QSC continues to grow from quarter to quarter
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.

Although the forward-looking statements are made with great care, their correctness cannot be guaranteed. Therefore the actual results may deviate from the expected results described herein. QSC does not intend to update or adjust any forward-looking statements after the publication of the presentation.
Quarterly growth for the 4th time in a row

Revenues in € million

- Q2 2019: 30.1
- Q3 2019: 32.3
- Q4 2019: 33.1
- Q1 2020: 34.1
- Q2 2020: 34.5

Recurrent revenues

1 QSC (excluding Plusnet subgroup)
Order intake reaches record high

Consistent expansion of service portfolio paying off, especially in tough times:

- 60% of new orders generated by selling additional services to existing and new customers
- 40% contract extensions
Ongoing growth under exceptional circumstances

QSC is in a privileged position despite the deep recession:

1. Stable and robust business model
2. Around 75% of revenues are recurring and platform-based
3. Net liquidity of € 54.7 million / equity ratio of 73%
4. Shutdown has triggered a wave of digitalisation among SME companies
5. Shutdown will cause a further growth push in our core markets Cloud, IoT and SAP
Revenue growth leads to improved profitability

<table>
<thead>
<tr>
<th>in € million</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>34.1</td>
<td>34.5</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>(28.6)</td>
<td>(29.1)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>5.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>(3.3)</td>
<td>(2.9)</td>
</tr>
<tr>
<td>General and admin expenses</td>
<td>(3.8)</td>
<td>(3.9)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(0.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(1.1)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(4.2)</td>
<td>(4.2)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(5.3)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Financial result</td>
<td>(0.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(0.1)</td>
<td>-</td>
</tr>
<tr>
<td>Net income</td>
<td>(5.5)</td>
<td>(5.1)</td>
</tr>
</tbody>
</table>

- Ongoing consistent investment in future growth impacts cost of revenues in particular
- EBITDA nevertheless approaching break-even
Cloud & IoT: Profitability rises faster than revenues

- Revenue drivers: Cloud solutions and the digital workplace
- Segment contribution improved by € 3.2 million to € 1.0 million in Q2 2020
  => High scalability of cloud business
- One-off initial costs for cloud projects counteracted a higher segment contribution in Q2 2020

Revenues in € million

Q2 2019: 21.2  
Q1 2020: 23.3  
Q2 2020: 24.0

Segment contribution in € million

Q2 2019: -2.2  
Q1 2020: 2.0  
Q2 2020: 1.0
**SAP: Strong growth since Q2 2019**

- Revenue driver: Migration to S/4HANA
- SAP operations and application management stabilise business during shutdown
- Segment contribution in Q2 2020 influenced by shutdown (e.g. fewer external experts, less travel expenses)
**Rock-solid financing thanks to balance sheet**

- Net liquidity of € 54.7 million at 30 June 2020 as against € 61.9 million at 31 March 2020

⇒ Free cash flow of € -3.5 million (excluding dividend payout of € 3.7 million)

- H1 2020: Capex of € 2.5 million

- Equity ratio of 73%
2020 forecast confirmed despite deep recession

- Revenue growth of at least 13% expected despite changed business climate
- Investments in future growth: Therefore EBITDA of up to € -5 million and FCF of up to € -16 million planned
- Sustainably positive EBITDA from Q4 2020
- Sustainably positive free cash flow from Q4 2021
Well positioned for sustainable growth

“Digitaliser to the SME sector”

Excellent business portfolio
  - Recurring revenues
  - Highly scalable

Top innovations
  - Integrated solutions
  - New technologies

Effective “go-to-market” approach
  - Sector focus
  - Strategic partners

Experienced management team
  - Top expertise
  - Entrepreneurial approach

Investments in future and M&A

2022: Revenues of € ~200 million, EBITDA >10%, positive free cash flow
M&A: QSC boosts software and development competence

Full takeover of software engineering specialist Incloud as of 31 July 2020

1. Developer of cloud and web solutions, mobile apps and IoT products
2. Rapidly growing IT service provider with 60+ experts on board
3. Agile teams develop and implement digital business models
4. Forecast 2020: Revenues of more than €4 million and positive earnings
Incloud perfectly complements QSC’s expertise

Competences Incloud: Platform and product design/state-of-the-art development and technology

- Artificial intelligence & data analytics
- SENSOR TECHNOLOGY: Sensors, Devices, IoT
- Embedded software
- APPLICATIONS: Industrial solutions, SAP S/4HANA, Microsoft, Other services
- Web- and native apps
- CLOUD: QSC cloud, Third-party cloud (e.g. AWS, Azure), Customer premises
- Cloud architecture

Edge Computing → Cloud Computing
### New cooperation partners: Advantech and TeamViewer

#### Advantech

**Packages for as a Service business models**

- Integrated IoT and Cloud solution with finely calibrated hardware and software components
- Advantech, leading provider of smart IoT systems and embedded platforms, is contributing its hardware
- QSC is providing edge technology for the platform and the devices
- First customers in manufacturing and retail

#### TeamViewer

**All-in-one-solution for the IIoT**

- IIoT Starter Kit: Plug and play solution to digitise existing machinery and to allow easy remote maintenance
- First implementation of TeamViewer software in an Industry 4.0 context
- QSC is contributing its edge technology
- Solution enables dashboard-based monitoring of sensor data
- First product of a new partnership, closed in April 2020
The IIoT Starter Kit Architecture at a glance

[Diagram showing the architecture of the IIoT Starter Kit, including components such as Sensors, Edge Device, Monitoring Data, Web API, TeamViewer IoT Cloud, Monitoring Data/Alerts, Global Access Network, Remote Control, User PC with TeamViewer Installed, and other related elements.]

QSC AG
Partners and M&A will support accelerated growth

Main drivers:
- Growing order intake due to sharp positioning in growth markets
- High share of “as-a-service” solutions
- High share of recurring revenues
- Scalable business model
Next growth push: The Rebranding to “q.beyond”

In H1 2020, business developed as expected despite deep recession

1. Order intake has proven to be a perfect indicator for business development

2. Shutdown will stimulate the demand for Cloud, IoT and SAP solutions in H2 2020

3. QSC to become “q.beyond” from the end of September 2020

4. Rebranding campaign will raise awareness and generate further leads
Questions & answers
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Appendix
CEO increases his shareholding by 50%

In March 2020, our CEO acquired a further 330,000 QSC shares:

Jürgen Hermann 1,000,000 shares

Neither founder has yet sold any QSC shares — share ownership is now structured as follows:

- **12.68%**  Gerd Eickers\(^1\)
- **12.68%**  Dr. Bernd Schlobohm\(^2\)
- **74.64%**  Free float

\(^1\) Founder and member of Supervisory Board  
\(^2\) Founder and Chairman of Supervisory Board

Status: 30 June 2020
“Buy” recommendations for QSC shares

<table>
<thead>
<tr>
<th>Bank</th>
<th>Recommendation</th>
<th>Target price</th>
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<tbody>
<tr>
<td>Mainfirst</td>
<td>“Buy”</td>
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<tr>
<td>Commerzbank</td>
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<td>Bankhaus Lampe</td>
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<tr>
<td>Independent Research</td>
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