Cologne, 13 May 2019 — Q1 Results 2019

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QSC AG

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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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Q1 2019: Accelerated growth in Cloud business

- Cloud revenues grew by 49% to € 10.6 million in Q1 2019 (Q1 2018: +37%)

- Double-digit revenue growth in the Cloud and Consulting segments were offset by decline in the TC and Outsourcing businesses as expected

- Overall, the key figures developed largely as expected:
  - Revenues of € 87.4 million
  - EBITDA of € 15.9 million (incl. IFRS 16 effect)
  - FCF of € -4.7 million
- On 6 May 2019, QSC concluded a contract regarding the sale of Plusnet for € 229 million (equity value)
- Plusnet deal marks the kick-off for faster implementation of QSC’s growth strategy => Details will be given at the Analyst and Investor Conference on 27 May in Cologne

Q1 2019 is impacted by first-time application of IFRS 16

- IFRS 16 requires disclosure of finance lease/rental agreements in the balance sheet
- As of 1 Jan 2019, QSC capitalised right-of-use assets of € 106.0 million, mainly for:
  - Subscriber lease line contracts (TAL)
  - Other network-related lease contracts (collocation area, dark fibre etc.)
  - Office space lease contracts
- First-time application has led to
  - A significant increase in EBITDA
  - Corresponding higher depreciation
  - Higher interest expenses
  - Balance sheet extension

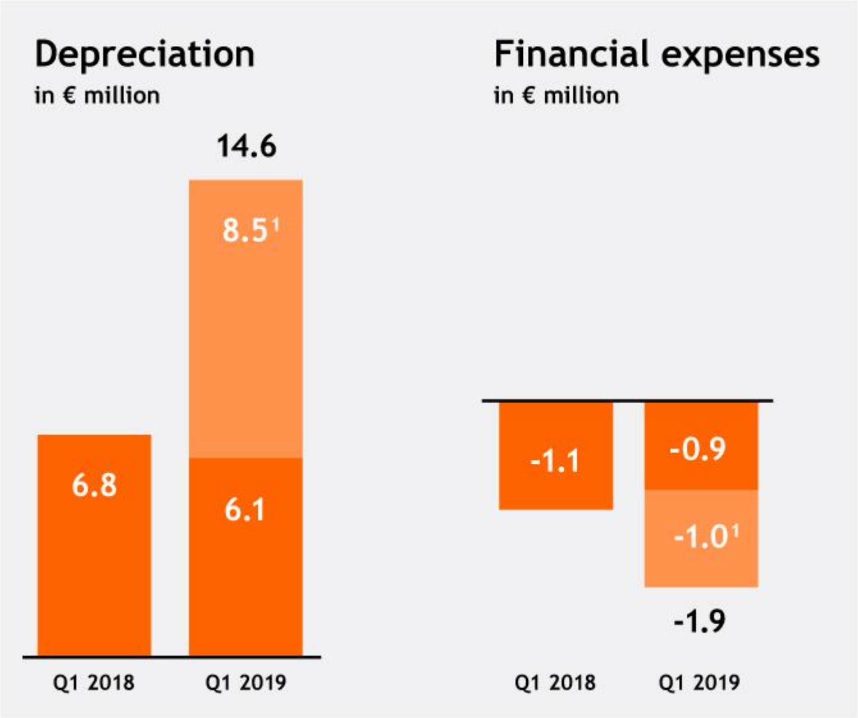
Higher EBITDA and higher depreciation due to IFRS 16

in € million	Q1 2018	Q1 2019	Δ
Revenues	**94.1**	**87.4**	**-6.7**
Cost of revenues	72.7	57.7	+15.0
Gross profit	**21.4**	**29.7**	**+8.3**
Sales and marketing expenses	6.0	7.2	-1.2
General and admin expenses	6.0	6.4	-0.4
Other operating income	(0.2)	(0.2)	-
EBITDA	**9.2**	**15.9**	**+6.7**
Depreciation	6.8	14.6	-7.8
EBIT	**2.4**	**1.3**	**-1.1**
Financial result	(1.0)	(1.8)	-0.8
Income taxes	(0.5)	0.2	+0.7
Net income	**0.9**	**(0.3)**	**-1.2**

Main changes

- Lower cost of revenues led to higher EBITDA
- Higher depreciation contributed to lower EBIT
- Changes in financial result led to lower net profit
- Excluding IFRS 16 items, QSC would once again have generated positive net income
- One-off costs for Plusnet deal of € 0.6 million

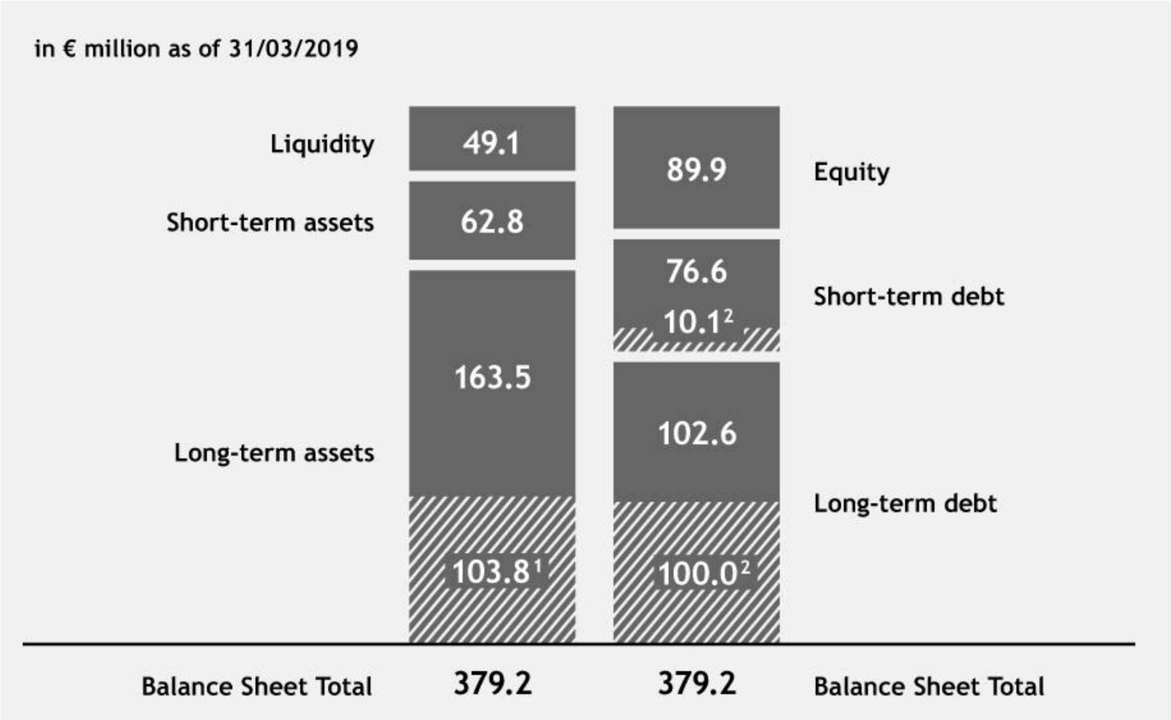
A closer look at depreciation and the financial expenses



- IFRS 16 depreciation in Q1 2019: € 8.5 million – in line with expectations for FY 2019 of € 30 to 35 million
- IFRS 16 effect on financial expenses in Q1 2019: € -1.0 million (in arithmetic terms)

[1] IFRS 16 effect

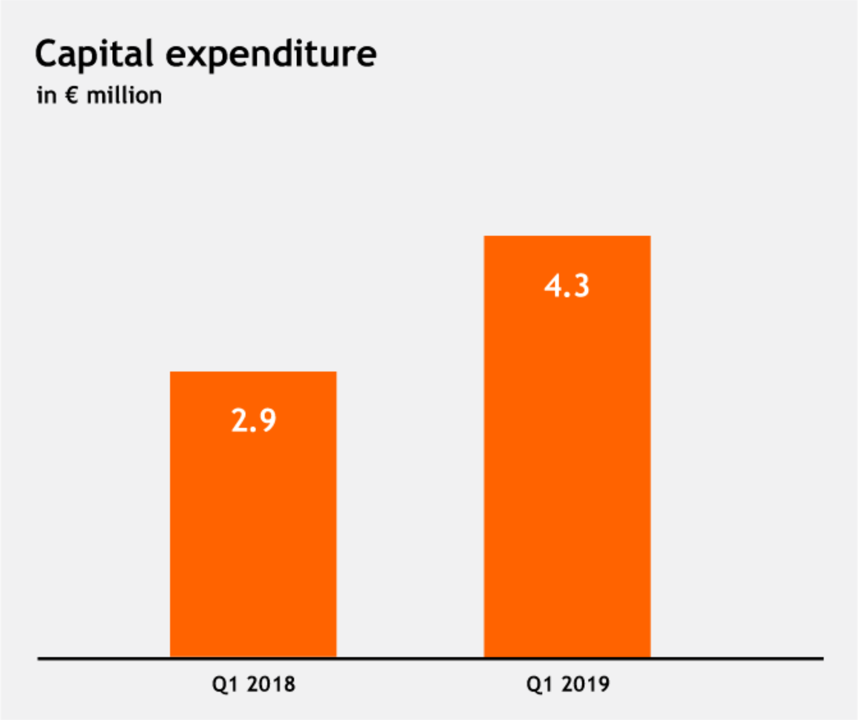
Balance sheet extension



- IFRS 16 has impacted balance sheet relations:
  - Higher percentage of long-term assets and debt
  - Equity ratio now stands at 23.7%

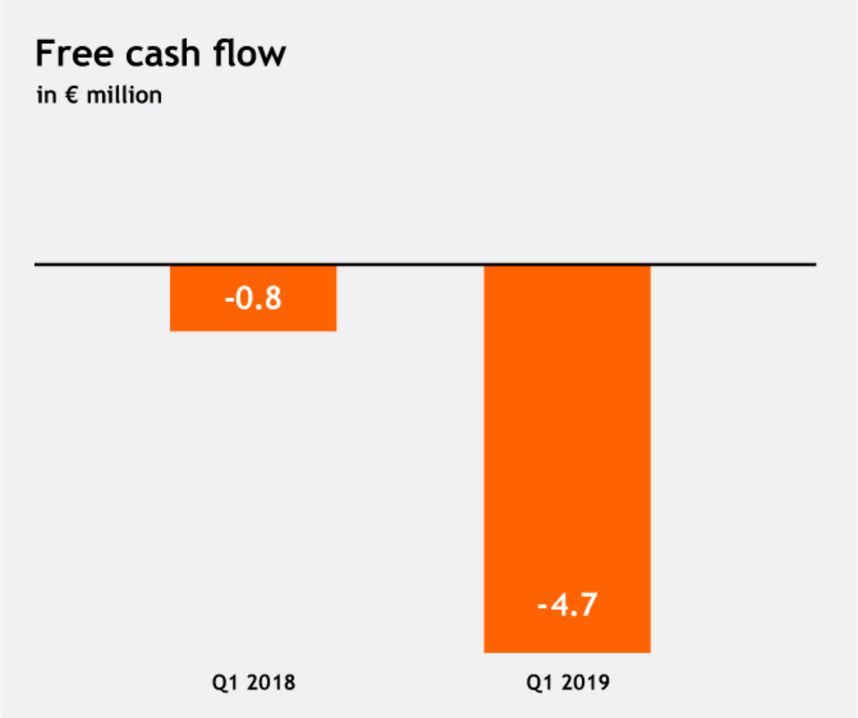
[1] Right-of-use-assets
[2] Lease liabilities

Higher CAPEX for customers and technology in Q1 2019



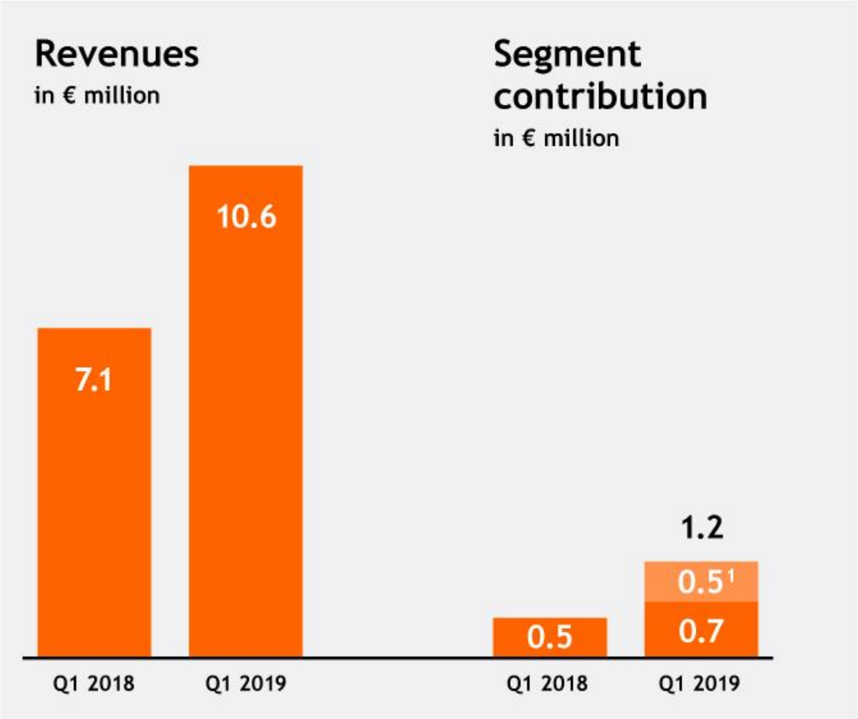
- QSC invested in
  - Customer projects (39%)
  - Technology (48%)
  - Intangible Assets (13%)
- CAPEX is presented excluding investments in finance lease (IFRS 16)

FCF impacted by higher CAPEX



- Q1 development of FCF is typically influenced by prepayments for the full year
- In Q1 2019, there were three additional effects:
  - Lower earnings
  - Higher CAPEX
  - Normalisation in working capital

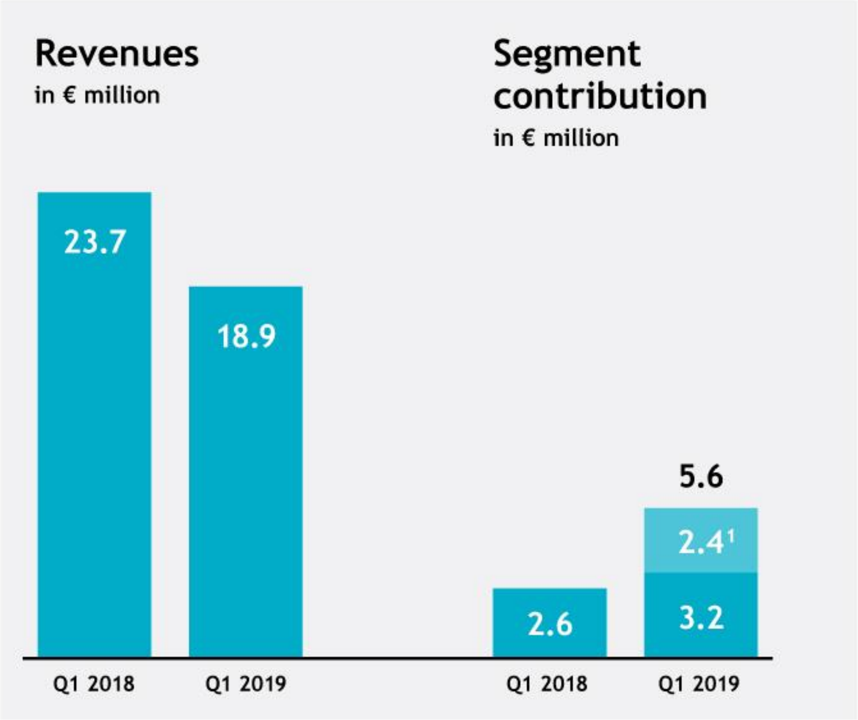
Cloud: Accelerated growth



- Higher recurring revenues with cloud services led to a 49% increase in revenues in Q1 2019
- Cloud business on track to reaching the ambitious target of ~€ 50 million for FY 2019
- High growth necessitates investment in people, technology and sales
- Despite all of this, Cloud managed to improve the segment contribution in Q1 2019

[1] IFRS 16 effect.

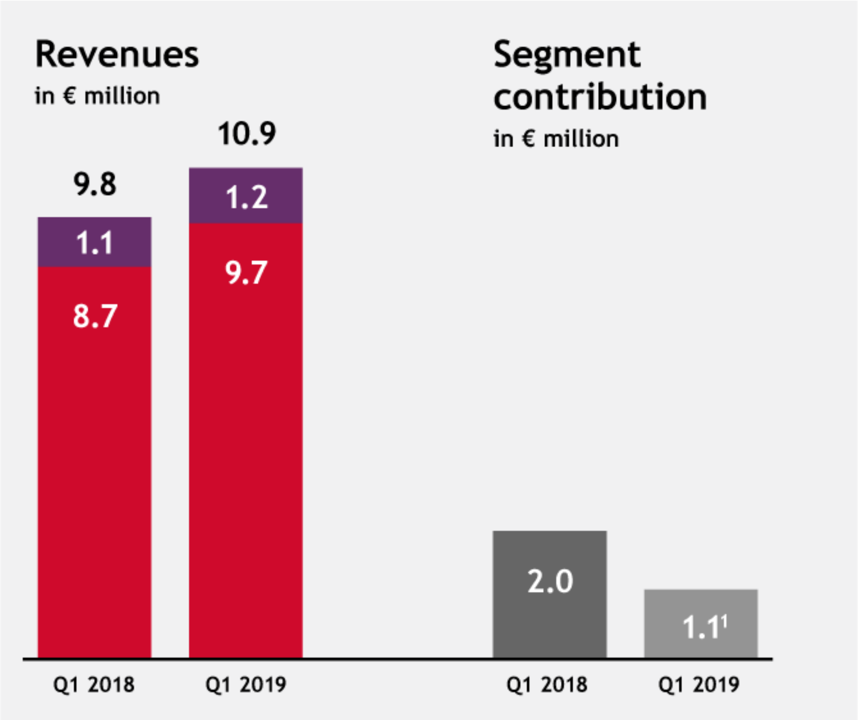
Outsourcing: Restructuring is bearing fruit



- Revenue development mainly influenced by two factors:
  - Step-by-step migration of existing customers to Cloud Services
  - Termination of two large contracts in 2019
- Ongoing organisational restructuring is bearing fruit: Significant rise in segment contribution

[1] IFRS 16 effect.

Consulting: Double-digit growth in Q1 2019

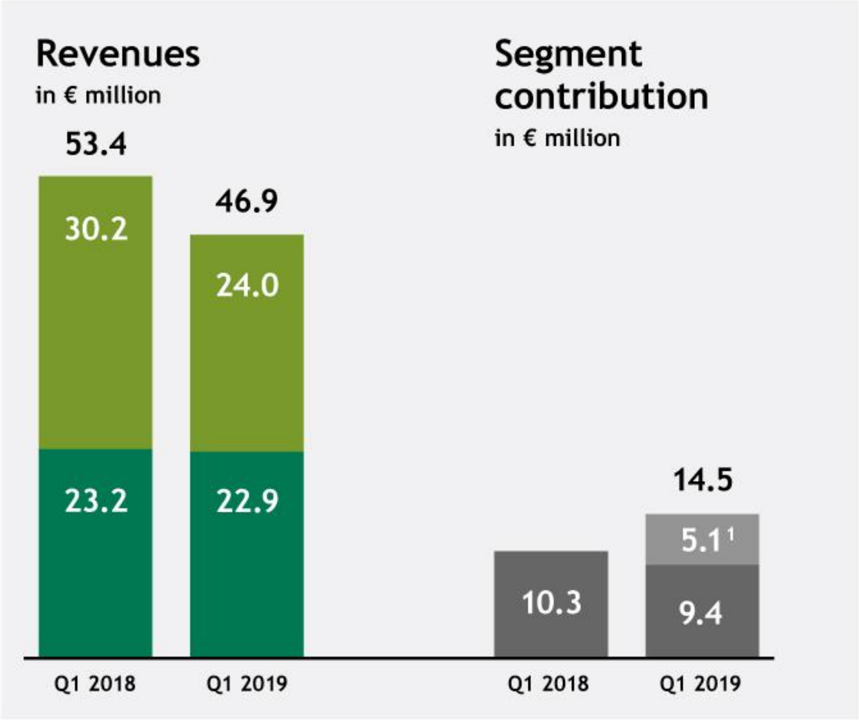


- Consulting showed a strong start: revenues up by 11%
- High demand especially for SAP HANA projects
- Strenghtening the workforce as well as drawing on external consultants impacted segment contribution negatively

Microsoft
SAP
Microsoft and SAP

1 Including/excluding IFRS 16 effect.

Telecommunications: Normalisation in reseller business



- Ongoing normalisation in TC reseller business; in H1 2018, QSC benefited from a favourable market environment
- Stable business with corporate customers
- Revenue decline had a slight impact on the segment contribution

TC revenues with resellers
TC revenues with corporate customers
TC total
1 IFRS 16 effect

Business performance in line with previous forecast

Without taking the sale of Plusnet into account, QSC expects to generate:

- Revenues of more than € 350 million
- EBITDA of more than € 65 million (including IFRS 16 effect)
- Free cash flow in at least a low single-digit million euro amount

– QSC will update this forecast to account for the sale now agreed

– The new forecast will be published as soon as the transaction-related effects can be assessed with reasonable certainty

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