounts for certain indicators, such as whether the lease covers the major part of the economic life of the asset.
q.beyond recognises the head lease and the sublease separately in cases in which the company acts as an intermediate lessor. q.beyond classifies the sublease by reference to the right-of-use asset arising from the head lease rather than by reference to the underlying asset. If the head lease is a short-term lease, q.beyond classifies the sublease as an operating lease.
q.beyond applies IFRS 9 requirements for derecognition and impairment to its net investment in a lease. Lease payments from operating leases are credited to revenues on a straight-line basis over the term of the lease.

Contract liabilities. Prepayments that have been received before the related performance obligation has been satisfied are stated as contract liabilities and recognised as revenues over the agreed contractual term.

Taxes. q.beyond recognises current income tax assets and liabilities for current and prior periods at the amount expected to be reimbursed by or paid to the tax authorities. To calculate this, the company uses the tax rates and tax laws applicable to the relevant assessment period. Current income taxes relating to items recognised directly in equity are also recognised in equity.
Deferred taxes are recognised using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

q.beyond recognises deferred tax liabilities for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill
- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that at the time of the transaction does not affect taxable profit or loss; and
- where the deferred tax liability arises from taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

q.beyond recognises deferred tax assets for all deductible temporary differences and unused tax loss carryovers to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, tax loss carryovers not yet used, and tax credits can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that at the time of the transaction affects neither the reported result for the period nor taxable profit or loss; and
- where the deferred tax asset relates to deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, if it is probable that the temporary differences will not reverse in the foreseeable future and insufficient taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are also reassessed at each balance sheet date and recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.
q.beyond measures deferred tax assets and liabilities at the tax rates expected to apply to the year when the asset is realised or the liability settled based on tax rates and tax laws that have been enacted as of the balance sheet date. Future changes in tax rates have to be accounted for if enacted or substantively enacted by the end of the reporting period.
Deferred taxes in connection with items recognised directly in equity in other comprehensive income are likewise recognised directly in equity (through OCI) and not through profit or loss.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to taxes on income at the same taxable entity and due to the same tax authority.

5 Changes to accounting policies

New, currently valid requirements

Effective date	New or amended standards and interpretations
1 January 2024	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
	Reverse Factoring Arrangements (Amendments to IAS 7 and IFRS 17)
	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

These amendments did not have any material implications for the consolidated financial statements of q.beyond AG.

Future requirements and new standards not yet applied

The table below provides an overview of the latest amendments to IFRS requiring application in financial years beginning after 1 January 2025.

Effective date	New or amended standards and interpretations
1 January 2025	Amendments to IAS 21: Lack of Exchangeability
1 January 2026	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments
	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
1 January 2027	IFRS 18: Presentation and Disclosure in Financial Statements
	IFRS 19: Subsidiaries without Public Accountability

The amended standards and interpretations are not expected to have any material implications for the consolidated financial statements for the 2025 financial year. q.beyond has not made premature application of any standards, interpretations, or amendments that have been published but have not yet taken effect.

Notes to the Consolidated Income Statement

6 Revenues

Revenues from hardware leases in the context of multiple element arrangements amounted to € 420k in 2024 (2023: € 267k).

A breakdown of revenues by geographical regions is presented in the tables below. Furthermore, the revenues thereby broken down are reconciled with the segments described in Note 35.

€ 000s	Geographical region					
	Germany		Outside Germany		Total	
	2024	2023	2024	2023	2024	2023
Segments						
Managed Services	131,320	124,505	4,008	4,494	135,328	128,999
Consulting	56,112	58,293	1,145	1,988	57,257	60,281
Total	**187,432**	**182,798**	**5,153**	**6,482**	**192,585**	**189,280**

	Revenues in € 000s		Revenues in %	
	2024	2023	2024	2023
Sectors				
Retail	61,607	54,100	32.0%	28.6%
Manufacturing	33,061	36,332	17.2%	19.2%
Logistics	22,698	21,397	11.8%	11.3%
Banking & insurance	19,087	20,112	9.9%	10.6%
Public sector	1,051	1,031	0.5%	0.5%
Other	55,081	56,308	28.6%	29.8%
Total	**192,585**	**189,280**	**100.0%**	**100.0%**

q.beyond generally draws on the practical expedient provided in IFRS 15.121, which permits outstanding performance obligations for contracts with expected original terms of no longer than one year and revenues recognised in line with their invoicing to be exempted from the disclosure obligation.

7 Expenses by category

Research and development expenses of € 1,707k were incurred in the financial year under report (2023: € 2,038k).
Development expenses of € 933k were capitalised in the financial year under report (2023: € 0k).
These expenses include all costs incurred in connection with the capitalised development of an SAP S/4HANA and BW/4HANA template to integrate (or link) data from transport management systems used by customers.

€ 000s	2024	2023
Employee benefit expenses	94,751	99,199
Procured input expenses	77,755	79,296
Depreciation/amortisation of non-current and right-of use assets	12,273	13,752
Consulting expenses	3,036	3,106
Other personnel-related expenses	2,968	3,583
Advertising expenses	825	937
Other expenses	3,789	6,587
Cost of revenues, sales and marketing expenses, general and administrative expenses	**195,397**	**206,460**

8 Depreciation, amortisation, and impairments

Depreciation, amortisation, and impairments are allocated to individual corporate functions as follows:

€ 000s	2024	2023
Cost of revenues	10,964	10,743
Sales and marketing expenses	511	549
General and administrative expenses	856	2,460
Impairment losses[1]	3,167	2,929
Depreciation, amortisation and impairments	**15,498**	**16,681**

[1] Reference is made to the information provided in Notes 11, 14, and 17.

9 Other operating income and expenses

€ 000s	2024	2023
Income from sale of IoT SIM card business	459	-
Sundry other non-period income	371	319
Income from subleases	214	204
Sundry other operating income	156	122
Income from disposal of associates	150	-
Subsidies received	86	-
Income from insurance compensation	50	2
Income from disposal of property, plant and equipment	16	47
Income from company sale in previous years	-	8,600
Research subsidies and grants	-	137
Other operating income	**1,502**	**9,431**

Sustained losses necessitated the recognition of impairment losses on the investment held in snabble GmbH in the 2023 financial year. This investment was written down by € 1,966k to its recoverable amount of € 0k. The investment in snabble GmbH was sold in the 2024 financial year, with the proceeds of € 150k generated from this sale being recognised under other operating income.
The income of € 459k generated from the sale of the IoT SIM card business relates to the disposal of a business field with inactive operations, including the transfer of the required assets, rights, and existing contract relationships.

€ 000s	2024	2023
Sundry other operating expenses	118	58
Expenses for exchange rate differences	101	3
Expenses for environmental requirements	100	30
Non-period expenses	72	115
Property tax	48	48
Expenses for disposal of assets	41	5
Other operating expenses	**480**	**259**

10 Financial result

€ 000s	2024	2023
Interest income from credit balances at banks	1,082	596
Interest income from reinsurance policies	118	110
Other interest income	231	29
Financial income	**1,431**	**735**

€ 000s	2024	2023
Interest expenses for leases	325	269
Interest expenses for pension provisions	190	192
Other interest expenses	27	47
Financing expenses	**542**	**508**

11 Income from associates

The table below presents the key financials of the associates in summarised form. The table also presents a reconciliation of the summarised key financials with the carrying amount of the respective investment held by q.beyond in the associates.

€ 000s	2024 cargonerds GmbH	2023 cargonerds GmbH
Shareholding	**25.10%**	**25.10%**
Non-current assets	1,451	1,619
Current assets	529	733
Non-current liabilities	-	-
Current liabilities	(313)	(157)
Net assets (100%)	**1,667**	**2,195**
Carrying amount of investment in associate	**419**	**551**
Revenues	1,639	1,514
Net income	(1,322)	(1,265)
q.beyond's share of comprehensive income	**(332)**	**(317)**

The object of cargonerds GmbH is the design, programming and development, further development, and operation of specific logistics software products aimed at digitalising business processes. Based on Management Board assessment, a requirement for an impairment loss was recognised in the 2024 financial year and the investment was written down in full.

12 Earnings per share

The calculation of basic earnings per share is based on the consolidated net income attributable to ordinary shareholders in the parent company and the weighted average number of shares in circulation in the year under report.
A total of 124,579,487 shares were in circulation in the 2024 financial year.
The calculation of diluted earnings per share is based on the consolidated net income attributable to ordinary shareholders in the parent company and the weighted average number of shares in circulation in the year under report following adjustment for all dilutive effects of the convertible bonds issued in connection with stock option plans and for employee share plans.

€ 000s	2024	2023
Consolidated net income attributable to shareholders in the parent company (basic)	(4,948)	(17,477)
Share-based remuneration in connection with employee share plans	(21)	(46)
Consolidated net income attributable to shareholders in the parent company (diluted)	(4,969)	(17,523)

The weighted average number of shares is unchanged on the previous year and amounts to 124,579,487 (basic). The conversion effects for convertible bonds in the SOP 2012 and SOP 2015 share option plans and the associated share-based remuneration only account for those employee shares and convertible bonds for which the conditions for conversion were met at the balance sheet date, even if the respective holding period prior to conversion had not yet expired. Effects relating to the employee share plans have also only been accounted for to the extent that the terms and conditions underlying the respective plan were satisfied as of the balance sheet date.

13 Personnel expenses and employees

€ 000s	2024	2023
Wages and salaries	80,549	85,085
Employer social security contributions (pension insurance)	6,561	6,533
Employer social security contributions (other)	7,074	7,058
Pension expenses	509	529
Non-cash share-based remuneration	58	(6)
Employee benefit expenses	**94,751**	**99,199**

Wages and salaries include expenses of € 834k for the termination of employment contracts (2023: € 4,022k). q.beyond had an average total of 1,105 employees in the 2024 financial year (2023: 1,105). The following table presents the distribution of employees by key corporate function:

	2024	2023
Sales and marketing	90	118
Technology and consulting	927	905
Administration	76	74
Head office departments	12	8
Number of employees by corporate function (average)	**1,105**	**1,105**

Notes to the Consolidated Balance Sheet

14 Property, plant and equipment

€ 000s	Land and buildings	Network and technical equipment	Operational and business equipment	Total
Gross value at 1 Jan. 2023	**25,945**	**87,069**	**10,245**	**123,259**
Additions	-	1,536	792	2,328
Disposals	-	(52)	(272)	(324)
Gross value at 31 Dec. 2023	**25,945**	**88,553**	**10,765**	**125,263**
Additions	-	2,313	244	2,557
Disposals	-	(182)	(516)	(698)
Gross value at 31 Dec. 2024	**25,945**	**90,684**	**10,493**	**127,122**
Accumulated depreciation and impairments at 1 Jan. 2023	**9,283**	**68,905**	**7,296**	**85,484**
Additions	719	6,492	1,075	8,286
Disposals	-	(48)	(265)	(313)
Accumulated depreciation and impairments at 31 Dec. 2023	**10,002**	**75,349**	**8,105**	**93,456**
Additions	718	4,863	1,017	6,598
Disposals	-	(171)	(476)	(647)
Accumulated depreciation and impairments at 31 Dec. 2024	**10,720**	**80,041**	**8,646**	**99,407**
Carrying amounts at 31 Dec. 2023	**15,943**	**13,204**	**2,660**	**31,807**
Carrying amounts at 31 Dec. 2024	**15,225**	**10,643**	**1,847**	**27,715**

As of 31 December 2024, the “Network and technical equipment” line item included assets under construction of € 26k (2023: € 0k). Impairment losses of € 384k were recognised on data centre infrastructure in the year under report (2023: € 964k).
In the income statement, q.beyond recognises depreciation and amortisation within the cost of revenues, sales and marketing expenses, and general and administrative expenses line items.

15 Goodwill

Goodwill amounted to € 13,720k as of 31 December 2024 (2023: € 13,948k). This reduction of € 228k resulted from the impairment of goodwill at q.beyond logineer India Private Limited and from exchange rate differences.

Consistent with IFRS 8 requirements, the company's internal organisational structure used by the management for business decisions and performance assessments has been referred to as the basis for delineating segments. Accordingly, segment reporting is aligned to product structures. In the 2024 financial year, this resulted for the first time in the presentation of the Managed Services and Consulting segments.

The groups of cash-generating units (CGUs) to which goodwill has been allocated basically correspond to the operating segments determined for the companies included in consolidation pursuant to IFRS 8.5. The operating segments represent the lowest level of reporting at the companies included in consolidation for which goodwill is systematically monitored.

q.beyond determines the recoverable amount of the CGUs as their value in use and refers here to the cash flow forecasts from continued use of the CGUs based on the Management Board's planning for the company for a three-year period. This planning accounts for management expectations with respect to the future performance of individual business units and also takes due account of internal assumptions concerning the marketing opportunities for innovative applications, as well as of past experience.

Goodwill was reallocated as of 1 January 2024 to account for the amended segment reporting. Since then, the entire goodwill, amounting to € 13,270k, has been allocated to the Consulting segment.

The significant revenue growth expected in the Consulting segment is to be viewed in particular in connection with the conversion by customers to the new S/4HANA software generation. A significant improvement in the EBITDA margin has been assumed. A sustainable growth rate of 1.0% has been assumed for this segment.

In addition, q.beyond reports on its Managed Services segment, which pools all IT services. Here, revenue growth in a single-digit percentage range has been assumed for the detailed planning period. This positive development is due above all to advancing digitalisation. Assuming that expenses do not rise to the same extent as revenues, a moderate increase in EBITDA, and thus also in the EBITDA margin, is expected. As of 31 December 2024, no good will was allocated any longer to the Managed Services segment.

To discount the cash flows expected for the respective CGUs, the CGU-specific weighted average costs of capital (WACC) were determined. CGU-specific beta factors were derived by reference to peer group data.

CGU-specific pre-tax discount rates are as follows:

	2024
Consulting	10.84%

The discount rate is determined on the basis of the weighted average cost of capital (WACC). The cost of equity is derived by application of the capital asset pricing model (CAPM). On this basis, the cost of equity corresponds to the risk-free base rate plus a risk premium. This risk premium is determined by reference to the capital market data of comparable companies (peer group). The cost of debt is calculated on the basis of the return on risk-free investments and a rating-based risk premium. The WACC determined by reference to capital market data represents an after-tax figure and is converted into a pre-tax figure for the purpose of performing the impairment test.
The values in use of the Consulting segment CGU are € 54,572k higher than the carrying amount of the respective assets.
The calculation of the CGUs' value in use is subject to forecasting uncertainties, particularly in respect of the development in prices and market shares, with these uncertainties requiring consideration when planning revenues, gross profit, the capex ratio, and the discount rate.
Various scenario analyses were performed for the impairment tests. The Management Board has determined that a change not deemed impossible in a material assumption in Consulting might lead the carrying amount to exceed the recoverable amount. All other factors being equal, an impairment requirement would arise if revenues and EBITDA in the final planning year, and thus in perpetuity, were to fall more than 63.2% short of the figures assumed in the planning.

16 Leases

q.beyond as lessee

In its capacity as lessee, q.beyond leases office space, car parking spaces, data centre space, vehicles, dark fibre lines, and technical hardware. Pursuant to IFRS 16, the company has recognised right-of-use assets and lease liabilities for most of these lease contracts, i.e. the leases are recognised in the balance sheet. Right-of-use assets are initially measured in the amount of the respective lease liabilities, adjusted to account for any lease payments made in advance or deferred, and subsequently at amortised cost. Right-of-use assets are subject to straight-line depreciation over the term of the respective contract. q.beyond tested its right-of-use assets for impairment at the end of the financial year and concluded that there were no indications of impairment.

In applying IFRS 16, q.beyond drew on a number of practical expedients. Specifically, the company:

- Applied a single discount rate for a portfolio of similarly structured lease contracts (e.g. real estate contracts with similar remaining terms)
- Did not recognise any right-of-use assets or lease liabilities for those leases with terms ending within 12 months, and
- Did not recognise any right-of-use assets or lease liabilities for those leases for which the underlying asset is of low value (e.g. IT equipment).

The terms of contracts valid as of 31 December 2024 are presented in the following table:

Type of contract	Term in years
Lease contracts for office space	1 – 3
Lease contracts for car parking spaces	1 – 3
Lease contracts for data centre space	1 – 4
Lease contracts for cars	1 – 3
Lease contracts for dark fibre lines	1 – 4
Lease contracts for technical hardware	1 – 4

The changes in the terms of these contracts are largely due changes in their respective remaining terms.
A number of lease contracts, mainly for real estate, include extension and termination options. In determining the terms of these contracts, due account is taken of all facts and circumstances offering an economic incentive to exercise extension options or not exercise termination options. q.beyond only accounts for amendments to the respective contractual terms due to the exercising or non-exercising of such options when these are reasonably certain to occur.
The company estimates that the potential future lease payments resulting from exercising the extension options on significant lease contracts would result in an undiscounted lease liability of € 4.7 million.

The opening values, additions, disposals, and amounts of depreciation for the right-of-use assets underlying the respective classes are presented in the table below:

€ 000s	Real estate	Technical equipment	Operational and business equipment	Total
Gross value at 1 Jan. 2023	**9,826**	**1,840**	**1,463**	**13,129**
Additions	581	3,384	1,054	5,020
Disposals	(472)	(695)	(650)	(1,816)
Gross value at 31 Dec. 2023	**9,935**	**4,529**	**1,868**	**16,332**
Additions	304	3,001	612	3,917
Disposals	(1,015)	(229)	(509)	(1,753)
Gross value at 31 Dec. 2024	**9,225**	**7,300**	**1,971**	**18,496**
Accumulated depreciation and impairments at 1 Jan. 2023	**3,466**	**674**	**1,187**	**5,327**
Additions	2,059	972	649	3,680
Disposals	(66)	(608)	(637)	(1,312)
Accumulated depreciation and impairments at 31 Dec. 2023	**5,459**	**1,037**	**1,199**	**7,696**
Additions	1,971	1,474	611	4,056
Disposals	(955)	(229)	(500)	(1,685)
Accumulated depreciation and impairments at 31 Dec. 2024	**6,475**	**2,282**	**1,310**	**10,067**
Carrying amounts at 31 Dec. 2023	**4,476**	**3,492**	**669**	**8,637**
Carrying amounts at 31 Dec. 2024	**2,750**	**5,018**	**661**	**8,429**

Amounts recognised in the income statement in addition to depreciation:

€ 000s	2024
IFRS 16 leases	
Interest expenses on lease liabilities	324
Interest income from leasing right-of-use assets in finance lease arrangements	4
Expenses for low-value asset leases, except short-term leases of low-value assets	84

Amounts recognised in the statement of cash flows:

€ 000s	2024
Total outflow of cash for leases	**3,923**

The terms of the lease liabilities are presented in the table in Note 40.

q.beyond as lessor

Operating leases. q.beyond agrees lease-like components with its customers, in this case mainly for data centre space rental. Here, the company concludes part amortisation contracts without purchase options or price adjustment clauses. The lease contracts have average terms of three to five years (and in some cases provide for extension options).
In 2024, lease income of € 3,202k was recognised under revenues (2023: € 3,289k).
The following table presents a maturity analysis for lease receivables and shows the undiscounted lease payments due to be received after the balance sheet date:

€ 000s	2024
Operating lease contracts	
Less than 1 year	2,804
1 to 2 years	794
2 to 3 years	152
3 to 4 years	-
Operating lease contracts	**3,750**

Finance leases

q.beyond acts as lessor in some specialised multiple element arrangements and subleases. The following table presents a maturity analysis of the future minimum lease payments from finance leases:

€ 000s	2025	2026	2027
Minimum lease payments receivable in future			
Lease payments	274	168	133
Discounting	(22)	(13)	(7)
Present values	**252**	**155**	**126**

An amount of € 279k was recognised as lease payments in 2024 (2023: € 383k).

17 Other intangible assets

In its income statement, q.beyond reports depreciation and amortisation within the cost of revenues, sales and marketing expenses, and general and administrative expenses line items.

€ 000s	Licenses	Acquired software	Internally generated software	Customer bases	Brands	Other	Total
Gross value at 1 Jan. 2023	**85**	**13,361**	**10,761**	**23,295**	**946**	**13,078**	**61,526**
Additions due to purchase price allocation	-	-	-	3,151	-	-	3,151
Additions	-	10	-	-	1	-	11
Disposals	-	(2)	-	-	-	-	(2)
Gross value at 31 Dec. 2023	**85**	**13,369**	**10,761**	**26,446**	**947**	**13,078**	**64,686**
Additions	-	75	933	-	-	-	1,008
Disposals	-	(2)	-	-	-	-	(2)
Gross value at 31 Dec. 2024	**85**	**13,442**	**11,694**	**26,446**	**947**	**13,078**	**65,692**
Accumulated amortisation and impairments at 1 Jan. 2023	**85**	**8,317**	**10,761**	**23,295**	**921**	**13,073**	**56,452**
Additions	-	2,195	-	554	3	3	2,755
Disposals	-	(2)	-	-	-	-	(2)
Accumulated amortisation and impairments at 31 Dec. 2023	**85**	**10,510**	**10,761**	**23,849**	**925**	**13,075**	**59,205**
Additions	-	1,729	16	369	3	3	2,120
Disposals	-	(2)	-	-	-	-	(2)
Accumulated amortisation and impairments at 31 Dec. 2024	**85**	**12,237**	**10,777**	**24,219**	**928**	**13,078**	**61,324**
Carrying amounts at 31 Dec. 2023	**-**	**2,859**	**-**	**2,597**	**23**	**2**	**5,481**
Carrying amounts at 31 Dec. 2024	**-**	**1,205**	**917**	**2,227**	**19**	**-**	**4,368**

Impairment losses of € 118k were recognised on purchased software in the financial year under report (2023: € 0k).

18 Trade receivables

In terms of their historic recoverability, receivables that are not more than 180 days past due showed a very low default rate of 0.1% over the past five years. Unless the creditworthiness of the respective customer changes significantly in the first 180 days after performance of the respective service, based on historic empirical values and with due consideration of materiality factors q.beyond therefore does not recognise any allowance in this period. A risk allowance to cover the expected default is recognised on these receivables at the aforementioned rate of 0.1%. Receivables that are more than 180 days past due are considered on an individual case basis, i.e. all receivables more than 180 days past due are individually tested for impairment. As of 31 December 2024, trade receivables amounting to € 347k were impaired (2023: € 411k). The individual allowances schedule and risk allowance for expected credit losses developed as follows:

€ 000s	2024	2023
Allowance at 1 January	**411**	**80**
Added and expensed	318	382
Utilised	(5)	(9)
Reversed	(377)	(42)
Allowance at 31 December	**347**	**411**

The allowance recognised for trade receivables as of 31 December 2024 is structured as follows:

€ 000s	Default rate (weighted average)	Gross carrying amount	Allowance	Impaired credit-worthiness
Receivables				
Expected credit loss	0.1%	36,171	(27)	no
Individual allowance	86.4%	371	(320)	yes
Total		**36,542**	**(347)**	**36,195**

Receivables of € 44k were written down in the financial year under report (2023: € 403k).
Incoming payments of € 12k were received in the 2024 financial year (2023: € 62k) on previously written down receivables with carrying amounts of € 14k (2023: € 42k).

19 Prepayments

Non-current prepayments of € 1,208k (2023: € 1,211k) and current prepayments of € 9,384k (2023: € 6,776k) chiefly consist of prepayments for service, maintenance, rental, licence, and insurance agreements.

20 Inventories

€ 000s	2024	2023
Inventories		
Merchandise designated for sale	58	78
Consumables	27	31
Inventories	**85**	**109**

21 Other assets

€ 000s	2024	2023
Current assets		
Other receivables from company sale in previous years	8,600	8,600
Receivables from tax authorities	1,476	1,052
Receivables from multiple element arrangements	215	133
Other current assets	169	146
Cash deposits paid	145	52
Receivables from subletting contracts	56	40
Contract acquisition costs	19	63
Receivables from a minority shareholder in connection with an exemption agreement	-	545
Current assets	**10,680**	**10,631**

On 6 May 2019, QSC AG (the legal predecessor of q.beyond AG) concluded a contract with EnBW Telekommunikation GmbH to sell all the shares in its subsidiary Plusnet GmbH. Following approval by the German Federal Cartel Office, the transaction was completed on 30 June 2019. In connection with this transaction, an amount of € 8,600k was deposited on an escrow account at a notary public in order to cover specified tax risks from subsequent company tax audits. Due to substantial doubts as to its recoverability, the corresponding residual purchase price receivable was written down in full.
Unlike originally assumed, in the 2023 financial year the binding determinations of the company tax audit for the 2017 to 2019 calendar years confirmed the full recoverability of the receivable, i.e. the receivable was written up in full in the past 2023 financial year. The company will receive payment of the receivable upon completion of the company tax audit, which is expected to occur in the 2025 financial year.

€ 000s	2024	2023
Non-current assets		
Paid cash deposits	1,056	889
Receivables from multiple element arrangements	358	213
Other non-current assets	142	97
Receivables from subleases	60	4
Non-current assets	**1,616**	**1,203**

22 Cash and cash equivalents

Cash and cash equivalents amounted to € 39,088k at the 2024 balance sheet date (2023: € 37,642k) and consisted of cash at banks and cash on hand.

23 Issued capital

The company's issued capital amounted to € 124,579,487 at the balance sheet date and was thus unchanged on 31 December 2024. Issued capital comprised 124,579,487 no-par registered ordinary shares.

24 Capital reserve

The capital reserve amounted to € 144,382k as of 31 December 2024 (2023: € 144,382k). This amount also includes the deferred share-based remuneration for the stock option plans.

25 Authorised and conditional capital

Authorised capital. By resolution of the Annual General Meeting on 20 May 2020, the Management Board is authorised, subject to approval by the Supervisory Board, to increase the company's issued capital by up to a total of € 37,000,000.00 on one or several occasions up to 19 May 2025 by issuing new no-par registered shares in return for contributions in cash and/or kind (Authorised Capital 2020).
As a general rule, subscription rights should be granted to shareholders. Subscription rights may also be granted to shareholders in such way that the new shares are taken over by one or several banks or companies defined in § 186 (5) Sentence 1 of the German Stock Corporation Act (AktG) and selected by the Management Board with the obligation to offer the shares to shareholders for subscription (indirect subscription right). When drawing on authorised capital, the Management Board may, subject to approval by the Supervisory Board, exclude shareholders' subscription rights in five cases: (1) to exclude residual amounts from shareholders' subscription rights; (2) when the new shares are issued in return for contributions in kind in the context of business combinations or for the purpose of acquiring companies, parts of companies, interests in companies, or of other assets or rights to acquire other assets, including receivables due to the company; (3) if the new shares are issued in return for cash contributions and if, at the time of final stipulation, the issue price for each new share does not fall materially short of the stock market price of company shares of the same class and furnished with the same rights that are already listed. The number of shares issued to the exclusion of subscription rights in this way may not exceed a total of 10% of issued capital either at the time at which this authorisation takes effect or at the time at which the authorisation is drawn on. Other shares issued or disposed of during the term of this authorisation to the exclusion of subscription rights with direct or corresponding application of § 186 (3) Sentence 4 AktG must be imputed to this 10% limit, as must any shares issued to satisfy option and/or conversion rights or obligations in connection with warrant and/or convertible bonds and/or profit participation rights to the extent that such bonds or profit participation rights are issued during the term of this authorisation to the exclusion of subscription rights with corresponding application of § 186 (3) Sentence 4 AktG; (4) to the extent necessary to issue subscription rights for new shares to the bearers or creditors of warrant and/or convertible bonds with option and/or conversion rights or obligations that were or are still to be issued by the company or an affiliated group company pursuant to § 18 AktG in which the company directly or indirectly holds a majority stake, with such subscription rights for new shares being issued to the extent to which the aforementioned bearers or creditors would be entitled having exercised their option or conversion rights or satisfied their option exercise or conversion obligations; (5) if the new shares are to be issued to employees of the company, employees of a company affiliated with the company, or members of the management of a company affiliated with the company in the context of share participation or other share-based plans, in which case the employment relationship with the company or, in the case of an affiliated company, the affiliation with the company and the employment relationship with such affiliated company must still pertain at the time at which the issue of shares is approved; to the extent permitted by § 204 (3) Sentence 1 AktG, the contribution payable for the new shares may be covered from that portion of the annual net surplus which the Management and Supervisory Boards

are permitted to allocate to other revenue reserves pursuant to § 58 (2) AktG. The number of shares issued to the exclusion of subscription rights in this way may not exceed a total of 5% of issued capital either at the time at which this authorisation takes effect or at the time at which the authorisation is drawn on; and only to the extent that the shares issued to the exclusion of shareholders' subscription rights in return for cash contributions or contributions in kind on the basis of and during the term of this authorisation or on the basis of another authorised capital do not exceed a total of 20% of issued capital either at the time at which this authorisation takes effect or at the time at which the authorisation is drawn on. Treasury shares disposed of to the exclusion of subscription rights during the term of this authorisation are imputed to the aforementioned 20% limit, as are any new shares to be issued to the exclusion of subscription rights during the term of this authorisation as a result of warrant and/or convertible bonds and/or option or conversion rights. Any shares to be issued on the basis of convertible bonds resulting from any stock option plan at q.beyond AG which benefits Management Board members and company employees, or members of the management and employees at affiliated companies, are exempted from the aforementioned imputation.
This authorised capital is intended to enable q.beyond AG to react swiftly and flexibly to opportunities arising on the capital market and where necessary to obtain equity capital on favourable terms. No use was made of authorised capital in the past financial year.

Conditional capital. The company had conditional capital totalling € 25,440,900 as of the balance sheet date. This was divided into Conditional Capital IV (€ 25,000,000) and Conditional Capital VIII (€ 440,900). Conditional Capital VIII serves to grant conversion rights to bearers of convertible bonds that q.beyond AG has issued within the framework of existing stock option plans to Management Board members, managing directors of affiliated companies, employees of q.beyond AG and of affiliated companies.
Conditional Capital IV may be used by the Management Board to create tradable warrant and/or convertible bonds. The Management Board is authorised by resolution of the Annual General Meeting on 20 May 2020 to issue such instruments in order to access additional attractive financing alternatives on the capital market, depending on market conditions, over and above traditional possibilities of taking up debt and equity capital. The convertible bonds may be issued in return for both cash contributions and contributions in kind. The Management Board is authorised, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights to these warrant and/or convertible bonds in four cases: (1) to settle residual amounts resulting from the subscription ratio; (2) when the bonds are issued in return for contributions in kind, particularly in the context of company acquisitions; (3) if, in the case of bonds being issued in return for cash contributions pursuant to § 186 (3) Sentence 4 AktG, the issue price does not fall materially short of the market value of the bonds; and (4) to the extent necessary to issue subscription rights to the bearers or creditors of warrant and/or convertible bonds previously issued in order to avoid dilution of their respective holdings.
To date, the Management Board has not acted on the authorisation to issue tradable warrant and/or convertible bonds.

The exclusion of shareholders' subscription rights pursuant to § 186 (3) Sentence 4 AktG may only apply for the use of treasury stock, for the issue of new shares from authorised capital and for the issue of warrant and/or convertible bonds corresponding up to an aggregate total of no more than 10% of issued capital during the term of the respective authorisation. Apart from this, the exclusion of shareholders' subscription rights, irrespective of the legal grounds, for the use of treasury stock, for the issue of new shares from authorised capital, and for the issue of warrant and/or convertible bonds (including those issued within q.beyond's stock option plans) may not exceed an aggregate total of 20% of issued capital during the term of the respective authorisation.

26 Other reserves

The development in this line item in the 2024 and 2023 financial years is presented in the consolidated statement of changes in equity.
Other reserves were structured as follows as of 31 December:

€ 000s	2024	2023
Other reserves		
Actuarial losses on pension plans	(1,082)	(621)
Currency translation	(42)	(17)
Deferred taxes	349	203
Other reserves	**(775)**	**(435)**

The currency effects recognised for the 2024 financial year result from subsidiaries which prepare their accounts in foreign currencies.

27 Other financial liabilities

Other financial liabilities comprise call-put options of € 3,031k (2023: € 4,444k), which are exercisable in the years from 2025 to 2026, contingent consideration of € 734k (2023: € 734k), and convertible bonds (see Note 36) of € 3k (2023: € 5k).

Call-put option (see Note 2). q.beyond acquired 51% of the shares in q.beyond Data Solutions GmbH (formerly: productive-data GmbH), Hamburg, on 27 October 2022, with the acquisition taking economic effect as of 1 January 2022. The fixed purchase price amounted to € 2,500k. By way of three call-put options exercisable in the years from 2024 to 2026, q.beyond committed to acquire a further total of 49% of the shares in q.beyond Data Solutions GmbH. The call-put options are dependent on a specific level of income to be generated by the company in the financial years from 2023 to 2025 and amount to a maximum total of € 6,688k. Based on a probability-weighted scenario analysis, alongside the fixed purchase price an additional variable purchase price of € 4,444k was assumed in the 2022 financial year. The exercising of the first call option in the 2024 financial year reduced this obligation by € 1,319k. Of the remaining purchase price resulting from the call-put options, € 1,516k has been recognised as a non-current other financial liability and € 1,514k as a current other financial liability.
q.beyond AG entered into an obligation towards the minority shareholder in q.beyond logineer GmbH to assume the potential tax charge resulting from the spin-off at the level of its shareholding in this company. This charge has been valued at € 734k.
Information about current liabilities under finance lease arrangements can be found in Note 16.

28 Pension provisions

q.beyond operates defined benefit pension plans which are partially secured through reinsurance policies that are classified as plan assets in accordance with IAS 19.
Pension provisions cover the obligations resulting from pension commitments made to one member of the Supervisory Board during his previous activity as a member of q.beyond's Management Board and to two former Management Board members at the former INFO AG, as well as obligations resulting from pension commitments made to parts of q.beyond's workforce in previous years.
The pension entitlements relate to defined benefits which depend primarily on the period of service with the company and the relevant level of pensionable salary. These defined benefit plans expose q.beyond to actuarial risks, including longevity and interest rate risks.
The pension provisions for defined benefit plans are measured using the projected unit credit method in accordance with the requirements of IAS 19 and take future developments into account. The biometric calculations were based on the 2018 G biometric tables of Prof. Dr. Klaus Heubeck – Lizenz Heubeck-Richttafeln-GmbH, Cologne.
q.beyond recognises actuarial gains and losses directly through other comprehensive income. In the 2024 financial year, accumulated actuarial losses after taxes of € 733k were recognised in other comprehensive income (2023: € 418k). Total actuarial gains after taxes came to € 314k in the 2024 financial year (2023: € 99k).

€ 000s	2024	2023
Present value of defined benefit obligation at 1 January	**5,077**	**5,030**
Interest cost	190	192
Actuarial losses		
Due to changes in financial assumptions	368	28
Due to experience adjustments	38	56
Benefits paid	(275)	(229)
Present value of defined benefit obligation at 31 December	**5,399**	**5,077**
Fair value of plan assets at 1 January	**(2,978)**	**(2,718)**
Interest income	(118)	(110)
Expenses from plan assets excluding amounts included in net interest income and expenses	54	64
Disbursements	45	-
Company contributions to plan assets	(211)	(214)
Fair value of plan assets at 31 December	**(3,208)**	**(2,978)**
Pension provision at 31 December	**2,191**	**2,099**
Discount factor	3.20%	3.85%
Rate of compensation increase	2.00%	2.00%
Pension indexation	1.00%	1.00%

Expenses for plan assets excluding amounts included in interest income are reported under other comprehensive income.
The income and expenses recognised in the income statement for defined benefit plans are structured as follows:

€ 000s	2024	2023
Pension expenses		
Interest cost	190	192
Income from plan assets recognised through profit or loss	(118)	(110)
Pension expenses	**72**	**82**

Pension payments of € 325k and funding contributions to plan assets of € 209k are expected in 2025.

If the aforementioned material assumptions used to measure pension obligations as of the balance sheet date were to change by half a percentage point in each case, pension obligations would increase/decrease as follows:

€ 000s	Change in pension obligations	Pension obligations
Change in interest rate +0.5%	(288)	5,111
Change in interest rate -0.5%	314	5,713

As of 31 December 2024, the weighted average term of the defined benefit obligation came to 11.5 years (2023: 11.4 years).
Employer contributions to defined contribution plans amounted to € 6,200k in the 2024 financial year (2023: € 6,265k).

29 Other provisions and tax provisions

(a) Other provisions

€ 000s	Restructuring	Redundancy payments	Dismantling	Onerous contracts	Obligation for part-time early retirement	Total
Balance at 1 January 2024	**2,959**	**471**	**790**	**623**	**138**	**4,981**
Added	726	16	-	50	5	797
Utilised	901	470	-	6	-	1,377
Reversed	482	1	35	329	-	847
Balance at 31 December 2024	**2,302**	**16**	**755**	**338**	**143**	**3,554**
Non-current	-	-	755	-	143	898
Current	2,302	16	-	338	-	2,656
Balance at 31 December 2024	**2,302**	**16**	**755**	**338**	**143**	**3,554**

Restructuring. The provisions stated at the end of 2023 were partly utilised or reversed in 2024. Restructuring provisions of € 726k were recognised in 2024 and are expected to be utilised in 2025.

Redundancy payments. Provisions of € 16k were capitalised in 2024 for redundancy payments to employees. These provisions will be utilised in 2025. The estimated costs are based on the terms of the relevant agreements.

Dismantling. The dismantling obligations of € 755k (2023: € 790k) relate to two office and data centre locations whose current rental terms expire on 31 January 2026 and 30 April 2028 respectively.

Onerous contracts. These mainly relate to anticipated losses of € 338k on project termination agreements concluded with customers. This figure includes a provision of € 238k for warranty claims.

(b) Tax provisions

€ 000s	Corporate income tax and solidarity surcharge	Trade tax	Total
Balance at 1 January 2024	**5,241**	**755**	**5,996**
Added	235	252	487
Utilised	(1,667)	-	(1,667)
Reversals of provisions	(4)	-	(4)
Balance at 31 December 2024	**3,805**	**1,007**	**4,812**

30 Trade payables and other liabilities

€ 000s	2024	2023
Non-current		
Trade payables	-	375
Non-current	**-**	**375**

€ 000s	2024	2023
Current		
Trade payables	20,011	13,058
Personnel liabilities	7,973	7,513
Liabilities due to tax authorities	3,031	2,956
Contract liabilities	1,225	1,101
Other liabilities	1,167	767
Debtors with credit balances	50	135
Current	**33,457**	**25,530**

31 Deferred income

Consideration paid in advance for services that have not yet been performed or goods that have not yet been delivered is deferred on a time-apportioned basis over the term of the contract or over the period for which the customer relationship is expected to last.

Notes to the Consolidated Statement of Cash Flows

The statement of cash flows is divided into three sections: operating, investing, and financing activities. The cash flow from operating activities has been calculated using the indirect method.
The cash flow from financing activities includes outgoing payments for the repayment of lease liabilities and for the payment of purchase price tranches for companies over which control was already gained in previous years. Interest income is recognised in the cash flow from operating activities, while interest payments are accounted for in the cash flow from financing activities. Tax payments are reported in their full amount in the cash flow from operating activities, as it is not possible to allocate these items to individual segments.

32 Cash flow from operating activities

The cash flow from operating activities amounted to € 10,526k in the 2024 financial year and thus improved by € 4,053k compared with the previous year. The year-on-year change in the cash flow mainly resulted from the improvement in earnings before taxes on income, which stood at € -4,400k (2023: € -11,258k).

33 Cash flows from investing activities and financing activities

The cash flow from investing activities amounted to € -3,410k in the 2024 financial year (2023: € -1,703k). Payments for acquisitions of property, plant and equipment and intangible assets came to € 3,570k (2023: € 2,576k). In connection with its financing activities, the company acquired further shares in a subsidiary which is already fully consolidated. The payment made to purchase further shares amounted to € 1,319k (2023: € 0k). Furthermore, q.beyond logineer GmbH, a subsidiary in which q.beyond holds a 51% stake, made a profit distribution of € 426k to Röhlig Logistics GmbH & Co. KG in the financial year under report.

€ 000s	1 Jan. 2024	Cash-effective changes	Non-cash-effective changes	31 Dec. 2024
Financial liabilities				
Lease liabilities	8,634	(4,247)	4,321	8,708
Financial liabilities	**8,634**	**(4,247)**	**4,321**	**8,708**

Other Disclosures

34 Subsidiaries

The consolidated financial statements include the following companies:

€ 000s	Shareholdings in %	Equity 31 Dec. 2024	Net income 2024
Subsidiary, domicile, country			
(Disclosures as per HGB annual financial statements)			
q.beyond ibérica Sociedad Limitada, Jerez de la Frontera, Spain	100.00	128	49
SIA Q.BEYOND, Riga, Latvia	100.00	633	206
q.beyond Data Solutions GmbH, Hamburg, Germany	62.95	1,765	511
q.beyond logineer GmbH, Hamburg, Germany	51.00	3,319	1,382
q.beyond logineer India Private Limited, Chennai, Inda	51.00	391	26
logineer USA LLC, Charlotte, USA	51.00	-	-

For all its subsidiaries, the control exercised by q.beyond is attributable to its share of voting rights.

35 Segment reporting

In accordance with the provisions of IFRS 8, the basis for identifying segments consists of the company's internal organisational structure as used by corporate management for business administration decisions and performance assessments. Consistent with the reorganised and newly focused business model, since 1 January 2024 the company has divided its activities into consulting and development services (the "Consulting" segment) and operating services (the "Managed Services" segment). The comparative figures presented for the previous year have been adapted to the new segment structure.

Managed Services. The services offered in the "Managed Services" segment have as their centrepiece the provision of a flexibly adaptable, networked, and secure IT structure for companies to operate their IT. The portfolio ranges from turnkey cloud modules to digital workplaces facilitating networked mobile work to individual IT outsourcing services. Private cloud solutions can be implemented just as successfully as hybrid concepts which, depending on the tasks to be performed, can integrate different cloud infrastructures and services, as well as cloud applications from various providers.

Consulting. The second segment, “Consulting”, comprises a wide variety of consulting and customised development services. We adapt software on behalf of customers and supply solutions in the form of mobile apps and of cloud and other applications that enable customers to further develop their businesses. Our consulting activities focus on supporting customers in using SAP and Microsoft solutions. In addition, we offer reliable security solutions enabling our customers to protect their IT against attacks, as well as business intelligence solutions. This way, customers can enhance their business processes while also analysing and forecasting data on a cross-system basis.
The key figure referred to by the Management Board when managing the segments is gross profit. This is defined as revenues less cost of revenues. In the context of the income statement, revenues and cost of revenues are thus fully allocated to the respective segments. The direct and indirect allocation of costs to individual segments is consistent with internal reporting and management structures. The Management Board does not receive any regular information about segment-specific assets and liabilities, or about sales and marketing expenses, general and administrative expenses, depreciation and amortisation, or the other operating result.

€ 000s	Managed Services	Consulting	Group
2024 financial year			
Revenues	**135,328**	**57,257**	**192,585**
Cost of revenues	(105,873)	(52,206)	(158,079)
Gross profit	**29,455**	**5,051**	**34,506**
Sales and marketing expenses			(10,939)
General and administrative expenses			(14,049)
Depreciation and amortisation (including share-based remuneration)			(12,330)
Impairment losses			(3,167)
Other operating result			1,022
Operating earnings (EBIT)			**(4,957)**
Financial income			1,431
Financial expenses			(542)
Income from associates			(332)
Earnings before taxes			**(4,400)**
Income taxes			381
Consolidated net income			**(4,019)**

€ 000s	Managed Services	Consulting	Group
2023 financial year			
Revenues	**128,999**	**60,281**	**189,280**
Cost of revenues	(104,394)	(57,335)	(161,729)
Gross profit	**24,605**	**2,946**	**27,551**
Sales and marketing expenses			(14,620)
General and administrative expenses			(16,359)
Depreciation and amortisation (including share-based remuneration)			(13,752)
Impairment losses			(2,929)
Other operating result			9,172
Operating earnings (EBIT)			**(10,937)**
Financial income			735
Financial expenses			(508)
Income from associates			(548)
Earnings before taxes			**(11,258)**
Income taxes			(5,180)
Consolidated net income			**(16,438)**

Revenues include € 1,688k generated with non-German EU customers (mainly Netherlands [€ 714k] and Austria [€ 595k]), as well as € 3,466k with non-EU customers (mainly UK [€ 3,039k]). All other revenues were generated in Germany.
Within the overall Group, two customers each accounted for more than 10% of consolidated revenues in the 2024 financial year (17% and 13%). Of revenues with these two major customers, 87% were reported in Managed Services and 13% in the Consulting segment.

36 Stock option plans

Since 1999, q.beyond has incepted a total of eight stock option plans providing for the issue of convertible bonds with a nominal amount of € 0.01 each to employees, Management Board members, advisors, and suppliers. Convertible bonds are allocated by the Management Board; allocations to advisors and suppliers also require Supervisory Board approval. The Supervisory Board alone decides on allocations to members of the Management Board of q.beyond AG.

Participants in these plans are entitled to subscribe convertible bonds in return for payment of the nominal amount of € 0.01 and to convert each convertible bond into a no-par registered share in return for payment of the exercise price. The exercise price for the convertible bond corresponds to the stock market price of the share on the issue date. The convertible bonds have an eight-year term and are subject to a four-year lockup period following subscription.

Only the SOP 2012 plan was still active as of the balance sheet date on 31 December 2024. Convertible bonds allocated within the SOP 2012 plan were eligible for subscription for the last time on 15 May 2017 and this plan expires on 15 May 2025.

The conversion right provided for by the SOP 2012 plan may only be exercised at the earliest after the expiry of a four-year waiting period and only if at least one of the following two conditions is met: the share price is at least 20% higher than the conversion price or the share has outperformed the TecDAX in relative terms since the subscription date.

No personnel expenses were recognised pursuant to IFRS 2 for the convertible bonds resulting from the 2000, 2000A, 2001, and 2002 SOP plans, none of which is now utilisable.

No option values had to be calculated in the 2023 and 2024 financial years for the SOP 2012 plan.

The distribution of the convertible bonds outstanding under the plans active as of 31 December 2024 and 31 December 2023 is as follows:

	Number of convertible bonds	Weighted average exercise price in €
Outstanding at 31 December 2022	**797,600**	**1.78**
Lapsed in 2023	-	-
Exercised in 2023	-	-
Term of convertible bonds expired	(281,700)	1.80
Outstanding at 31 December 2023	**515,900**	**1.77**
Lapsed in 2024	(10,000)	1.92
Exercised in 2024	-	-
Term of convertible bonds expired	(202,200)	1.75
Outstanding at 31 December 2024	**303,700**	**1.78**

For 202,200 convertible bonds, the eight-year term expired in the 2024 financial year. At the end of the term, q.beyond paid back the issue amount of € 0.01 per convertible bond, plus a yield of 3.5% p.a. for the whole of the term, to the creditors of the convertible bonds. This resulted in interest expenses of € 1k (2023: € 1k).

The exercise prices of the 303,700 convertible bonds outstanding range from € 1.46 to € 1.97. The exercise price is set upon subscription and cannot be changed subsequently. Depending on the development in its share price, the company expects the outstanding convertible bonds to be converted at the latest by 15 May 2025.

As of the balance sheet date on 31 December 2024, the agreed four-year lockup period had expired for all of the outstanding convertible bonds; however, due to the underlying conditions not yet having been met in full none of the stock options were directly exercisable as of the balance sheet date. The possible dates at which convertible bonds may be exercised range from directly exercisable through to 15 May 2025 at the latest.
As in the previous year, the income generated in connection with non-cash share-based remuneration in the active SOP 2012 plan amounted to € 0k in the 2024 financial year.

2020 share matching plan (SMP 2020)

In August 2020, the Management Board of q.beyond AG, acting with the approval of the Supervisory Board, provided select senior employees at q.beyond AG and the managing directors of companies affiliated with q.beyond with the opportunity to voluntarily participate in a 2020 share matching plan. The plan originally had a term until 31 December 2022. At the suggestion of the Management Board, in May 2022 the Supervisory Board decided that the term of the SMP 2020 would be extended to 31 December 2023. In November 2023, the Supervisory Board approved the Management Board resolution to extend the term of the SMP 2020 by a further two years until 31 December 2025. The other conditions of the plan were not changed by this postponement in the expiry of the term.
Between 1 September and 9 October 2020, plan participants were able to acquire shares in q.beyond AG on their own behalf and their own account. Subsequent to 31 December 2025, q.beyond will grant matching shares at a predefined ratio to each plan participant if the company's share price reaches at least € 2.80, yet no higher than € 4.00 by the end of 2025. The number of matching shares granted to each participant is dependent on the number of shares acquired at the beginning of the plan, as well as on the participant remaining at the q.beyond Group during the term of the plan. q.beyond still plans to service the incentive scheme by way of a cash payment corresponding to the stock market value upon maturity of the matching shares to be granted, but is nevertheless also entitled to satisfy the respective claims by granting actual shares. Plan participants acquired a total of 1,025,369 shares during the acquisition period, which ran from 1 September to 9 October 2020. Due to the departure of management staff since the inception of the plan, the number of eligible shares has since decreased to 400,499.
The obligation resulting from the share matching plan was initially recognised at fair value as of the grant date. The fair value of the matching shares committed in the past financial year was determined using a calculation model based on a Monte Carlo simulation. q.beyond shares were included in this model with their expected weighted volatility as of the balance sheet date and at a price of € 0.728 per share. The expected volatility was based on the implicit volatilities of traded company options, which were then calibrated to the option date (term and target share price) of the share matching plan. The model used a risk-free interest rate of 3.9% and an expected dividend yield of 0%.
A provision of € 12k was recognised as of 31 December 2024 for obligations in connection with the 2020 share matching plan (status as of 31 December 2023: € 12k).
The share-based remuneration will be recognised in the income statement on a time-apportioned basis through to 31 December 2025. An amount of € 0k was added to the obligation in the 2024 financial year (2023: expenses of € 11k).

2023 employee share plan (ESP 2023)

In December 2022, the Management Board of q.beyond AG provided all employees of q.beyond AG and affiliated companies with the opportunity to voluntarily participate in a 2023 employee share plan. This participation programme ran until 31 December 2024.
Until mid-February 2023, all plan participants were able to acquire up to a maximum of 5,000 shares in q.beyond AG in their own name and on their own account. The conditions of the plan stipulated that, upon the expiry of the plan on 31 December 2024, each plan participant would either receive two bonus shares for every five shares thereby acquired in q.beyond AG or, in lieu of the bonus shares, a cash payment corresponding to the stock market value of the bonus shares as of 31 December 2024. Further conditions were that the employees should hold the shares thereby acquired without interruption until 31 December 2024 and that they should continue to be employed at a company within the q.beyond Group. The Management Board decided in the 2024 financial year to select the cash payment option.
By mid-February 2023, the plan participants acquired a total of 242,000 shares. Due to employees leaving the company, the number of eligible shares decreased to 223,250 by the expiry of the plan on 31 December 2024. The Xetra closing price for the share of q.beyond AG stood at € 0.728 on 30 December 2024, resulting in a payment of € 67k to the plan participants, plus the taxes and duties assumed by q.beyond. The respective payments to plan participants were made in January 2025.
The expenses incurred for the ESP 2023 qualify as cash-settled share-based remuneration and the resultant obligation was measured at its respective fair value during the term of the plan. Overall, expenses of € 16k (excluding taxes and duties) were recognised in the income statement in the 2024 financial year (2023: € 46k).

37 Related party transactions

The remuneration of managers holding key positions at the Group, which requires disclosure pursuant to IAS 24, comprises the remuneration of active Management Board members and of Supervisory Board members.

Remuneration of Management Board and Supervisory Board

The remuneration of the Management and Supervisory Boards amounted to € 1,069k in the 2024 financial year (2023: € 1,194k). As in the previous year, this remuneration exclusively involved short-term benefits. Management Board remuneration for the 2024 financial year totalled € 751k, compared with € 884k in the previous year. This comprises fixed remuneration of € 520k (2023: € 595k), fringe benefits of € 39k (2023: € 47k), and variable remuneration of € 192k from the short-term incentive (STI) (2023: € 197k) and € 0k from the long-term incentive (2023: € 45k).
Any claim to variable remuneration from the STI is fully vested by the activity of the Management Board in the year under report. The actual payment is based on the target achievement determined by the Supervisory Board and disbursed after the Annual General Meeting in the subsequent financial year.

At the end of the 2024 financial year, the members of the company's Management Board held voting rights for a total of 435,910 shares (2023: 301,500 shares). This corresponds to a share of around 0.3% of voting rights (2023: 0.2%).
As in the previous year, no loans or advances were granted to the members of the Management Board in the 2024 financial year.
The remuneration paid to Supervisory Board members comprises annual basic remuneration and additional remuneration for committee activity. For the 2024 financial year, the Supervisory Board members received short-term remuneration totalling € 318k (2023: € 312k). Supervisory Board remuneration is due for payment after the end of the financial year and is disbursed to members in the subsequent year.
As of the balance sheet date, the company's Supervisory Board members held a total of 31,749,756 shares. This corresponds to a share of around 25.5% of voting rights.

	No. of shares	
	31 Dec. 2024	**31 Dec. 2023**
Dr. Bernd Schlobohm, Chair	15,818,372	15,769,910
Ina Schlie, Deputy Chair	50,000	50,000
Gerd Eickers	15,777,484	15,777,484
Thorsten Dirks	100,000	-
Matthias Galler	2,100	2,100
Martina Altheim	1,800	1,800
Total	**31,749,756**	**31,601,294**

As in the previous year, no loans or advances were granted to Supervisory Board members in the 2024 financial year.

Remuneration of former members of Management Board and Supervisory Board

Total remuneration of former members of the Management Board for the 2024 financial year amounted to € 41k (2023: € 0k). This amount relates to variable remuneration payable at the end of the 2024 financial year in connection with the long-term incentive for the assessment period from 2021 to 2024. The payment will be made after the Annual General Meeting in the subsequent year.
Dr. Bernd Schlobohm, a former Management Board member, was granted a direct pension commitment for a retirement, occupational disability, and widow's pension in 1997. At the balance sheet date on 31 December 2024, the obligation amounted to € 1,687k prior to the offsetting of reinsurance claims of € 3,150k. The actuarial present value of provisions for vested pension claims for one other former Management Board member amounts to € 71k.

Business relations with related companies

The company maintains business relations with Teleport Köln GmbH and QS Communication Verwaltungs Service GmbH, both of which have their legal domiciles in Cologne. These companies count as related parties pursuant to IAS 24 as members of the management and the Supervisory Board are shareholders. All contracts with these companies require approval by the Supervisory Board and are executed on terms customary to the market.
In the 2024 financial year, q.beyond AG sold hardware components in an amount of € 36k to Teleport Köln GmbH. QS Communication Verwaltungs Service GmbH supports q.beyond AG by providing consulting services in the Development and Innovation business field. No expenses were incurred in this respect in the 2024 financial year.

€ 000s	Net revenues	Expenses	Payments received	Payments made
2024 financial year				
Teleport Köln GmbH	36	-	36	-
QS Communication Verwaltungs Service GmbH	-	-	-	-
2023 financial year				
Teleport Köln GmbH	53	-	53	-
QS Communication Verwaltungs Service GmbH	-	16	-	16

No receivables or liabilities were due from or to related companies as of 31 December 2024.

Transactions with associates

cargonerds GmbH. Röhlig Logistics GmbH & Co. KG has granted q.beyond AG the option, valid for a limited period of three months starting on the date on which the audited annual financial statements of cargonerds GmbH as of 31 December 2024 are adopted, of acquiring a further 5,975 shares (23.9%) in that company. This acquisition is conditional on the contractually determined EBITDA for the 2024 financial year being exceeded. The purchase price for these shares, if acquired, amounts to € 1,700k. Furthermore, Röhlig Logistics GmbH & Co. KG has granted q.beyond AG the right to acquire 0.1% of the shares at their corresponding market value if the aforementioned 5,975 shares are previously acquired.
q.beyond AG has granted Röhlig Logistics GmbH & Co. KG the right, valid for a limited period of three months starting on the date on which the audited annual financial statements of cargonerds GmbH as of 31 December 2024 are adopted, of acquiring all the shares held by q.beyond AG in that company at a purchase price of € 1,700k. However, this right may only be exercised if a specified key balance sheet figure in the annual financial statements of cargonerds GmbH as of 31 December 2024 exceeds a contractually agreed value.

38 Deferred and current taxes

q.beyond used an aggregate tax rate of 32.07% to calculate deferred taxes (2023: 31.99%). The deferred tax assets and liabilities recognised as of the balance sheet date relate to the following balance sheet line items and loss carryovers:

€ 000s	Assets	Liabilities	Assets	Liabilities	Consolidated income statement		
					through profit or loss	through OCI	
	2024	2024	2023	2023	2024	2024	2023
Deferred tax assets and liabilities							
Intangible assets	-	1,875	-	1,750	(125)	-	(824)
Property, plant and equipment	352	2,905	340	2,845	(48)	-	(368)
Other assets	785	-	701	-	84	-	77
Other receivables	-	544	-	273	(271)	-	(15)
Inventories	6	-	20	-	(14)	-	12
Pension provisions							
and other provisions	213	871	-	213	(589)	144	(296)
Other liabilities	3,089	-	2,806	4	287	-	361
Total deferred taxes							
on temporary differences	**4,445**	**6,195**	**3,867**	**5,085**	**(676)**	**144**	**(1,053)**
Change in write-down of deferred taxes							
due to differences	**-**	**-**	**-**	**-**	**-**		**804**
Total deferred taxes							
on loss carryovers	**735**	**-**	**390**	**-**	**345**		**389**
Total deferred taxes before netting	**5,180**	**6,195**	**4,256**	**5,085**			
Netting	5,180	5,180	4,256	4,256			
Total deferred taxes	**-**	**1,015**	**-**	**829**	**(331)**		**140**

The temporary differences in connection with interests in subsidiaries for which no deferred tax liabilities are recognised amounted to € 0k in the 2024 financial year (2023: € 62k).
Pursuant to IAS 12.39, liabilities of this nature are not recognised as q.beyond controls the dividend policies of its subsidiaries and can control reversal of the temporary differences.

The following table presents the reconciliation of the expected income tax expenses to the actual income tax expenses. The expected income tax expenses are calculated by multiplying earnings before taxes by q.beyond's tax rate.

€ 000s	2024	2023
Reconciliation		
Net income before income taxes	**(4,400)**	**(11,258)**
Tax rate	32.07%	31.99%
Expected tax expenses	(1,411)	(3,602)
Tax effects of		
Changes in write-downs of deferred taxes on loss carryovers		
and temporary differences	1,135	6,233
Non-period tax expenses	(1,436)	4,285
Non-deductible operating expenses	143	54
Items governed by § 8b KStG	1,167	(1,760)
Changes in tax rates	(1)	(39)
Other items	22	9
Reconciled tax expenses (+) / tax income (-)	**(381)**	**5,180**

Reconciled tax income consists of an amount of € -712k recognised for current income tax expenses (2023: € 5,320k) and deferred tax expenses of € 331k (2023: € -140k).
In the 2024 financial year, tax income of € 147k was recognised directly in other reserves in connection with actuarial losses (2023: € 44k).
As of 31 December 2024, corporate income tax loss carryovers at q.beyond AG came to € 423 million (2023: € 419 million), while trade tax loss carryovers totalled € 407 million (2023: € 403 million).
Deferred taxes are only recognised for corporate income and trade tax loss carryovers in the amount for which it is likely that these items can be offset against positive taxable income.

39 Legal disputes

No legal disputes were pending or known of as of the balance sheet date on 31 December 2024.

40 Objectives and methods used in financial risk management and capital management

In connection with its business activities, q.beyond is exposed to a number of financial risks that are intrinsically linked with entrepreneurial activity. q.beyond combats these risks with a comprehensive risk management system, which is an integral component of its business processes and corporate decisions. The key elements of this system are a Group-wide planning and controlling process, Group-wide policies and reporting systems, and Group-wide risk reporting.
The Management Board lays down the principles of the company's financial policies annually and monitors these within the risk management system. Further information about risk management can be found in the Group Management Report.
Financial liabilities mainly comprise trade payables and lease liabilities. Trade payables result from current procurement processes, while lease liabilities relate to rental and lease contracts which have terms of more than one year and are paid on a monthly basis. Financial assets directly resulting from business activities relate in particular to trade receivables and cash and cash equivalents. No derivative financial instruments were deployed in the 2024 financial year.
The main risks to which q.beyond is exposed due to its use of financial instruments include credit risk and liquidity risks. Since no material transactions are executed in foreign currencies, there are no material foreign currency risks. There were no material risk clusters in the past financial year. The strategies and procedures used to manage these risks are presented below.

Credit risk. q.beyond is exposed to the risk of payment defaults on the part of its customers. The company makes efforts to ensure that it only enters into business dealings with creditworthy customers and thus attempts to exclude this risk from the outset. To this end, creditworthiness checks are performed before the respective contract is concluded. Once business relations have been initiated, receivables balances are monitored to reduce potential default risks.
Maximum default risks are limited to the gross carrying amounts of the receivables disclosed in Note 18. q.beyond expects non-impaired receivables to be collectible.

Liquidity risks. q.beyond monitors its risk of a liquidity shortfall with monthly liquidity planning. This accounts for the terms of available financial assets and the expected cash flows from operating activities.

As of the respective balance sheet date, q.beyond's current and non-current financial liabilities had the following maturities. These disclosures are based on the expected undiscounted payments.

€ 000s	Carrying amount	Due by end of 2025	Due by end of 2026	Due by end of 2027	Due by end of 2028	Due by end of 2029	Due after 2029	Total
Lease liabilities	8,708	4,320	2,659	1,837	297	-	-	9,112
Trade payables	20,011	20,011	-	-	-	-	-	20,011
Contractual liabilities	1,225	1,225	-	-	-	-	-	1,225
Other current and non-current financial liabilities	495	495	-	-	-	-	-	495
Other financial liabilities	3,768	1,514	2,254	-	-	-	-	3,768
At 31 December 2024	**34,207**	**27,565**	**4,913**	**1,837**	**297**	**-**	**-**	**34,612**

€ 000s	Carrying amount	Due by end of 2024	Due by end of 2025	Due by end of 2026	Due by end of 2027	Due by end of 2028	Due after 2028	Total
Lease liabilities	8,634	3,661	2,653	1,609	1,107	82	-	9,111
Trade payables	13,433	13,058	375	-	-	-	-	13,433
Contractual liabilities	1,101	1,101	-	-	-	-	-	1,101
Other current and non-current financial liabilities	605	605	-	-	-	-	-	605
Other financial liabilities	10,337	4,098	4,651	1,588	-	-	-	10,337
At 31 December 2023	**34,109**	**22,522**	**7,679**	**3,197**	**1,107**	**82**	**-**	**34,586**

An interest portion of € 405k requires recognition in the obligations for leases (2023: € 477k).

41 Financial instruments

Disclosures on the balance sheet. Given that the carrying amounts largely correspond to fair values, no separate disclosures have been made on the respective fair values.

€ 000s	Carrying amount	Amortised cost	Fair value – in equity	Fair value – hedging instruments	Fair value – through profit or loss
31 December 2024					
Assets not measured at fair value					
Cash and cash equivalents	39,088	•			
Receivables from finance leases	783	•			
Current trade receivables	45,199	•			
Liabilities not measured at fair value					
Trade payables and other liabilities	20,506	•			
Contract liabilities	1,225	•			
Lease liabilities	8,708	•			
Other financial liabilities	2,254	•			
Liabilities measured at fair value					
Other financial liabilities	1,588				•

€ 000s	Carrying amount	Amortised cost	Fair value – in equity	Fair value – hedging instruments	Fair value – through profit or loss
31 December 2023					
Assets not measured at fair value					
Cash and cash equivalents	37,642	•			
Receivables from finance leases	391	•			
Current trade receivables	42,735	•			
Liabilities not measured at fair value					
Trade payables and other liabilities	14,037	•			
Contract liabilities	1,101	•			
Lease liabilities	8,634	•			
Other financial liabilities	740	•			
Liabilities measured at fair value					
Other financial liabilities	4,444				•

Fair value disclosures for instruments with recurring measurement. At the end of each reporting period, q.beyond AG ascertains whether any reclassifications are required between the levels of the measurement hierarchy. No reclassifications were made in the reporting period from 1 January 2024 to 31 December 2024.

Disclosures on the consolidated income statement. The following interest income and expenses and the following net gains and losses on financial instruments are included in the consolidated income statement.

€ 000s	Interest income/interest expenses	Fair value change	Impairments	Payments received on retired receivables	Net result 2024	Net result 2023
Assets valued						
at amortised cost	1,216	-	(64)	11	**1,163**	350
Liabilities valued						
at amortised cost	(335)	-	-	-	**(335)**	(316)

€ 000s	Interest income/interest expenses	Fair value change	Impairments	Payments received on retired receivables	Net result 2023	Net result 2022
Assets valued						
at amortised cost	619	-	(331)	62	**350**	351
Liabilities valued						
at amortised cost	(316)	-	-	-	**(316)**	(118)

42 Declaration pursuant to § 161 AktG regarding compliance with the German Corporate Governance Code

The Management and Supervisory Boards of q.beyond AG submitted their most recent declaration pursuant to § 161 of the German Stock Corporation Act (AktG) on 5 December 2024 and made this available on the company's website at **www.qbeyond.de/en/investor-relations/corporate-governance.** The company will post any future amendments to provisions relevant for compliance with the German Corporate Governance Code on its website without delay.

43 Auditor's fees

The total fee for the 2024 financial year invoiced by the auditor duly elected and commissioned, Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, amounts to € 345k, of which € 259k for the audit of the financial statements and € 86k for other services (audit-related consulting).

44 Risks

Risks are presented in detail in the Risk Report within the Group Management Report.

45 Directors and officers

Management Board. The members of the Management Board in the 2024 financial year were as follows:

Management Board member	
Thies Rixen	Chief Executive Officer
Nora Wolters	Chief Financial Officer

Thies Rixen is also Chair of the Supervisory Board at cink AG, Hamburg.

Supervisory Board. The members of the Supervisory Board in the 2024 financial year were as follows:

Supervisory Board member	
Dr. Bernd Schlobohm	Businessman, Supervisory Board Chair
Ina Schlie	Businesswoman, Deputy Chair of Supervisory Board
Gerd Eickers	Independent Telecommunications Consultant
Thorsten Dirks	Businessman, Supervisory Board Member since 25 January 2024
Matthias Galler	Senior IT Consultant at q.beyond AG, Employee Representative
Martina Altheim	Head of Corporate Social Responsibility at q.beyond AG, Employee Representative

Ina Schlie is a member of the Supervisory Boards at Heidelberger Druckmaschinen AG, Heidelberg, Germany, CMBlu Energy AG, Alzenau, Germany, and Deutschland – Land der Ideen e. V., Berlin, Germany.
Gerd Eickers is Chair of the Supervisory Board at Contentteam AG, Cologne, Germany.
In response to a petition filed by the Management Board, on 25 January 2024 Cologne District Court appointed Thorsten Dirks, a self-employed businessman, as a member of the Supervisory Board. At the Annual General Meeting on 29 May 2024, Thorsten Dirks was elected by shareholders to the Supervisory Board. Thorsten Dirks was a member of the Supervisory Board at Adler Modemärkte GmbH, Haibach, Germany, until August 2024, and has been a member of the Supervisory Board at DSR Holding AG, Hamburg, Germany, since October 2024. He is also a member of the Advisory Boards at Lakestar Advisors GmbH, Zurich, Switzerland, and IMG GmbH, Hamburg, Germany.

46 Events after balance sheet date

We have not become aware of any events of material significance since the end of the financial year that would require report here.

Cologne, 25 March 2025

q.beyond AG
The Management Board

Thies Rixen Nora Wolters

Statement of Responsibility

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Cologne, 25 March 2025

q.beyond AG
The Management Board

Thies Rixen　　Nora Wolters

Independent Auditor's Report

To q.beyond AG, Cologne

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of q.beyond AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the group management report of q.beyond AG for the financial year from 1 January to 31 December 2024. In accordance with German legal requirements we have not audited the content of those parts of the group management report listed in section "Other information".

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter: „IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the parts of the group management report listed in section "Other information".

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our [audit] opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

Recoverability of goodwill

Related information in the consolidated financial statements

For the accounting and valuation methods used, we refer to the information provided by the company in the notes to the consolidated financial statements under note number 4. The assumptions on which the valuation is based are presented in the notes to the consolidated financial statements under note number 15.

Facts and risk for the audit

The consolidated balance sheet of q.beyond AG shows goodwill totaling €13.7 million, which is entirely attributable to the “Consulting” segment. This corresponds to approximately 9.0% of total assets.

The impairment of goodwill is tested annually at the business segment level. The business segments were realigned as of January 1, 2024, as part of a restructuring and reorganization. In line with the focused business model, management has been carried out via the “Managed Services” and “Consulting” business segments since January 1, 2025. In this context, the goodwill previously allocated to q.beyond Data Solutions GmbH was allocated to the “Consulting” segment. As a result of the reallocation, the “Consulting” segment reported goodwill of €13.7 million as of December 31, 2024.

For the purposes of the impairment test, the carrying amount of the respective goodwill is compared with the recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The Company uses the value in use as the basis for the impairment test. The effective date for the impairment test was December 31, 2024.

The goodwill attributable to the “Consulting” segment in the amount of €13.7 million was subject to an impairment test as of December 31, 2024, in accordance with IAS 36. The impairment test did not reveal any need for impairment.

Goodwill impairment testing is complex and relies on a number of judgmental assumptions. These include, among other things, the expected development of business and earnings of each business segments for the next three years, the assumed long-term growth rates, and the interest rate used for discounting purposes.

There is a risk for the financial statements that an impairment that exists as of the reporting date will not be recognized and that the associated information in the notes is not appropriate.

Audit approach and findings

With the involvement of our valuation specialists, we assessed the appropriateness of the key assumptions and the company’s calculation method for the impairment tests. We discussed the expected development of business and the expected development of revenues, costs and capital expenditures as well as the assumed long-term growth rates with those responsible for operational planning.

Based on the valuation model used by q.beyond, we assessed the methodological approach and the mathematical accuracy of the impairment test. In addition, we compared the numbers included in the impairment test with the budget drawn up by the Management Board and approved by the Supervisory Board.

In addition, we convinced ourselves of the company's previous forecast quality by comparing the previous year's planning with the results actually achieved and analyzing deviations. We compared the assumptions and the data on which the segment-specific discount rates are based, in particular the risk-free interest rate, the market risk premium and the beta factor, with our own assumptions and publicly available data.

In order to take into account the existing forecast uncertainty, we examined possible changes in key assumptions relevant to the valuation of the value in use as part of sensitivity analyzes by calculating alternative scenarios and comparing them with the values determined by the company.

Finally, we assessed whether the disclosures in the notes on the recoverability of goodwill are appropriate. This also included the assessment of the appropriateness of the disclosures in accordance with IAS 36.134(f) on sensitivities in the event of a possible change in the key assumptions.

The calculation method underlying the impairment test of goodwill is appropriate and consistent with the applicable valuation principles.

The company's assumptions and data on which the valuation is based are within acceptable ranges and are well-balanced.

Revenue recognition and existence of revenues

Related information in the consolidated financial statements

For the accounting and valuation methods used, we refer to the information provided by the company in the notes to the consolidated financial statements under note number 4.

Facts and risk for the audit

Group revenues amounted to €192.6 million in the 2024 financial year.

q.beyond AG and its subsidiaries recognize revenue when they fulfill a performance obligation by transferring a promised service or good to a customer. An asset is deemed to have been transferred when the customer consumes the service or obtains control of the asset. In accordance with the transfer of control, revenues are to be recognized according to IFRS 15 either at a point in time or over a period of time with the amount to which q.beyond AG is expected to be entitled.

In principle, the companies of q.beyond group fulfill the performance obligation and recognize the revenue over a certain period of time if the criterion is met that the customer benefits from the group's service and at the same time uses the service while it is being provided.

Various contractual agreements are made with customers, some of which contain complex regulations. Due to these complex regulations and the corresponding judgment when assessing the point in time at which control is transferred to the customer, there is a risk for the financial statements that not existing revenues may be shown in the profit or loss statement and that revenues will not be accounted for in the correct amount as of the balance sheet date.

Audit approach and findings

On the basis of our understanding of the sales process, we have assessed the design and implementation of identified internal controls, in particular with regard to the existence of revenues and the correct allocation of revenues to the appropriate accounting period.

For contracts selected on a risk-oriented basis, taking into account the requirements of IFRS 15, we assessed the legal representatives' interpretation of the criteria for revenue recognition over time. On this basis, we examined the nature of the performance obligation and assessed the existence and the period-appropriate recognition of revenue by comparing the recognized revenues with invoices, customer acceptance reports or customer payments.

In addition, we obtained confirmations for trade accounts receivable that had not yet been settled as of the balance sheet date, which were selected on the basis of a risk-oriented approach. For those trade accounts receivable we did not get any feedback by the customer, we carried out alternative audit procedures by reconciling the sales revenues with the underlying invoices, acceptance protocols or the payments received.

q.beyond AG's approach to assessing the existence of revenue and ensuring that revenue is recognized in the appropriate period is in line with IFRS 15.

Other Information

The legal representatives as well as the supervisory board are responsible for the other information. The other information includes the following non-audited parts of the group management report:

- the declaration on corporate governance in accordance with § 289f and § 315d HGB, to which reference is made in the group management report,
- the remuneration report pursuant to Section 162 AktG, which is referred to in the group management report,
- the separate non-financial report in accordance with Section 289b (3) and Section 315b (3) HGB, which is expected to be made available to us after the date of this auditor's report, to which reference is made in the group management report, as well as
- the information marked as unaudited in section 3. Forecast, opportunity and risk report regarding key features of the internal control and risk management system as well as the compliance management system; this information is not required by Section 315 Commercial Code.

The other information also includes:

- the assertions according to § 297 paragraph 2 sentence 4 and § 315 paragraph 1 sentence 5 HGB for the consolidated financial statements and group management report
- the report of the supervisory board as well as
- the remaining parts of the annual report – without further cross-references to external information – with the exception of the audited consolidated financial statements and group management report and our auditor's report.

The legal representatives and the Supervisory Board are jointly responsible for the remuneration report. The supervisory board is responsible for the report of the supervisory board. Further, the legal representatives are responsible for the other information.

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

In connection with our audit, we have a responsibility to read the other information and, in doing so, to evaluate whether the other information

- show material discrepancies to the consolidated financial statements, the group management report or our knowledge obtained in the audit, or
- otherwise appear materially misrepresented.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

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

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

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

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

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

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

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls and arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective [audit] opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate [audit] opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other Statutory and Other Legal Requirements

Opinion on the audit of the electronic reproductions of the consolidated financial statements and the group management report prepared for disclosure purposes in accordance with Section 317 Para. 3a HGB

Audit opinion

In accordance with Section 317 (3a) HGB, we have carried out an audit with reasonable assurance as to whether the reproductions of the consolidated financial statements and the group management report contained in file 529900DGVITE7A2L5G12-2024-12-31-0-de.zip (MD5-Hashwert: 68c595303961060f8d-b9d9372b3b464e) and prepared for disclosure purposes (hereinafter also referred to as "ESEF documents") comply with the requirements of § 328 Para. 1 HGB for the electronic report format ("ESEF format") in all essential respects.

In accordance with German legal requirements, this audit only covers the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the above-mentioned file.

In our opinion, the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2024, contained in the above "Report on the audit of the consolidated financial statements and of the group management report", we do not issue any audit opinion on the information contained in those reproductions, as well as the other information contained in the file referred to above.

Basis for the audit opinion

We have audited the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file in accordance with Section 317 Para. 3a HGB in compliance with the IDW auditing standard: Audit of the electronic reproductions of financial statements and management reports prepared for disclosure purposes in accordance with Section 317 Para. 3a HGB (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibilities thereafter are further described in the section "Responsibility of the group auditor for the audit of the ESEF documents". Our audit firm has applied the IDW Quality Management Standard: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibility of the legal representatives and the board of directors for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the group management report in accordance with Section 328 Paragraph 1 Sentence 4 No. 1 HGB and for the presentation of the consolidated financial statements in accordance with Section 328 Paragraph 1 sentence 4 no. 2 HGB.

Furthermore, the legal representatives of the company are responsible for the internal controls that they consider necessary to enable the creation of the ESEF documents that are free of material – intentional or unintentional – violations of the requirements of § 328 para 1 HGB to the electronic reporting format.

The legal representatives are responsible for overseeing the preparation of the ESEF records as part of the accounting process.

Responsibility of the group auditor for the audit of the ESEF documents

Our objective is to obtain sufficient certainty as to whether the ESEF documents are free from material – intentional or unintentional – violations of the requirements of Section 328 (1) HGB. During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- we identify and assess the risks of significant – intentional or unintentional – violations of the requirements of Section 328 (1) HGB, plan and carry out audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to to serve as the basis for our audit opinion.
- We gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- We assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date for the technical specification for this file.
- We assess whether the ESEF documents enable an XHTML reproduction of the audited consolidated financial statements and the audited group management report with the same content.
- We assess whether the marking of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date enables an appropriate and complete machine-readable XBRL Copy of the XHTML-reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 29 May 2024 and were engaged by the supervisory board on 19 July 2024. We have been the group auditor of q.beyond AG without interruption since the financial year 2021.

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

Other Matters – Use of the Audit Opinion

Our auditor's report should always be read in connection with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements and group management report transferred to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF note and our audit opinion contained therein can only be used in connection with the audited ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Martin Schulz-Danso.

Cologne, 25 March 2025

Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Martin Schulz-Danso	Barbara Arnold
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Calendar

Quarterly Figures
12 May 2025
11 August 2025
10 November 2025

Annual General Meeting
22 May 2025

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For further information: www.qbeyond.de/en