Cologne, 6 August 2018 – Financial results for H1 2018

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Disclaimer

This presentation contains forward-looking statements based on management estimates and reflects the current views of QSC AG's ("QSC's") management board with respect to future events. These forward-looking statements correspond to the situation at the time this presentation was prepared. Such statements are subject to risks and uncertainties, which often fall outside the sphere of influence of QSC. These risks and uncertainties are covered in detail within the Risk Report section in our annual report.

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Financial Highlights H1 2018: Revenues up by 6%

- Revenues increased by 6% to € 186.2 million
  - Cloud revenues grew by 36%
  - TC revenues up by 14%
- Profitability developed as expected; EBITDA came to € 18.2 million
- Net profit increased by 18% to € 1.3 million
- Successful increase in syndicated loan volume from € 70 million to € 100 million
- QSC expects revenues to be at least at the upper end of the € 345—355 million range predicted for FY 2018

Operational Highlights H1 2018: Successful sales push

- **New vertical organisation** is up and running and leading to **numerous sales successes**
  - Cloud Services won PEAC Germany (formerly IKB Leasing) as a new customer and will now build and run a multi-cloud solution for PEAC Germany
  - Outsourcing extended its contract with Imperial Tobacco and will start to integrate cloud and multi-cloud solutions
  - Consulting is already migrating SportScheck's database system to SAP HANA – the new system will be based on QSC's Pure Enterprise Cloud
  - TC is now collaborating with more than 30 regional energy providers and city carriers; Saxony-based "eins" is among the latest customers
- Annual Shareholders Meeting has approved the **spin-off of TC business**

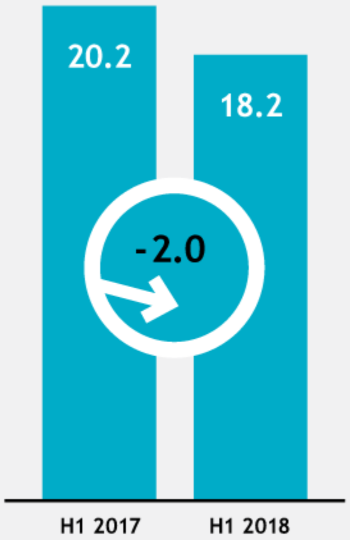
H1 2018: Higher revenues and higher profit

in € million	H1 2017	H1 2018	Δ
Revenues	**175.9**	**186.2**	**+10.3**
Cost of revenues	129.6	141.5	-11.9
Gross profit	**46.3**	**44.7**	**-1.6**
Sales and marketing expenses	12.8	13.8	-1.0
General and admin expenses	13.3	12.4	+0.9
Other operating income	-	(0.3)	-0.3
EBITDA	**20.2**	**18.2**	**-2.0**
Depreciation	15.8	13.6	+2.2
EBIT	**4.4**	**4.6**	**+0.2**
Financial result	(2.3)	(2.1)	+0.2
Income taxes	(1.0)	(1.3)	-0.3
Net profit	**1.1**	**1.3**	**+0.2**

- **Revenues** driven by two segments: Cloud and TC
- **Gross profit** and **EBITDA** impacted by higher costs of revenues (as a result of the higher share of low-margin TC business with resellers)
- **EBIT** is benefiting from lower depreciation
- Sustainable **net profit** since Q1 2017

Profitability developed as expected

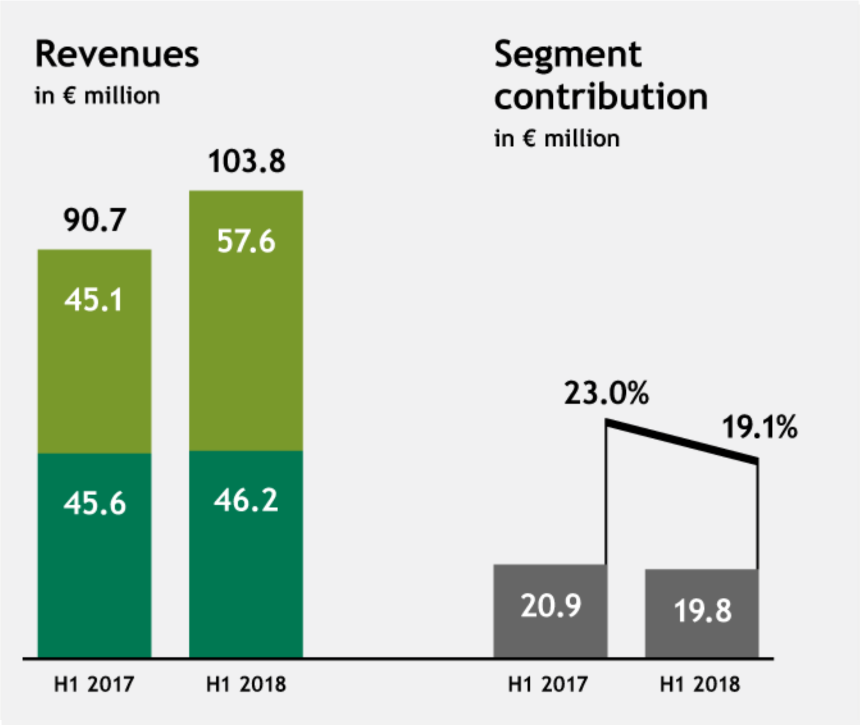
EBITDA
in € million



EBIT
in € million

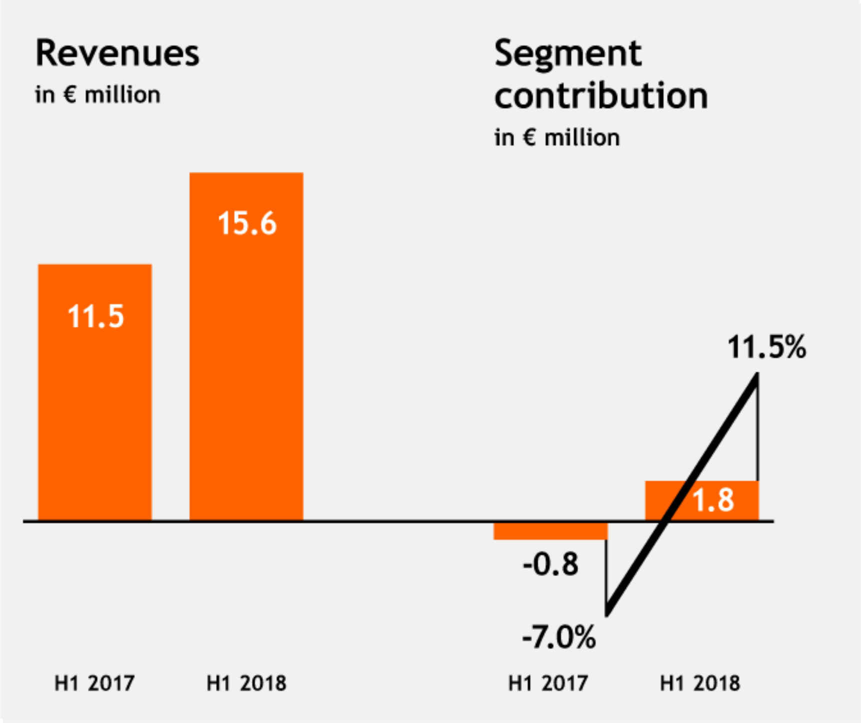
Net profit
in € million

Telecommunications: Double-digit growth of 14%



- TC reseller business benefited from a favourable market environment and the highly efficent Next Generation Network (NGN)
- Continued moderate growth in business with corporate customers
- Change in revenue mix and increased sales activities have impacted the segment contribution

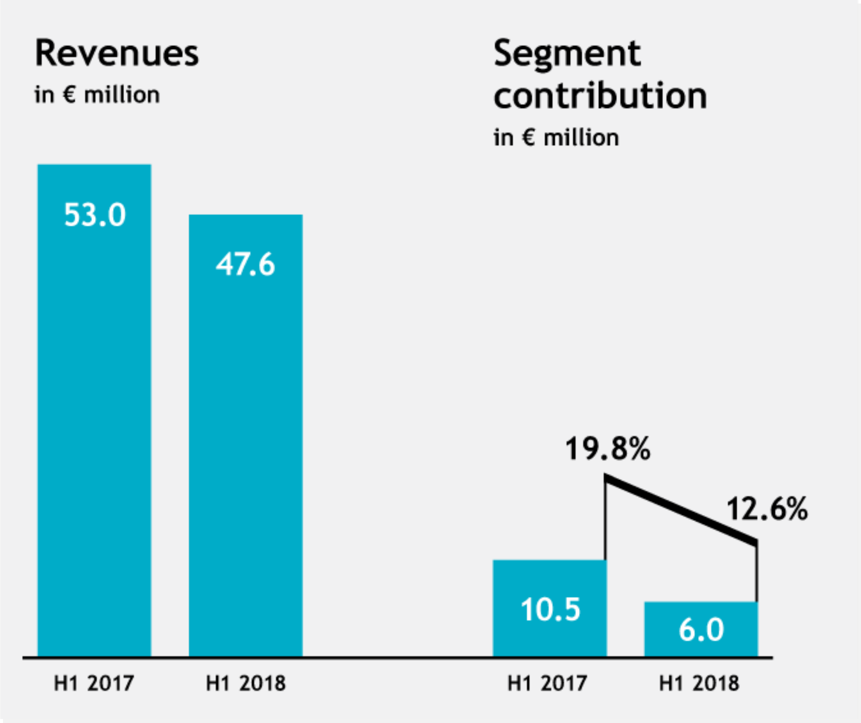
Cloud: Business model starts to prove its scalability



- Higher interest in Cloud Services and IoT solutions led to revenue growth of 36% in H1 2018
- Cost of revenues only increased by 15% to € 10.9 million; clear proof of the cloud business model's scalability
- Strong increase in profitability: Segment margin soared to 11.5%

▬ Segment margin

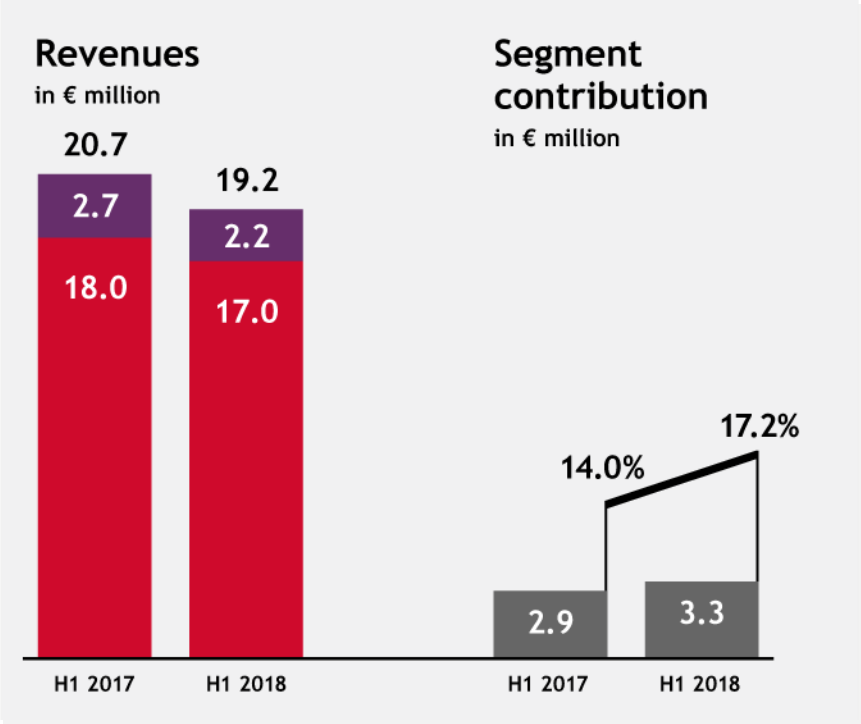
Outsourcing: Revenues developed as expected



- Revenues in Q2 2018 (€ 23.9 million) at the same level as in Q1 2018 (€ 23.7 million)
- Y-o-Y decrease mainly influenced by termination of one large contract in Q3 2017
- In the course of H2 2018 and at the beginning of 2019, two further contracts will be terminated
- Ongoing revenue transition to the Cloud segment
- Organisational restructuring has effects on the segment contribution

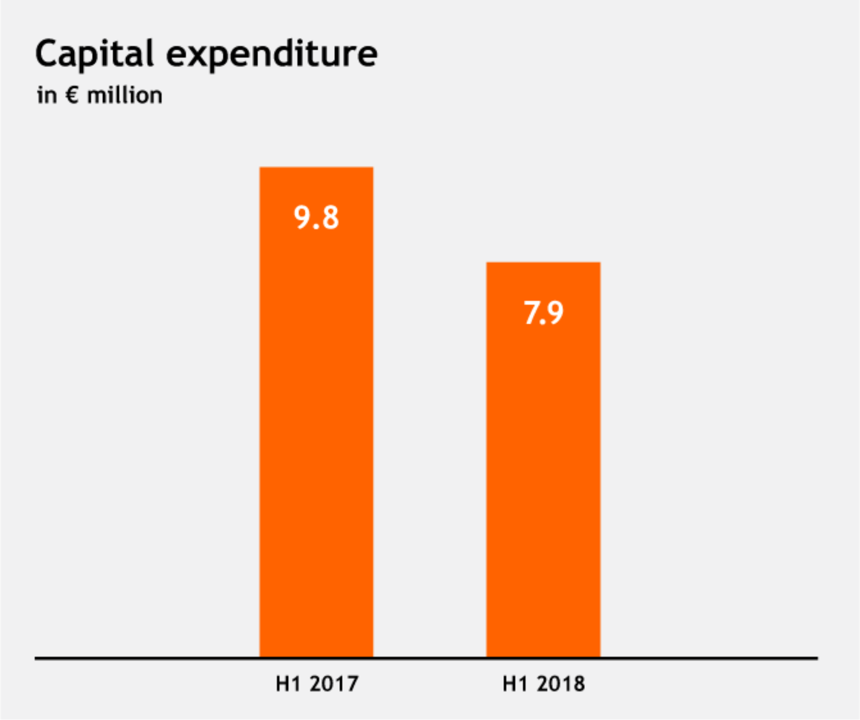
▬ Segment margin

Consulting: Segment margin grew to 17% in H1 2018



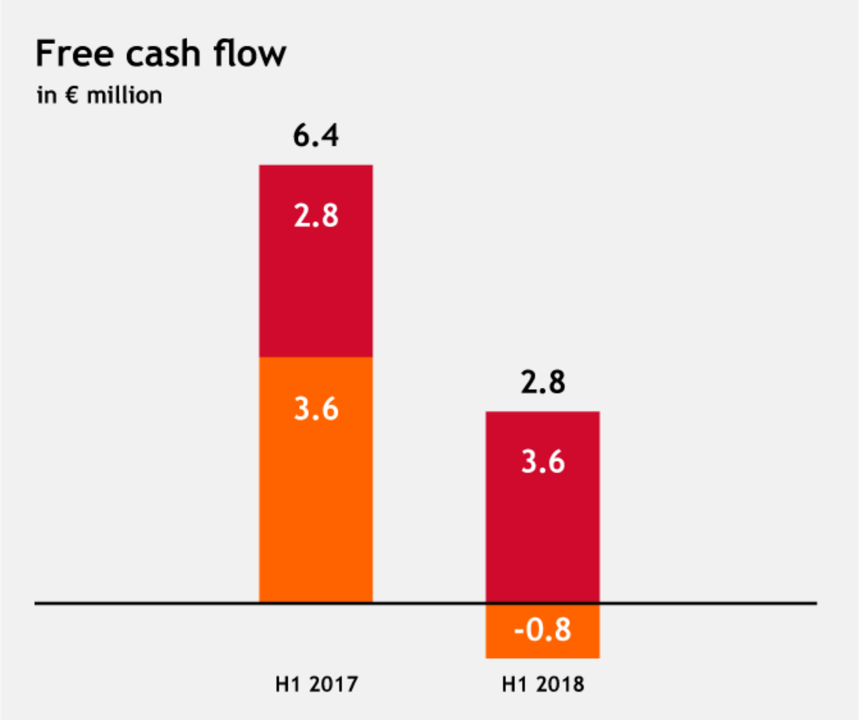
- Revenues at a stable level of between € 9 and € 10 million per quarter (Q2 2018: € 9.4 million; Q1 2018: € 9.8 million)
- Skills shortage has an influence on SAP consulting, especially on S/4HANA business
- Ongoing optimisation of current staff utilisation ensures a high segment margin

Moderate CAPEX in H1 2018



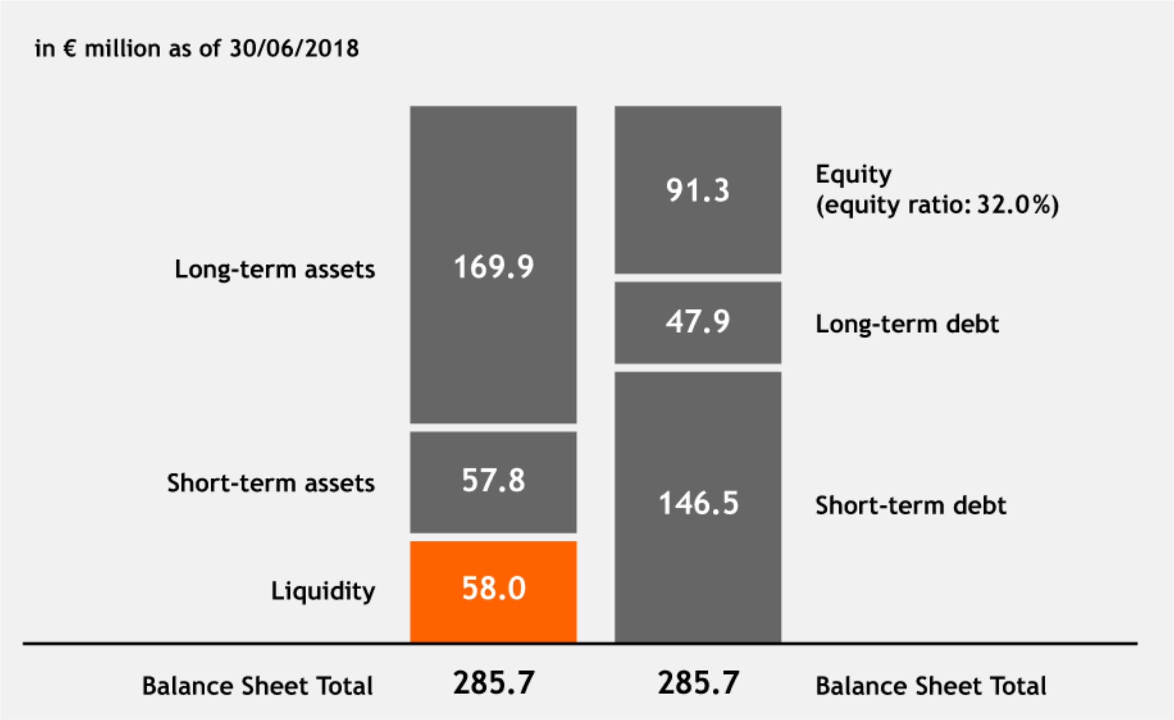
- Completion of initial investments in cloud services has had positive effects on CAPEX this year
- Ongoing investments in modernisation of infrastructure and data services as well as customer projects
- QSC aims to invest around € 20 million in FY 2018 (same level as in 2017)

FCF showing strong increase in Q2 2018



- Q1 2018 was influenced by high prepayments for the full year as well as severance payments
- In Q2 2018, FCF benefited from positive development in operating business

Higher equity ratio and higher flexibility of financing



- Equity ratio up by 2 percentage points compared to 31 Dec 2017
- Increase in short-term debt caused by reclassification of first tranches of promissory note loan (€ 100 million), due in May 2019
- Successful increase in syndicated loan volume to € 100 million guarantees smooth refinancing of promissory note loan due in May 2019

Forecast: Growing optimism about revenue development

Given the good first half of 2018, QSC is now expecting:

- Revenues to be at least at the upper end of the € 345—355 million range
- EBITDA of € 35—40 million
- Free cash flow > € 10 million

Questions & Answers

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