



Half-Year Financial Report as of 30 June 2024

At a Glance

Key figures

€ million	2024	2023	2024	2023
	01/04/ – 30/06/	01/04/ – 30/06/	01/01/ – 30/06/	01/01/ – 30/06/
Revenues	47.3	46.4	94.4	93.0
Managed Services	33.7	31.8	66.6	62.9
Consulting	13.5	14.6	27.8	30.1
Gross profit	7.9	8.3	16.1	14.2
Managed Services	7.0	7.2	14.0	12.8
Consulting	0.9	1.1	2.1	1.4
EBITDA	2.2	1.0	4.2	(0.2)
Depreciation and amortisation ^{1,2}	(3.2)	(3.4)	(6.3)	(6.7)
EBIT	(1.0)	(2.3)	(2.1)	(6.9)
Consolidated net income	(0.8)	(2.7)	(1.9)	(7.7)
Earnings per share ³ (in €)	(0.01)	(0.03)	(0.02)	(0.07)
Capital expenditure ⁴	0.5	1.1	1.2	1.6
Free cash flow	0.8	(1.1)	1.4	0.0
Net liquidity			39.0 ⁶	37.6 ⁷
Net liquidity per share (in €)			0.31 ⁶	0.30 ⁷
Shareholders' equity			97.5 ⁶	99.4 ⁷
Equity ratio (in %)			65.6 ⁶	64.4 ⁷
Xetra closing price ⁵ (in €)			0.81	0.65
Number of shares ⁵			124,579,487	124,579,487
Market capitalisation ⁵			100.9	81.0
Number of employees ⁵			1,116	1,090

¹ Including share-based remuneration.

² Including depreciation of right-of-use assets (IFRS 16).

³ Diluted and basic.

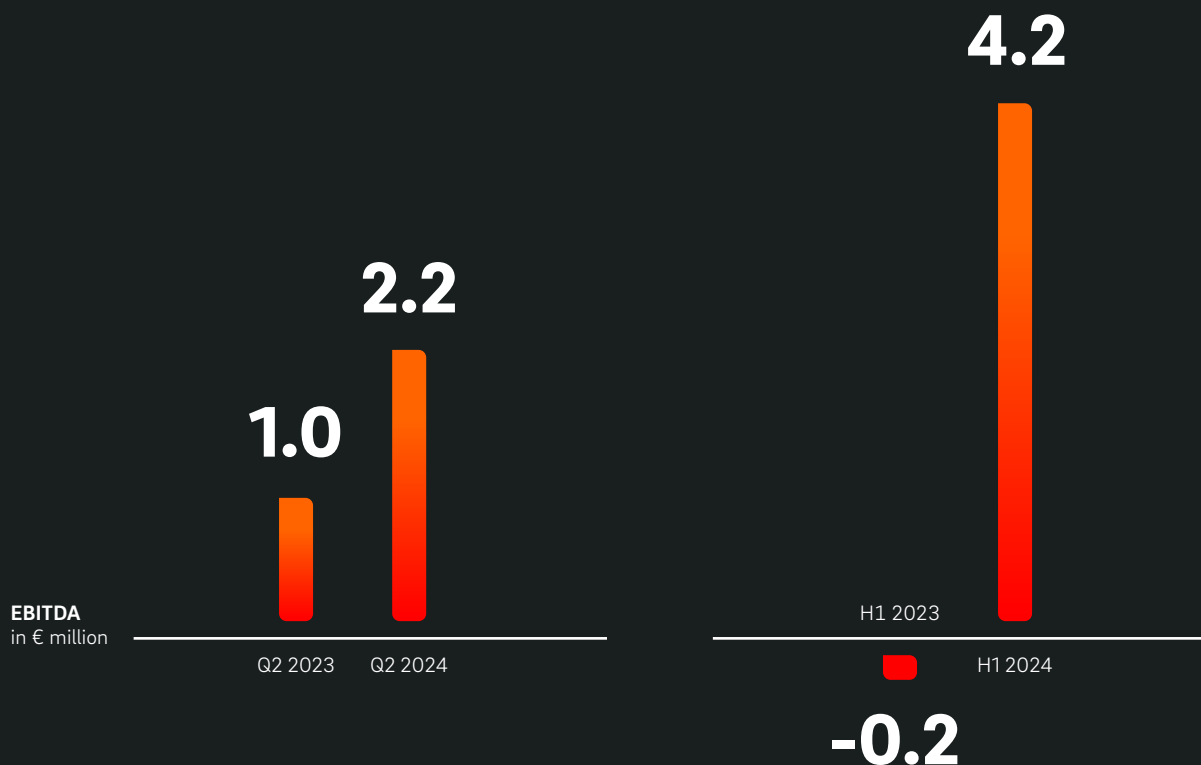
⁴ Not accounting for IFRS 16.

⁵ As of 30 June.

⁶ As of 30 June 2024.

⁷ As of 31 December 2023.

Our **earnings strength** continues to grow thanks to consistent implementation of the "2025 Strategy" and despite the ongoing weak macroeconomic climate.



Group Interim Management Report

Executive Summary

EBITDA rises by € 1.2 million to € 2.2 million

q.beyond's earnings and financial strength continues to grow thanks to consistent implementation of its "2025 Strategy" and notwithstanding the ongoing weak macroeconomic climate. EBITDA in the second quarter of 2024 rose year-on-year by € 1.2 million to € 2.2 million. Quarterly revenues grew year-on-year by € 0.9 million to € 47.3 million, while free cash flow improved by € 1.9 million to € 0.8 million in the second quarter of 2024. This was accompanied by a further increase in net liquidity at our debt-free company to € 39.0 million, compared with € 37.6 million at the end of 2023. This corresponds to € 0.31 per q.beyond share.

Comparison of the half-year figures underlines the pleasing development in the operating business. EBITDA for the first six months of the current financial year totalled € 4.2 million, compared with € -0.2 million in the previous year. Revenues for the same period grew from € 93.0 million to € 94.4 million, while free cash flow rose to € 1.4 million, up from € 0.0 million in the first half of 2023. Against this backdrop, we can affirm the full-year forecast for 2024: we have budgeted for EBITDA to rise by at least 40% to between € 8 million and € 10 million and for this to be accompanied by revenues of between € 192 million and € 198 million and sustainably positive free cash flow.

€ 0.31

net liquidity per q.beyond share.

Business Performance

2025 Strategy leads to growing earnings strength

This significant improvement in the company's earnings strength in the first half of 2024 was driven in particular by the impact of "One q.beyond" within the 2025 Strategy and the associated standardisation and simplification of processes and structures and systematic expansion in the share of nearshoring and offshoring activities. We raised this share to 12% as of 30 June 2024, up from 3% at the beginning of 2023. Concentrating on higher-margin business fields has also had a positive impact. Profitability has clear priority over growth.

Focused business model is paying off

Within the 2025 Strategy, the company is focusing its sales activities on select sectors. And this approach is succeeding: at € 54.2 million, new orders in the second quarter of 2024 were significantly ahead of the previous year's figure of € 39.8 million. Furthermore, 72% of revenues in the past quarter were generated in the five focus sectors of retail, logistics, manufacturing, financial services, and the public sector. The resilience of our business model is further boosted by the high share of recurring revenues, which stood at 75% in the second quarter of 2024.

12%

share of nearshoring and offshoring activities.

The strength of our company's position in its focus sectors is underlined by the fact that it is now providing managed services in line with the critical infrastructure requirements of the Federal Office for Information Security (BSI) on behalf of a new customer, namely Rosneft Deutschland, which is under trust management by the Federal Network Agency (BNetzA). Compliance with these BSI standards for information technology in critical infrastructures is a decisive criterion determining the selection of IT service providers, particularly in the public sector. Following the successful transition phase, we are now responsible for operating IT services for Rosneft Deutschland, one of Germany's largest mineral oil processing companies, at our certified high-security data centres on the basis of a 5-year contract. Among others, the services provided include q.beyond's SAP and Microsoft applications.

Awards underline performance capacity in managed services business

According to "ISG Provider Lens™ Private/Hybrid Cloud – Data Center Services", a comparison of providers conducted once again in 2024, our company has been designated as a "Leader" in no fewer than two segments, namely "Managed Services for Mid-market" and "Managed Hosting for Midmarket". To perform the study, ISG, which is a leading global analysis and market research company in the technology sector, compared the cloud services offered by 100 IT service providers. According to the study, our company's leading position in managed services is based on three key strengths: its modular service portfolio, which allows customers to choose freely

New orders in second quarter significantly ahead of previous year. In addition, 72% of revenues are generated in our five focus sectors.

between public, private or hybrid cloud models; the individual adaptability of solutions; and its provision of independent economic viability and technology analyses.¹

An accolade in the trade journal "Computerwoche" in spring 2024 further demonstrates the performance capacity of our managed services. This lists q.beyond as one of the best managed services providers in Germany.² According to the latest ranking compiled by market watchers at Lünendonk, our company is also one of Germany's leading IT service companies.

¹ <https://www.qbeyond.de/en/investor-relations/ir-releases/2024/qbeyond-is-a-leader-in-cloud-services-isg-awards-top-status-in-two-categories>

² <https://www.computerwoche.de/a/deutschlands-beste-managed-service-provider-2024,3617905> (only available in German)

Business Framework

German economy stagnating

Dashing hopes from the start of the year, Germany is not expected to witness an economic upturn this year. A forecast issued by the International Monetary Fund in July 2024 predicts that German gross domestic product will grow by a mere 0.2% this year. No other major industrialised economy is expected to report similarly weak growth.³ The scepticism with which German companies assess the situation is documented by the ifo Business Climate Index, which fell for the second consecutive time in July 2024.⁴ In this climate, medium-sized companies are hesitant to take investment decisions, not least for their IT.

Bitkom cuts growth forecast for IT market

Due not least to these considerations, in July the sector association Bitkom reduced its full-year growth forecast. It now expects IT revenues in Germany to grow by 5.4% this year; it had originally deemed growth of 6.1% possible.⁵ Future markets, such as software, artificial intelligence, and cybersecurity, will escape this negative trend. As part of its 2025 Strategy, our company is gradually expanding its activities in these markets too. One example: it now has independent teams for artificial intelligence and cybersecurity. In recent

q.beyond is gradually expanding its activities in future markets, such as software, artificial intelligence, and cybersecurity.

times, q.beyond has massively felt the effects of this sharp rise in demand for comprehensive cybersecurity solutions on the part of medium-sized companies. q.beyond's services in this area range from initial analysis and strategy to implementing suitable security mechanisms and technologies to the ongoing further development of all IT security services. The company has recently also succeeded in extending the terms, and often also the scopes, of the contracts with all its customers in the field of software development.

³ <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>

⁴ <https://www.ifo.de/en/facts/2024-07-25/ifo-business-climate-index-declines-july-2024>

⁵ <https://www.bitkom.org/Presse/Presseinformation/Digitalbranche-waechst-aber-nicht-ueberall> (only available in German)

Earnings Performance

Significant improvements in EBITDA, EBIT and consolidated net income

Based on revenues of € 47.3 million, cost of revenues stood at € 39.4 million in the second quarter of 2024 (Q2 2023: € 38.2 million). Gross profit amounted to € 7.9 million, compared with € 8.3 million in the previous year. Over the same period, sales and marketing expenses decreased by € 0.7 million to € 2.7 million. General and administrative expenses fell by € 0.8 million to € 3.1 million in the second quarter of 2024. Accounting for the other operating result, which was unchanged at € 0.1 million, EBITDA amounted to € 2.2 million, up from € 1.0 million in the previous year.

Depreciation and amortisation for the quarter under report decreased from € 3.4 million in the previous year to € 3.2 million. As a result, operating earnings (EBIT) for the second quarter of 2024 rose by € 1.3 million to € -1.0 million. As the financial result also rose, while the loss from associates decreased and the tax charge also turned out lower, consolidated net income for the past quarter even improved by € 1.9 million to € -0.8 million. Consistent with the targets set out in the 2025 Strategy, our company is well on course to generate sustainably positive consolidated net income starting in the coming year.

€ +1.9 million

improvement in consolidated net income
which is now approaching break-even.

Earnings Performance by Segment

Managed Services achieves gross margin of 21%

Revenues in the "Managed Services" segment grew year-on-year by € 1.9 million to € 33.7 million in the second quarter of 2024. Cost of revenues rose by € 2.2 million over the same period to € 26.8 million. Here, the substantial rise in licence expenses left its mark. Against this backdrop, gross profit stood at € 7.0 million in the past quarter, compared with € 7.2 million in the previous year.

Comparison of the six-month figures underlines the ongoing strength of the margin in this segment: while revenues grew by € 3.7 million to € 66.6 million, cost of revenues rose by € 2.5 million to € 52.6 million. Gross profit improved by € 1.2 million to € 14.0 million, while the half-year gross margin increased year-on-year by 1 percentage point to 21%.

Consulting affected by weak economic climate

Revenues in the "Consulting" segment amounted to € 13.5 million in the second quarter of 2024, as against € 14.6 million in the previous year. Whereas multiyear contracts tend to be the norm in the managed services business, when it comes to consulting and development projects many customers prefer short-term contracts. The persistent reluctance to invest among SMEs has therefore had a greater impact on this reporting segment. When comparing revenue performances, it should also be noted that, as part of the 2025 Strategy, we have optimised our consulting portfolio and discontinued activities in low-margin business fields. This being so, cost

of revenues came to € 12.6 million in the second quarter of 2024 compared with € 13.5 million in the previous year. Gross profit stood at € 0.9 million, as against € 1.1 million in the previous year's quarter.

Comparison of the six-month figures clearly shows that the second segment is also contributing to our company's growing earnings strength. While half-year revenues fell by € 2.3 million to € 27.8 million, gross profit rose by € 0.7 million to € 2.1 million. The gross margin rose by 3 percentage points to 8%.

Financial and Asset Position

Net liquidity rises to € 39.0 million

Our company has no liabilities to banks and finances itself exclusively from its own liquidity. As of 30 June 2024, we had net liquidity of € 39.0 million compared with € 38.2 million as of 31 March 2024.

Based on our definition, the change of € 0.8 million in net liquidity corresponds to free cash flow, with no account being taken of payments for acquisitions and distributions in the period under report. No such payments were made in the second quarter. Free cash flow therefore amounted to € 0.8 million, as against € -1.1 million in the previous year. This figure was also influenced by capital expenditure which, excluding IFRS 16 items, stood at € 0.5 million in the past quarter as against € 1.1 million in the second quarter of 2023.

Solid balance sheet

q.beyond has a solid balance sheet in which non-current assets are fully financed by equity. Due above all to depreciation and amortisation, total non-current assets decreased to € 63.7 million as of 30 June 2024, down from € 65.1 million at the end of 2023.

Total current assets fell to € 84.9 million, compared with € 89.3 million as of 31 December 2023. As outlined above, liquid funds, i.e. cash and cash equivalents, increased, while trade receivables fell from € 34.1 million at the end of 2023 to € 30.2 million as of 30 June 2024.

Equity ratio rises to 66%

Due to negative consolidated net income, equity changed as of 30 June 2024 and amounted to € 97.5 million, compared with € 99.4 million at the balance sheet date at the end of 2023. Given the reduction in total assets, the equity ratio nevertheless rose by 2 percentage points to 66%.

Slightly greater use was made of lease financing arrangements, as a result of which non-current liabilities rose to € 14.2 million, up by € 0.9 million compared with the 2023 balance sheet date. Current liabilities fell to € 36.9 million as of 30 June 2024, as against € 41.6 million at the end of 2023. This was mainly due to a reduction in trade payables and other liabilities to € 21.2 million, compared with € 25.5 million as of 31 December 2023.

Opportunity and Risk Report

No material changes in opportunity and risk situation

There are currently no material changes compared with the opportunities and risks presented in the 2023 Annual Report. Just like other risks or erroneous assumptions, however, all of the risks listed there could lead future actual earnings to deviate from q.beyond's expectations. Unless they constitute historic facts, all disclosures in this unaudited Half-Year Financial Report represent forward-looking statements. They are based on current expectations and forecasts concerning future events and may therefore change over time.

Outlook

Forecast affirmed: profitability set to rise significantly in 2024

Following the pleasing business performance in the first half of the current financial year, we can affirm our full-year forecast for 2024. We have budgeted for EBITDA to rise by at least 40% to between € 8 million and € 10 million and for this to be accompanied by revenues of between € 192 million and € 198 million, and sustainably positive free cash flow.

We will generate positive free cash flow from the operating business once again in the current financial year. In addition, we expect to receive a net inflow of around € 4 million in the second half of the year as a result of the decisions taken by tax authorities in 2023 concerning the tax treatment of the Plusnet sale in 2019. The related income and expense items were already recognised in the previous year.

Given the pleasing business performance in H1 2024, we can affirm our forecast: EBITDA is budgeted to rise by at least 40% to between € 8 million and € 10 million in 2024.

Interim Consolidated Financial Statements

Consolidated Statement of Comprehensive Income (unaudited)

€ 000s	2024	2023	2024	2023
	01/04/ – 30/06/	01/04/ – 30/06/	01/01/ – 30/06/	01/01/ – 30/06/
Revenues	47,272	46,445	94,382	93,030
Cost of revenues	(39,382)	(38,162)	(78,243)	(78,789)
Gross profit	7,890	8,283	16,139	14,241
Sales and marketing expenses	(2,665)	(3,445)	(5,568)	(7,026)
General and administrative expenses	(3,067)	(3,931)	(6,774)	(7,732)
Depreciation and amortisation				
(including share-based remuneration)	(3,170)	(3,371)	(6,272)	(6,675)
Other operating income	112	154	509	360
Other operating expenses	(64)	(24)	(104)	(72)
Operating earnings (EBIT)	(964)	(2,334)	(2,070)	(6,904)
Financial income	332	141	609	209
Financial expenses	(90)	(60)	(164)	(117)
Income from associates	(101)	(157)	(166)	(346)
Earnings before taxes	(823)	(2,410)	(1,791)	(7,158)
Income taxes	19	(299)	(125)	(586)
Consolidated net income	(804)	(2,709)	(1,916)	(7,744)
Other comprehensive income				
Line items that are not reclassified in the income statement				
Currency translation	(1)	-	-	-
Other comprehensive income after taxes	(1)	-	-	-
Total comprehensive income	(805)	(2,709)	(1,916)	(7,744)
Attribution of consolidated net income				
Owners of the parent company	(1,008)	(3,043)	(2,377)	(8,361)
Non-controlling interests	204	334	461	617
Attribution of consolidated net income	(804)	(2,709)	(1,916)	(7,744)
Attribution of total comprehensive income				
Owners of the parent company	(1,009)	(3,043)	(2,377)	(8,361)
Non-controlling interests	204	334	461	617
Attribution of total comprehensive income	(805)	(2,709)	(1,916)	(7,744)
Earnings per share (basic) in €	(0.01)	(0.03)	(0.02)	(0.07)
Earnings per share (diluted) in €	(0.01)	(0.03)	(0.02)	(0.07)

Consolidated Statement of Cash Flows (unaudited)

€ 000s	2024	2023
	01/01/ – 30/06/	01/01/ – 30/06/
Cash flow from operating activities		
Earnings before taxes	(1,791)	(7,158)
Depreciation and amortisation of non-current assets	4,287	4,989
Depreciation of right-of-use assets (IFRS 16)	1,935	1,727
Other non-cash income and expenses	(108)	46
Profit from retirement of assets	(8)	(2)
Income taxes paid	(97)	(127)
Income taxes received	186	2
Interest received	597	201
Interest paid in connection with leases (IFRS 16)	(161)	(112)
Net financial expenses	(444)	(92)
Income from associates	166	346
Changes in provisions	(1,864)	(721)
Changes in trade receivables	4,052	6,354
Changes in trade payables	(2,287)	(3,919)
Changes in other assets and liabilities	(273)	889
Cash flow from operating activities	4,190	2,423
Cash flow from investing activities		
Payments for purchase of intangible assets	(13)	(10)
Payments for purchase of property, plant and equipment	(1,186)	(1,588)
Proceeds from sale of property, plant and equipment	9	855
Cash flow from investing activities	(1,190)	(743)
Cash flow from financing activities		
Repayments of convertible bonds	(1)	-
Repayments of lease liabilities	(1,629)	(1,676)
Cash flow from financing activities	(1,630)	(1,676)
Change in cash and cash equivalents	1,370	4
Cash and cash equivalents as of 1 January	37,642	36,388
Cash and cash equivalents as of 30 June	39,012	36,392

Consolidated Balance Sheet

€ 000s	30/06/2024 (unaudited)	31/12/2023 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	14,201	15,864
Land and buildings	15,584	15,943
Goodwill	13,955	13,948
Right-of-use assets	10,092	8,637
Other intangible assets	4,406	5,481
Financial assets recognised at equity	2,597	2,763
Prepayments	1,243	1,211
Other non-current assets	1,623	1,203
Non-current assets	63,701	65,050
Current assets		
Trade receivables	30,191	34,135
Prepayments	5,193	6,776
Inventories	114	109
Other current assets	10,368	10,631
Cash and cash equivalents	39,012	37,642
Current assets	84,878	89,293
TOTAL ASSETS	148,579	154,343

€ 000s	30/06/2024 (unaudited)	31/12/2023 (audited)
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Issued capital	124,579	124,579
Capital reserve	144,382	144,382
Other reserves	(435)	(435)
Accumulated deficit	(173,056)	(170,680)
Equity attributable to owners of parent company	95,470	97,846
Non-controlling interests	2,010	1,549
Shareholders' equity	97,480	99,395
Liabilities		
Non-current liabilities		
Lease liabilities	6,376	5,239
Other financial liabilities	3,841	3,841
Accrued pensions	1,893	2,099
Other provisions	990	928
Trade payables	375	375
Deferred tax liabilities	774	829
Non-current liabilities	14,249	13,311
Current liabilities		
Trade payables and other liabilities	21,197	25,530
Lease liabilities	3,821	3,395
Other financial liabilities	1,342	1,342
Other provisions	2,331	4,053
Tax provisions	6,231	5,996
Deferred income	1,928	1,321
Current liabilities	36,850	41,637
Liabilities	51,099	54,948
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	148,579	154,343

Consolidated Statement of Changes in Equity (unaudited)

€ 000s	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)
Total comprehensive income	-	-	-	(2,377)
Balance as of 30 June 2024	124,579	144,382	(435)	(173,056)
Balance as of 1 January 2023	124,579	144,084	(319)	(153,203)
Total comprehensive income	-	-	-	(8,361)
Balance as of 30 June 2023	124,579	144,084	(319)	(161,564)

Total	Non-controlling interests	Total equity	
97,846	1,549	99,395	Balance as of 1 January 2024
(2,377)	461	(1,916)	Total comprehensive income
95,470	2,010	97,480	Balance as of 30 June 2024
115,141	510	115,651	Balance as of 1 January 2023
(8,361)	617	(7,744)	Total comprehensive income
106,780	1,127	107,907	Balance as of 30 June 2023

Notes to the Interim Consolidated Financial Statements

Company Information

q.beyond AG (hereinafter also "q.beyond") is the key to successful digitalisation. We help our customers find, implement and operate the best digital solutions for their businesses. Our strong team of around 1,100 specialists accompanies SMEs reliably as they tackle their digital transformation. Customers benefit here from our all-round expertise in cloud, artificial intelligence, SAP, Microsoft, data intelligence, security, and software development. With locations across Germany, as well as in Latvia, Spain and India, and its own certified data centres, q.beyond is one of Germany's leading IT service providers.

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 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.

1 Basis of preparation

These condensed interim consolidated financial statements of q.beyond AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS), to the extent that these have been adopted by the EU, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), taking due account of International Accounting Standard (IAS) 34 Interim Financial Reporting. The interim consolidated financial statements do not include all notes and disclosures required of full year-end financial statements and should therefore be read in conjunction with the consolidated financial statements as of 31 December 2023.

Based on the Management Board's assessment, the interim consolidated financial statements contain all adjustments necessary to provide a true and fair view of the Group's net assets, financial and earnings position. The results for the reporting period ending on 30 June 2024 do not necessarily provide an indication of the future development in results.

The accounting policies applied in preparing these interim consolidated financial statements are basically consistent with those applied in the consolidated financial statements for the 2023 financial year.

Income tax expenses for the interim reporting period have been calculated using the effective tax rate expected for the financial year as a whole. Taxes relating to exceptional items are accounted for in the quarter in which the underlying items materialise.

The amendments to IFRS requiring mandatory application from the 2024 financial year onwards have not had any implications for the interim consolidated financial statements as of 30 June 2024.

The preparation of interim financial statements in accordance with IFRS requires a certain degree of reference to estimates and judgements affecting the assets and liabilities as recognised and the disclosures made concerning contingent assets and liabilities as of the reporting date. The amounts actually arising may deviate from such estimates.

There have been no material changes in the Management Board's assessments concerning the application of accounting policies compared with the consolidated financial statements as of 31 December 2023.

Unless otherwise stated, 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 these interim consolidated financial statements.

These condensed interim consolidated financial statements, including the interim group management report, have neither been audited pursuant to § 317 of the German Commercial Code (HGB) nor subject to any audit review by any suitably qualified person. The interim consolidated financial statements and interim group management report were approved for publication by the Management Board on 5 August 2024.

2 Scope of consolidation and amendments under company law

The interim consolidated financial statements comprise the financial statements of q.beyond AG, Cologne, and the subsidiaries it controls:

	Shareholdings in %
Subsidiary, domicile, country	
SIA Q.BEYOND, Riga, Latvia	100
q.beyond ibérica S.L., Jerez de la Frontera, Spain	100
q.beyond logineer GmbH, Hamburg, Germany	51
q.beyond Data Solutions GmbH, Hamburg, Germany	51
q.beyond logineer India Private Limited, Chennai, India	51

3 Financial instruments

Disclosures on the balance sheet. No separate disclosures are provided for the respective fair values as the carrying amounts largely correspond to the fair values.

€ 000s	Carrying amount	Amortised cost	Fair value – in equity	Fair value – hedging instruments	Fair value – through profit or loss
30 June 2024					
Assets not measured at fair value					
Cash and cash equivalents	39,012	•			
Receivables from finance leases	646	•			
Current trade receivables and other contract receivables	38,791	•			
Liabilities not measured at fair value					
Trade payables and other liabilities	17,516	•			
Contract liabilities	963	•			
Lease liabilities	10,197	•			
Other financial liabilities	739	•			
Liabilities measured at fair value					
Other financial liabilities	4,444				•

€ 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 and other contract 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				•

Disclosures on fair values measured on a recurring basis. At the end of the reporting period, q.beyond determines whether any reclassifications are required between the measurement hierarchy levels. No reclassifications were made in the period under report from 1 January 2024 to 30 June 2024.

4 Revenues

The tables below provide a breakdown of revenues by geographical region and sector. Furthermore, the tables reconcile revenues with the segments presented in Note 5.

€ 000s	Geographical region					
	Germany		Outside Germany		Total	
	2024	2023	2024	2023	2024	2023
	01/01/ – 30/06/	01/01/ – 30/06/	01/01/ – 30/06/	01/01/ – 30/06/	01/01/ – 30/06/	01/01/ – 30/06/
Segments						
Managed Services	64,421	60,932	2,189	1,971	66,610	62,903
Consulting	27,440	28,940	332	1,187	27,772	30,127
Total	91,861	89,872	2,521	3,158	94,382	93,030

	Revenues in € 000s		Revenues in %	
	2024	2023	2024	2023
	01/01/ – 30/06/	01/01/ – 30/06/	01/01/ – 30/06/	01/01/ – 30/06/
Sectors				
Retail	28,333	27,185	30.0 %	29.2 %
Manufacturing	16,996	17,425	18.0 %	18.7 %
Logistics	11,263	10,200	11.9 %	11.0 %
Financial services	9,614	9,568	10.2 %	10.3 %
Public sector	526	494	0.6 %	0.5 %
Other	27,650	28,158	29.3 %	30.3 %
Total	94,382	93,030	100.0 %	100.0 %

5 Segment reporting

In accordance with the provisions of IFRS 8, the basis for identifying segments is the company's internal organisational structure as used by corporate management for business administration decisions and performance assessments. Consistent with the focused business model, the company divides its activities into consulting and development services (the "Consulting" segment) and operating services (the "Managed Services" segment).

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 Management Board refers to gross profit as the key segment performance indicator. Gross profit is defined as revenues less cost of revenues. For income statement purposes, revenues and cost of revenues are thus allocated in full to the respective segment. 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 and other operating income and expenses.

€ 000s	Managed Services	Consulting	Group
01/04/ – 30/06/2024			
Revenues	33,738	13,534	47,272
Cost of revenues	(26,754)	(12,628)	(39,382)
Gross profit	6,984	906	7,890
Sales and marketing expenses			(2,665)
General and administrative expenses			(3,067)
Depreciation and amortisation (including share-based remuneration)			(3,170)
Other operating income			112
Other operating expenses			(64)
Operating earnings (EBIT)			(964)
Financial income			332
Financial expenses			(90)
Income from associates			(101)
Earnings before taxes			(823)
Income taxes			19
Consolidated net income			(804)

€ 000s	Managed Services	Consulting	Group
01/04/ – 30/06/2023			
Revenues	31,796	14,649	46,445
Cost of revenues	(24,623)	(13,539)	(38,162)
Gross profit	7,173	1,110	8,283
Sales and marketing expenses			(3,445)
General and administrative expenses			(3,931)
Depreciation and amortisation (including share-based remuneration)			(3,371)
Other operating income			154
Other operating expenses			(24)
Operating earnings (EBIT)			(2,334)
Financial income			141
Financial expenses			(60)
Income from associates			(157)
Earnings before taxes			(2,410)
Income taxes			(299)
Consolidated net income			(2,709)

€ 000s	Managed Services	Consulting	Group
01/01/ – 30/06/2024			
Revenues	66,610	27,772	94,382
Cost of revenues	(52,574)	(25,669)	(78,243)
Gross profit	14,036	2,103	16,139
Sales and marketing expenses			(5,568)
General and administrative expenses			(6,774)
Depreciation and amortisation (including share-based remuneration)			(6,272)
Other operating income			509
Other operating expenses			(104)
Operating earnings (EBIT)			(2,070)
Financial income			609
Financial expenses			(164)
Income from associates			(166)
Earnings before taxes			(1,791)
Income taxes			(125)
Consolidated net income			(1,916)

€ 000s	Managed Services	Consulting	Group
01/01/ – 30/06/2023			
Revenues	62,903	30,127	93,030
Cost of revenues	(50,095)	(28,694)	(78,789)
Gross profit	12,808	1,433	14,241
Sales and marketing expenses			(7,026)
General and administrative expenses			(7,732)
Depreciation and amortisation (including share-based remuneration)			(6,675)
Other operating income			360
Other operating expenses			(72)
Operating earnings (EBIT)			(6,904)
Financial income			209
Financial expenses			(117)
Income from associates			(346)
Earnings before taxes			(7,158)
Income taxes			(586)
Consolidated net income			(7,744)

Revenues for the first half of 2024 include revenues of € 714k with non-German EU customers (mainly Netherlands [€ 289k], Austria [€ 273k], Malta [€ 55k] and France [€ 51k]), as well as € 1,807k with non-EU customers (mainly UK [€ 1,460k] and Switzerland [€ 286k]); all other revenues were generated in Germany. In the first half of the 2024 financial year, two customers at the overall Group accounted for more than 10% of consolidated revenues (15% and 13% respectively). Of the revenues with these two major customers, 88% were reported in the Managed Services segment and 12% in the Consulting segment.

6 Cash flow from financing activities

Financial liabilities developed as follows:

€ 000s	01/01/2024	Cash-effective changes	Non-cash-effective changes	Retirements	30/06/2024
Financial liabilities					
Lease liabilities	8,634	(1,790)	3,428	(75)	10,197
Financial liabilities	8,634	(1,790)	3,428	(75)	10,197

7 Issued capital

Issued capital amounted to € 124,579,487 as of 30 June 2024 and was unchanged compared with 31 December 2023. It comprised 124,579,487 no-par registered ordinary shares.

8 Legal disputes

Neither q.beyond AG nor its group companies are involved in any court or arbitration proceedings which could have any material impact on their economic positions.

9 Related party disclosures

Persons and companies count as related parties pursuant to IAS 24 when one party has the possibility of exercising control or significant influence over the other party. All contracts with these companies require approval by the Supervisory Board and are agreed on customary market terms.

Deliveries and services amounting to € 36k were performed between q.beyond AG and Teleport GmbH, domiciled in Cologne, in the first half of the 2024 financial year. The majority shareholders in q.beyond AG, Dr. Bernd Schlobohm and Gerd Eickers, indirectly hold more than 90% of the shares in Teleport GmbH.

10 Management Board

The following table presents information about the number of shares held by the Management Board:

	Shares	
	30/06/2024	30/06/2023
Thies Rixen	336,035	300,000
Nora Wolters	50,000	-

11 Supervisory Board

The following table presents information about the number of shares held by members of the Supervisory Board:

	Shares	
	30/06/2024	30/06/2023
Dr. Bernd Schlobohm, Chair	15,818,372	15,769,910
Dr. Frank Zurlino, Deputy Chair (deceased on 1 December 2023)	-	10,000
Ina Schlie, Deputy Chair (since 19 December 2023)	50,000	50,000
Gerd Eickers	15,577,484	15,577,484
Thorsten Dirks (since 25 January 2024)	100,000	-
Matthias Galler ¹	2,100	2,100
Martina Altheim ¹	1,800	1,800

¹ Employee representative.

12 Events after balance sheet date

No events after the balance sheet date require report here.

Cologne, August 2024

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 for interim financial reporting, the Condensed Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Consolidated 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 for the remaining months of the financial year.

Cologne, August 2024

q.beyond AG
The Management Board



Thies Rixen



Nora Wolters

Calendar

Quarterly Statement Q3 2024

11 November 2024

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Editorial Responsibility

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This translation is provided as a convenience only. Please note that the German-language original of this Half-Year Financial Report is definitive.

