CANCOM SE

ANNUAL REPORT
2024

CANCOM

Key figures

CANCOM GROUP

in € million	2024	2023	Δ
Revenue	1,737.6	1,522.7	+ 14.1 %
Gross profit	693.6	582.3	+ 19.1 %
EBITDA	113.0	115.7	- 2.3 %
EBITDA margin	6.5 %	7.6 %	- 1.1 Pp
EBITA	59.6	64.1	- 7.0 %
EBIT	48.0	55.8	- 14.0 %
Employees (annual average)	5,553	5,225	+ 6.3 %

	31.12.2024	31.12.2023	Δ
Balance sheet total	1,406.9	1,548.5	- 9.1 %
Equity	574.4	724.5	- 20.7 %
Equity ratio	40.8 %	46.8 %	- 6.0 Pp
Cash and cash equivalents	144.7	222.5	- 35.0 %

SEGMENTS

	SEGMENTS GERMANY		
in € million	2024	2023	Δ
Revenues	1,134.7	1,135.8	- 0.1 %
EBITDA	69.8	81.1	- 13.9 %
EBITDA margin	6.2 %	7.1 %	- 0.9 Pp

	SEGMENTS INTERNATIONAL		
in € million	2024	2023	Δ
Revenues	602.9	386.9	+ 55.8 %
EBITDA	43.3	34.6	+ 25.1 %
EBITDA margin	7.2 %	8.9 %	- 1.7 Pp

We transform for the better.

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"With innovative solutions and a strong portfolio, we are not only well positioned to provide our customers with the best possible support and exploit new market opportunities – we are already one of the infrastructure partners with the most expertise in the application of AI."

Rüdiger Rath, CEO

Foreword by the Executive Board

Dear Shareholders,

The past financial year 2024 was characterized by a volatile market environment due to the weak economic development in the private and public sectors and the associated reluctance to buy on the part of our customers.

In this environment, we have consistently pursued our strategy to align our structures with the future requirements of our customers and strengthen our competitiveness. In operational terms, we managed to achieve organic growth again in the second half of the year. Nevertheless, we are not entirely satisfied with the past financial year, as our results fell short of our expectations.

As a leading Digital Business Provider, we aim to be the first point of contact for our customers when it comes to issues relating to digitalization and artificial intelligence (AI). To ensure this, we worked consistently and intensively on implementing our strategic goals in the past financial year. We made good progress and successfully implemented internal projects. For example, we refined our strategy in the first quarter and involved all managers in cascading it through the entire CANCOM Group. We are concentrating on five key focus areas: Artificial Intelligence, Datacenter & Cloud, Security & Connectivity, Internet of Things and the Modern Workplace. For these areas, we have clearly defined which solutions and services we offer our customers. To this end, we intensified the ongoing review of our portfolio and partner ecosystem in 2024 and drove forward our focus on operational excellence and the efficient use of resources, for which we are also making consistent use of our nearshoring locantions. In addition, we restructured parts of our organization last year in order to serve our customers' growing requirements more efficiently.

A particular focus was on the further development of our offerings in the field of Artificial Intelligence and Digital Resilience. With innovative solutions and a strong portfolio, we are not only well positioned to provide our customers with the best possible support and exploit new market opportunities – we are already one of the infrastructure partners with the most expertise in the application of AI.

CANCOM is very well positioned in this area, as we invested early on in a broad end-to-end portfolio – from analyzing business processes and AI solutions for specific customer requirements to consulting on AI architecture and the necessary integration of a powerful infrastructure. In the past financial year, we made further significant progress in this area, be it in the organization of our internal AI units, the expansion of our range of AI solutions or in terms of partnerships with leading technology manufacturers.

We have also further expanded our offering in the area of Digital Resilience. We support our customers in strengthening their resilience to digital threats and challenges. With our CANCOM Defense Center, combined with innovative AI technologies, we offer our customers state-of-the-art holistic security solutions that meet the increasing cybersecurity requirements of our customers. But digital resilience goes beyond protection against cyber attacks. It also includes the ability to adapt quickly to changing market conditions, optimize business processes and ensure the continuity of business operations. As the CANCOM Group, we are excellently positioned in this market and our range of services covers all aspects.

This year, we also continued to work intensively on several levels on the seamless integration of CANCOM Austria AG, which was acquired as K-Businesscom AG in 2023 and incorporated into the CANCOM Group. We have made very good progress here, particularly in terms of internal processes, systems and platforms, which will support rapid and scalable growth and operational excellence in the coming years. In August 2024, we acquired SBSK GmbH & Co. KG based in Saxony-Anhalt. It served to expand our presence in this region and strengthen our visibility, particularly in the area of local government.

Ladies and gentlemen, as you can see, we have made very good progress this year in implementing our strategic goals. Despite these successes, we would like to point out that our operating performance in the past financial year did not meet our expectations. Due to increased uncertainty in the general market conditions towards the end of the year, in particular the political developments in CANCOM's core markets of Germany and Austria, we had to adjust our expectations to the weaker demand in the private and public sectors.

2025 will also be a challenging year for the German economy. According to Bitkom, the ICT market will grow by 4.6 percent in 2025. The German government has lowered its forecast for economic growth in Germany in 2025 to 0.3 percent. SMEs are unsettled, which is why the first half of 2025 is likely to be characterized by a certain reluctance to invest. However, we expect the situation to ease in the second half of the year.

We are convinced that we have set the right priorities with our focus topics in order to meet the increasing demands of our customers in the area of digitalization in the long run. Digitalization will continue to be a key driver for the development and economic success of our customers. Although IT investments have shifted due to the economic conditions, there is still a need to keep IT infrastructures secure and efficient, particularly with regard to innovative AI technologies. This offers us excellent opportunities for growth.

We would like to thank our employees for their commitment over the past financial year. We look forward to another year of successful collaboration. We would also like to thank you, our valued shareholders, for the trust you have placed in us and wish you health and success in 2025.

Your Executive Board of CANCOM SE

Rüdiger Rath	Thomas Stark
CEO	CFO

Report of the Supervisory Board

Dear Shareholders,

2024 was an eventful year for CANCOM. In the previous year, the acquisition of K-Businesscom AG (now CANCOM Austria AG) fundamentally expanded the CANCOM Group's market presence in its core markets in the DACH region, and a major focus of the Supervisory Board's work in the reporting period was on supporting the integration of the two companies.

The Supervisory Board also focussed on the effects of the challenging market environment and the weak economy on the CANCOM Group. The high level of inflation in the core markets also preoccupied the Supervisory Board in the past reporting year. Existing conflicts and tensions have intensified worldwide, which have also affected CANCOM with regard to global sales markets.

The consistent implementation of the strategy, which lays the foundation for the CANCOM Group's sustainable growth, continued. Among the five key focus areas, particular emphasis placed on the further development of our offerings in the areas of AI, digital resilience and operational excellence.

In the 2024 financial year, the Supervisory Board once again fulfilled its legal and statutory duties with great care. It was kept fully informed about business developments and future economic prospects. We believe that the CANCOM Group is well positioned for the plans and developments of the new year with a solid financial basis. Consequently, we support the Executive Board's dividend proposal and propose to you, our shareholders, a dividend of € 1 per dividend-bearing share for the 2024 financial year.

We would also like to thank Stefan Kober and Dr Kari Kapsch, who left the Supervisory Board in the reporting year, and Jochen Borenich, who left the Executive Board, for their professional commitment and contribution to the company's well-being. Following these introductory words, let us now take a closer look at the activities of the Supervisory Board in the reporting year.

In the 2024 financial year, the Supervisory Board performed the tasks and duties incumbent upon it in accordance with the law, the articles of association and the rules of procedure. It advised the Executive Board on the management of the company and both supported monitored the management and development of the company. The Supervisory Board was always able to satisfy itself of the legality, appropriateness and regularity of the Executive Board's work. As part of the close cooperation, the Management Board reported to the Supervisory Board regularly, promptly and comprehensively in writing, by telephone and in personal meetings on the situation and prospects, the principles of business policy, the company's profitability and the company's key business transactions. Outside of the scheduled meetings, the Chairman of the Executive Board in particular was also in regular personal dialogue with the members of the Supervisory Board and primarily with the Chairman of the Supervisory Board. In addition, the entire Supervisory Board was continuously informed by the Executive Board about relevant developments and transactions requiring approval. The Supervisory Board was directly and promptly involved in all decisions of fundamental importance to the company or in which it was required to be involved by law, the articles of association or the rules of procedure. In urgent cases, the Supervisory Board was also able to pass resolutions by written circulation if necessary. Thanks to the regular, prompt and detailed information provided by the Executive Board, the Supervisory Board was able to fulfil its monitoring and advisory function.

A. Meetings and key topics

CANCOM is active as the first point of contact for its customers in an industry characterised by rapid innovation cycles and intense competition. At the same time, digitalisation is also one of the key issues for sustainable and future-proof growth of the IT industry. In the 2024 financial year, the Supervisory Board therefore remained in close and regular dialogue with the Executive Board about key developments in the market and in individual business areas, as well as about the strategic and organisational measures necessary to avoid risks and exploit opportunities.

A total of 11 meetings of the Supervisory Board were held in the reporting year, namely on 21 and 26 March, 19 and 29 April, 5 June, 1 July, 17 September, 14 October, 28 November, 13 and 20 December. The ordinary meetings in March, June, September and December and the extraordinary meeting on 28 November were held in person, although participation via video conference was generally possible in justified cases. The meetings on 26 March, 19 and 29 April, 1 July, 14 October and 20 December were extraordinary meetings held as video conferences. In addition, resolutions were passed by circular resolution on 26 February and on 9 and 29 October.

Meetings of the Supervisory Board 2024

Member of the Supervisory Board	Number of participations / number of meetings*	Number of attendances in presence / number of attendance sessions*
Klaus Weinmann (Chairman of the Supervisory Board)	11 / 11	5 / 5
Stefan Kober (Deputy Chairman of the Supervisory Board until 05.06.2024)	4 / 4	1 / 1
Dr Kari Kapsch (Deputy Chairman of the Supervisory Board from 05.06.2024 - 31.2.2024)	9 / 11	2 / 5
Prof Dr Isabell Welpe	11 / 11	3 / 5
Dr Swantje Schulze	10 / 11	4 / 5
Dr Ilias Läber (member since 01.01.2024)	11 / 11	5 / 5
Jürgen Maidl (member since 05.06.2024)	7 / 7	3 / 4

* related to meetings during the term of office of the respective member

In accordance with the recommendation of the German Corporate Governance Code (GCGC in its current version) to hold Supervisory Board meetings without the presence of the Executive Board, the Supervisory Board held ordinary meetings following the meeting with the Executive Board without the participation of the Executive Board. At these meetings, the Supervisory Board dealt, among other things, with internal Supervisory Board issues such as appointments to the Board. At Supervisory Board meetings, the Supervisory Board generally dealt with new legal provisions or other regulations that are important from the perspective of CANCOM SE. In addition, the main focus in the reporting year was on the introduction of the two new Supervisory Board members Dr Ilias Läber and Jürgen Maidl to the company.

At the ordinary meetings on 21 March, 5 June, 17 September and 13 December, the Supervisory Board received reports from the Management Board in accordance with § 90 (1) sentence 1 no. 1-3 AktG on the intended business policy, profitability and the course of business, including the market and competitive situation, and discussed these in detail. In addition, the Executive Board reported on transactions that could be of significant importance for the profitability or liquidity of the company and/or the Group in accordance with § 90 para. 1 sentence 1 no. 4 AktG.

In the past year, the Supervisory Board also dealt with sustainability issues (environment, social, governance, or ESG for short), which were also discussed in particular with the Supervisory Board's ESG officer, Prof Dr Welpe.

In addition, the following key topics and resolutions from the Supervisory Board's activities in the 2024 financial year should be mentioned:

- By circular resolution of 26 February, § 15 of the Articles of Association of CANCOM SE was amended to reflect the changed legal requirements with regard to the record date.

- At the Supervisory Board meeting on 21 March, the Supervisory Board dealt in particular with the audit of the financial statements for the 2023 financial year. The auditor's report on the 2023 annual financial statements of CANCOM SE and the CANCOM Group was received and discussed in detail. The committee also dealt with topics relating to corporate governance, in particular the report of the Supervisory Board and the corporate governance declaration for the 2023 financial year, the latter of which was also adopted during the meeting. In addition, the remuneration of the Executive Board was determined, the remuneration report was approved and current business developments were discussed. Another important topic was the discussion and resolution regarding the Group strategy developed jointly with the Executive Board.

- At the Supervisory Board meeting on 26 March the auditors presented the annual and consolidated financial statements together with the combined management report for the 2023 financial year. After detailed discussion, the Supervisory Board approved the annual financial statements and consolidated financial statements together with the summarised management report of CANCOM SE and the Group. The annual financial statements for the 2023 financial year were thus adopted. The topics discussed at the meeting on 21 March, such as the report of the Supervisory Board and the proposal for the appropriation of profits for the 2023 financial year, were approved.

- At the Supervisory Board meeting on 19 April, the Supervisory Board passed resolutions regarding the election proposals to the Annual General Meeting regarding the auditor for the 2024 financial year and regarding the composition of the Supervisory Board and approved the entire agenda for the 2024 Annual General Meeting.

- The subject of the meeting on 29 April was the approval of the non-financial Group report, including reporting on the EU taxonomy.

- At the constituent meeting on 5 June following the Annual General Meeting, the Supervisory Board determined the appointments to the positions on the Supervisory Board and the Audit and Nomination Committee. At the subsequent ordinary meeting, the current business development and the progress of the integration of the CANCOM Austria Group were discussed, among other things.

- At the Supervisory Board meeting on 1 July, the Supervisory Board approved the Executive Board resolution on the implementation of a share buyback offer (voluntary public purchase offer) using the existing authorisation of the Annual General Meeting. Furthermore, the Supervisory Board approved the Executive Board resolution on a capital reduction by way of cancellation of the company's own shares from the 2023 share buyback programme, which was terminated in April 2024.

- At the Supervisory Board meeting on 17 September, the Supervisory Board discussed, among other things, business development, new sales initiatives and the integration of the CANCOM Austria Group.

- By circular resolution dated 9 October, the Supervisory Board approved the Executive Board's resolution to reduce the company's capital by cancelling treasury shares from the voluntary public purchase offer of July 2024.

- The Supervisory Board meeting on 14 October dealt, among other things, with the wish of Management Board member Jochen Borenich to step down from his position on 31 December 2024.

- By circular resolution dated 29 October, the Supervisory Board approved the resignation of Mr Borenich from the Executive Board and a termination agreement as well as a new employment contract with CANCOM Austria AG.

- The subject of the meeting on 28 November was the discussion of the general course of business as well as Management Board and Supervisory Board matters.

- At the meeting on 13 December, the Supervisory Board discussed business development and planning for the 2025 financial year. Due to the current heightened economic uncertainties, the key figures of the business plans were presented to the Supervisory Board. The Supervisory Board also approved the new business allocation plan with effect from 1 January 2025 due to the departure of Mr Borenich. The new targets for the Executive Board's remuneration and various corporate governance issues were also part of the meeting. In particular, the efficiency of the Supervisory Board's activities was reviewed in accordance with the recommendation of the GCGC, and no objections were raised. The annual declaration of compliance with the GCGC was also approved. In addition, the Executive Board reported on current issues in the area of GRC (governance, risk management and compliance), and sustainability issues (ESG) were discussed and debated. In the internal Supervisory Board part of the meeting, Prof Dr Isabell Welpe was appointed as the new Deputy Chairwoman of the Supervisory Board with effect from 1 January 2025 due to the resignation of Dr Kari Kapsch (Deputy Chairman of the Supervisory Board at the time) with effect from 31 December 2024.

- The subject of the meeting on 20 December was the final approval of the detailed business plans for the 2025 financial year presented by the Executive Board.

B. Composition of the Executive Board and Supervisory Board

Throughout the 2024 financial year, the Executive Board of CANCOM SE consisted of Mr Rüdiger Rath (Chairman of the Executive Board), Mr Jochen Borenich and Mr Thomas Stark. Due to the departure of Mr Jochen Borenich from the Executive Board of CANCOM SE on 31 December 2024, the Executive Board has consisted of the remaining two members since 1 January 2025.

The members of the Supervisory Board of CANCOM SE in the reporting year were Klaus Weinmann, Stefan Kober (until 5 June 2024), Dr Kari Kapsch (until 31 December 2024), Prof Dr Isabell Welpe, Dr Swantje Schulze, Dr Ilias Läber and Jürgen Maidl (since 5 June 2024). The Chairman and Deputy Chairman of the Supervisory Board were: Klaus Weinmann (Chairman), Stefan Kober (Deputy Chairman until 5 June 2024) and Dr Kari Kapsch (Deputy Chairman from 5 June 2024 to 31 December 2024). With effect from 1 January 2025, Prof Dr Isabell Welpe was appointed Deputy Chairwoman. The position of Dr Kari Kapsch, which has been vacant since 1 January 2025, has not yet been filled in addition, Dr Ilias Läber resigned from the Supervisory Board in due time with effect from 31 March 2025 and will therefore leave the Board on this date.

In accordance with § 100 (5) AktG, CANCOM SE has appointed one member of the Supervisory Board with specialised knowledge the field of accounting and another member with specialised knowledge the field of auditing. In the reporting year, these were Mr Weinmann for the area of accounting and Dr Läber for the area of auditing. In addition, Prof Dr Welpe has been appointed as a member of the Supervisory Board with special expertise in sustainability issues (ESG). In the reporting year, the Chairman of the Supervisory Board held discussions with investors and potential investors on topics specific to the Supervisory Board.

C. Composition and work of the committees

The Supervisory Board has formed two committees to fulfil its duties: an Audit Committee and a Nomination Committee. Due to the size of the Supervisory Board, issues relating to the remuneration of board members are discussed by the entire board, which the Supervisory Board considers to be efficient and makes the formation of a separate remuneration committee superfluous.

Audit Committee

In the reporting year, the Audit Committee consisted of Supervisory Board members Dr Ilias Läber, Klaus Weinmann and Prof Dr Isabell Welpe. Dr Ilias Läber was Chairman and Klaus Weinmann was Deputy Chairman. The Audit Committee as a whole had relevant sector knowledge at all times.

All committee members in office at the time took part in all Audit Committee meetings and resolutions in accordance with their committee membership.

Meetings of the Audit Committee 2024

Member of the Supervisory Board	Number of participations / number of meetings	Number of attendances in presence / number of attendance sessions
Dr Ilias Läber (Chairman of the Committee)	4 / 4	1 / 1
Klaus Weinmann (Deputy Chairman of the Committee)	4 / 4	1 / 1
Prof Dr Isabell Welpe	4 / 4	0 / 1

In the past financial year, the Audit Committee met on 21 and 26 March, 17 April and 25 November with all committee members present. The meeting on 21 March was held in person. The meetings on 26 March, 17 April and 25 November were held as virtual meetings. In addition, a resolution was passed by way of circulation and adopted on 27 February.

- A circular resolution passed on 27 February to invite tenders for the audit services for the financial statements for the 2024 financial year.
- At the meeting on 21 March, the Audit Committee dealt with the financial statements and the combined management report for the 2023 financial year and the proposal for approval of the same to the Supervisory Board. The proposal to the Supervisory Board on the appropriation of profits was also discussed.
- The final resolution on the aforementioned topics of the meeting on 21 March with regard to the financial reports for the 2023 financial year and the appropriation of profits was then passed at a virtual meeting on 26 March.
- The subject of the meeting on 17 April was the invitation to tender for the audit of the financial statements for the 2024 financial year. As a result of this invitation to tender, the Audit Committee submitted two proposals from auditing firms to the Supervisory Board, together with a corresponding recommendation for one of the firms.
- At the meeting on 25 November, the committee primarily dealt with the topics of governance, risk management and compliance, including the company's risk management system, the effectiveness, equipment and findings of the internal audit department and compliance with integrity in financial reporting. Sustainability was also a key topic at the meeting.

Independently of this, the Chairman of the Audit Committee in particular was in regular dialogue with the auditors. In accordance with the GCGC recommendations, in addition to a close dialogue on the audit and its results, it was also agreed that the auditors would report any inaccuracies in the declaration of compliance with the GCGC.

Nomination Committee

In the reporting year, the Nomination Committee consisted of Supervisory Board members Klaus Weinmann, Prof Dr Isabell Welpe, Stefan Kober (until 5 June 2024) and Dr Swantje Schulze (since 5 June 2024). The Nomination Committee was chaired by Klaus Weinmann and vice-chaired by Stefan Kober (until 5 June 2024) and Prof Dr Welpe (since 5 June 2024).

All committee members in office at the time took part in all Nomination Committee meetings and resolutions in accordance with their committee membership.

Meetings of the Nomination Committee 2024

Member of the Supervisory Board	Number of participations / number of meetings*	Number of attendances in presence / number of attendance sessions*
Klaus Weinmann (Committee Chairman)	1 / 1	0 / 0
Stefan Kober (Deputy Chairman of the Committee until 05.06.2024)	1 / 1	0 / 0
Prof Dr Isabell Welpe (Deputy Chair of the Committee since 05.06.2024)	1 / 1	0 / 0
Dr Swantje Schulze (since 05.06.2024)	n.a.	n.a.

* related to meetings during the term of office of the respective member

The Nomination Committee met in the past financial year on 19 April 2024 with all current committee members in attendance. The meeting was held as a video conference.

- At the meeting on 19 April, the Nomination Committee dealt with the new Supervisory Board elections for the 2024 Annual General Meeting and proposed candidates to the Supervisory Board.

D. Corporate governance and declaration of compliance

The work of the Supervisory Board is based on the provisions of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code. At the meeting on 13 December 2024 in particular, the Supervisory Board dealt intensively with the applicable recommendations of the Code in the version dated 28 April 2022, published in the Federal Gazette on 27 June 2022, and reviewed the extent to which they are and will be comp with in the future. The Executive Board and Supervisory Board of CANCOM SE have declared that they fully complied with the recommendations of the Code in the past financial year and plan to continue to comply with these recommendations in the future. A detailed description of the company's corporate governance can be found the Corporate Governance Statement on the website www.investoren.cancom.de under Corporate Governance.

Conflicts of interest of Supervisory Board members that would have to be disclosed in accordance with the recommendations of the German Corporate Governance Code did not arise in the reporting period.

E. Annual and consolidated financial statements

The financial statements prepared by the Executive Board and the summarised management report for CANCOM SE and the Group for the 2024 financial year were audited by Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, which was appointed by the Annual General Meeting under the direction of the auditor Andreas Weissinger as the auditor responsible for the audit. Baker Tilly GmbH & Co KG Wirtschaftsprüfungsgesellschaft conducted the audit of CANCOM's financial statements for the 2024 financial year for the first time. The annual financial statements of CANCOM SE and the summarised management report for CANCOM SE and the CANCOM Group were prepared in accordance with German statutory accounting regulations. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and the additional requirements of German law pursuant to § 315a (1) of the German Commercial Code (HGB). The auditor conducted the audit in accordance with § 317 HGB and the EU Audit Regulation (Regulation (EU) No. 537/2014) in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and issued an unqualified audit opinion in each case. During the audit process, the Chairman of the Audit Committee in particular - both alone and together with the Chief Financial Officer - regularly liaised with the auditors responsible for the audit.

Both the Audit Committee and the Supervisory Board held a meeting on 25 March 2025. The auditor attended the meeting of the Audit Committee and the meeting of the Supervisory Board to advise the Supervisory Board on the annual and consolidated financial statements, including the adoption of the balance sheet. The annual financial statements, the consolidated financial statements, the summarised management report, the auditor's report on its audit and the Executive Board's proposal for the appropriation of net profit were all Supervisory Board members in good time before the meetings.

At its meeting, the Audit Committee dealt with the financial statements and the summarised management report for CANCOM SE and the CANCOM Group with the participation of the auditors, focusing in particular on the key audit matters described in the respective audit opinion. The Audit Committee also examined the Executive Board's proposal for the appropriation of net retained profits and the payment of a dividend of € 1 per share. At the subsequent meeting of the Supervisory Board, the auditors reported on the progress and key findings of their audit and were available to answer questions, discuss them and provide additional information. After a detailed presentation of the audit reports, annual financial statements and the summarised management report, the Supervisory Board approved the results of the audit. Following the final results of the audit by the Audit Committee and its own review, no objections were raised. The Supervisory Board therefore approved the annual financial statements of CANCOM SE prepared by the Executive Board, the consolidated financial statements and the summarised management report of CANCOM SE and the CANCOM Group for the 2024 financial year. The annual financial statements are thus adopted. The Supervisory Board approved the Executive Board's proposal for the appropriation of profits.

Dear shareholders, the CANCOM Group is in a solid position. The Supervisory Board would like to thank the members of the Executive Board and the entire CANCOM team for their commitment and constructive cooperation over the past financial year.

Another year of challenging economic conditions lies ahead. To take this into account, the focus in the current 2025 financial year is once again on sustainable growth, increasing the company's profitability and improving the return on equity. The Supervisory Board will advise and support the Executive Board in the tasks ahead.

Finally, we would like to thank you, our shareholders, customers and partners. Thank you for your trust.

Munich, 25 March 2025

For the Supervisory Board

Klaus Weinmann
Chairman of the Supervisory Board

CANCOM on the capital market

Development of the German stock market

Germany's leading index, the DAX, ended the stock market year 2024 with a significant gain. While the index started the year at just under the 16,800 point mark, it rose from there, apart from a slight dip at the beginning of August, to a new high of 20,426 points in mid-December. The index closed the year at just under 20,000 points with an annual gain of around 19 percent. The TecDax, in which the CANCOM SE share is also listed, rose 12 percent and ended the stock market year at 3,409 points.

Development of the CANCOM share

The CANCOM SE share opened the year at € 29.74. From there, the share price developed unevenly at the beginning of the year. An overall positive trend set in at the end of March, culminating in an annual high of € 33.28 on 4 July 2025. The share price then fell, reaching its low for the year at the beginning of December and closing the year at € 22.80. The CANCOM share price was thus almost 20 percent below its value at the beginning of the year.

In July 2024, CANCOM cancelled the 1,669,758 treasury shares that had been acquired under the 2023 share buyback programme, including a capital reduction. In addition, almost 3.5 million treasury shares, representing 10 percent of the share capital were bought back as part of a voluntary public buyback offer at € 33.00 and cancelled in October 2024. A corresponding capital reduction also took place.

SHAREHOLDER STRUCTURE

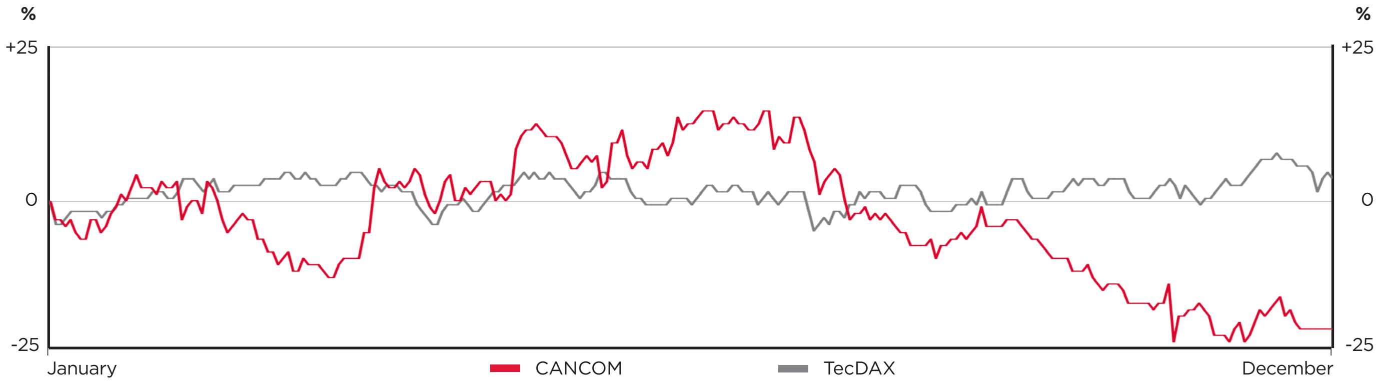
Primepulse SE	15.00 %
Allianz Global Investors	9.17 %
ALUK Private Foundation	5.97 %
SEO Management	5.04 %
GoldmanSachs	3.97 %
Union Investment	3.45 %
BlackRock, Inc.	3.31 %
Free float	54.09 %

Information according to existing rights notifications voting as at 31 December 2024

MASTER DATA AND INDICES

ISIN / WKN	DE0005419105 / 541910
BörsStock exchange segment	Frankfurt Stock Exchange, Prime Standard
Index membership	TecDAX, SDAX
Designated Sponsor	Kepler Cheuvreux

CANCOM PERFORMANCE OVER THE YEAR



RESEARCH COVERAGE

Berenberg
BNP Paribas Exane
Cantor Fitzgerald
Deutsche Bank
DZ Bank
Hauck & Aufhäuser
Jefferies
Kepler Cheuvreux
mwb research
Oddo BHF
Stifel
Warburg

KEY FIGURES AND TRADING DATA OF THE CANCOM SHARE

		2024	2023
First price of the year (XETRA)	€	29.14 €	27.56 €
Closing price at year end (XETRA)	€	23.24 €	29.56 €
Highest price (04.07.2024 / 07.03.2023)	€	33.28 €	35.10 €
Lowest price (02.12.2024 / 26.10.2023)	€	22.80 €	21.62 €
Yearly performance	%	-20.3 %	7.3 %
Market capitalization (as at 31 December)	€ million	732.4	1,084.4
Average turnover per trading day (XETRA)	pieces	66,691	87,264
Average turnover per trading day (XETRA)	€	1,879,312	2,429,596
Earnings per share from continuing operations (undiluted)	€	0.99	1.03
Shares outstanding as at 31 December	pieces	31,515,345	36,686,808

Dividend

CANCOM SE's dividend policy is intended to support the Group's growth strategy, which is the primary objective of the Executive Board. The Executive Board of CANCOM SE sees promising growth opportunities in the IT environment due to the megatrends of digitalisation, artificial intelligence and cyber security, among others. Future profits are therefore to be used primarily to finance growth and the further development of business activities. These growth investments should be made in the interests of a long-term increase in the company's value and therefore also in the interests of shareholders.

The Executive Board and Supervisory Board will propose an unchanged dividend of € 1.00 per share for the 2024 financial year (previous year: € 1.00) to the Annual General Meeting. As at 31 December 2024, the share capital amounted to € 31,515,345 and the number of shares entitled to dividends was therefore 31,515,345. The deviation from the 36,120,900 dividend-bearing shares as at 31 December 2023 results from the cancellation of the shares acquired as part of the 2023 share buyback programme and 2024 share buyback offer in July 2024. The company did not hold any treasury shares as at 31 December 2024.

Annual General Meeting

The Annual General Meeting of CANCOM SE took place on 5 June 2024 at the Alte Kongresshalle in Munich with shareholders and shareholder representatives in attendance. In total, around 59.81 percent of the company's share capital was represented. All proposed resolutions put to the vote were approved by a majority.

Communication with the capital market

CANCOM attaches great importance to active, open and transparent communication with all capital market participants. CANCOM's Investor Relations team is in regular and close dialogue with investors, analysts and shareholders. In 2024, CANCOM presented itself at a large number of investor conferences, the analyst conference at the Equity Forum in Frankfurt and roadshows. The Executive Board and the Investor Relations team also maintained a lively dialogue with investors and potential investors outside the conferences.

Current information on the CANCOM share can be found on the website investors.cancom.com.

Summarised Group management report and management report of CANCOM SE

Foundations of the Group

The CANCOM Group (hereinafter referred to as "CANCOM" or "CANCOM Group") is one of the leading providers of IT services and IT infrastructure in Germany and Austria. In addition to its activities in the core markets of Germany and Austria, the Group has subsidiaries or branches in Switzerland, Slovakia, the Czech Republic, Romania, Belgium and the USA.

Structure of the CANCOM Group

The parent company of the CANCOM Group is CANCOM SE, based in Munich, Germany. It performs centralised financing and management functions for all Group companies in Germany. In addition to the central management and financing activities of the parent company, the operating units are also supported in their daily business operations by centralised departments for purchasing, internal IT, warehouse/logistics, finance, vehicle and travel management, repair/service and human resources ("Central Services") as well as marketing/communication and product management. In addition, the operating units have access to an internal, specialised sales department ("Competence Center") across the entire organisation.

In addition to these centralised functions, CANCOM's operating units are primarily decentralised and operate in units that are primarily structured by region. The organisation comprises the regional units South, Southwest, Central, Northeast and West as well as locations in Slovakia and Belgium. In addition, there are the supra-regional business units Managed Services, Public and eCommerce.

The CANCOM Austria Group, based in Vienna, has been a wholly owned subsidiary of CANCOM SE since 5 May 2023. Within the CANCOM Austria Group, CANCOM Austria AG performs the central financing and management functions for the subsidiaries of CANCOM Austria. The company has branches in Austria and subsidiaries in the Czech Republic, Romania, Switzerland and the USA.

In its financial reporting, the CANCOM Group uses two business segments to report on its operating business performance in addition to the Group as a whole: "Germany" and "International".

Reportable segments

All companies of the CANCOM Group based in Germany form the "Germany" business segment. All CANCOM Group companies based outside Germany are summarised in the "International" business segment. The allocation of resources for both business segments is carried out by the Executive Board. The companies allocated to each operating segment can be seen from the list of shareholdings, which is published in the notes to the consolidated financial statements in this annual report, on the basis of the company's registered office.

In addition to the operating segments, the CANCOM Group's segment reporting also includes a reconciliation statement. For further details on the operating segments and the reconciliation, see section D.2 of the consolidated financial statements.

Changes in the reporting period

On 1 August 2024, CANCOM SE acquired SBSK GmbH & Co. KG from Saxony-Anhalt. The company was included in the CANCOM consolidated financial statements for the first time in the reporting period.

Further information on the company acquisition in the reporting period can be found in sections A.2.2 and A.2.3 of the consolidated financial statements.

Significant events after the reporting period

On 28 February 2025, the Supervisory Board of CANCOM SE extended the contract of CEO Rüdiger Rath early for a further four years until 31 December 2029. Rüdiger Rath joined the Executive Board in October 2021 and took over as CEO on 1 November 2022.

Dr Ilias Läber, member of the Supervisory Board of CANCOM SE, resigned from the Supervisory Board in due time with effect from 31 March 2025 and will therefore leave the Board on this date.

There were no other significant events for the CANCOM Group after the reporting period.

Business model and sales markets

CANCOM's product and service offering is geared towards advising and supporting corporate customers and public sector clients in adapting IT infrastructures and processes to the requirements of digitalisation. CANCOM acts as a complete solution provider and sees itself as a digital business provider for its customers.

The range of services extends from strategic consulting for digital (business) processes to the partial or complete operation of IT systems (primarily by means of managed services and standardised as-a-service offerings), through to system design and integration, IT support, delivery and turnkey implementation of hardware and software, e-procurement and logistics services.

This broad-based product and service offering enables the CANCOM Group to generate revenue both on the basis of the company's own skills and services (service business) and from remuneration and commissions for the sale of third-party IT products (sale of goods). Within this business model, management is pursuing a course of strategic transformation of the CANCOM Group into a digital business provider. The range of services offered includes consulting and solution design as well as the provision of hardware-related services, help desk and remote service offerings as well as complex managed services and as-a-service services. In order to be able to provide its services, CANCOM operates its own logistics and data centres and employed more than 3,700 people in the Professional Services division as at the 2024 reporting date, who provide various services for customers.

The CANCOM Group distinguishes between three revenue categories. The first is the sale of hardware and associated software, the second is the sale of third-party software licences and the third is the provision of services such as IT strategy consulting, IT services and support. The business activities differ in terms of the timing of revenue recognition. Details can be found in section A.3.2 of the consolidated financial statements. CANCOM purchases IT hardware and software and resells these to end users. CANCOM purchases goods and merchandise both directly from manufacturers and from distributors. In some business relationships, CANCOM acts as an agent and intermediary. In other contractual relationships, CANCOM is classified as a headmaster due to its own services, for example in the context of maintenance, guarantees and warranties provided by CANCOM itself. Details on the categorisation of CANCOM as an agent or headmaster can be found in section A.3.2.2 of the consolidated financial statements.

In geographical terms, the CANCOM Group is primarily active in Germany and Austria, as well as in Switzerland, Romania and Belgium. The CANCOM Group has subsidiaries in Slovakia, the Czech Republic and the USA, which provide services in the areas of service and support centres and software customisation and development. A key external factor influencing CANCOM's business development is therefore the development of the IT market in the largest sales markets of Germany and Austria. For these markets as a whole - and therefore also for CANCOM - the general trend towards digitalisation is a key driver. The importance of IT processes in business, administration, education and healthcare is increasing. New applications for IT-supported solutions, particularly in the field of artificial intelligence, as well as investments to improve existing infrastructures are contributing to market development.

In addition to macroeconomic developments, important external factors beyond CANCOM's control that can have a positive or negative impact on business development include data protection regulations, the general threat situation in the area of cyber security and the quality certifications required by customers, as well as environmental and social standards. As a provider of IT services and products, the CANCOM Group's business model is not subject to any particular industry-specific legal provisions, authorisation requirements or official supervision, i.e. external regulatory or politically influenced factors that go beyond the statutory regulations that generally apply to all companies. In addition, the availability of IT hardware and software on the global market is an external factor that cannot be influenced.

The CANCOM Group's customer base primarily comprises commercial end users, ranging from small and medium-sized enterprises to large companies and corporations, as well as public institutions. CANCOM Group customers are also active in sectors that are subject to industry-specific requirements, for example as operators of critical infrastructure or financial service providers. Here CANCOM provides its services following an assessment and any necessary adjustments to its own system landscape and designs processes in accordance with customer-specific and/or regulatory requirements.

Competitive position

The CANCOM Group is primarily active in Germany and Austria. Due to its size, the CANCOM Group has a prominent market position in both markets.

According to the latest available analysis by the Federal Statistical Office and the IT industry association Bitkom, there are over 90,000 companies in Germany in the IT hardware, software and IT services sectors, although these differ greatly in terms of size and/or range of services. The large companies with an annual revenue of more than € 250 million include 58 companies in the combined IT hardware/software and IT services business area.

Based on data from the current system house ranking published by the industry magazine ChannelPartner, there are only seven companies in Germany with domestic sales of over € 1 billion. According to this ranking, CANCOM is the seventh-largest system house in Germany based on revenue for the 2023 financial year (2022: sixth place). Compared to the total number of companies active in the market, the CANCOM Group therefore belongs to the very small group of large companies in the German IT industry. According to the iSCM INSTITUTE study from August 2024, CANCOM is one of the top four IT service providers in the revenue class over € 1 billion.

The total sales volume of the German IT market in 2024 was put at € 149.7 billion by the industry association Bitkom in December 2024. With annual domestic revenue of more than € 1.1 billion in 2024, the CANCOM Group's market share of the German IT market is therefore less than 1 percent.

These figures reflect the still very fragmented status of the German IT market and show the large remaining market potential for CANCOM in its home market of Germany alone.

In Austria, the CANCOM Group's most important foreign market, the IT market is also highly fragmented. According to the latest employment statistics from the Austrian Federal Economic Chamber for the "Management Consultancy, Accounting and Information Technology" trade association, a total of 6,040 companies are active in the IT sector in Austria. Around 52 of these companies with more than 250 employees belong to the large company segment. With more than 1,600 employees, the CANCOM Austria Group is one of the leading companies in the Austrian market. The business data platform Datenmarkt lists K-Businesscom (now CANCOM Austria Group) in first place in the ranking of IT system houses in the Austrian market in terms of annual revenue in 2023. Based on a total revenue volume of the IT market in Austria of € 15.34 billion (previous year: € 14.25 billion) as reported by Statista, the market share of the CANCOM Austria Group (a significant part of the International business segment) was just under 5 percent in 2024.

Both of the CANCOM Group's core markets are growing in line with the long-term trend and are at the same time highly fragmented. There is still great market potential for the CANCOM Group in both markets.

Explanation of the control system used within the company

In the 2024 financial year, as in previous years, the most important financial performance indicators for the development of the CANCOM Group were revenue (or sales revenue), gross profit[1], EBITDA[2] and EBITA[3].

EBITA, i.e. earnings before interest, taxes and amortisation of intangible assets (amortisation) from purchase price allocations or company acquisitions, is part of the management system instead of EBIT[4]. In purely accounting terms, the corporate strategy with its significant activities in company acquisitions leads to charges on the operating result (EBIT) due to the consolidation of newly acquired companies in the form of amortisation, which is independent of the CANCOM Group's business success. In the view of the Executive Board, EBITA therefore reflects the business performance of the CANCOM Group more adequately than EBIT.

The reconciliation of the financial performance indicators for the reporting year can be reconciled as follows on the basis of the business segment reporting (see section D.2 of the consolidated financial statements):

Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):

1 Gross profit = total operating performance (sales revenue + other operating income + other own work capitalised + capitalised contract costs) less cost of materials/expenses for purchased services

2 EBITDA = Profit/loss for the period + income taxes + currency gains/losses + result from companies accounted for using the equity method + other financial result + interest result + depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets

3 EBITA = profit for the period + income taxes + currency gains/losses + result from companies accounted for using the equity method + other financial result + interest result + amortisation of intangible assets resulting from company acquisitions (in particular customer bases, order backlogs)

4 EBIT = profit/loss for the period + income taxes + currency gains/losses + profit/loss from companies accounted for using the equity method + other financial result + net interest income

(in T€)	Business segment Germany	Business segment International	Consolidated
EBIT	23,153	24,825	47,978
+ Scheduled amortisation on customer bases etc.	5,500	6,082	11,582
EBITA	28,653	30,907	59,560
+ Depreciation and amortisation of property, plant and equipment, software and rights of use	41,110	12,352	53,462
EBITDA	69,763	43,259	113,022
+ Personnel expenses	283,847	183,781	467,628
+ Other expenses*	94,752	43,010	113,226
Gross profit	448,211	269,908	693,583
- Other income*	11,226	3,047	13,829
+ Cost of materials/expenses for purchased services	711,338	364,703	1,057,572
Revenue	1,134,730	602,889	1,737,619

*) Included in the segment reporting under "Other income and expenses".

To control and monitor the development of the business reporting segments, the Executive Board of CANCOM SE analyses their revenue, gross profit, EBITDA and EBITA, among other things, and compares the actual figures with the planned figures. Any significant deviations in the key figures require the preparation of a forecast.

In addition, external indicators such as inflation rates, interest rates, the development of and forecasts for the general economy and the IT sector as well as findings and signals from the existing risk early warning system are regularly taken into account for corporate management purposes. Please refer to the explanations in the risk and opportunity report. Non-financial performance indicators are not used consistently in the company's internal management system.

Net income is the most important financial performance indicator for CANCOM SE. In the reporting year, income from investments in subsidiaries was an important financial performance indicator in addition to net income for the year. CANCOM SE's net income for 2024 was significantly influenced by income from equity investments of the CANCOM Group. Accordingly, this financial performance indicator no longer applies. Non-financial performance indicators are also not used consistently in the management system at CANCOM SE.

Research and development activities

As CANCOM primarily operates in the IT market as a service and trading company, no research activities are carried out.

The development services provided by CANCOM focus primarily on software solutions, applications and architectures in IT areas such as artificial intelligence, cloud computing, mobile solutions, the Internet of Things, data analytics, IT security and shared managed services. In addition, there are customisations for company software used in-house and development services for the company's own platforms. Compared to the CANCOM Group's total revenue, however, the expenses for development work are not significant, nor are the resulting own work capitalised. The CANCOM Group's development activities are organised on a project basis. Where necessary, they are supported by the use of third-party services. Own work eligible for capitalisation is broken down as follows:

CANCOM Group: Research and development
(in € million)

	2024	2023
Total research and development expenditure	1.6	4.3
of which own work capitalised	0.6	3.3
of which for third-party services	0.0	0.0

In the reporting period, research and development costs that were not capitalised amounted to € 12.9 million (previous year: € 6.7 million).

Economic report

Development of the overall economy and the IT market

According to the Kiel Institute for the World Economy (IfW) and the International Monetary Fund (IMF), economic development in the eurozone was positive in 2024 and increased by 0.8 percent in terms of gross domestic product compared to the previous year. Economic development in the CANCOM Group's two most important national markets, Germany and Austria, lagged behind the eurozone. In Germany, Deutsche Bank and the IMF expect GDP to fall by 0.2 percent in 2024. A decline of 0.3 percent was recorded in the previous year. According to the IfW, GDP in Austria, CANCOM's most important foreign market, was 0.9 percent below the previous year. Following the 0.8 percent fall in GDP in 2023, this is also the second decline in a row.

Gross domestic product 2024*
(change from previous year in %)

Germany	-0.2
Austria	-0.9

*) Source: Kiel Institute for the World Economy, 2024; Deutsche Bank Research, 2024.

The industry association Bitkom estimates the total volume of the share of the overall German market for information and communication technology (ICT), i.e. the market for information technology (IT), which is particularly relevant for CANCOM, at € 149.7 billion for 2024. Compared to 2023, this market segment grew by 4.4 percent. The IT services market segment, which is strategically important for CANCOM, also recorded growth and grew by 3.8 percent year-on-year to a volume of € 51.2 billion.

Market for information technology (IT) 2024, Germany*
(change compared to previous year in %)

Total IT market	+4.4
IT services (IT services, security)	+3.8
IT hardware (including semiconductors)	+0.7
Software	+9.5

*) Source: Bitkom/IDC, December 2024.

In Austria, the volume of the market for information and communication technology totalled around € 15.3 billion according to an analysis by the Statista data platform. The market segment thus grew by 7.6 percent compared to the previous year. The IT services segment, which also includes cyber security solutions, also outperformed the market as a whole with a growth rate of 9.0 percent.

Market for information technology (IT) 2024, Austria*
(change compared to previous year in %)

Total IT market	+7.6
IT services (IT services, security)	+9.0
IT hardware (data centres, devices, semiconductors)	+5.9
Software	+6.7

*) Source: Statista Insights, December 2024.

For the CANCOM Group's two most important national markets, the overall trend in the ICT market was positive.

Business performance in 2024

In the reporting period from 1 January to 31 December 2024, the CANCOM Group generated revenue of € 1,737.6 million (previous year: € 1,522.7 million). Revenue growth at Group level amounted to 14.1 percent. The main driver of this development was the acquisition of the KBC Group (now CANCOM Austria Group), which was included in the scope of consolidation as of 1 June 2023. The Germany business segment generated revenue of € 1,134.7 million in the reporting period (previous year: € 1,135.8 million). Revenue in the International business segment, which also includes the vast majority of CANCOM Austria's contribution, totalled € 602.9 million (previous year: € 386.9 million).

In the financial year, CANCOM succeeded in significantly reducing the capital tied up in the company (working capital). As a result of strict working capital management, cash flow from operating activities improved by around € 100 million and totalled € 192.9 million (previous year: € 94.6 million).

In Germany, the CANCOM Group's core market, sales of hardware and software declined. This was due to the ongoing recession and the reluctance of SMEs to make purchases. Customers in the public sector also showed restraint, particularly due to the political uncertainties at federal level at the end of the reporting year. By contrast, the CANCOM Group's service business in Germany developed positively. In the International business segment, which is largely driven by CANCOM Austria, robust demand ensured a good sales performance.

In the 2024 financial year, the CANCOM Group's EBITDA reached € 113.0 million (previous year: € 115.7 million). The development in the International business segment is particularly satisfactory due to the acquisition of the KBC Group (now CANCOM Austria Group) and once again demonstrates the success of the CANCOM Group's acquisition strategy. By contrast, development in the Germany business segment fell short of the Executive Board's expectations at the beginning of the financial year.

Comparison of forecasts and results

The following comparison is based on the forecast for the development of the CANCOM Group for the 2024 financial year, which was published at the end of March 2024 and subsequently updated during the course of the year (see table). As usual, the original forecast, published on 31 March 2024, referred to the CANCOM Group's business performance compared with the reporting date of 31 December 2023. The forecast was adjusted in November due to increased uncertainty about general market conditions, in particular political developments in CANCOM's core markets of Germany and Austria since mid-November.

Performance indicators (in € million)	**Result 2023**	**Forecast** (30 March 2024)	**Forecast*** (11 November 2024)	**Result 2024**
CANCOM: Group				
Revenue	1,522.7	1,750 bis 2,000	1,650 bis 1,750	1,737.6
Gross profit	582.3	640 bis 740	640 bis 710	693.6
EBITDA	115.7	130 bis 155	112 bis 130	113.0
EBITA	64.1	75 bis 100	57 bis 75	59.6

*) The Executive Board of CANCOM SE updated the forecast for the CANCOM Group in an ad hoc announcement on 11 November 2024.

The comparison of the first forecast of the year with the overall result for the year under review is not meaningful due to the adjusted forecast of the CANCOM Group from November.

Based on the adjusted forecast, business performance in 2024 remained in line with the Executive Board's expectations. Compared to the forecast from 11 November 2024, sales in the reporting period amounted to € 1,737.6 million and gross profit to € 693.6 million. EBITDA and EBITA totalled € 113.0 million and € 59.6 million respectively.

Order situation

As at the reporting date, the order backlog had reached an all-time high. In the Germany segment, including the acquisition-related growth through DextraData GmbH and the SBSK Group, the order backlog remained almost stable. The order backlog in the International business segment improved significantly, primarily due to a good order situation at the CANCOM Austria Group. At the end of the reporting period, the contractually fixed open order backlog - calculated in accordance with IFRS 15 - totalled € 702.8 million (previous year: € 649.9 million). Details on the order situation can be found in section C.1 of the consolidated financial statements.

However, the order situation does not reflect all of the CANCOM Group's business transactions. This is due to the customary contractual structure of many orders. They often cover longer periods in which the volume can vary (framework agreements). However, there can also be very short periods between the order and the realisation of revenue.

Employees

As at 31 December 2024, the CANCOM Group had 5,553 employees (31 December 2023: 5,615). This corresponds to a decrease of 1.1 percent compared to the previous year's reporting date.

The average number of employees in the CANCOM Group in the reporting year was 5,579 (previous year: 5,225). The employees worked in the following areas:

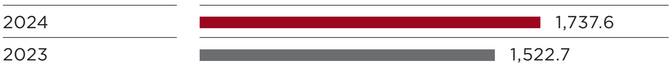
CANCOM Group: Employees

	2024	2023
Professional Services	3,771	3,392
Distribution	948	958
Central services	860	875
Total	**5,579**	**5,225**

Net assets, financial position and result of operations

Results of operations

CANCOM Group: Sales
(in € million)



In the 2024 financial year, the CANCOM Group's revenue increased by 14.1 percent to € 1,737.6 million (previous year: € 1,522.7 million). The acquisition of the KBC Group (now CANCOM Austria Group) in summer 2023 had a significant impact on the key financial figures at Group level and in the International business segment in the reporting year. The CANCOM Group's organic revenue, i.e. revenue excluding the effects of company acquisitions, totalled € 1,499.8 million. The weakening of demand from the CANCOM Group's customers described in the section "Business performance 2024" caused organic revenue development to fall below the previous year's figure. In the 2024 financial year, the CANCOM Group generated revenue of € 1,095.1 million (previous year: € 1,015.3 million) from the sale of goods, in particular hardware and software, and revenue of € 642.6 million (previous year: € 507.5 million) from the provision of services. This is mainly due to the higher share of services in the revenue of the CANCOM Austria Group, which contributed to consolidated revenue over the entire reporting period in the 2024 financial year.

Revenue in the Germany business segment totalled € 1,134.7 million (previous year: € 1,135.8 million). Organic sales totalled € 1,085.5 million. The development of the International business segment in the reporting year was significantly influenced by the acquisition of the KBC Group (now CANCOM Austria Group). Sales in the International business segment increased significantly and totalled € 602.9 million (previous year: € 386.9 million). Organic sales in the business segment totalled € 414.3 million.

The CANCOM Group's other operating income totalled € 12.2 million in the 2024 financial year and was therefore slightly below the comparative figure (previous year: € 15.2 million).

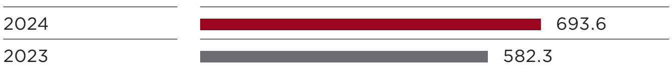
The CANCOM Group's total operating performance in the 2024 financial year amounted to € 1,751.2 million, an increase of 13.6 percent on the previous year (previous year: € 1,541.3 million).

CANCOM Group: Cost of materials
(in € million)

	2024	2023
Cost of materials/expenses for purchased services	1,057.6	959.0

The CANCOM Group's cost of materials totalled € 1,057.6 million in the reporting period and was above the previous year's level (previous year: € 959.0 million). Accordingly, the cost of materials ratio fell to 60.9 percent (previous year: 63.0 percent). The change can be explained by the altered product mix, which included a higher proportion of services in the reporting year. The cost of materials ratio in the Germany business segment was 61.9 percent in the reporting year and 57.7 percent in the International business segment.

CANCOM Group: Gross profit
(in € million)



The CANCOM Group's gross profit increased by 19.1 percent year-on-year to € 693.6 million in the 2024 financial year (previous year: € 582.3 million). The gross profit margin rose to 39.9 percent (previous year: 38.2 percent). The higher proportion of services in the product mix, which is characterised by higher gross profit margins compared to the sale of hardware and software, led to an increase in the gross profit margin. In the Germany segment, gross profit rose to € 448.2 million (previous year: € 431.0 million). Organic gross profit totalled € 431.8 million. In the International business segment, CANCOM recorded a very significant increase in gross profit to € 269.9 million (previous year: € 163.9 million). Organic gross profit in the business segment totalled

€ 180.4 million. The total gross profit of the Germany business segment and the International business segment totalled € 718.1 million in the reporting year (previous year: € 594.9 million). Due to sales between the business segments, this total was reduced by € 24.8 million in the reporting year (previous year: € 12.6 million) in order to reconcile to the consolidated gross profit of € 693.6 million (previous year: € 582.3 million) recognised in the consolidated financial statements.

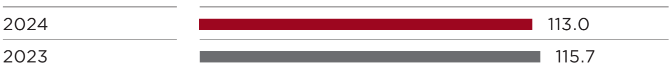
CANCOM Group: Personnel expenses
(in € million)

	2024	2023
Wages and salaries	385.5	316.3
Social security contributions	77.7	63.4
Expenses for retirement benefits	4.3	2.4
Equity-settled share-based payments	0.0	0.0
Share-based payments with cash settlement	0.1	0.5
Total	**467.6**	**382.6**

Personnel expenses amounted to € 467.6 million in the 2024 financial year, up 22.2 percent on the previous year (previous year: € 382.6 million). The personnel expenses ratio was 26.9 percent (previous year: 24.8 percent) and therefore 1.9 percentage points higher than in the previous year. The significant change in the personnel expenses ratio is due to the general salary trend and the higher personnel expenses ratio of the CANCOM Austria Group.

Other operating expenses totalled € 111.1 million in the reporting year, which corresponds to an increase of 32.4 percent (previous year: € 83.9 million). The very significant increase is largely due to the first-time consolidation of the CANCOM Austria Group. General cost increases also contributed to the rise.

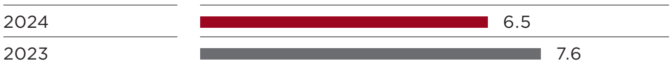
CANCOM Group: EBITDA
(in € million)



In the 2024 financial year, the CANCOM Group's EBITDA remained largely unchanged at € 113.0 million (previous year: € 115.7 million). Organic EBITDA totalled € 92.0 million.

EBITDA in the Germany operating segment fell by 14.0 percent and totalled € 69.8 million (previous year: € 81.1 million). Organic EBITDA in the business segment totalled € 64.3 million. By contrast, EBITDA in the International business segment grew significantly to € 43.3 million (previous year: € 34.6 million). The share of EBITDA generated organically totalled € 27.8 million.

CANCOM Group: EBITDA margin
(in %)



In the reporting period, the EBITDA margin of the CANCOM Group was 6.5 percent (previous year: 7.6 percent). The development of the EBITDA margin was influenced in particular by higher personnel costs.

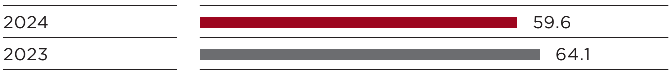
The EBITDA margin in the Germany business segment reached 6.2 percent in the reporting year (previous year: 7.1 percent). The EBITDA margin in the International segment was 7.0 percent (previous year: 8.9 percent).

CANCOM Group: Depreciation and amortisation
(in € million)

	2024	2023
Scheduled depreciation of property, plant and equipment	-14.7	-14.0
Scheduled amortisation and impairment of software	-13.3	-17.3
Scheduled amortisation of right-of-use assets	-25.5	-20.4
Scheduled amortisation on customer bases etc.	-11.6	-8.3
Impairment of goodwill	0	0
Total	**-65.0**	**-59.9**

Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets rose to € 65.0 million in the 2024 financial year, 8.5 percent higher than in the same period of the previous year (previous year: € 59.9 million). Depreciation and amortisation of right-of-use assets for property and vehicles in particular contributed to the increase.

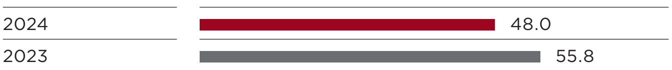
CANCOM Group: EBITA
(in € million)



The CANCOM Group generated EBITA of € 59.6 million in the 2024 financial year, slightly below the previous year's figure of € 64.1 million. Organic EBITA totalled € 45.2 million. The total EBITA amounts to € 59.6 million reported for the business segments (previous year: € 64.1 million) corresponded to the EBITA reported for the consolidated financial statements on a consolidated basis in the reporting year and the previous year.

EBITA in the Germany business segment totalled € 28.7 million, down on the previous year's figure of € 38.6 million. Organic EBITA in the business segment totalled € 25.1 million. EBITA in the International business segment grew by 21.1 percent to € 30.9 million (previous year: € 25.5 million) and organic EBITA reached € 20.2 million.

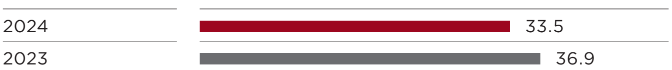
CANCOM Group: EBIT
(in € million)



The CANCOM Group's EBIT totalled € 48.0 million in the reporting period compared to the previous year's figure of € 55.8 million.

In the Germany operating segment, EBIT totalled € 23.2 million (previous year: € 35.1 million). Growth in the International business segment was 19.8 percent and EBIT amounted to € 24.8 million (previous year: € 20.7 million).

CANCOM Group: Profit for the period
(in € million)



In the 2024 financial year, the CANCOM Group generated net income for the period of € 33.5 million (previous year: € 36.9 million).

Financial position and net assets

Principles and objectives of financial management

The core objective of CANCOM's financial management is to ensure liquidity at all times in order to guarantee day-to-day business operations. In addition, the aim is to optimise profitability and thus achieve the highest possible credit rating in order to secure favourable refinancing. The financing structure is primarily geared towards long-term stability and maintaining financial room for manoeuvre in order to exploit business and investment opportunities.

Capital structure of the Group

The CANCOM Group's total assets amounted to € 1,406.9 million as at the reporting date of 31 December 2024 (31 December 2023: € 1,548.5 million). Total assets decreased by 9.2 percent in the reporting year, primarily due to the use of cash and cash equivalents for share buy-backs. On the liabilities side, € 574.4 million was attributable to equity and € 832.5 million to debt. The equity ratio of the CANCOM Group was therefore 40.8 percent at the end of the 2024 financial year (31 December 2023: 46.8 percent). Accordingly, the debt ratio was 59.2 percent (31 December 2023: 53.2 percent). The impact of inflation on interest, both on cash and cash equivalents on the assets side and on interest-bearing liabilities on the liabilities side, is negligible, particularly due to the low volume of loan liabilities in the reporting period.

As at the reporting date of 31 December 2024, there were current liabilities to banks of € 0.9 million (previous year: € 9.4 million). Non-current liabilities to banks totalled € 0.3 million (previous year: € 1.3 million). As CANCOM conducts most of its business activities in the euro zone, currency differences are mainly limited to the US-Dollar and were hedged in order to preserve assets. Cash and cash equivalents as at the closing date of the 2024 financial year totalled € 144.7 million (previous year: € 222.5 million). The significantly higher payments for the purchase of treasury shares in the amount of € -146.7 million (previous year: € -71.6 million) had a significant impact here. Cash and cash equivalents exceed interest-bearing financial liabilities many times over. Accordingly, the CANCOM Group has no net financial debt as at the 2024 reporting date.

Debt and equity

Current liabilities, i.e. liabilities with a remaining term of less than one year, amounted to € 620.9 million at the end of the financial year (31 December 2023 adjusted: € 599.7 million). The largest balance sheet items were trade payables, which amounted to € 376.6 million as at the reporting date (31 December 2023: € 356.6 million) and other current liabilities at € 84.2 million (31 December 2023 adjusted: € 71.2 million). The growth in both balance sheet items is largely due to the increase in operating business. Current contract liabilities totalled € 72.8 million (previous year: € 54.9 million) and grew primarily due to a higher level of advance payments received on orders. Other current provisions totalled € 9.7 million (previous year: € 7.9 million).

At € 211.7 million as at the reporting date, non-current liabilities were below the previous year's figure (31 December 2023 adjusted: € 225.1 million). Other non-current financial liabilities in particular contributed to this change with a decrease to € 146.2 million (31 December 2023: € 154.1 million) and the reduction in non-current contract liabilities to € 15.4 million (previous year: € 19.0 million). This was offset by an increase in non-current pension provisions and similar provisions, which totalled € 25.5 million at the end of the financial year (previous year adjusted: € 24.6 million). The balance sheet item deferred tax liabilities fell and totalled € 18.1 million at the end of the year (previous year: € 20.3 million).

Equity totalled € 574.4 million at the end of the 2024 financial year (31 December 2023: € 724.5 million). The capital reserve, the largest single item, increased slightly to € 483.8 million in the reporting period (previous year: € 478.6 million). Retained earnings including profit carried forward and profit for the period totalled € 58.4 million as at the reporting date (previous year: € 208.2 million). The balance sheet item was reduced by a total of € 35.1 million (previous year: € 35.4 million) in the reporting year due to the payment of a dividend of € 1.00 per share in accordance with the resolution of the 2024 Annual General Meeting. The repurchase of treasury shares also reduced the balance sheet item by € 146.7 million (previous year: € 71.6 million). Following the cancellation of treasury shares and the capital reduction, subscribed capital amounted to € 31.5 million after € 36.7 million in the previous year. The transfer of the profit for the period totalling € 33.5 million (previous year: € 36.8 million) to revenue reserves had a positive effect.

Significant financing measures

Current business and necessary replacement investments were financed from cash and cash equivalents and operating cash flow in the reporting period. The same applies to all other investments. In addition, € 146.7 million of the free funds were used for share buybacks in the past financial year, including the subsequent cancellation of treasury shares.

Assets

On the assets side of the balance sheet as at 31 December 2024, current assets amounted to € 771.8 million (31 December 2023: € 911.1 million). The decrease compared to the end of the previous year is primarily due to the reduction in cash and cash equivalents, which resulted from share buybacks of around € 146.7 million and the decrease in trade receivables to € 423.8 million (previous year: € 475.5 million), among other things, and amounted to € 144.7 million at the end of the 2024 financial year (31 December 2023: € 222.5 million). At € 68.0 million at the end of the reporting period, inventories were down on the previous year (31 December 2023: € 79.9 million). Current contract assets decreased to € 18.4 million (previous year: € 32.4 million). Other current financial assets decreased only slightly and totalled € 54.5 million (previous year: € 56.4 million). Other current assets increased to € 62.4 million (previous year: € 44.1 million).

Non-current assets remained unchanged at € 635.1 million as at the 2024 reporting date (31 December 2023 adjusted: € 638.2 million). Goodwill increased slightly to € 270.0 million compared to the adjusted previous year's figure of € 264.5 million. While right-of-use assets (€ 119.8 million) changed only slightly compared to the previous year (€ 122.2 million), property, plant and equipment remained almost unchanged at € 59.0 million (previous year: € 59.7 million). The decrease in intangible assets to € 74.7 million from € 89.8 million (previous year's figure adjusted) is due to the reduction in customer bases, orders on hand and acquired software. The change in other non-current assets, which increased to € 34.6 million due to higher deferred expenses (previous year: € 23.3 million), is significant.

Cash flow and liquidity

Based on a net profit for the period of € 33.5 million (previous year: € 36.9 million), the cash flow from operating activities for the 2024 reporting period totalled € 192.9 million (previous year: € 94.6 million). The main factor influencing the positive development of cash flow from operating activities was the positive change in working capital. The development of trade payables and other liabilities reached a value of € 42.7 million (previous year: € -66.5 million), while the development of trade receivables, contract assets, capitalised contract costs and other assets in the reporting period reached € 54.8 million (previous year: € 61.7 million). The change in inventories was positive at € 11.1 million (previous year: € 9.0 million). Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets had an impact of € 65.0 million (previous year: € 59.9 million) on operating cash flow.

Cash flow from investing activities totalled € -43.2 million in the reporting year (previous year: € -74.4 million) and was therefore significantly lower than in the previous year. This was mainly due to low payments for the acquisition of subsidiaries totalling € -28.7 million, compared to € -70.0 million in the previous year. This was offset by cash inflows from the acquisition of subsidiaries, which totalled € 0.6 million in the reporting year (previous year: € 12.1 million). Payments for investments in property, plant and equipment, intangible assets and right-of-use assets (CapEx) were slightly lower in the reporting period, totalling € -22.3 million (previous year: € -25.8 million). The CapEx ratio thus improved by 0.4 percentage points in the reporting year and stood at 1.3 percent (previous year: 1.7 percent). Due to the decrease in cash and cash equivalents, cash inflows from interest and dividends received fell to € 3.4 million (previous year: € 6.2 million).

At € -227.5 million, cash flow from financing activities was higher than in the same period of the previous year (previous year: € -190.4 million). The significantly higher payments for the purchase of treasury shares totalling € -146.7 million compared to the previous year (previous year: € -71.6 million) had a negative impact. The redemption of existing loans from various banks and other lenders fell significantly in the reporting period (€ -0.1 million), as the previous year's figure was € -38.0 million in connection with the acquisition of KBC Beteiligungs GmbH (now CANCOM Austria Beteiligungs GmbH). The volume of repayments of lease liabilities rose to € -43.5 million (previous year: € -37.9 million) and payments received less payments made from financial liabilities to leasing companies increased to € 9.9 million compared to the previous year's figure of € 0.7 million

In the reporting period, this resulted in an overall decrease in the CANCOM Group's cash and cash equivalents as at 31 December 2024 of € 77.8 million to € 144.7 million (31 December 2023: € 222.5 million). As at the reporting date, the CANCOM Group had credit lines (including guarantees) with banks amounting to € 167.9 million, of which a total of € 151.3 million was freely available as at 31 December 2024. The CANCOM Group therefore had a high positive level of cash and cash equivalents as at the reporting date and had access to unutilised credit lines with financial institutions as at the reporting date. CANCOM is therefore in an exceptionally good position to fulfil its payment obligations at all times.

Overall statement on the net assets, financial position and results of operations of the CANCOM Group

In the 2024 financial year, the CANCOM Group achieved an increase in revenue of 14.1 percent to € 1,737.6 million, while EBITDA was slightly below the previous year's figure at € 113.0 million. Profitability, measured in terms of the EBITDA margin, was 6.5 percent. The positive sales and earnings performance was achieved through inorganic growth. However, the influences described in the section "Business performance in 2024" slowed the CANCOM Group's development in the financial year.

Accordingly, the Executive Board assesses the development of the CANCOM Group in the reporting year as not entirely satisfactory. The inorganic contribution in 2024 had a significant contribution to the growth of the CANCOM Group. The Executive Board was not completely satisfied with the operational development of the CANCOM Group in the reporting year and has taken appropriate measures to improve the profitability of the CANCOM Group in the 2025 financial year. Overall, the Executive Board's goal is to achieve profitable growth for the entire CANCOM Group.

Results of operations, financial position and net assets of CANCOM SE

Within the CANCOM Group, CANCOM SE assumes the central financing and management function for the equity investments it holds. The opportunities and risks of CANCOM SE therefore arise from the opportunities and risks of its equity investments. These are explained in more detail in the risks and opportunities report.

CANCOM SE generated revenue of € 11.2 million in 2024 (previous year: € 11.2 million). The revenue was mainly generated from income from Group allocations. At € 5.8 million, other operating income in 2024 was higher than in the previous period (previous year: € 5.1 million). Income from investments increased significantly and totalled € 104.9 million (previous year: € 20.6 million). This increase was driven by dividends, in particular from CANCOM Austria AG. Profits received from profit transfer agreements totalled € 13.2 million (previous year: € 17.9 million). Other interest and similar income fell to € 6.5 million (previous year: € 11.0 million). In the reporting period, this income was offset by other operating expenses totalling € 8.5 million (previous year: € 8.2 million) and income taxes of € 5.7 million (previous year: € 8.3 million). While no write-downs on investments were recognised in the reporting period, the figure for the previous year was € 30.6 million. As a result, CANCOM SE's net income for the 2024 financial year totalled € 113.4 million, which was well above the comparative figure (previous year: € 5.9 million).

CANCOM SE's total assets fell in the 2024 financial year to € 674.5 million as at the reporting date (previous year: € 744.7 million). The main reason for this change on the assets side of the balance sheet was the reduction in cash on hand and bank balances from € 140.9 million to € 56.9 million as a result of the share buyback totalling € 146.7 million and the dividend paid. Fixed assets rose to € 497.3 million (previous year: € 467.4 million). Of particular note here is the increase in the item "Shares in affiliated companies", which rose to € 491.7 million (previous year: € 464.0 million). Loans to affiliated companies totalled € 4.1 million after € 2.8 million in the previous year. The decrease in current assets to € 176.6 million (previous year: € 277.0 million) is primarily due to the decrease in cash and cash equivalents and the reduction in receivables from affiliated companies to € 105.1 million from € 126.1 million in the previous year.

On the liabilities side, equity fell to € 654.7 million (previous year: € 722.9 million). The "Retained earnings" item in particular had a positive effect at € 109.9 million (previous year: € 36.7 million). Retained earnings fell to € 27.9 million (previous year: € 169.9 million) as a result of the share buy-back programmes in the 2024 financial year and the withdrawal from other retained earnings in favour of retained earnings, while provisions amounted to € 6.0 million as at the reporting date (previous year: € 8.6 million). Liabilities amounted to € 13.6 million as at 31 December 2024 (previous year: € 12.3 million). The reduction resulted primarily from lower VAT liabilities, which are recognised in the balance sheet item "Other liabilities", which amounted to € 13.3 million (previous year: € 11.6 million).

As in the previous year, CANCOM SE's equity ratio was 97.1 percent as at the reporting date (previous year: 97.1 percent). As at the reporting date, CANCOM SE had access to credit lines totalling € 120.5 million, of which € 120.1 million was unused.

Overall statement on the net assets, financial position and results of operations of CANCOM SE

Overall, CANCOM SE has a very solid earnings, asset and financial position at the end of the 2024 financial year, as shown by the high equity ratio, among other things. Based on the profitable business activities of the affiliated companies of CANCOM SE and thus of the CANCOM Group as a whole, as well as the resulting positive effects on the earnings position of the parent company, the Executive Board considers the business performance of CANCOM SE in the 2024 financial year to be satisfactory.

Takeover-relevant information

The disclosures pursuant to § 289a (1) HGB and § 315a (1) HGB are listed below. With regard to individual takeover-related disclosures, please refer to the explanations in the notes to the consolidated financial statements and the notes to the annual financial statements of CANCOM SE. For information on the powers of the Executive Board with regard to conditional and authorised capital, the issue of share options and the authorisation to implement a share buyback programme, please also refer to the notes to the consolidated financial statements and the notes to the annual financial statements of CANCOM SE.

Amount and division of the share capital

As at 31 December 2024, the company's share capital amounted to € 31,515,345.00 and was divided into 31,515,345 no-par value shares (shares with no par value) (previous year: € 36,686,808.00).

The share capital was reduced in the past financial year as a result of two share redemptions.

On 1 July 2024, the Executive Board of CANCOM SE decided, with the approval of the Supervisory Board, to cancel the treasury shares held by the company from the "Share Buyback Programme 2023/24" and to reduce the share capital. CANCOM SE cancelled the 1,669,758 treasury shares held by the company and reduced the share capital by the corresponding nominal amount of € 1,669,758.

On 9 October 2024, the Executive Board of CANCOM SE resolved, following the approval of the Supervisory Board, to cancel the 3,501,705 treasury shares held by the company from the "Share Buyback Offer 2024" and to reduce the share capital by the corresponding nominal amount of € 3,501,705.

Details on the development of share capital in 2024 are described in section B.17.1. of the consolidated financial statements.

The amount of share capital attributable to each share is € 1.00. The shares are bearer shares. They are securitised in global certificates. The shareholder's right to securitisation is therefore excluded. Each no-par value share grants one vote at the Annual General Meeting. There are no different classes of shares. Each share carries the same rights and obligations. There are no holders of shares with special rights that confer powers of control.

A share buyback programme ("Share Buyback Programme 2023") was launched on 3 July 2023 on the basis of the resolution of the Annual General Meeting on 28 June 2022, which enables the Executive Board of CANCOM SE to buy back treasury shares. As part of this buyback programme, CANCOM SE repurchased a total of 1,103,850 treasury shares in the period from 1 January 2024 up to and including 5 April 2024 (completion of the 2023 share buyback programme). The volume-weighted average price (excluding incidental acquisition costs) for this programme totalled € 26.59 per share.

On the basis of the resolution of the Annual General Meeting on 5 June 2024, which enables the Executive Board of CANCOM SE to buy back treasury shares, a total of 3,501,705 treasury shares were repurchased at a price of € 33.00 in the period from 4 July 2024 up to and including 24 July 2024 as part of a voluntary public share buyback offer on 1 July 2024. The allocation rate was 76.15 percent. This corresponds to 10.00 percent of the share capital based on the shares contained in the share capital at the time it took effect (35,017,050 shares). Following the withdrawal and corresponding capital reduction, the share capital amounted to € 31,515,345 as at 31 December 2024.

This means that a total of € 146.7 million was used for the purchase of treasury shares (excluding incidental acquisition costs) in the 2024 financial year.

Further information is provided in section B.17.1.2 of the consolidated financial statements.

Direct or indirect equity interests of 10 percent or more

CANCOM SE became aware of the following direct shareholding in the share capital exceeding 10 percent of the voting rights in the 2024 financial year:

- PRIMEPULSE SE, Munich, Germany: 10.15 percent (15.00 percent since 15 October 2024).

CANCOM SE became aware of the following direct shareholding in the share capital exceeding 10 percent of the voting rights in the 2023 financial year:

- Allianz Global Investors GmbH, Frankfurt am Main, Germany: 14.99 percent (9.17 percent since 9 July 2024).

In the 2024 financial year, CANCOM SE was not notified of any new direct shareholdings in the share capital exceeding 10 percent of the voting rights.

Appointment and dismissal of members of the Executive Board

The provisions of the German Stock Corporation Act (§ 84 and § 85 AktG) and Council Regulation (EC) No. 2157/2001 on the Statute for a European company (SE) (Art. 39 SE Regulation, Art. 9 para. 1 lit. c ii SE Regulation in conjunction with § 84 para. 3 AktG) apply to the appointment and dismissal of members of the Management Board. The Supervisory Board determines the number of members of the Executive Board. When appointing the Executive Board, CANCOM observes the recommendations of the German Corporate Governance Code, taking into account the company-specific situation.

Amendment of the Articles of Association

The provisions of § 133 and § 179 AktG apply to amendments to the Articles of Association. A resolution of the Annual General Meeting passed with at least a three-quarter majority of the share capital represented when the resolution is adopted is required to amend the Articles of Association. The Articles of Association may stipulate a capital majority that deviates from the statutory provision, but only a larger majority for a change to the object of the Company, and may stipulate further requirements. § 15 (3) of the Articles of Association of CANCOM SE contains such a provision. Accordingly, resolutions to amend the Articles of Association require a majority of two-thirds of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast. In cases where the law also requires a majority of the share capital represented when the resolution is passed, a simple majority of the share capital represented when the resolution is passed is sufficient, unless a different majority is prescribed by law. The Annual General Meeting can delegate authorisation to the Supervisory Board to make changes that only affect the wording. In the case of the company, this has been done through the provision in Article 11 of the Articles of Association.

Significant agreements that are subject to a change of control

In the reporting period, there were no significant agreements that are subject to a change of control.

Corporate governance declaration in accordance with § 315d HGB in conjunction with § 289f HGB

CANCOM SE has published the corporate governance declaration in accordance with § 315d HGB in conjunction with § 289f HGB. § 289f of the German Commercial Code (HGB) on the company's website under Corporate Governance or directly at https://omext.cancom.de/dam/?mdocs-file=.

Non-financial statement in accordance with Section 315b HGB in conjunction with §Section 289b HGB

CANCOM publishes the non-financial statement audited by the Supervisory Board in accordance with § 315b HGB in conjunction with § 289b HGB. § 289b HGB as a separate summarised non-financial report for the CANCOM Group and CANCOM SE on the company's website at https://investoren.cancom.de/berichte-praesentati_category/2025/ within four months of the reporting date.

Risks and opportunities report

As a Group operating across borders in an industry with rapid innovation cycles, CANCOM is exposed to numerous risks and opportunities that can have a significant impact on the planned business development and the associated earnings, financial and asset situation. Entrepreneurial opportunities are always associated with risks. Based on this, the management of the CANCOM Group has set itself the goal of positively shaping business development on the basis of a balanced opportunity/risk ratio and thereby sustainably increasing the value of the company in the interests of its shareholders.

Risk and opportunity management

The CANCOM Group's risk culture is characterised by the fundamental conviction that exploiting business opportunities necessarily entails taking risks. From CANCOM's perspective, it is therefore one of the principles of value-oriented and responsible corporate management to utilise business opportunities while at the same time managing the associated risks with foresight. The CANCOM Group's risk policy, which is based on this fundamental conviction, means that business decisions are always made in the knowledge that the opportunities taken are commensurate with the risks accepted. In the context of its risk policy, CANCOM sees itself as a fast-growing company in a rapidly changing market environment. If the risk/reward ratio appears appropriate, the company's management will therefore tend to decide in favour of exploiting the entrepreneurial opportunity rather than avoiding a risk.

The CANCOM Group's management closely monitors market developments and the competitive situation, evaluates them and uses them to derive potential opportunities for the respective business areas in the course of regular planning meetings between the Executive Board and the operational management level and defines targets and measures to utilise the identified opportunities in an entrepreneurial manner.

On the other hand, continuous risk management serves to efficiently monitor and recognise risks at an early stage and is an integral part of the CANCOM Group's strategy and business development as well as its internal management and control systems. CANCOM's risk management aims to recognise at an early stage any risks that could jeopardise the company as a going concern or are significant and to deal with them responsibly.

Risk management system

Internal control and risk management system with regard to the (Group) accounting process

The internal control and risk management system in place at CANCOM with regard to the (Group) accounting process comprises guidelines, procedures and measures designed to ensure that accounting complies with the relevant laws and standards. The main features can be described as follows:

- In addition to a business organisation chart, CANCOM has a clear management and corporate structure. Cross-divisional key functions are managed centrally via CANCOM SE.

- The functions of the key areas involved in the accounting process are clearly separated. The areas of responsibility are clearly assigned.

- Integrity and responsibility with regard to finances and financial reporting are ensured by including a commitment to this in the company's Code of Conduct.

- The risk management system provides for new laws, accounting standards and other pronouncements, non-compliance with which would pose a significant risk to the correctness of the financial reporting, to be analysed.

- The financial systems used are protected against unauthorised access by appropriate IT systems. As far as possible, standard software is used for the financial systems employed.

- The consolidated financial statements are consolidated in a central consolidation centre using standardised consolidation software.

- The annual financial statements included in the consolidated financial statements are prepared in accordance with standardised Group-wide accounting policies.

- The risk management system is based on a holistic corporate governance approach in which all elements - risk management, compliance management, internal audit and the internal control system (ICS) - are regularly reviewed with regard to their effectiveness and influence each other. In line with this holistic approach, the elements and audit routines described are gradually established within the organisation if they are not already in place (e.g. in the case of acquired subsidiaries).

- Adequate guidelines (e.g. payment guidelines, travel expense guidelines, etc.) have been established and are updated on an ongoing basis. The material assets of all companies are regularly tested for impairment and there are instructions for monitoring all accounting-related transactions.

- The dual control principle is applied throughout all payment-related processes.

- Accounting-relevant processes are reviewed by the (process-independent) internal audit department. These audit routines are established step by step if they are not already in place (e.g. for acquired subsidiaries).

- Both the risk management system and the internal control system (ICS) include adequate measures to control accounting-related processes.

- The equipment of the departments and divisions involved in the accounting process is orientated in both quantitative and qualitative terms to the capacity and qualification requirements necessary to ensure functionality.

- The risk management system ensures that accounting data received or passed on is continuously checked for completeness and accuracy, including by means of random checks. There is a three-stage audit system for the correctness of the financial statements. Individual financial statements are prepared by the accounting department, while the Group accounting and consolidation department acts as a further control instance before the financial management performs a third review.

The internal control and risk management system with regard to the (Group) accounting process is intended to ensure that business matters are always correctly recognised, prepared and assessed in the balance sheet and included in the accounting.

Appropriate staffing, the use of adequate software and clear legal and internal company requirements form the basis for a proper, standardised and continuous accounting process. The clear delineation of areas of responsibility as well as various control and verification mechanisms, as described in more detail above (in particular the authorisation concept, plausibility checks and the dual control principle), ensure correct and responsible accounting. Specifically, this provides organisational support to ensure that business transactions are recorded, processed and documented in accordance with legal regulations, the Articles of Association and internal guidelines, and that they are recorded promptly and correctly in the accounts. At the same time, care is taken to ensure that assets and liabilities are recognised, reported and measured correctly in the annual and consolidated financial statements and that reliable and relevant information is provided in a complete and timely manner.

Internal control and risk management system of the Group

To ensure that the internal control system and the risk management system are as appropriate and effective as possible, all key elements of Group risk management and the internal control system are reviewed and, if necessary, updated, supplemented or revised at regular update meetings, to which experts from the respective divisions are invited as required. In this context, external and internal early warning indicators were also defined in the main parts of the company to identify developments that could jeopardise the continued existence of the CANCOM Group as quickly as possible. Their effects are reviewed together with the calculated overall risk on the basis of an externally commissioned risk-bearing capacity assessment. In addition, continuous improvements are made to the risk management and internal control system on the basis of findings from internal or external audits. On this basis, the Management Board has no indication that the internal control system and the risk management system are inadequate or ineffective in all material respects and in their respective entirety. Notwithstanding the assessment of the effectiveness and appropriateness of CANCOM's internal control and risk management system, there are inherent restrictions regarding the effectiveness of internal control or risk management systems in general. No control or risk management system, regardless of its assessment, can completely exclude all inaccurate representations.

Risk identification, analysis and documentation

To define and ensure adequate risk controlling, the Executive Board has formulated risk principles and appointed a central Group risk officer and several local risk officers who regularly monitor and assess any risks. The primary objectives of risk management include the timely identification of significant risks that could jeopardise the company as a going concern and the initiation of appropriate measures as part of risk management in order to minimise or avert any damage to the company that may result from the occurrence of a risk.

To document the organisational regulations and measures for risk identification, analysis, assessment, quantification, management and control, CANCOM has drawn up a risk manual that describes, among other things, the appropriate handling of business risks at CANCOM.

CANCOM proceeds as follows when assessing risks: Firstly, the individual risks identified are assessed according to their probability of occurrence and potential level of damage, and their interdependencies with other individual risks are analysed. All identified individual risks are also assigned to a responsible party in this context. They are then summarised in thematic clusters. Insofar as risks can be meaningfully controlled using quantifiable variables, appropriately defined key figures are used to assess them. If no precisely definable metrics are available for risks, these are assessed in cooperation between the respective responsible parties, the Group Risk Officers and the Executive Board member responsible for risk management. In addition, an annual survey of important key players from the companies and business units of the CANCOM Group was initiated. The purpose of this questionnaire-based survey is to ensure that the existing risk assessments correspond to the current risk potential and whether new risks or risk areas should be taken into account from an expert perspective.

The presentation of risks and their damage potential as well as their probability of occurrence is presented on a net basis, i.e. after taking countermeasures into account. The probability of occurrence is differentiated on the basis of the following categories: low, medium, high and very high. With regard to the potential level of damage, a differentiation is also made using the categories low, medium, high and very high. With the help of a risk matrix, the individual risks can be systematised and assigned to different risk classes on the basis of these dimensions. The following tables serve to explain the individual dimensions and present the resulting risk matrix.

PROBABILITY OF OCCURRENCE

Probability of occurrence	Definition of
Low	Probability < 25 % The risk is expected to materialise within the next five years or has never occurred.
Medium	Probability 25 to < 50 % The risk is expected to materialise within the next three years or has materialised in the last three years.
High	Probability 50 to < 75 % The risk is expected to materialise within the next two years or has materialised in the last two years.
Very high	Probability ≥ 75 % Entry is expected within one year.

POTENTIAL LOSS AMOUNT

Potential amount of damage	Definition of
Low	Weak negative impact on the net assets, financial position and results of operations (€ 0 to € 4.0 million)
Medium	Significant negative impact on the results of operations, net assets and financial position (≥ € 4.0 to 8.0 million)
High	Significant negative impact on the results of operations, net assets and financial position (≥ € 8.0 to 12.0 million)
Very high	Very significant negative impact on the results of operations, net assets and financial position (≥ € 12.0 million)

RISK MATRIX - OVERALL RISK ASSESSMENT

Probability of occurrence	Potential amount of damage			
	Low	Medium	High	Very high
Low	Low risk	Low risk	Medium risk	Medium risk
Medium	Low risk	Medium risk	Medium risk	High risk
High	Medium risk	Medium risk	High risk	Very high risk
Very high	Medium risk	High risk	Very high risk	Very high risk

As part of the risk management system, the CANCOM Group has defined early warning indicators for risks that could jeopardise the company as a going concern, among other things, whose changes and trends are continuously monitored and discussed in risk management meetings. The regular risk management meetings between the Executive Board and risk officers ensure the permanent and timely controlling of existing and future risks. This is also the best way to ensure that the Executive Board and Supervisory Board are informed of potential material risks at an early stage. Risks are defined as significant if their overall assessment falls into the "very high risk" classification.

Due to the high significance of risks in connection with cyber security and compliance for business development, the CANCOM Group operates two additional, separate risk management systems in addition to the overarching Group risk management system: IT risk management system and compliance management system. These systems are operated by the Chief Information Security Officer and the Compliance Officer of the CANCOM Group. Both are in direct dialogue with the Group Risk Management Officer, who operates the Group Risk Management System.

In addition to risks, the risk management system also records and compares potential opportunities.

Risks of future development

The following section provides an overview of the identified risks and possible future developments or events with a potentially negative impact on the CANCOM Group. The risks remaining after the implementation of mitigation measures are described (net presentation). The period for analysing risks and opportunities corresponds to the forecast period. In principle, all of the risk factors listed below affect both business segments (Germany and International) equally. If one of the two business segments is particularly affected by one of the risks mentioned, this is indicated accordingly below. It cannot be ruled out that risks that are not yet known or risks that are currently assessed as immaterial and are therefore not described below will have a negative impact on future business activities.

OVERALL ASSESSMENT

Risk	Overall assessment	
	current	Development*
Economic, regulatory, market and sector-related risks		
Direct sales risks	low	-
Economic and (geo)political risks	high	=
Regulatory risks	medium	=
Risks from competition and technological change	medium	=
Project and business-related risks		
Business disruption risks, in particular IT systems	medium	=
Cyber security risks	high	=
Bad debt risks	low	=
Liability, warranty and compensation risks	low	=
Internal risks	low	=
Supplier dependency risks	medium	-
Project risks	medium	=
Subcontractor risks	low	-
Financial risks		
Financing, liquidity and credit risks	low	=
Exchange rate, inflation and interest rate risk	medium	+
Personnel risks		
Key personnel and know-how risk	medium	=
Information risks		
Confidentiality risks (no longer considered separately)	/	/
Legal risks		
Compliance and legal risks	low	=
Data protection regulations risks	medium	=
Infringement risks	low	=
Strategic risks		
Reputational risks	low	-
Risks from the acquisition/disposal of companies or company shares	medium	=
Risks from misjudgements in acquisitions and integrations	medium	=
Sustainability risks	low	=

*) "+" = risk increased, "=" = risk unchanged, "/" = risk decreased.

Changes in risks compared to the previous year

In the reporting period, there were changes to the assessment of the risks relating to the future development of the CANCOM Group published in the summarised management report 2023. The changes relate primarily to the assessment of the risks listed in the table above and the "confidentiality risks" described in more detail below.

Economic, regulatory, market and sector-related risks

There are risks from direct sales by manufacturers.

The CANCOM Group is exposed to direct competition from hardware and software manufacturers. While manufacturers often sell their products via intermediaries such as CANCOM, there are business models that facilitate direct sales. If the manufacturers succeed in establishing their direct sales more strongly, this could have a negative impact on the CANCOM Group's earnings, financial position and net assets.

To counteract this risk, CANCOM maintains close contact with potential and existing customers. CANCOM also endeavours to offer customers added value compared to direct purchasing from the manufacturer by providing the highest possible service quality in conjunction with a broadly diversified portfolio of sales channels, targeted advice and additional services that manufacturers do not offer.

The occurrence of the risk from direct sales by manufacturers cannot be ruled out. Following the implementation of countermeasures, the Executive Board considers the probability of occurrence to be low. The potential loss is estimated to be low. Overall, the risk is therefore considered to be low.

The overall assessment has not changed significantly compared to the previous year.

The CANCOM Group's business performance could be negatively impacted by economic and (geo)political developments.

As an IT service provider and system house, CANCOM is dependent on suppliers and customer demand for hardware, software, IT system solutions and IT services. The size of customers' IT budgets depends both on the economic situation of the companies and on the general economic and (geo)political conditions. If IT budgets are cut as a result of these conditions, for example due to a slump in the economy, or if corresponding funds are used for other purposes, or if existing or potential customers terminate their business activities, this may result in orders to CANCOM being postponed or cancelled. Interruptions to the supply chains for hardware, software or services could also have a negative impact on business development.

Possible sources of risk here include a weakening economy in Germany, which, in conjunction with smouldering conflicts such as war scenarios in Ukraine or the Middle East, could have an immense negative impact on CANCOM and customers of the CANCOM Group. It is conceivable, for example, that important components of IT supply chains could be interrupted or cancelled altogether, that the supply of urgently needed energy sources could become more difficult, or that important freight routes could only be used to a limited extent or not at all. This could have a significant negative impact on CANCOM's business development.

To counter these risks, CANCOM monitors economic and (geo) political developments, uses external consultants and early warning indicators such as the ifo business climate index, the IMF trend and studies by the industry association Bitkom, and incorporates the knowledge gained into corporate management, supplier management and the range of products and services. A particular focus of the product and solution portfolio is on the IT services business, especially managed services. Compared to the system house business, these business areas are generally characterised by multi-year contract terms and have lower requirements for the use of hardware, which reduces dependence on short-term economic and (geo)political developments.

The occurrence of the risk of a negative impact of economic and (geo)political developments on business development cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The loss potential is assessed as very high. Overall, the risk is therefore considered to be high.

The overall assessment has not changed compared to the previous year.

The CANCOM Group's business activities could be restricted or otherwise negatively affected by regulatory measures.

One risk factor for the CANCOM Group's business development is regulatory changes, for example in corporate taxes and labour law, but in particular regulatory changes relating to the IT industry, such as import and export restrictions, customs duties or bans or restrictions on the use of IT products or IT services (e.g. EU-DORA, C5 criteria, NIS directives, KRITIS regulation). Similarly, due to increased regulatory requirements, services may only be offered with significantly higher internal expenditure or at a considerably higher price. Such or similar regulatory changes or changes to transactions requiring official authorisation could also trigger a significant deterioration in the CANCOM Group's business performance or profitability. In addition, the CANCOM Group's product and service offerings could be negatively affected or prohibited by regulatory changes, for example in the areas of data protection and data storage/processing, or no longer comply with the current state of regulation.

In order to counteract these risks, CANCOM monitors regulatory developments, utilises external consultants and incorporates the findings into its corporate management and its range of products and services.

The occurrence of the risk of a negative impact of regulatory developments on business development cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The loss potential is assessed as medium.

The overall assessment has not changed compared to the previous year and is categorised as medium overall.

Increasing competition and technological change in the IT market could lead to lower sales, lower margins and/or a loss of market share for the CANCOM Group.

The market in which the CANCOM Group operates is characterised by strong competition and rapid technological change. Insufficient knowledge of the market and the competition means that there is a risk of incorrect decisions or a lack of decisions in terms of market approach and the marketing mix as well as in strategic and tactical product and pricing policy. This can lead to a lack of sales success and to persistence in already saturated markets, but also to risky investments in new business areas with uncertain market success.

In addition, competitive pressure could intensify further, for example through price reductions in existing competitor offerings or the launch of new competing products. It is also possible that new competitors will enter the market or that new alliances of competitors will form, which could gain significant market share in a short period of time. In the market for cloud computing in particular, hyperscale cloud providers such as Amazon, Microsoft, IBM, Alibaba and Oracle are recording high growth rates with their public cloud offerings. This could lead to a shift in customer contacts and order volumes to hyperscale cloud providers or other competitors. Furthermore, it cannot be ruled out that competitors will react more quickly to new or developing technologies, such as artificial intelligence or standards, and to changes in customer requirements. Competitors could also generate process/cost optimisations more quickly and efficiently with the help of artificial intelligence and thus gain a competitive advantage. Increased competition could lead to a drop in sales, lower profitability or a reduction in market share for CANCOM.

To counter these industry and market-related risks, CANCOM is constantly adapting its organisation, its processes and its product and solution portfolio to current market conditions and customer requirements. A particular focus of the product and solution portfolio is on expanding the areas of artificial intelligence, modern workplace, Internet of Things, security and cloud. In addition, CANCOM monitors market and technology developments in order to recognise new trends at an early stage and is in constant dialogue with existing and potential customers in order to identify their needs at an early stage. As a further countermeasure, CANCOM maintains close links with manufacturers of hardware and software as well as distributors and service providers in order to obtain both favourable price conditions for CANCOM and technologically leading offers when purchasing goods and services.

CANCOM has launched a cooperation and strategic partnership with ServiceNow in the current financial year. The aim of this collaboration is to provide state-of-the-art digital solutions and AI-supported value-added services for SMEs in Germany, Austria and Switzerland. It comprises a complete portfolio of ServiceNow and CANCOM solutions developed to transform business processes for greater productivity, efficiency and cost optimisation.

The aim is to create added value for customers in order to become more relevant for the design of processes for customers within the value chain. To this end, products and solutions are being developed that are closely related to CANCOM's IT service business and are intended to realise process automation for customers. Initially, high investments are being made in the development of products, technical solutions and services as well as new market access. The developments may not lead to any or the desired success.

The occurrence of the risk of a negative impact of the competitive situation and/or technological change in the IT market on business development cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential loss is assessed as medium. Overall, the risk is therefore assessed as medium.

The overall assessment has not changed compared to the previous year.

Project and business-related risks

The companies of the CANCOM Group are exposed to liability, warranty and compensation risks.

The CANCOM Group and its subsidiaries purchase products, especially hardware and software, from manufacturers or distributors. CANCOM is therefore dependent on these products being of high quality and fulfilling the relevant specifications and quality standards. In the event of defects during the warranty period, CANCOM can generally hold suppliers harmless. However, due to delays between the purchase of goods from suppliers and their resale to customers in a project, it is possible that customers may assert warranty claims against the CANCOM Group or its subsidiaries, which CANCOM itself cannot assert against suppliers. In addition, CANCOM itself assumes the warranty obligation for its own products and services.

Further liability, warranty and compensation risks arise from the CANCOM Group's business activities, as CANCOM implements and, if necessary, operates IT solutions in complex installation, system integration, software, operations management and outsourcing projects for customers. Given the complexity of the IT solutions and the depth of integration at the customer, technical problems can arise in this context that have a significant negative impact on the customer's business processes. In the case of the AHP Enterprise Cloud Platform developed by CANCOM, there is a risk that the cloud may not be usable, not fully usable or not properly usable for the customer due to malfunctions, incorrect configurations or updates. In the context of hosting services, failures and errors in data centres could also lead to restrictions in the customer's operations and even to business interruptions. As CANCOM sometimes rents space in external data centres, such a risk could also materialise without this being primarily attributable to the CANCOM Group. Operational management risks also arise from the failure to identify interruptions in good time, monitoring errors and breaches of obligations agreed with customers to rectify errors immediately as part of service level agreements. All of this can result in CANCOM being exposed to liability, warranty and compensation claims and possibly also losing contractual relationships.

To counteract these risks, CANCOM takes numerous precautions, for example to ensure the operation and provision of cloud services. These include the use of redundant data centres. The CANCOM Group's data centres also have an information security management system certified in accordance with the international standard ISO 27001, including comprehensive and tested emergency concepts. In addition, CANCOM endeavours to agree industry-standard limitations of liability in the contracts for the service and project transactions affected by this. In addition, CANCOM insures itself against liability and compensation risks, where this makes economic sense.

The occurrence of one or more liability, warranty or compensation risks cannot be ruled out. Following the implementation of countermeasures, the Executive Board considers the probability of occurrence to be low. The potential loss is assessed as medium. Overall, the risk is therefore considered to be low.

The overall assessment has not changed compared to the previous year.

CANCOM Group projects could be delayed, cancelled or for other reasons not lead to the hoped-for success. In addition, investments and advance payments already made could potentially be lost in full or in part.

The CANCOM Group carries out IT projects in which IT solutions customised for a specific customer are planned and implemented. IT projects are often highly complex and involve a considerable amount of time and money. In this context, there are both technical risks in the context of project implementation and risks from contract design.

When implementing projects, it cannot be ruled out that they will be delayed, cancelled or will not lead to the hoped-for success for other reasons. As it is often not possible to agree down payments or advance payments in projects, the CANCOM Group's services can generally only be invoiced after completion of agreed project phases or after completion of the entire project. As a result, the CANCOM Group sometimes has to make significant advance payments when realising projects. A project delay or cancellation may result in the partial or complete loss of investments already made or the inability to bill for services already rendered. If customers refuse to accept projects for good reason or without justification, this can also lead to payment delays or a complete cancellation of planned payments.

In the area of cloud computing services, a risk also arises from the fact that agreed services may not be able to be provided or guaranteed, resulting in impairments or failures of any kind for the customer. This can lead to considerable costs and expenses for CANCOM, possibly resulting in contractual penalties or the impairment or cancellation of customer relationships.

Larger projects in the service sector lead to increased risks in the scheduling of employees. External employees and subcontractors must also be utilised, whose performance and costs may not meet expectations, which can lead to additional expenses. The loss of large projects can lead to increased personnel costs, as it is often not possible to deploy adequate personnel in other projects or it is only possible to take appropriate measures to make up for this with a delay.

When contracts for IT projects are drawn up, fixed prices are sometimes calculated and agreed. There is therefore a risk that, due to incorrect assumptions, faulty calculations and the occurrence of unforeseen events or force majeure, the actual costs and time required may exceed the budget and no adjustment can be achieved for the customer.

To counteract these risks, enquiries at CANCOM generally go through a process of checking technical and economic feasibility before an offer is made. In this context, the focus is on ensuring the best possible solution for the customer, taking appropriate account of project risks. An internal review of any contractual risks is also carried out. Standardised contracts are used wherever possible. These are monitored by project management during the projects. CANCOM applies various measures and procedures, such as the use of redundant data centres, to ensure the provision of the agreed service.

The occurrence of one or more of the risks listed, which are important for the success of projects and the associated investments and upfront expenditure, cannot be ruled out.

Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential loss is assessed as medium. Overall, the risk is therefore assessed as medium.

The overall assessment has not changed compared to the previous year.

There are risks from acting as a subcontractor.

CANCOM Group companies are often used as subcontractors in major projects. In this case, they are commissioned by a general contractor to carry out partial services as part of the IT services to be provided by the general contractor. In this situation, CANCOM is dependent on being commissioned by the general contractor. There is a risk of postponements and reductions in the scope of the contract and also the risk of default by the general contractor.

To counteract these risks, CANCOM is expanding its customer base and is intensively cultivating relationships, reviewing clients and endeavouring to be the first contractor.

The occurrence of the risk from the activity as a subcontractor cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential loss is estimated to be low. Overall, the risk is therefore considered to be low.

The overall assessment has not changed compared to the previous year.

There are bad debt risks.

Defaults on (financial) receivables or long-term loans can represent a considerable risk. To counteract this risk, CANCOM operates an intensive receivables management system. There are internal guidelines for the allocation of credit limits, both in terms of their absolute amount and the persons authorised to approve them. As a rule, customers are only supplied after a successful check. In addition, CANCOM conducts ongoing sales activities to acquire new customers and expand existing customer relationships in order to compensate for the loss of individual major customers through new business. Risks can also be transferred to factoring banks at an early stage as part of the sale of individual receivables.

The occurrence of risks from bad debts cannot be ruled out. Following the implementation of countermeasures, the Executive Board considers the probability of occurrence to be low. The loss potential is assessed as medium. Overall, the risk is therefore considered to be low.

The overall assessment has not changed significantly compared to the previous year.

Risks arise from dependence on suppliers.

CANCOM is dependent on the supply of hardware and software from manufacturers and distributors. Unexpected supply bottlenecks, price increases (for example as a result of market bottlenecks) or reduced supplier bonuses can have a negative impact on sales and earnings, as the inventories of the CANCOM Group's logistics centres are designed for short periods of time for reasons of optimisation.

To counteract this risk, CANCOM maintains close contact with key manufacturers and distributors and concludes long-term supply contracts where possible and appropriate. CANCOM also works with a broad circle of manufacturers and distributors in order to be able to quickly fall back on alternative manufacturers or alternative sources of supply if necessary.

The occurrence of the risk of dependence on suppliers cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential loss is assessed as medium. Overall, the risk is therefore assessed as medium.

The overall assessment was therefore downgraded compared to the previous year.

There are internal risks.

The CANCOM Group's value chain covers all stages of its business activities, from marketing, consulting, sales, logistics and implementation through to user training, maintenance and the operation of IT solutions. Disruptions within or between these areas or in work processes, for example in the support centre or in managed services, could lead to problems or even the temporary suspension of work processes in one or more areas. Storage risks, for example damage or losses that occur during storage and are not insured, also taken into account. In addition, there is the risk of only being able to sell goods at a lower price or not at all, or that call-off quantities are not purchased in the agreed order of magnitude, due to strong short-term fluctuations in product prices. There is also a risk of quality problems, particularly in areas that require intensive consulting.

To counteract these risks, CANCOM controls and manages the provision of advice and delivery of services via employees responsible for customer satisfaction (key account managers). In addition, resource management tools are used and project targets and interim targets for customer orders are defined and monitored. In order to counteract the risks associated with warehousing, the procurement process is continuously optimised. On the basis of close networking with manufacturers and distributors, CANCOM constantly endeavours to keep stock levels and warehousing costs as low as possible and to avoid short-term supply bottlenecks. Appropriate insurance policies are in place to cover damage caused by incorrect performance. In addition, internal processes and procedures are subject to constant monitoring by supervisors in departments and the CANCOM Group's management. In addition, business continuity management safeguards operating processes against downtime.

In addition to the aforementioned potential risks in the area of internal risks, there is also potential for damage from the introduction and implementation of the central ERP system SAP in the CANCOM Group. Delays may result in additional costs, for example for external consultants. It can also have a lasting and sometimes negative impact on CANCOM's business activities. There is also a considerable risk to the availability of the web shop, customer connections or the entire e-commerce process chain due to incorrect or failed implementations, as well as a possible total failure of the ERP system. Among other things, this could have a negative impact on the processing of customer projects and orders, such as deliveries and invoicing. Technical downtime could also mean that internal processes such as time recording, invoicing or accounting processes could no longer be maintained or only partially maintained and carried out, with all the subsequent consequences.

To counteract this risk, CANCOM utilises various measures such as experienced employees and project managers for the successful implementation of internal projects, proven management and control systems and ensures the highest possible degree of control. Project managers are appointed and project objectives and their sub-objectives are clearly defined in the form of milestones. The project managers monitor the individual steps and drive forward the rapid realisation of the SAP implementation. A training concept and a corresponding test phase are designed to reduce additional risks.

The occurrence of one or more of these internal risks cannot be ruled out. Following the implementation of countermeasures, the Executive Board considers the probability of occurrence and the potential damage to be low. Overall, the risk is therefore considered to be low.

The overall assessment has not changed compared to the previous year.

There is a risk of operational disruptions, in particular disruptions to IT systems that impair information technology.

The success and functionality of the CANCOM Group depend to a large extent on its IT equipment. Fundamental IT risks arise both from the operation of computerised databases and from the use of systems for merchandise management, e-commerce, controlling and financial accounting. In extreme cases, restrictions or the failure of these or other internal IT systems or associated external IT systems, whether partial or complete, or the delayed restoration of operations can bring work processes to a standstill. For example, a risk to the availability of goods could arise if the functionality of IT systems that are necessary for a smooth order process is no longer guaranteed. In addition, the CANCOM Group offers its customers data centre services via both its own and rented data centres and could no longer be able to provide the data centre services and any associated services due to disruptions.

The occurrence of one or more of the aforementioned risks from operational disruptions, in particular disruptions to IT systems, cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential damage is considered to be high. Overall, the risk is therefore assessed as medium.

The overall assessment has not changed compared to the previous year.

There are cyber security risks.

Cyberattacks are a specific and significant risk to the CANCOM Group's operations and all IT-based processes. Our observations show that computer crime is growing and becoming more professional, which is associated with risks in terms of the security of our systems and networks as well as the security of data. It cannot be ruled out that the security measures taken do not offer sufficient protection and that CANCOM could also fall victim to cyberattacks of all kinds. In this context, both internal IT could be impaired or fail completely, and the monitoring of customer systems could become faulty due to management tools that are not fully functional, which could lead to disruptions for customers or even the total failure of customer systems. Furthermore, it cannot be ruled out that customer information and sensitive, protected data could be leaked and made public in the course of a cyberattack. If data centres and their mirrored backup data centres were to fail at the same time, this would not only mean considerable financial damage for the CANCOM Group, but also immense reputational damage. Overall, disruptions or even the failure of IT systems and data centres could have a negative impact on business operations as well as supplier and customer relationships.

To counteract the risks, CANCOM makes intensive efforts to ensure the best possible availability of its IT systems and data centres. For example, the data centres are equipped with the latest data centre technology and the system readiness of a redundant data centre protects against the failure of a CANCOM data centre in operation. In addition to measures in data centres, general failure scenarios are simulated as a preventive measure as part of company-wide business continuity management, and protective mechanisms and emergency processes, including their functionality, are created, checked and tested. At the same time, CANCOM utilises IT security concepts and tools and regularly reviews the threat situation in the area of cyberattacks. In addition, the use of the in-house AHP Enterprise Cloud leads to increased security of the IT systems due to its system structure. A Chief Information Security Officer has been appointed with overall responsibility for IT security and is also in charge of a dedicated IT risk management system to analyse risks, coordinate measures and document risks and countermeasures.

The occurrence of one or more of the aforementioned cyber security risks cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential damage is assessed as very high. Overall, the risk is therefore assessed as high.

The overall assessment has not changed compared to the previous year.

Financial risks

There are financing, liquidity and credit risks.

A sharp deterioration in the liquidity situation is a significant risk for companies that could jeopardise their continued existence. This also applies to CANCOM SE and the CANCOM Group. In addition, a significant deterioration in business performance could result in a financing requirement that must be covered either by equity or debt instruments. In this case, there is a risk that such refinancing will not succeed or will only be possible on unfavourable terms due to the company's poor credit rating. A sufficient credit rating is therefore a necessary basis, particularly for the granting of debt capital, for example by banks, and therefore also for the long-term existence of the company. A significant deterioration in creditworthiness therefore represents a significant risk to the continued existence of the CANCOM Group. A further general financing risk may be posed by financing instruments that are linked to conditions (covenants) which, in the event of non-fulfilment, trigger an unplanned payment obligation.

In order to counteract these risks, the core objective of CANCOM's financial management is to ensure that sufficient cash and cash equivalents are available at all times to guarantee smooth business operations. In addition, the aim is to optimise profitability and thus achieve the highest possible credit rating in order to secure favourable refinancing. In addition to medium-term financial planning, the Group also has monthly liquidity planning. The entire scope of consolidation is mapped in the planning systems. As the equity ratio (as calculated by the banks) is a key indicator when granting bank loans, its development is monitored regularly in order to be able to initiate any countermeasures in good time.

As at the reporting date, the CANCOM Group had cash and cash equivalents of €144.7 million and credit lines (including guarantee facilities) with banks of € 167.9 million, of which € 151.3 million was freely available as at 31 December 2024. As a result, cash and cash equivalents significantly exceeded interest-bearing financial liabilities as at the reporting date, meaning that the CANCOM Group had no net financial debt. The equity ratio at the reporting date was 40.8 percent.

At the time of preparing this risk report, the Management Board does not believe that any risks arising from the financing, liquidity or creditworthiness situation are recognisable that could jeopardise the continued existence of the company. Nevertheless, the occurrence of such risks cannot be completely ruled out. Following the implementation of countermeasures, the Management Board considers the probability of occurrence to be low. The potential damage is considered to be low. Overall, the risk is therefore considered to be low.

The overall assessment has not changed significantly compared to the previous year.

There are risks from changes in exchange rates, inflation and interest rates.

The CANCOM Group's international business activities result in cash flows in different currencies. The majority of business is conducted in the euro zone, which is why the currency risk is limited. Nevertheless, a significant devaluation of the euro against other currencies can lead to exchange rate losses. This foreign currency risk is reduced by focussing on the DACH region. Other potential risks with a potentially negative financial impact could arise from changes in inflation and interest rates. A further increase in inflation would result in a loss of purchasing power, causing the value of cash and cash equivalents to fall. Although inflation rates in Germany and the eurozone are currently falling, they are nevertheless not insignificant, and the Group has a high level of cash and cash equivalents on its balance sheet, which means an increased risk of inflation. Increased interest rates could have a negative impact on variable-rate loans or other activities that are dependent on interest rates, but due to the low volume of loan liabilities, this did not have a significant impact in the reporting period.

To counter this risk, derivative financial instruments are used to hedge valuable underlying transactions such as currency hedges. Any transactions in different currencies are hedged on a daily basis, whereby customer-related transactions are always hedged. Hedging is carried out using forward exchange contracts, which generally offer CANCOM the opportunity to purchase foreign currency at an agreed rate. Due to the direct relationship with a customer transaction, CANCOM sees no risk here in relation to a foreign currency purchase on the day of payment to the respective supplier. Economic hedging relationships were not recognised as hedging relationships in the reporting year. Dedicated persons are permitted to enter into hedging transactions in amounts subject to approval; authorisations to exceed these limits are granted by the CFO/Executive Board. Treasury activities to optimise purchasing conditions could have negative effects and worsen purchasing conditions in the event of unfavourable hedges. CANCOM continues to achieve a reduction in the volume of external financing and thus an optimisation of the CANCOM Group's interest management with a positive impact on net interest income through intra-Group financial equalisation. The benefits from the Group's internal cash investment and borrowing options are based on the liquidity surpluses of individual Group companies used within the framework of the cash management system, which can be utilised for the internal financing of the cash requirements of other Group companies. In addition to overdraft facilities in Germany, CANCOM only utilises fixed-interest loans. Liabilities abroad are insignificant.

The fundamental factors for the assessment are high equity financing and the resulting low level of borrowing, currency hedging to minimise risk, the direct passing on of prices through price escalation clauses in contracts, the adjustment of hourly rates for service contracts or the passing on of manufacturer-side price increases in the traditional trading environment. Inflationary effects are also recognisable and expected in other areas of the CANCOM Group, but these are reflected in the risk categories "personnel clusters" and "sustainability risks". On the customer side, a decline in purchasing power is recognisable, although this is at a level that is acceptable for the CANCOM Group, so no adjustment has been made to the assessment in this area either.

The occurrence of risks from changes in exchange rates, inflation and interest rates cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential loss is assessed as medium. Overall, the risk is therefore assessed as medium.

The overall assessment has not changed compared to the previous year.

Personnel risks

There are personnel risks, as the success of the CANCOM Group depends on the ability to develop, attract and retain sufficiently qualified key personnel and to maintain and protect expertise within the company.

Particularly, but not exclusively, in the (specialised) sales, consulting and technical support and operation of IT systems business segments, CANCOM's business success is closely linked to the professional qualifications and personal skills of its management and employees. Consequently, both the inadequate recruitment and the loss of sufficiently qualified staff within the company represent a risk to business development. Another risk is the loss of key personnel with special professional skills or personal qualifications and experience within the company, whose knowledge and reputation can have a major impact on CANCOM's success, at least in the short term. If these employees leave the company, for example, or are unavailable for other reasons in the longer term, there is a risk of loss of expertise and the danger that the CANCOM Group will lose rights to proprietary software developments.

Irrespective of this, there is a risk that the shortage of skilled labour will generally make recruitment more difficult in the future, or that employees will lack the skills and qualifications required for CANCOM's own digital transformation, meaning that trends such as artificial intelligence cannot be adequately placed on the market. An unexpectedly sharp rise in the wages of skilled workers as a result of labour shortages or inflation are also risks to the planned business development. Furthermore, inflation-related salary increases for existing employees at CANCOM are already priced in as a result of current macroeconomic developments and future developments, but may also be higher than planned.

To counteract these risks, CANCOM offers measures to motivate and develop employees. In addition, top performers are identified through regular monitoring and special attention is paid to them. CANCOM endeavours to retain its employees in the long term through various measures. In addition, in sensitive and knowledge-intensive areas in particular, appropriate substitution arrangements are in place so that the unexpected absence of an employee can be largely compensated for, at least in the short term. CANCOM carries out measures to strengthen its image as an employer and offers various qualification and training programmes. CANCOM also offers its employees a high degree of flexibility by providing them with a future-proof workplace (digital workplace) with simple and secure access to company data and applications, regardless of time, place and end device, thereby promoting its image and attractiveness as an employer for employees of the digital generation, among other things. In addition, CANCOM is also endeavouring to develop and utilise new human resources abroad, for example through its subsidiary in Slovakia.

The possibility of the aforementioned personnel risks materialising cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential loss is assessed as medium. Overall, the risk is therefore assessed as medium.

The overall assessment has not changed compared to the previous year.

Information risks

The CANCOM Group may not be able to protect its developments and expertise or keep them secret.

The confidentiality risks were transferred to the key personnel and expertise risks due to the clear differences in content. This change was already presented in the quarterly statement dated 12 November 2024. At the time of the change, the risk assessment was low following the implementation of countermeasures.

Legal risks

At the time of preparing this summarised management report, there were no contingent liabilities from significant legal disputes or relevant litigation risks, particularly with regard to the risks described below.

There are risks from the violation of compliance guidelines.

The issue of compliance and the associated commitment to social responsibility and reputable behaviour is of paramount importance to the CANCOM Group. In order to meet the requirements of CANCOM's various stakeholder groups, comply with applicable laws and adhere to guidelines for ethical behaviour, CANCOM has an established and ISO-certified (ISO 37301) compliance management system that defines measures to counteract potential compliance violations, among other things. It is managed by a Compliance Office. There is also a Code of Conduct that defines how to deal with all of the company's stakeholder groups. The Code has been rolled out throughout the company and is accessible and binding for all CANCOM employees. In addition, web-based training courses support awareness of compliance throughout the entire workforce in the long term.

The occurrence of risks from potential compliance violations cannot be ruled out. Following the implementation of countermeasures, the Executive Board considers the probability of occurrence to be low. The potential damage is estimated to be low. Overall, the risk is therefore considered to be low.

The overall assessment has not changed compared to the previous year.

There are risks from the violation of national and international data protection regulations.

The use of data by the CANCOM Group, in particular the data of its customers, suppliers and employees, is subject to the provisions of the German Federal Data Protection Act and similar international regulations such as the European General Data Protection Regulation. If unauthorised third parties were to gain access to the customer data processed by CANCOM or stored as part of the storage solutions, or if CANCOM itself were to violate data protection regulations, this could lead not only to unforeseeable reputational damage but also to immense claims for damages, among other things.

To counteract these risks, the CANCOM Group trains its employees on the subject of data protection and has established security standards to protect against unauthorised access to data in addition to a data protection management system.

The occurrence of risks from the violation of data protection regulations cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential damage is assessed as medium. Overall, the risk is therefore assessed as medium.

The overall assessment has not changed compared to the previous year.

There are risks arising from the violation of national and international laws or regulations.

As a result of its operating activities and its status as a listed company, the CANCOM Group operates within the scope of a large number of national and international laws and regulations, some of which are complex. For example, CANCOM is subject to national and international financial market regulations such as EMIR, MAR, WpHG, the Exchange Rules of the Frankfurt Stock Exchange and the regulations of the German Federal Financial Supervisory Authority (BaFin), national and international labour laws such as the German Temporary Employment Act, national and international tax and corporate law, accounting rules such as IFRS and regulations such as the German Corporate Governance Code. These and other laws and regulations give rise to the risk that CANCOM could violate requirements, which could have a negative impact on its business activities or financial position, for example. In addition, tax audits can lead to differing legal interpretations of relevant facts and to additional tax claims and demands for additional levies. Violations of regulatory requirements are also conceivable, which the CANCOM Group could commit as a result of its activities as an IT service provider by not complying with legal requirements or not complying with them appropriately. These include, for example, the regulations regarding the digital resilience of financial institutions, which also apply to their IT service providers, such as EU-DORA, but also strict requirements regarding the criteria to be met by cloud providers (C5 catalogue of criteria). A breach of these regulations in particular can lead to many services not being offered at all or only being offered to a limited group of customers.

To counteract this risk, CANCOM employs qualified personnel to assess and implement laws and regulations in all areas of the company, trains CANCOM employees on legal regulations and supports training and qualification measures. CANCOM also uses external consultancies to identify any necessary adjustments.

The occurrence of risks from the violation of national and international laws or regulations cannot be ruled out. Following the implementation of countermeasures, the Executive Board considers the probability of occurrence to be low. The potential damage is estimated to be low. Overall, the risk is therefore considered to be low.

The overall assessment has not changed compared to the previous year.

Strategic risks

There are risks from misjudgements with regard to both past and future acquisitions of companies and their integration into the CANCOM Group.

The acquisition of companies and equity investments represents a not inconsiderable risk for the CANCOM Group. There is a risk that acquired companies and the market environment in which they operate may develop inadequately. There is also a risk that risks may arise or materialise that were not identified or were incorrectly assessed during the prior review of the acquired companies. Furthermore, key employees of the acquired companies could leave this company as a result of the acquisition by CANCOM, meaning that the loss of these key employees means that the objectives that were to be achieved with the acquisition can only be achieved under more difficult conditions. There is also the risk that customers of the acquired company will not place orders with CANCOM or will not want to conclude corresponding contracts with CANCOM. In addition, the organisational integration of further companies into the CANCOM Group may involve considerable time and financial expense. It is also possible that the implementation of the strategies on which the acquisition is based as well as the desired objectives and synergy effects may not be realised or may not be realised to the extent planned. The realisation of one or more of these risks could, even after several years, result in the investment made being lost in full or in part and possibly lead to impairment losses being recognised in the balance sheet and income statement.

To counteract this risk, CANCOM conducts a due diligence process for every transaction, actively manages potential risks as part of M&A processes and draws on the experience of previous acquisitions and corresponding integration expertise. The company benefits from its many years of in-depth knowledge of the market situation. CANCOM also utilises external consultants in M&A processes and draws on experienced integration managers internally. Checklists and documentation are also used for this purpose, allowing processes and risks to be recorded in an organised manner. By focussing on the core business, the company attempts to reduce the risk from acquisitions in new business areas.

It can be seen that the CANCOM Group's acquisition behaviour has had numerous positive effects. On the one hand, this can be attributed to the focus on the DACH regions and the expertise available here with regard to market and customer situations and, on the other hand, to the integration of existing specialist departments and specialists. Successful integration is evident in the more recent acquisitions. However, the acquisition of CANCOM Austria represented an inherent increase in risk in the past due to its size alone.

The occurrence of one or more risks from misjudgements in acquisitions and their integration cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence as medium. The potential loss is assessed as medium. Overall, the risk is therefore assessed as medium.

The overall assessment has not changed compared to the previous year.

There are risks from the acquisition or sale of companies or shares.

The CANCOM Group has acquired or sold a number of companies or shares in companies in recent years. In purchase or sale processes of this kind, there is a risk in the context of contract negotiations or contract design. There is also a risk that it may subsequently transpire that certain warranties and/or guarantees and/or obligations entered into by the seller/buyer have not been honoured. If this only occurs after the statute of limitations has expired and/or the seller/buyer is unable to settle any claims for damages, this may result in a loss of assets for the respective CANCOM Group company. The determination of sales prices based on earnings or future earnings may also prove to be disadvantageous for CANCOM. Investments in associated companies also pose a further risk in this area, as they have to be accounted for using the equity method, which in the worst case could lead to impairment losses recognised in profit or loss.

To counteract these risks, CANCOM conducts a due diligence process for every transaction and utilises both internal resources and external consulting and services for both business and legal issues when drafting contracts.

The occurrence of one or more risks from the acquisition or sale of companies or shares in companies cannot be ruled out. Following the implementation of countermeasures, the Executive Board considers the probability of occurrence to be low. The potential loss is assessed as high. Overall, the risk is therefore assessed as medium.

The overall assessment has not changed compared to the previous year.

There are risks relating to the loss of the company's reputation.

Professional reputation management is aimed at all existing and potential customers, suppliers and shareholders of CANCOM. It is therefore essential to maintain a positive external and internal perception. Should this image, which of course also reflects the corporate culture, deteriorate, there is a risk of damage to further business development as well as the earnings, financial and asset situation.

Another important criterion is attractiveness as an employer and building a positive employer reputation. In times of skills shortages and the resulting "war for talent", it is essential to be an attractive employer for well-trained and motivated employees in order to reduce reputational damage in every respect and to minimise the overall impact on CANCOM.

There is therefore a risk that decisions or actions by individual employees or other company representatives, the long-term consequences of which have not been sufficiently analysed, could damage the reputation of the CANCOM Group.

The best possible reputation with regard to ESG criteria is essential for CANCOM. In recent years, there has been a rapid paradigm shift from "nice-to-have" to "must-have" as more and more stakeholders and shareholders assess social, environmental and ethical aspects. Actions that conflict with these criteria have a long-term impact on CANCOM's strategy, reputation and public image.

After all the countermeasures and efforts taken, the Executive Board considers the probability of occurrence to be low. The loss potential is categorised as medium. Overall, the risk is therefore categorised as low.

The overall assessment has decreased compared to the previous year.

There are risks in terms of environmental and social sustainability.

The CANCOM Group is part of an ecological and social system that is currently changing and whose changes may have a negative impact on the Group's profitability. In order to counter these developments appropriately, risks such as chronic and acute climate risks, energy costs and security, but also disadvantages resulting from non-social corporate governance, are to be brought more into the focus of the overall risk assessment. In addition, the Executive Board of the CANCOM Group is taking measures such as the gradual expansion of renewable energy sources for power generation and the expansion of its own power storage infrastructure. CANCOM is also involved in regional projects for charitable causes. CANCOM promotes corporate sustainability through good corporate governance, which supports and ensures behaviour within the CANCOM Group that complies with the law and regulations.

After all the countermeasures and efforts taken, the Executive Board considers the probability of occurrence to be low. The potential damage is categorised as low. Overall, the risk is therefore categorised as low.

The overall assessment has not changed compared to the previous year.

Overall risk assessment

Overall, there are individual changes in the assessment and presentation of the risks described compared to the previous year, which are due to a number of external factors, among other things. The ongoing war in Ukraine, tensions between China and Taiwan, developments in the Middle East and political developments in the United States are key aspects in the assessment of risks in the forecast period. These international issues have been scrutinised with regard to their risk potential for the CANCOM Group, as they have numerous implications for global trade, global economic growth and access to essential hardware components.

In addition, risks relating to the internal use and sale of products in the field of artificial intelligence must also be considered with regard to the trend that will intensify in the 2024 financial year. As these systems are highly complex in terms of realisation and implementation, sufficient data security may not be guaranteed. Ethical and data protection risks relating to the use of artificial intelligence were also considered as part of the risk management process.

In addition to event-driven factors, the Executive Board's risk assessment is based on the systematic determination of the company's risk-bearing capacity. The Executive Board defines the maximum acceptable risk-bearing capacity of the CANCOM Group as a loss that jeopardises the company's refinancing on the capital market at investment grade conditions within the forecast period. Overall, the changed assessments compared to the presentation in the combined management report 2023 do not represent a significant change in the overall risk situation of the CANCOM Group. In view of the overall risk situation, the Executive Board of CANCOM SE does not currently consider the continued existence of the Group and CANCOM SE to be jeopardised.

In view of CANCOM's position in the market, its business success in the past year and the existing risk management system, the Executive Board is confident that it will be able to successfully meet the challenges arising from the aforementioned risks in the current financial year.

In addition to the confident self-assessment, external assessments also paint a positive picture of CANCOM's creditworthiness. LBBW's rating at the end of the 2024 financial year was 4 (31 December 2023: 4).

Opportunities for future development

CANCOM's international business activities (focussing on Germany, Austria and Switzerland) in various areas of the IT industry and IT-related business fields open up numerous opportunities for the Group. To identify these opportunities, the Group regularly carries out a comprehensive analysis of the market and competitive environment, focussing on current industry, technology and macroeconomic trends.

The following provides an overview of opportunities and possible future developments and events with a positive impact on the net assets, financial position and results of operations of the CANCOM Group.

Economic, regulatory, market and sector-related opportunities

Opportunities could arise from the general market trend as a result of rising demand and changing consumption patterns.

The rapid and dynamic development of artificial intelligence (AI) opens up numerous opportunities for system integrators, particularly through the automation of complex processes, the optimisation of IT infrastructures, secure integration into corporate environments and intelligent data analysis. AI solutions make it possible to network systems more efficiently, carry out processes autonomously, recognise errors at an early stage and significantly increase the productivity of companies. In addition, personalised solutions can be developed for customers with the right advice, for example through AI-supported analyses and decision-making. This not only leads to cost savings, but also to greater competitiveness and new business models, for example through the use of AI in Industry 4.0, IoT and cyber security.

In general, the transformation to a digital future is in full swing. Under the terms "digital change" or "digital transformation", the importance of digital infrastructures and applications is increasing. Companies, public administration and the healthcare and education sectors must continue to invest in high-performance IT infrastructures and IT applications. The role of information technology in the provision of services and value creation in companies is becoming ever greater. As the demands on the performance of modern IT landscapes increase, so does the complexity of IT solutions and the need for consulting and service offerings.

Overall, changes in user and consumer behaviour and the digital transformation are creating demand for digital technology and digital applications to overcome new challenges and further develop existing offerings. The digitalisation of processes and business models, possibly supported by solutions from the field of artificial intelligence, is the central solution for meeting user requirements in the future and thus ensuring competitiveness.

In an international comparison, there is still a need for the German market, which is relevant for CANCOM, to catch up - both in companies and in the education sector and administration. Three major areas of work have emerged for IT decision-makers. The introduction of high-performance infrastructures and applications, increasing the performance of existing solutions and innovation, i.e. the development of new offerings for customers and users based on existing solutions.

CANCOM is building on a comprehensive portfolio of solutions and services to satisfy customer demand in the long term. The areas of Artificial Intelligence, Internet of Things, Data Centre & Cloud, Modern Workplace and Security & Connectivity in particular can be presented to CANCOM customers as core competencies. This ensures that customers can be provided with comprehensive IT solutions that are essential to them now and in the future.

CANCOM offers its customers a wide range of IT and software solutions as well as consulting services. Thanks to its proximity to customers, which CANCOM serves regionally on site and at more than 80 CANCOM locations, CANCOM expects to benefit from the generally positive market development. Thanks to its position as one of the leading providers in the German-speaking region, CANCOM is in a position to grow not only in a favourable economic environment.

The acquisition of the KBC Group (now CANCOM Austria Group) in the 2023 reporting year, the takeover of parts of DextraData GmbH, also in the 2023 financial year, and the acquisition of the SBSK Group in the past financial year fit in perfectly with the opportunities arising from general market developments. These acquisitions strengthen the CANCOM Group's market position.

The Executive Board of CANCOM SE assumes that the CANCOM Group, with its special position in the market and broad product portfolio, could benefit from opportunities arising from general market developments. The Executive Board continues to assess the significance of opportunities arising from general market developments for the CANCOM Group's business development as high.

Opportunities could arise from changes in the regulatory environment, including higher requirements for IT systems or changes in labour law.

With the increasing importance of IT infrastructures and IT applications, the requirements of the legislator regarding the quality and security of this infrastructure are also increasing. Strict regulatory requirements such as EU-DORA, NIS directives or the KRITIS regulation, for example, place significantly higher demands on the operation of an IT infrastructure. Changes in data protection requirements or the operational security of IT systems can create an increased need for consulting and investment on the part of customers. For example, companies may need support with the acquisition and implementation of a legally compliant AI solution in view of the AI Act adopted by the European Union. Companies that are active in the healthcare sector, which is an important customer segment for CANCOM, are obliged by the Patient Data Protection Act to introduce appropriate organisational and technical measures to establish and maintain IT security. Implementing the requirements of the new regulation for companies of major public importance requires investment in IT infrastructures and IT security.

Changes in the regulatory environment could lead to demand for IT hardware, IT services and consulting exceeding the expectations of the Executive Board. The Executive Board of CANCOM SE therefore assumes that changes in the regulatory environment could create opportunities for the CANCOM Group. The overall opportunity is still classified as high.

Opportunities could arise through good contacts with manufacturers and distributors.

CANCOM maintains close relationships with important manufacturers and distributors of hardware and software in the IT industry in order to be able to offer customers suitable solutions for their IT requirements. These partnerships have often grown over a long period of time, enabling CANCOM to achieve a high status in the partner programmes of many manufacturers and distributors.

CANCOM develops and strengthens its relationships with manufacturers and distributors with its own partner account management. CANCOM thus has access to the latest information from manufacturers and CANCOM employees in purchasing and sales can always align their decisions and recommendations with the latest information on the needs of customers. As an important partner of manufacturers and distributors in the DACH region, opportunities could arise from close co-operation. Good contacts with manufacturers and distributors enable the CANCOM Group to react quickly to changes in demand with suitable offers and to be able to deliver even in a difficult market environment.

The Executive Board of CANCOM SE assumes that the CANCOM Group could benefit from opportunities arising from its good relationships with manufacturers and distributors. The Executive Board continues to assess the importance of opportunities to benefit from good contacts with manufacturers and distributors for the CANCOM Group's business development as high.

Project and business-related opportunities and technical trends

In the coming years, digital transformation and artificial intelligence will continue to dominate the German economy and the associated technologies will continue to dominate the IT market. Agile, flexible and scalable IT solutions are an important basis for successful digital transformation.

CANCOM can also benefit from trends. In addition to the demand for ever more powerful IT hardware, CANCOM identifies the areas of artificial intelligence, Internet of Things (IoT), data centre & cloud, modern workspace and security & connectivity as key trends in the industry.

Opportunities could arise from the increasing demand for artificial intelligence solutions, automation solutions and big data solutions.

As more and more devices are connected to the internet, enormous amounts of data are being generated from the associated IT applications. In line with this, there are various solutions and possibilities in the field of artificial intelligence to generate value and usable information from this data and networking. By implementing AI solutions, for example, productivity can be increased, complex data sets can be analysed and structured in a simplified manner and completely new business models can be developed. According to the McKinsey study on the economic potential of generative AI from 2023, global value creation through artificial intelligence could increase by up to USD 25.6 trillion.

CANCOM can position itself as an important partner for customers in this area in particular by providing consulting and services in addition to AI technologies. Thanks to its existing expertise, CANCOM can implement the diverse and complex requirements in the context of the introduction of AI solutions in the interests of the customer and its end users, so that a positive influence on the respective business areas of CANCOM customers can be achieved.

Examples of the diverse areas in which artificial intelligence can be used include personalised cancer therapy by systematically evaluating various medical data and linking it with other research results within a very short space of time, chatbots to answer customer queries or the use of automated analysis processes to combat crime.

Companies are also showing an interest in developing strategies and technologies to be able to collate and process information from a wide variety of extensive data pools and complex data streams on the one hand, and to gain valuable insights and ultimately benefits for companies and customers from the data on the other.

Analysing large volumes of structured, semi-structured and unstructured data from various sources, including through the use of artificial intelligence, gives rise to new, data-based business models and strategies. The main aim here is to recognise recurring patterns from the analysis of large volumes of data in order to derive predictions and even (automated) instructions for action (smart services). For example, machines, systems and production processes can be analysed using historical data and maintenance can be planned in order to minimise or even completely prevent production downtime.

However, in order for user companies to actually be able to drive new customer services, product developments and business models through appropriate IT solutions, they need a combination of technology, industry and process expertise as well as a pronounced ability to innovate from their IT partners. This is where CANCOM can score points with its customers thanks to its many years of expertise in the field of IT infrastructure and its IoT & AI portfolio.

The Executive Board of CANCOM SE assumes that the significant expansion of the possibilities of using AI solutions beyond pure data analysis and information procurement to process optimisation, automation, agent solutions, etc. can create great opportunities for the CANCOM Group. The use of these technologies requires investments in infrastructure - from the data centre for operating the large language models to the workplace/end devices and data archiving - which should be optimised for AI. In, there is a considerable need for advice from customers.

CANCOM has launched a cooperation and strategic partnership with ServiceNow in the current financial year. This collaboration aims to provide state-of-the-art digital solutions and AI-supported value-added services for SMEs in Germany, Austria and Switzerland. It comprises a complete portfolio of ServiceNow and CANCOM solutions developed to transform business processes for greater productivity, efficiency and cost optimisation.

According to the IDC Worldwide ICT Spending Guide Enterprise and SMB by Industry, IT spending by SMEs in the DACH region will reach almost US 71 billion by 2025. Areas such as IT service management, workflow automation and AI-driven analytics are helping SMEs in the DACH region to digitally transform, improve operational efficiency and drive the growth, agility and innovation that SMEs need to succeed in a challenging business environment.

By integrating AI-driven data and processes into digital workflows and providing reliable solutions such as the CANCOM Assistant (AI-based Service Desk), Asset Management-as-a-Service, Workplace-as-a-Service, Network-as- a-Service, SecOps-as-a-Service and Cloud Services Management, ServiceNow and CANCOM are jointly addressing SMEs by helping their customers to optimise their business results.

CANCOM can benefit from the jointly developed services and create a deeper and higher-value service integration into the customer's process landscape.

The Management Board believes the opportunities arising from the growing demand for products related to artificial intelligence and the Internet of Things (IoT) are highly significant.

Opportunities could arise from an acceleration of the Everything-as-a-Service trend (XaaS).

Everything-as-a-Service (XaaS) is defined by the Fraunhofer Institute as an approach in which all services for infrastructure, hardware and software as well as associated services are made available to customers as a service. In addition to the original concepts of IaaS (Infrastructure-as-a-Service), PaaS (Platform-as-a-Service) and SaaS (Software-as-a-Service), specialised solutions for individual areas are also offered in as-a-Service models. The connecting element from the service provider's point of view is the flexible purchase of services, where the customer is only charged for the use of the services.

The advantage for customers lies in the scalability of services and the ability to only pay for the services they have actually used. Companies also use the option of as-a-service models to increase the agility of the company, have access to the latest solutions and accelerate digitalisation within the company. The majority of companies are already procuring new software in a SaaS model.

CANCOM has added XaaS products to its portfolio and now offers Network-as-a-Service, Backup-as-a-Service, Security-as-a-Service and Firewall-as-a-Service, among others.

The Executive Board expects the trend towards the use of XaaS offerings to accelerate due to the advantages of this approach. The Executive Board of CANCOM SE assumes that opportunities could arise for the CANCOM Group as a result of an acceleration of the XaaS trend. The Executive Board continues to assess the significance of the opportunity for faster adaptation of XaaS offerings as high.

Opportunities could arise from technological developments in the area of data centre and cloud environments.

Cloud computing will continue to be a strategic element of the digital transformation and the technology basis for new high-tech trends. The positive attitude towards cloud computing and its use has already increased significantly among German companies. Nevertheless, companies want to further increase the use of cloud solutions.

The use of cloud solutions has increased again compared to the previous year. Currently, 98 percent of companies with more than 50 employees in Germany are already using a cloud solution. With this good market penetration, topics such as cost reduction and more efficient utilisation of the IT infrastructure are likely to gain in importance following the successful establishment of cloud solutions, creating further demand for consulting.

At the same time, new cloud solutions are emerging that utilise the advantages of different cloud approaches. More than three quarters of companies in Germany use hybrid cloud architectures in which the offerings of different private cloud providers or various public cloud offerings are combined. While hybrid cloud scenarios have been introduced in almost 50 percent of companies with over 5,000 employees, the proportion of companies using hybrid cloud solutions is well below 50 percent, particularly in medium-sized companies with 50 to 250 employees. Expertise and experience are required to set up and integrate these complex solutions. This opens up opportunities for providers such as CANCOM, from strategic planning, architecture and design to implementation and subsequent operation.

The increasing demand for cloud solutions could have a positive impact on demand for CANCOM's products and services overall. With its knowledge of the complex interrelationships of IT structures that have often evolved over time, many years of project experience and its own competence centres for various IT solution topics, in addition to an extensive cloud solution portfolio, CANCOM combines expertise in the transformation and operation of modern IT environments.

In addition to a good positioning in the area of cloud solutions, data centre architectures also offer great market potential, as these also represent a highly scalable IT infrastructure together with the aforementioned hybrid cloud architectures. Such an IT environment, combined with the utilisation of AI potential, can offer great added value for customers, as it promises efficient and innovative use.

The Executive Board of CANCOM SE assumes that opportunities could arise for the CANCOM Group as a result of the increasing demand for and use of hybrid cloud and data centre scenarios. As before, the Executive Board considers the significance of opportunities arising from technological developments in the area of cloud and data centre environments to be medium.

Opportunities could arise from the spread of mobile and digital workplaces (digital workplace).

The digital workplace is a key IT topic for companies. The digital transformation is changing the world of work, but the coronavirus pandemic has also provided new impetus. Work-life balance and the opportunity to work in flat, interdisciplinary hierarchies are of great importance. At the same time, there is a high proportion of around 24 percent of all employees who work at least partially at digital workstations outside of fixed office workplaces. The digital workplace is not limited to traditional office work.

This brings IT-based communication solutions for telephone/video conferences, chats and collaboration solutions as well as Internet of Things (IoT) applications into focus, which must be included in the overall Digital Workplace concept.

CANCOM has established a strong presence in the Digital Workplace sector in recent years. In the independent ISG Provider Lens Germany 2023 study, CANCOM achieved the classification "Leader" in the categories "Employee Experience (EX) Transformation Service", "Managed Workplace Services" and "Digital Service Desk and Workplace Support Services" for the German market. The holistic understanding of hybrid workplaces, hybrid work and digital experience, including technology, security, sustainability and culture, are of central importance.

The Executive Board of CANCOM SE assumes that opportunities for CANCOM's business development could arise from its competitive positioning and portfolio in the Digital Workplace segment. The Executive Board continues to assess the significance of the opportunity arising from the spread of mobile and digital workplaces as high.

Opportunities could arise from the change in cyber security requirements and cyber threat situations.

Because organisations depend on their IT functioning reliably and securely, the topic of IT security is not only of central importance from a regulatory perspective. The number of cyberattacks on company networks and public administration is increasing and becoming more and more professional. The trend towards mobile working and the spread of IoT applications require corresponding IT security strategies with a global reach. Ever larger volumes of data need to be reliably managed and protected, while at the same time the number of potential points of attack is increasing due to the growing number of devices in the network. IT managers are therefore increasingly planning projects in which the protection of networks is to be established and expanded.

As a result, IT security is increasingly high on the priority lists of IT decision-makers, as data protection, network security and protection against production disruptions are associated with considerable effort. Accordingly, the automation of IT security solutions is one of the most important technologies for IT decision-makers. At the same time, the number of intrusion points increases with the number of devices in a network. For IoT applications in particular, protection will become one of the most central issues in the coming years. Companies will have to deal intensively with IT security issues, especially when introducing digital workplace concepts.

CANCOM has DIN ISO 27001 certification (information security). It certifies that CANCOM has an information security management system that is aligned with CANCOM's circumstances and adapted to customer requirements. For customers, the certification signals operational reliability in all processes and compliance with high technical and security-related standards.

The Executive Board of CANCOM SE assumes that the CANCOM Group could benefit from growing demand in the market with its portfolio of security solutions. Unexpected events with security relevance, such as the discovery of the log4j vulnerability, could present opportunities for the CANCOM Group's business development. The Executive Board continues to assess the significance of the opportunity arising from the change in cyber security requirements and cyber threat situations as high.

Opportunities could arise through the use of the Internet of Things (IoT).

The mobile internet no longer belongs only to smartphones and tablets. Sensors, wearables, connected cars, smart homes and other IoT devices: The number of devices that exchange information and data is high and constantly increasing. Networking, cooperation and communication between the various end devices is also increasing. The connection between the physical and virtual environment, which characterises the IoT, is increasing.

IoT allows providers to access more data streams, ultimately bringing them closer to their customers. IoT applications are also increasingly critical to the success of production processes, for example in edge computing.

Connecting multiple data points or data sources can generate valuable insights into customer behaviour and thus open up new business models and sales channels - especially through the use of automation and AI solutions. The IoT forms the infrastructure that plays an important role in the concrete design of digital business models.

For IoT projects, companies are looking for partners who, in addition to economic requirements, have special industry knowledge and technical expertise. The introduction of the G5 standard in mobile communications and the Wi-Fi 6 standard represent a significant step towards enabling IoT and Industry 4.0 projects and accelerating the trend towards networked Industry 4.0.

The IoT is the basis of Industry 4.0, in which networked systems and devices exchange and process data in real time and are controlled semi-autonomously by automated or AI-supported processes. Big data and analytics have long since become a central element in the control of these complex systems.

In the past, the infrastructure side (IaaS) and the application side (SaaS) often took centre stage in connection with cloud computing and industrial applications. In the meantime, the platform concept has clearly moved to the centre of interest. Platform as a Service (PaaS) is increasingly becoming an important element for companies to realise their innovation projects. PaaS offers them access to standardised infrastructure services and development platforms, combined with the option of individual extensions to these in order to stand out from the competition in the rapidly developing market for digital business models, smart services or services relating to the Internet of Things. This is another reason why companies are planning to spend more on IaaS and PaaS projects in the coming years.

The Executive Board of CANCOM SE assumes that opportunities could arise for the CANCOM Group as a result of an acceleration in the use of IoT. The Executive Board continues to assess the significance of the opportunity arising from the spread of the Internet of Things (IoT) as medium.

Personnel opportunities

Opportunities could arise from a shortage of skilled labour in IT departments.

The number of unfilled IT positions in companies has been growing for years. In its survey of 13 December 2023, the industry association Bitkom estimates 149,000 unfilled positions in the IT sector in Germany and forecasts an increase in the unmet demand for skilled workers to 663,000 missing employees by 2040. These figures show a clear shortage of skilled labour now and in the future, which will leave companies looking for IT specialists for longer and longer. Companies are increasingly confronted with a lack of internal IT capacity due to the diversity and complexity of requirements. Accordingly, companies are turning to service providers such as CANCOM. The CANCOM Executive Board expects this "war for talent" to accelerate further in the coming years.

In order to take advantage of the opportunities presented by the high demand for IT specialists, CANCOM is positioning itself as an attractive employer and endeavouring to attract and retain specialists for the company. International recruitment, such as at the CANCOM site in Kosice, Slovakia, is also of central importance, as well-trained specialists can be acquired here whose co-operation can be of great value in the day-to-day business operations of the CANCOM Group. A high training quota and extensive investment in the training and further education of employees are just as much a part of the solution as targeted employer branding and benefit programmes. CANCOM actively involves employees in the organisation process and identifies starting points for successful employee retention.

The Executive Board of CANCOM SE assumes that opportunities could arise for the CANCOM Group through a forward-looking personnel policy and positioning as an attractive employer. The Executive Board continues to assess the significance of the opportunity arising from the shortage of skilled labour in IT departments as medium.

Strategic opportunities

Opportunities could arise from successful company acquisitions and takeovers.

The IT market in Germany remains highly fragmented. According to data from June 2024, the industry association Bitkom recently recorded over 90,000 companies in the IT hardware, software and IT services segments alone. Takeovers within the IT sector are therefore part of the development for larger companies. CANCOM has also repeatedly utilised strategic opportunities through acquisitions in recent years.

Company acquisitions are an integral part of the CANCOM Group's growth strategy. Acquisitions can strengthen CANCOM in important geographical regions, bring new knowledge into the company and open up new customer groups. Furthermore, by gaining access to the CANCOM portfolio, acquired companies can offer their customers a wider range of products and services and thus contribute to the positive development of the CANCOM Group.

In order to identify promising companies for acquisition, employees from the Mergers and Acquisitions (M&A) department monitor the market with support from within the company and from external consultants. Acquisitions are carefully and extensively scrutinised before they are concluded. There is a post-merger process in which the acquired companies are usually merged into existing CANCOM Group companies and the business processes are integrated.

The Executive Board of CANCOM SE assumes that the knowledge and experience gained from previous acquisitions could create opportunities for the CANCOM Group through company acquisitions. The Executive Board considers the importance of opportunities arising from successful company acquisitions and takeovers to be high in the future as well.

Opportunities can arise in terms of ecological and social sustainability.

Public interest in ecological and social sustainability has increased significantly. Positioning the CANCOM Group as a sustainable IT service provider creates corresponding opportunities for customers, end users, suppliers and employees. Being perceived as a sustainable company can increase both its attractiveness as an employer and its reputation among existing and potential customers and business partners. The CANCOM Group has already implemented measures to improve environmental sustainability. These include, for example, the expansion of energy generation at the CANCOM Group's sites, primarily through photovoltaics and corresponding storage technology. The expansion of in-house energy storage also increases the availability of the IT infrastructure in important CANCOM properties, even in the event of a weather-related power outage. Opportunities arise from the development of sustainable infrastructures and a sustainable market presence for the CANCOM Group.

For their part, the CANCOM Group's customers are also responding to the growing demands in the area of sustainability and are attaching increasing importance to the aspect of sustainability when developing their IT solutions. CANCOM can contribute to improving the sustainability performance of its customers through its products and services. Opportunities arise from a stronger focus on sustainability on the part of the CANCOM Group's customers.

As before, the Executive Board considers the significance of the opportunities arising in relation to environmental and social sustainability to be low.

Overall opportunity assessment

CANCOM is characterised by its innovative strength and its ability to seize opportunities in the IT market. With a clear focus on forward-looking technologies such as the Internet of Things (IoT), artificial intelligence (AI), cloud computing and data centres, networks and IT security, CANCOM is positioning itself as a pioneer in the digital transformation.

In the area of the Internet of Things (IoT), CANCOM offers innovative solutions that enable companies to network their devices and systems and thus collect and analyse valuable data in real time. This data helps companies to optimise their processes, increase efficiency and develop new business models. By integrating IoT technologies, companies can increase their productivity and reduce costs at the same time. CANCOM also supports companies in integrating the diverse application possibilities of artificial intelligence into the business and customer processes relevant to them. Automation, forecasting and improvements can thus be achieved much more easily with the help of the CANCOM portfolio.

Cloud computing and data centres are central components of CANCOM's IT strategy. By providing cloud services, CANCOM enables companies to organise their IT infrastructure in a flexible and scalable way. This leads to greater agility and enables companies to react quickly to market changes. CANCOM's cloud solutions also offer high availability and security, which is essential for the smooth operation of business-critical applications. At the same time, CANCOM operates state-of-the-art data centres that meet the highest standards in terms of security, availability and energy efficiency. These data centres provide the basis for the provision of cloud services and other IT solutions and ensure that customers' data is stored and processed securely and reliably. By combining cloud computing and high-performance data centres, CANCOM ensures that companies can use a robust and future-proof IT infrastructure that meets the requirements of digital transformation.

Networks and IT security are key concerns for CANCOM. The company offers comprehensive network solutions that enable secure and efficient communication within companies and with external partners. By providing state-of-the-art technologies, CANCOM ensures that networks are powerful, reliable and secure. At the same time, CANCOM offers comprehensive security solutions that protect companies from threats. At a time when cyber attacks are becoming more frequent and more sophisticated, CANCOM ensures that its customers' IT infrastructure is protected in the best possible way.

In summary, CANCOM's innovative strength and comprehensive IT solutions in the areas of IoT, AI, cloud, data centres, networks and IT security put it in an excellent position to seize the opportunities of the IT market and offer its customers real added value. In addition, profitable growth can be achieved by exploiting synergies and economies of scale, for example through improved purchasing conditions or the centralisation of administrative tasks and better access to tenders for major projects. The expansion of the high-margin service business reduces dependence on price developments in the hardware sector.

The growth of the CANCOM Group has also been supported by acquisitions in recent years. In a market that remains highly fragmented, the Group's solid financial position and good financial resources will continue to provide opportunities to further expand its market position through suitable acquisitions in the future.

The Executive Board of CANCOM SE is confident that the Group's earning power and innovative capacity will form a solid basis for future business development and provide the necessary resources to decisively utilise CANCOM's entrepreneurial opportunities.

Report on expected developments

Development of the overall economy and the IT market

With a revenue share of over 60 percent, Germany is by far the most important sales market for the CANCOM Group. The other key sales market in terms of sales volume is Austria. In addition to the general economic development in these national markets, the overall market for information and communication technology in both national markets forms an important framework and basis for comparison when assessing CANCOM's economic development.

Outlook for gross domestic product 2025*
(change from previous year in %)

Germany	+0.5
Austria	+0.8

*) Source: Deutsche Bank Research, 16 December 2024;
OeNB, 2 December 2024.

At the time of preparing this forecast report, the further development of the economy as a whole and thus also of the ICT market is largely characterised by macroeconomic and geopolitical influences. The weak economic outlook in the CANCOM Group's core markets is hampering the investment behaviour of SMEs. Uncertainties about the course of the new government to be formed following the federal elections in Germany in February 2025 are leading to uncertainties about the scope of federal government spending in Germany in the current year. Accordingly, the development of public spending to meet the challenges of digitalisation is accompanied by considerable uncertainty for 2025.

Overall, a slight recovery is expected for the economy as a whole from the first half of the year. The German economy is currently burdened by structural factors resulting from demographic change, a more difficult competitive position for Germany as a business location and geo-economic fragmentation. This difficult economic environment is also having a negative impact on the core ICT markets of the CANCOM Group.

Germany

In its forecast for the development of gross domestic product in December 2024, the Kiel Institute for the World Economy (IfW) assumed GDP growth of 0.1 percent for Germany in 2025 despite the low economic momentum overall. Deutsche Bank's forecast was somewhat more optimistic with growth expectations of 0.5 percent in 2025 compared to the previous year.

Austria

In December 2024, the Kiel Institute forecast GDP growth of 0.7 percent in 2025 for the CANCOM Group's other key country market, Austria. The Austrian National Bank (OeNB) predicts similar economic growth of 0.8 percent in 2025 compared to the previous year.

ITC market in Germany and Austria

German companies in the digital sector are cautious about their expected business development in 2025. The Bitkom ifo digital index compiled by the industry association Bitkom, which reflects the ICT business climate, stood at -5.3 points in December 2024 and was therefore below expectations at the end of the fourth quarter of 2024. The index has thus fallen steadily since June 2024 from 7.5 to -5.3. By comparison, the digital index reached a value of +9.6 in December 2023. By contrast, the assessment of the business situation rose again for the first time in November and December 2024.

According to Bitkom, the industry association for the ICT sector, sales of products and services in the information and communication technology (ICT) market in Germany will grow by 4.6 percent to a volume of € 232.8 billion in 2025, according to the latest study from December 2024. For 2024, the association forecast growth of 3.3 percent to € 222.6 billion. The current outlook thus points to continued growth in the ICT market. The development is being driven positively by the largest submarket in the ICT sector in terms of volume, the market for information technology (IT), which is particularly important for CANCOM. Bitkom is forecasting continued significant growth of 5.9 percent to € 158.5 billion (previous year: 4.4 percent) for 2025, which is distributed across the individual market segments as follows:

Outlook: Market for information technology (IT) 2025, Germany*
(change compared to previous year in %)

Total IT market	+4.6
IT services (IT services, security)	+5.0
IT hardware (including semiconductors)	+3.3
Software	+9.8

*) Source: Bitkom/IDC, December 2024.

Based on the data aggregated by the Statista platform for the Austrian market, the IT market in Austria is expected to grow by 4.7 percent to € 16.1 billion in 2025. This means that growth will slow down in 2025, following a growth rate of 7.6 percent in the past financial year.

Outlook: Market for information technology (IT) 2025, Austria*
(change compared to previous year in %)

*) Source: Statista Insights, December 2024.

In its latest IT trends study from January 2025, the German Federal Association of IT Users comes to the following assessment of the development of IT budgets at companies and public sector clients. Compared to the previous year, the respondents expect IT budgets to grow by 2.4 percent compared to the previous year's budget of the departments (previous year's growth: 4.3 percent). This means that growth will continue to weaken in 2025. The increasing cost pressure in IT departments will become a priority.

Among the trending topics, only IT cost savings was able to increase its ranking accordingly. The priority of the other trend topics, information security/IT and cyber security, digitalisation and governance and compliance, has fallen slightly. Measures to optimise IT costs include outsourcing to nearshore and offshore regions, longer hardware lifecycles and the use of generative AI to reduce personnel costs. However, budgets for IT security are expected to continue to rise sharply. This development reflects the current geopolitical threat situation.

Premises of the forecast

The forecasts for the CANCOM Group and CANCOM SE include all information known to the Executive Board at the time this report was prepared that could have an impact on business development. The outlook is based, among other things, on the expectations described above with regard to economic development and the development of the IT market. In this context, the Executive Board expressly draws attention to uncertainties in the assessment of general economic developments. In the CANCOM Group's core markets, there is still a high degree of uncertainty regarding economic development. This is also causing an increased level of uncertainty in CANCOM's important business with public-sector clients. Global, particularly macroeconomic, uncertainty factors such as an expansion of existing acts of war and regional tensions make it even more difficult to assess developments. The following forecast of the business development of the CANCOM Group and CANCOM SE does not include the event of an expansion of current crises and acts of war or permanent serious negative macroeconomic consequences from such or other sudden external events that affect the business with IT services and IT infrastructure in sales and procurement markets relevant to CANCOM.

With regard to the CANCOM Group as a whole, unforeseeable events could influence the expected development of the company from today's perspective. Such events include, for example, the consequences of short-term legal or regulatory changes. Such events are not taken into account in the forecast. The forecast developments in the key performance indicators relate exclusively to the development of the CANCOM Group in the 2025 financial year compared to the reporting date of 31 December 2024.

Forecast for the CANCOM Group

The Executive Board believes that the long-term digitalisation trend and the associated demand for IT infrastructure, software and IT services is intact in all IT markets relevant to CANCOM despite the various influences (reluctance to buy, economic stagnation).

Accordingly, the Executive Board assumes that demand for IT hardware, software and IT services will be driven by fundamental long-term developments and therefore expects a generally positive market environment for the business activities, products and services in the CANCOM Group's portfolio in the medium term.

The markets are currently experiencing increased macroeconomic and geopolitical influences. In its current forecast, the Kiel Institute for the World Economy (IfW) expects GDP in Germany to grow by 0.1 percent in the current year. For the CANCOM Group's other key country market, Austria, the Kiel Institute expects GDP growth of 0.7 percent in 2025. These uncertainties can also affect the IT sector and influence the basis or assumptions of the forecasts. In particular, the extension of IT utilisation cycles, the postponement of investments and the reduced expenditure on IT services due to increasing cost pressure represent uncertainties for the accuracy of the forecast.

As a result, the Executive Board expects the "Germany" and "International" business segments to perform largely in line with each other. In a year-on-year comparison, the Executive Board anticipates a slight upturn in business in the second half of the year, leading to a slightly positive outlook for the year as a whole.

The Executive Board is focussing on the performance indicators revenue, EBITDA and EBITA. On the basis of the aforementioned framework conditions and premises, the Executive Board of CANCOM SE forecasts following development for the CANCOM Group in the 2025 financial year:

Performance indicators
(in € million)

	2024	Forecast 2025
Revenue	1,737.6	1,700 to 1,850
EBITDA	113.0	115 to 130
EBITA	59.6	61 to 76

Forecast for CANCOM SE

The parent company of the Group generates income primarily from profit transfer agreements with subsidiaries and distributions from subsidiaries as well as from allocations for management and financing services rendered within the CANCOM Group. The future economic development of the individual company is directly dependent on the economic development of the Group. The statements in the Group's forecast report therefore apply accordingly. Against the background of these statements and the corporate planning of CANCOM SE, the Executive Board expects a normalised net profit for the year compared to the previous year, in particular due to high dividend payments in the reporting year.

Munich, 25 March 2025

The Executive Board of CANCOM SE

Rüdiger Rath
CEO

Thomas Stark
CFO

Note on rounding

Due to rounding, it is possible that individual figures in this document do not add up exactly to the totals given and that the percentages shown do not exactly reflect the absolute values to which they relate.

Disclaimer zukunftsgerichtete Aussagen

This document contains statements that relate to the future course of business and future financial performance as well as to future events or developments affecting CANCOM and may constitute forward-looking statements. These are based on current expectations, assumptions and estimates of the Executive Board and other information currently available to management, much of which is beyond CANCOM's control. These statements can be recognised by formulations and words such as "expect", "want", "assume", "believe", "aim", "estimate", "assume", "count on", "intend", "could", "plan", "should", "will", "predict" or similar terms. All statements, other than statements of historical fact, are forward-looking statements. Such forward-looking statements include, but are not limited to: Expectations regarding the availability of products and services, the financial position and results of operations, business strategy and the Executive Board's plans for future operating activities, economic developments and all statements regarding assumptions. Although these statements are made with great care, CANCOM, represented by the Executive Board, cannot guarantee the accuracy of the expectations, particularly in the forecast report. Various known and unknown risks, uncertainties and other factors could lead to significant differences between the actual results and those contained in the forward-looking statements. In this context, the following factors, among others, are of significance: external political influences, changes in the general economic and business situation, changes in the competitive position and situation, for example due to the emergence of new competitors, new products and services, new technologies, changes in the investment behaviour of target customer groups, etc., as well as changes in business strategy. Should one or more of these risks or uncertainties materialise, or should underlying expectations or assumptions prove incorrect, CANCOM's actual results, performance or achievements may be materially different (either negatively or positively) from those expressed or implied by such forward-looking statements. No guarantee can be given for the appropriateness, accuracy, completeness or correctness of the information or opinions in this document. Furthermore, CANCOM assumes no obligation and does not intend to update or revise these forward-looking statements in the event of developments that differ from those anticipated.


CANCOM

Consolidated balance sheet

ASSETS

(in T€)	Notes	31.12.2024	31.12.2023 (adjusted*)
Current assets			
Cash and cash equivalents	B.1 (A.3.4)	144,674	222,549
Receivables from goods and services	B.3 (A.3.6)	423,754	475,498
Current contract assets	B.4 (A.3.7)	18,427	32,371
Capitalised short-term contract costs	B.4 (A.3.7)	0	234
Inventories	B.5 (A.3.8)	68,049	79,914
Other current financial assets	B.6 (A.3.17)	54,483	56,431
Other current assets	B.7 (A.3.18)	62,363	44,141
Total current assets		**771,750**	**911,138**
Non-current assets			
Property, plant and equipment	B.8.1 (A.3.9)	59,045	59,680
Intangible assets (excluding goodwill)	B.8.2 (A.3.10)	74,674	89,780
Goodwill	B.8.3 (A.3.11)	270,043	264,510
Rights of use	B.8.4 (A.3.13)	119,840	122,164
Financial assets and loans	B.8.5 (A.3.14)	33	1,926
Investments in companies accounted for using the equity method	B.8.6 (A.3.15)	14,479	14,538
Deferred tax assets	B.9 (A.3.16)	14,567	11,015
Other non-current financial assets	B.6 (A.3.17)	47,821	51,306
Other non-current assets	B.7 (A.3.18)	34,644	23,264
Total non-current assets		**635,146**	**638,183**
Total assets		**1,406,896**	**1,549,321**

EQUITY AND LIABILITIES

(in T€)	Notes	31.12.2024	31.12.2023 (adjusted*)
Current liabilities			
Current liabilities to banks	B.10 (A.3.19)	854	9,415
Liabilities from deliveries and services	B.11 (A.3.20)	376,617	356,555
Other current financial liabilities	B.12 (A.3.24)	67,012	91,111
Current pension provisions and similar provisions	B.16 (A.3.21)	1,178	793
Current other provisions	B.13 (A.3.22)	9,670	7,913
Current contract liabilities	B.4 (A.3.7)	72,793	54,876
Income tax liabilities	B.14 (A.3.23)	8,518	7,896
Other current liabilities	B.15 (A.3.25)	84,237	71,157
Total current liabilities		**620,879**	**599,716**
Non-current liabilities			
Non-current liabilities to banks	B.10 (A.3.19)	250	1,311
Other non-current financial liabilities	B.12 (A.3.24)	146,214	154,105
Non-current pension provisions and similar provisions	B.16 (A.3.21)	25,496	24,604
Non-current other provisions	B.13 (A.3.22)	6,235	5,849
Non-current contract liabilities	B.4 (A.3.7)	15,352	19,008
Deferred tax liabilities	B.9 (A.3.16)	18,093	20,255
Other non-current liabilities	B.15 (A.3.25)	10	13
Total non-current liabilities		**211,650**	**225,145**
Equity capital	B.17		
Subscribed capital	B.17.1	31,515	36,687
Capital reserve	B.17.2	483,763	478,591
Retained earnings including profit carried forward and profit for the period	B.17.3	58,412	208,213
Other reserves	B.17.4	308	587
Non-controlling interests		369	382
Total equity		**574,367**	**724,460**
Total liabilities		**1,406,896**	**1,549,321**

*) See the explanations in section A.2.2.2 of the consolidated financial statements.

Consolidated statement of comprehensive income

(in T€)	Notes	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Sales revenue	C.1 (A.3.2)	1,737,619	1,522,733
Other operating income	C.2	12,163	15,189
Other own work capitalised	C.3	1,607	4,287
Capitalised contract costs	C.4	-234	-937
Overall performance		**1,751,155**	**1,541,272**
Cost of materials/expenses for purchased services	C.5	-1,057,572	-958,999
Gross profit		**693,583**	**582,273**
Personnel expenses	C.6	-467,628	-382,582
Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets	C.7	-65,044	-59,932
Impairment losses on financial assets including reversals of impairment losses		-1,795	-43
Other operating expenses	C.8	-111,138	-83,934
Operating result (EBIT)		**47,978**	**55,782**
Interest and similar income	C.9	6,751	7,465
Interest and similar expenses	C.9	-6,933	-5,819
Other financial result Income	C.10	2,939	1,471
Other financial result Expenses	C.10	-2,108	-2,777
Result from companies accounted for using the equity method	C.11	145	-60
Currency gains/losses	C.12	39	126
Earnings before income taxes		**48,811**	**56,188**
Income taxes	C.13	-15,288	-18,208
Earnings after taxes from continuing operations		**33,523**	**37,980**
Result from discontinued operations	C.14	0	-1,065
Profit for the period		**33,523**	**36,915**
of which attributable to shareholders of the parent company		33,453	36,827
of which attributable to non-controlling shareholders	C.15	70	88
Average number of shares in circulation undiluted		33,706,066	36,811,798
Average number of shares in circulation (diluted)		33,706,066	36,811,798
Earnings per share from continuing operations (undiluted) in €	C.16	**0.99**	**1.03**
Earnings per share from continuing operations (diluted) in €	C.16	**0.99**	**1.03**
Earnings per share from discontinued operations (undiluted) in €	C.16	**0.00**	**-0.03**
Earnings per share from discontinued operations (diluted) in €	C.16	**0.00**	**-0.03**
Earnings per share from profit for the period attributable to shareholders of the parent company (undiluted) in €	C.16	**0.99**	**1.00**
Earnings per share from profit for the period attributable to shareholders of the parent company (diluted) in €	C.16	**0.99**	**1.00**

(in T€)	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Profit for the period	**33,523**	**36,915**
Other result		
Items that are subsequently reclassified to profit or loss for the period		
Gains/losses from the currency translation of foreign operations	-208	987
Gains/losses from financial assets measured at fair value through other comprehensive income	-92	92
Deferred taxes on items that are subsequently reclassified to profit or loss for the period	21	-21
Items that will not be reclassified subsequently to profit or loss for the period		
Gains/losses from the remeasurement of defined benefit plans	-1,952	-1,678
Deferred taxes on items that are not reclassified to profit or loss for the period	394	388
Other comprehensive income for the period	**-1,837**	**-232**
Total comprehensive income for the period	**31,686**	**36,683**
of which attributable to shareholders of the parent company	31,616	36,595
of which attributable to non-controlling shareholders	70	88

Consolidated cash flow statement

(in T€)		Notes	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Cash flow from operating				
Profit for the period			33,523	36,915
Corrections				
+	Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets		65,044	59,932
+	Net interest income and other financial result		-795	-486
+	Income taxes		15,288	18,593
+/-	Changes in non-current provisions		-1,720	145
+/-	Changes in current provisions		2,134	3,488
+/-	Result from the sale of property, plant and equipment, intangible assets and financial assets		-1,031	-742
+/-	Changes in inventories		11,138	9,035
+/-	Changes in trade receivables, contract assets, capitalised contract costs and other assets		54,806	61,705
+/-	Changes in trade payables and other liabilities		42,689	-66,478
-	Payments from interest paid		-2,310	-2,110
+/-	Income taxes paid and refunded		-26,631	-26,642
+/-	Non-cash expenses and income		741	-800
+/-	Equity-settled share-based payments		0	11
+/-	Loss/gain from the sale of a discontinued operation		0	2,064
Cash flow from operating activities, total		D.1	**192,876**	**94,630**
Cash flow from investing activities				
-	Payments for the acquisition of subsidiaries		-28,699	-70,008
+	Cash received from the acquisition of subsidiaries		606	12,069
+	Proceeds from the sale of a discontinued operation		0	716
-	Payments from the acquisition of financial investments		-770	-115
-	Payments for investments in property, plant and equipment, intangible assets and right-of-use assets		-22,276	-25,786
+	Proceeds from disposals of property, plant and equipment, intangible assets and financial assets		3,517	999
+	Proceeds from the disposal of financial instruments		0	1,010
+	Proceeds from interest and dividends received		3,414	6,180
+	Proceeds from dividends from joint ventures and associates		974	512
Cash flow from investing activities, total		D.1	**-43,234**	**-74,423**

(in T€)		Notes	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Cash flow from financing activities				
-	Payments due to the repurchase of treasury shares		-146,717	-71,627
-	Payments for capital increase costs		0	-80
+	Raising of non-current financial liabilities		0	2,192
-	Payments from the repayment of non-current financial liabilities (including the portion recognised as current)		-125	-38,075
-	Payments from the repayment of lease liabilities (lessee perspective)		-43,479	-37,921
+/-	Cash inflows/outflows from the raising/repayment of current financial liabilities		-7,806	-7,776
+/-	Proceeds/payments from financial liabilities to leasing companies and proceeds from subleasing transactions		9,885	693
-	Payments from interest paid for non-current financial liabilities and lease liabilities		-4,132	-2,414
-	Payments from dividends paid		-35,101	-35,392
-	Payments for the acquisition of non-controlling interests		0	-1
Cash flow from financing activities, total		D.1	**-227,475**	**-190,401**
Net increase/decrease in cash and cash equivalents			**-77,833**	**-170,194**
+/-	Exchange rate-related changes in cash and cash equivalents		-42	-428
+/-	Cash and cash equivalents at the beginning of the period		222,549	393,171
Cash and cash equivalents at the end of the period		D.1	**144,674**	**222,549**
thereof				
Cash and cash equivalents from continuing operations			144,674	222,549
Cash and cash equivalents from discontinued operations			0	0

Consolidated statement of changes in equity

				Retained earnings including profit carried forward and profit for the period			Other reserves				
	Shares	Subscribed capital	Capital reserve	Retained earnings	Profit for the period including profit carried forward	Remeasurement of defined benefit plans	Currency translation of foreign operations	Valuation of financial assets	Total owner Parent company	Non-controlling interests	Total equity
	in T pieces	in T€	in T€	in T€	in T€	in T€	in T€	in T€	in T€	in T€	in T€
1.1.2023	**35,372**	**35,372**	**379,990**	**257,267**	**22,682**	**-329**	**-471**	**0**	**694,511**	**310**	**694,821**
Profit for the period					36,827				36,827	88	36,915
Other result					0	-1,290	987	71	-232	0	-232
Overall result					**36,827**	**-1,290**	**987**	**71**	**36,595**	**88**	**36,683**
Capital increase	3,500	3,500	96,460						99,960		99,960
Costs of the capital increase			-55						-55		-55
Reclassification of profit/loss for the period/profit reserve				-32,948	32,948				0		0
Recognition of share-based payments			11						11		11
Distribution in the financial year					-35,372				-35,372	-20	-35,392
Change due to the sale of non-controlling interests									0	4	4
Capital reduction	-2,185	-2,185	2,185	2,185	-2,185				0		0
Changes due to the repurchase of treasury shares				-71,572					-71,572		-71,572
31.12.2023	**36,687**	**36,687**	**478,591**	**154,932**	**54,900**	**-1,619**	**516**	**71**	**724,078**	**382**	**724,460**
1.1.2024	**36,687**	**36,687**	**478,591**	**154,932**	**54,900**	**-1,619**	**516**	**71**	**724,078**	**382**	**724,460**
Profit for the period					33,453				33,453	70	33,523
Other result					0	-1,558	-208	-71	-1,837	0	-1,837
Overall result					**33,453**	**-1,558**	**-208**	**-71**	**31,616**	**70**	**31,686**
Distribution in the financial year					-35,017				-35,017	-83	-35,100
Capital reduction	-5,172	-5,172	5,172	5,172	-5,172				0		0
Changes due to the repurchase of treasury shares				-146,679					-146,679		-146,679
31.12.2024	**31,515**	**31,515**	**483,763**	**13,425**	**48,164**	**-3,177**	**308**	**0**	**573,998**	**369**	**574,367**

Thomas Stark, CFO

Notes to the consolidated financial statements

A. General information

A.1. Basics

The consolidated financial statements of CANCOM SE and its subsidiaries (hereinafter referred to as the "CANCOM Group" or "Group") were prepared in the reporting period (financial year 2024) in accordance with the International Financial Reporting Standards and the International Accounting Standards (IFRS/IAS, as adopted by the EU).

CANCOM SE and its consolidated subsidiaries in the design of IT architectures and IT infrastructure, system integration and the provision of managed services. As a provider of complete solutions, its business activities are centred on the sale of hardware and software from well-known manufacturers and, above all, the provision of IT services. The range of IT services includes the design of IT architectures and IT landscapes, the conception and integration of IT systems and the operation of systems.

The consolidated financial statements were prepared in euros (€). Unless otherwise stated, all amounts are shown in thousands of euros (€ thousand). In individual cases, rounding may mean that figures in this report do not add up exactly to the totals shown and that percentages do not add up exactly to the figures shown.

The reporting period covers the period from 1 January 2024 to 31 December 2024 (comparative period: 1 January 2023 to 31 December 2023). The address of the registered office is: Erika-Mann-Straße 69, 80636 Munich, Germany. CANCOM SE is registered with the Munich Local Court under HRB 203845.

The shares are traded on the regulated market of the Frankfurt Stock Exchange under ISIN DE0005419105 and are admitted to the Prime Standard.

These consolidated financial statements were approved for publication by the Executive Board on 25 March 2025.

A.2. Consolidation and company acquisitions

A.2.1. Consolidation principles

A.2.1.1. Subsidiaries

In addition to CANCOM SE as the parent company, the CANCOM consolidated financial statements include the domestic and foreign companies over which CANCOM SE exercises control in accordance with IFRS 10 (subsidiaries).

Subsidiaries are fully consolidated from the date of acquisition, i.e. from the date on which the Group obtains control; the revaluation method is applied in the CANCOM Group. Consolidation ends as soon as the parent company no longer has control. The financial statements of the subsidiaries are prepared using uniform accounting policies for the same reporting period as the financial statements of the parent company. Intragroup transactions between Group companies are eliminated in full.

A.2.1.2. Joint ventures

Joint ventures are included in the consolidated financial statements using the equity method. In the case of joint ventures, CANCOM SE has rights to the net assets of the company and manages it together with another party (joint control). In the case of inclusion using the equity method, the IFRS financial statements of these companies are used as a basis.

Two joint ventures - Sensor Network Services GmbH and K-Businesscom Rental Services GmbH (now CANCOM Rental Services GmbH) - were included for the first time in the comparative period of these consolidated financial statements. These companies are immaterial both individually and in total for the presentation of the net assets, financial position and results of operations of the CANCOM Group.

A.2.1.3. Associated companies

Associated companies are also included in the consolidated financial statements using the equity method. In the case of associates, CANCOM SE has significant influence, i.e. it has the power to participate in the financial and operating policy decisions of the company, but not to exercise control or joint control over the decision-making processes. Inclusion using the equity method is based on the IFRS financial statements of these companies.

Four associated companies (CANCOM Financial Services GmbH, CALPANA business consulting GmbH, Workheld GmbH, Elmon GmbH) were included for the first time in the comparative period of these consolidated financial statements. These companies are immaterial both individually and in total for the presentation of the net assets, financial position and results of operations of the CANCOM Group.

A.2.1.4. Non-consolidated structured entities

In the 2019 financial year, CANCOM sold a developed property in Jettingen-Scheppach to a leasing property company and subsequently leased it back (sale and leaseback transaction). At the time of the sale, the developed property had a carrying amount of T€ 21,284. The leased property company "Duana Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG" is not controlled by CANCOM SE within the meaning of IFRS 10, as it neither holds the majority of voting rights nor is it controlled on the basis of other contractual agreements. The property was sold to the leased property company by way of a contribution in return for the issue of shares in the company. The sole purpose of the leased property company is to hold and manage the leased property over the term of the lease. The leasing property company is financed by a bank loan and the sale of its receivables.

At the end of the reporting period and the comparative period, the CANCOM Group's balance sheet shows the following items in relation to the leased property company:

(in T€)	31.12.2024	31.12.2023
Share in Duana Grundstücksverwaltungs-gesellschaft mbH & Co. Vermietungs KG	5	5
Rights of use for land and buildings	10,304	11,003
Leasing liabilities	12,452	13,308
Loan to Duana Grundstücksverwaltungs-gesellschaft mbH & Co. Vermietungs KG	3,190	2,539

The shareholder share and the loan are recognised in the balance sheet item "Financial assets and loans" and in the balance sheet item "Other non-current financial assets" respectively. The right-of-use assets for land and buildings are recognised under the balance sheet item "Right-of-use assets". Lease liabilities are recognised in the balance sheet item "Other non-current financial liabilities" or in the balance sheet item "Other current financial liabilities". The maximum risk of loss from the investment in the leased property company is limited to the shareholder share and the loan issued to the leased property company. The loan is intended to offset any losses from changes in the residual carrying amount of the developed property at the end of the lease term.

A.2.2. Company acquisitions and investments and company disposals

Please refer to section A.3.31 of the consolidated financial statements for the accounting principles for company acquisitions.

A.2.2.1. Company acquisitions in the reporting period

At the end of July 2024, CANCOM GmbH acquired 100 percent of the limited partnership shares and 100 percent of the voting rights of the limited partnership capital of T€ 76 in SBSK GmbH & Co. The date of initial consolidation was 1 August 2024. SBSK GmbH & Co. KG had around 20 employees at the time of initial consolidation and generated revenue of T€ 7,371 according to HGB in the 2023 financial year. With the acquisition, CANCOM intends to expand its offering for complex application systems and solutions for networks and IT infrastructures, high availability, data security and data backup in Saxony-Anhalt. The total purchase price consists of a fixed purchase price component to be paid in cash totalling T€ 8,696 and a variable purchase price component of T€ 2,525. The variable purchase price component is a performance-related component (earn-out) - i.e. contingent payments depending on the EBIT of the acquired company for a total of four periods until 31 December 2027. As the performance-related component is based on EBIT, the potential maximum payment amount is basically unlimited, with the undiscounted range estimated to be between T€ 2,700 and T€ 3,400.

The acquisition of SBSK GmbH & Co. KG resulted in goodwill of T€ 5,532, which is not deductible for tax purposes and was allocated to the Germany operating segment. The goodwill was recognised due to expected synergies in connection with offers in the IT consulting and services area. In connection with the acquisition, costs of T€ 109 were recognised in the reporting period under "Other operating expenses" in the presentation of the result for the period.

The following table shows the acquired assets and liabilities of SBSK GmbH & Co. KG at the time of initial consolidation on 1 August 2024

(in T€)	Fair values to be recognised	Carrying amounts
Current assets		
Cash and cash equivalents	606	606
Receivables from goods and services	898	898
Current contract assets	1,009	803
Inventories	10	10
Other current financial assets	31	31
Other current assets	52	52
Total current assets	**2,606**	**2,400**
Non-current assets		
Property, plant and equipment	23	23
Intangible assets (excluding goodwill)	2,180	0
Rights of use	828	828
Deferred tax assets	3,405	3,405
Total non-current assets	**6,436**	**4,256**
Total assets acquired	**9,042**	**6,656**
Current liabilities		
Liabilities from deliveries and services	241	241
Other current financial liabilities	118	118
Current other provisions	12	12
Current contract liabilities	822	822
Income tax liabilities	146	146
Other current liabilities	219	219
Total current liabilities	**1,558**	**1,558**
Non-current liabilities		
Other non-current financial liabilities	710	710
Non-current other provisions	7	7
Deferred tax liabilities	1,078	1,078
Total non-current liabilities	**1,795**	**1,795**
Total debt acquired	**3,353**	**3,353**
Acquired net assets	**5,689**	**3,303**

The gross carrying amount of the trade receivables of SBSK GmbH & Co. KG recognised at the time of initial consolidation amounts to T€ 900; the resulting cash flows of T€ 898 are classified as recoverable at the time of initial consolidation.

The revenue of SBSK GmbH & Co. KG included in the CANCOM Group's revenue in the reporting period since the date of initial consolidation (1 August 2024) amounts to T€ 3,756, while the profit included in the CANCOM Group's profit for the period in the statement of comprehensive income amounts to T€ 329. If the acquisition of SBSK GmbH & Co KG had taken place at the beginning of the reporting period (1 January 2024), the CANCOM Group's revenue for the entire reporting period would amount to approximately T€ 1,742,887; the net profit for the reporting period would be approximately T€ 33,984.

A.2.2.2 Company acquisitions from previous periods

The DextraData GmbH business acquired in December 2023 was recognised in the CANCOM consolidated financial statements for the comparative period on a provisional basis (as an incomplete business combination). In the reporting period, new information has arisen - in view of the facts and circumstances that existed at the time of acquisition - as a result of which the amounts recognised within the one-year measurement period must be corrected retrospectively. The following table shows which balance sheet items were adjusted at the end of the comparative period:

(in T€)	31.12.2023 (adjusted)	31.12.2023 (before adjustment)	Customisation
Current assets			
Inventories	79,914	79,913	1
Non-current assets			
Intangible assets (excluding goodwill)	89,780	91,764	-1,984
Goodwill	264,252	261,725	2,527
Current liabilities			
Other current financial liabilities	91,111	91,219	-108
Other current liabilities	71,157	70,505	652

An analysis of the pension obligations and plan assets of CANCOM Switzerland AG, which took place as part of the acquisition of the KBC Group (now CANCOM Austria Group) in the comparative period, revealed that the company has defined benefit obligations and plan assets that must be recognised in the balance sheet. The corresponding net liability should have already been recognised at the time of initial consolidation of the KBC Group (1 June 2023). The non-recognition is immaterial for the presentation of the net assets, financial position and results of operations of the CANCOM Group. The net liability of T€ 302 was recognised retrospectively as at 31 December 2023. In section B.16.1 of the consolidated financial statements, both the addition to the defined benefit obligation in the amount of T€ 4,477 and the addition to the plan assets in the amount of T€ 4,175 were recognised in the reconciliation statements for the comparative period. In addition, an increase in deferred tax assets in the amount of T€ 44 and an increase in goodwill recognised for the KBC Group to the amount of T€ 258 were retrospectively recognised as at 31 December 2023.

The contingent considerations arising from the acquisition of the DextraData GmbH division and from the acquisition of CANCOM Switzerland AG in the comparative period, from the acquisitions of NWC Services GmbH and the S&L Group in the 2022 financial year and from the acquisition of Anders & Rodewyk Das Systemhaus für Computertechnologien GmbH in the 2021 financial year developed as follows in the reporting period:

(in T€)	Division of DextraData GmbH	CANCOM Switzerland AG	NWC Services GmbH	S&L Group	Anders & Rodewyk Das Systemhaus für Computer-technologien GmbH
Status 1 January 2024	3,635	4,956	1,214	1,849	1,973
Change from derecognition/ revaluation	-635	-1,620	273	4	-63
Additions	0	0	0	0	0
Disposals/compensation	-750	-1,295	-565	-628	-1,910
Status 31.12.2024	**2,250**	**2,041**	**922**	**1,225**	**0**

A.2.3. Scope of consolidation

All subsidiaries were included in the scope of consolidation of the CANCOM Group. In the reporting period, these were 28 subsidiaries (comparative period: 27 subsidiaries), of which 9 subsidiaries in Germany and 19 subsidiaries abroad (comparative period: 8 subsidiaries in Germany and 19 subsidiaries abroad).

The acquisition of SBSK GmbH & Co. KG (see section A.2.2.1 of these consolidated financial statements) increased the number of domestic subsidiaries by two.

K-Businesscom GmbH was merged into CANCOM GmbH by merger agreement dated 27 June 2024. The merger was entered in the commercial register of CANCOM GmbH on 13 August 2024.

The list of shareholdings in accordance with § 313 HGB is part of the notes to the consolidated financial statements and is published together with the consolidated financial statements in the company register.

All fully consolidated subsidiaries included in the consolidated financial statements have a reporting date of 31 December 2024 (comparative period: 31 December 2023).

A.2.4. Major subsidiaries

The following table lists the main subsidiaries of the CANCOM Group:

Name of the subsidiary	Registered office of the company	Participation rate in %
CANCOM GmbH	Jettingen-Scheppach	100.00
CANCOM Austria AG	Vienna/Austria	100.00
CANCOM Public GmbH	Berlin	100.00
CANCOM Managed Services GmbH	Munich	100.00
CANCOM a + d IT solutions GmbH	Brunn am Gebirge/ Austria	100.00
CANCOM ICT Service GmbH	Munich	100.00

A.2.5. Translation of foreign currency financial statements

The assets and liabilities of subsidiaries whose functional currency is not € are translated at the closing rate. The functional currency is the currency of the primary economic environment in which the subsidiary operates. Items included in the result for the period are translated at the average exchange rate during the year. Equity components of subsidiaries are translated at the corresponding historical exchange rate at the time they are recognised. The currency differences resulting from the translation are recognised within equity in the item "other reserves" (i.e. in other comprehensive income in the statement of comprehensive income and not in profit or loss for the period).

The exchange rates for the translation of financial statements in foreign currencies developed as follows in relation to the euro in the reporting period and in the comparative period:

Currency	2024	2023
Swiss franc (CHF)		
Closing rate	1 € = 0.9412 CHF	1 € = 0.9260 CHF
Average rate	1 € = 0.9526 CHF	1 € = 0.9717 CHF
Romanian leu (RON)		
Closing rate	1 € = 4.9743 RON	1 € = 4.9756 RON
Average rate	1 € = 4.9746 RON	1 € = 4.9593 RON
Czech crowns (CZK)		
Closing rate	1 € = 25.1850 CZK	1 € = 24.7240 CZK
Average rate	1 € = 25.1189 CZK	1 € = 24.2274 CZK

A.3. Explanation of the recognition and measurement methods

A.3.1. General principles

Balance sheet items in the consolidated financial statements are mainly measured on the basis of amortised cost. In particular, derivative financial instruments, plan assets for pension and severance obligations and certain balance sheet items acquired in the course of company acquisitions are measured at fair value.

Individual items in the statement of comprehensive income and the balance sheet have been summarised to improve the clarity of presentation. These items are explained in the notes.

The statement of comprehensive income comprises a presentation of the result for the period (income statement) and a presentation of other comprehensive income. The presentation of the result for the period is organised according to the nature of expense method. This compares the total expenses incurred in the period with the total operating performance for the period. The latter comprises total sales revenue plus other operating income, other own work capitalised and capitalised contract costs. Expenses are broken down by cost type. The presentation of other comprehensive income includes expenses and income that are to be recognised in equity (in the item "other reserves") outside of the profit for the period. If necessary, the amounts recognised in equity are subsequently reclassified to profit or loss for the period.

Assets and liabilities are categorised in the balance sheet as non-current (for maturities of more than one year) and current according to their maturity.

A.3.2. Revenue realisation

A.3.2.1. Regulatory bases and sales categories

IFRS 15 is to be applied to the recognition of revenue from contracts with customers. The standard contains a principles-based five-step model that is to be applied to all contracts with customers. According to this five-step model, the contract with the customer must first be identified (step 1). In step 2, the independent performance obligations of the contract must be identified. The transaction price must then be determined (step 3), with explicit rules on the treatment of variable consideration, financing components, payments to the customer and barter transactions. Once the transaction price has been determined, step 4 involves allocating the transaction price to the individual performance obligations. This is based on the stand-alone selling prices of the individual performance obligations. As a rule, CANCOM determines these from directly observable market prices for comparable goods or services; if, in exceptional cases, it is not possible to determine them on the basis of such market prices, the stand-alone selling prices are derived using suitable methods that are in line with the requirements of IFRS 15. Finally (step 5), the revenue can be recognised if the performance obligation has been fulfilled by the company. The prerequisite for this is the transfer of control of the goods or services to the customer. In addition, as part of step 5, it must be determined for each performance obligation identified at contract inception whether it is satisfied over a period of time or at a point in time. In accordance with IFRS 15, fulfilment over time only occurs if the customer uses the service at the same time as

CANCOM provides the service, if the customer obtains control during the creation/improvement of an asset by CANCOM or if CANCOM creates a customer-specific asset (without an alternative use) and CANCOM has a legal claim to payment for the services already provided. If one of these three circumstances applies, revenue is recognised according to the stage of completion (also known as the percentage of completion method); the input-based cost-to-cost method is generally applied. In this respect, revenue may be spread over several periods. By contrast, in the case of time-based fulfilment of the performance obligation, revenue is recognised in full in the period in which the customer obtains control of the promised asset; indicators of this are, for example, when a customer has taken delivery of the asset or has taken physical possession of it.

In addition to the five-step model for revenue recognition, IFRS 15 contains further provisions. For the CANCOM Group, the regulations on capitalised contract costs (see section A.3.7 of the consolidated financial statements), on performance obligations as headmaster or agent and on guarantees and warranties are particularly relevant.

The CANCOM Group distinguishes between the following revenue categories:

- Sale of hardware and associated software;
- Sale of third-party software licences;
- Provision of services such as IT strategy consulting, IT services and support.

A.3.2.2. Principal/agent classification

The regulations on performance obligations as headmaster or agent address the question of whether the performance obligation consists of delivering the good or providing the service itself (so that the company acts as headmaster) or whether it consists of commissioning another party to deliver the good or provide the service (so that the company acts as agent). According to IFRS 15, an entity can only be a headmaster if it has control of the specific good or service before transferring a promised good or service to a customer. A number of indicators requiring interpretation must be used to determine principal/agent status. For example, it is necessary to analyse who is primarily responsible for the performance obligation (the company itself or a subcontractor on behalf of the company is indicative of headmaster status; another party is indicative of agent status). In addition, it must be analysed who bears the inventory risk (the company itself speaks in favour of headmaster status; another party speaks in favour of agent status). In addition, it must be determined how the pricing is determined (at the discretion of the company, in favour of headmaster status; at the discretion of another party, in favour of agent status). If another party is involved in the supply of goods or services to a customer (i.e. the entity and the other party offer the customer a combined supply of goods/services) and the entity performs a significant integration service by integrating the goods or services supplied by another party into the specific good or service contractually promised to the customer, it has control before the transfer to the customer and therefore acts as headmaster.

Classification as a headmaster means that revenue is recognised in the amount of the consideration expected in exchange for the transfer of the goods or services in question - i.e. as a gross amount. Gross revenue is recognised in the statement of comprehensive income under "Revenue" and compared with the corresponding cost of materials or cost of purchased services. Classification as an agent, on the other hand, means that the company only recognises income in the amount of the fee or commission that it expects to receive in exchange for commissioning the other party to supply its goods or provide its services - i.e. as a net amount. The fee or commission is the portion of the consideration that the entity retains after it has paid the other party the consideration received for its delivery of goods or provision of services. At CANCOM, the net amount is recognised in the statement of comprehensive income under "Revenue".

An assessment of whether CANCOM is classified as headmaster or agent arises at CANCOM in connection with the sale of hardware (and associated software), where the customer can choose to obtain additional services (for example in the form of maintenance contracts, guarantees or warranties) from the hardware/software manufacturer. The following applies here:

- The company categorises maintenance, guarantees and warranties provided either exclusively by CANCOM or by third parties and CANCOM as headmasters;

- The company categorises maintenance, guarantees and warranties provided exclusively by third parties as agents.

On the other hand, an assessment of whether CANCOM is classified as a headmaster or agent arises from the sale of software licences obtained from third parties (see section A.3.2.5 of the consolidated financial statements).

A.3.2.3. Guarantees and warranties

With regard to guarantees and warranties, IFRS 15 requires a distinction to be made as to whether the guarantee or warranty is an assurance of the contractually agreed product specification (i.e. a functional guarantee) or a service that goes beyond the assurance of the contractually agreed product specification (i.e. an additional service). The first type of functional guarantee exists in particular if the company is financially liable by law for damage caused by its products. It must be examined whether a provision should be recognised in accordance with IAS 37 (see section A.3.22 of the consolidated financial statements). In the case of warranties that go beyond the contractually agreed product specifications, the customer can regularly choose whether to purchase the guarantee or warranty separately. It is therefore a separately identifiable service that must be recognised as a separate performance obligation in accordance with IFRS 15 (see step 2 above) and to which a portion of the transaction price must be allocated (see step 4 above). Fulfilment takes place either over time or at a point in time (see step 5 above). At CANCOM, warranties are regularly recognised as additional services when hardware or software is sold in connection with the sale of additional services - particularly in the form of guarantees or warranties (see above).

A.3.2.4. Sale of hardware and associated software

Contracts for the sale of hardware (and associated software) are analysed in the CANCOM Group to determine whether they contain independent performance obligations. This is the case, for example, if the contract includes a service component in addition to the delivery of goods. Revenue from the sale of hardware (and related software) is recognised when control of the goods is transferred to the customer. The latter is usually the case when the hardware/software is transferred to the customer. The sale of hardware (and associated software) normally involves performance obligations that are fulfilled at a specific point in time. The consideration is usually fixed and does not contain any variable components. Significant financing components are generally not included in the contracts. The customer is invoiced when the revenue is recognised. Invoices are generally payable within 30 days.

A.3.2.5. Sale of third-party software licences

Revenue from the purchase and sale of standard software licences is reported as an agent, i.e. the difference between the consideration received from the customer and the acquisition costs for the software licence (as a net amount or profit margin) is reported under "Revenue".

A.3.2.6. Provision of services, such as IT strategy consulting, IT services and support

CANCOM also analyses contracts for the provision of services with regard to independent performance obligations. Revenue from service contracts is generally recognised over time according to the stage of completion, as the performance obligation is usually satisfied when the benefit resulting from the service is transferred. In cases in which CANCOM is obliged to stand ready or provide a service (e.g. support/service contracts), revenue is recognised in instalments over the term of the contract. In addition, input-based methods are used to determine the stage of completion, i.e. revenue is recognised according to the ratio of the costs incurred (or resources consumed) to the expected total cost of performance. These input-based methods are appropriate methods for determining the percentage of completion of service components, as the customer receives the benefit from the service in instalments or the customer benefit can be appropriately derived from the costs incurred in relation to the expected total service fulfilment costs. The customer is usually invoiced when the revenue is recognised. Invoices are generally payable within 30 days. As a rule, services are priced separately; if this is not the case, the transaction prices are allocated on the basis of the relative stand-alone selling prices.

A.3.3. Expense realisation and other income realisation

Operating expenses are recognised in profit or loss when the service is utilised or at the time they are incurred.

Interest to be paid or received is recognised as income or expense on an accrual basis; the effective interest method is applied in accordance with IFRS 9. Interest expenses incurred in connection with the acquisition and production of certain assets are only capitalised if they are qualifying assets in accordance with IAS 23. Interest expenses (CANCOM is the lessee) or interest income (CANCOM is the lessor) arising in connection with leases (see also section A.3.28 of the consolidated financial statements) are recognised in accordance with IFRS 16 at a constant interest rate on the remaining lease liability or as a constant periodic rate of return on the lessor's net investment.

In accordance with IFRS 9, dividends are recognised in income when the legal claim arises.

A.3.4. Cash and cash equivalents

Cash and cash equivalents are financial instruments (see also section A.3.26 of the consolidated financial statements); they are recognised in accordance with IFRS 9. CANCOM assigns them to the measurement category "financial assets measured at amortised cost". Cash and cash equivalents comprise bank balances, cash in hand and short-term deposits with banks with an initial remaining term of up to three months. The amortised cost generally corresponds to the nominal value. Cash and cash equivalents are generally subject to the impairment provisions of IFRS 9, i.e. expected credit losses must be recognised for the items.

A.3.5. Non-current assets and disposal groups held for sale, associated liabilities and discontinued operations

No non-current assets and disposal groups held for sale or related liabilities were recognised in the reporting period or the comparative period. In the comparative period, however, there were presentation and disclosure requirements in connection with a discontinued operation.

The balance sheet item "non-current assets and disposal groups held for sale" includes non-current assets and disposal groups classified as "held for sale" in accordance with IFRS 5. Such a classification must be made if the associated carrying amount is predominantly realised through a sale transaction and not through continued use. Furthermore, the items must be available for immediate sale in their present condition and the sale must be considered highly probable and expected within one year.

A non-current asset is not subject to amortisation or depreciation as long as it is classified as "held for sale" or belongs to a disposal group classified as "held for sale". Non-current assets or disposal groups classified as "held for sale" are measured at the lower of carrying amount and fair value less costs to sell immediately after classification and at subsequent reporting dates.

If a non-current asset is no longer classified as "held for sale" or no longer belongs to a disposal group classified as "held for sale", it is again recognised as a non-current item and, at the time of the decision not to sell, is either measured at the recoverable amount or - if this value is lower - at the carrying amount before classification, adjusted for all scheduled depreciation or revaluations that would have been recognised without classification.

For disposal groups that fulfil the definition of discontinued operations, additional presentation and disclosure requirements apply in accordance with IFRS 5. Within the statement of comprehensive income and within the segment information, the earnings components allocated to the discontinued operation (earnings components of subsidiaries that are part of the discontinued operation; deconsolidation result; directly attributable disposal costs; other income and expenses directly attributable to the discontinued operation) are reclassified to the item "Result from discontinued operations". For operations discontinued in the reporting period, this reclassification is also carried out for the comparative period, i.e. retrospectively. The cash flow statement is not reclassified (retrospectively).

IFRS does not specify how to allocate the elimination entries to or between discontinued and continuing operations when consolidating income and expenses. Within the CANCOM Group, intragroup income is eliminated in the respective supplying/service-providing division and the associated expenses are eliminated in the respective division receiving the delivery/service.

A.3.6. Receivables from goods and services

Trade receivables are financial instruments (see also section A.3.26 of the consolidated financial statements); they are recognised primarily in accordance with IFRS 9, whereby the items are measured for the first time at the transaction price in accordance with IFRS 15. CANCOM assigns trade receivables to the measurement category "financial assets measured at amortised cost". The impairment provisions of IFRS 9 must be applied to the items; the simplification model is used here, which allows simplified methods for determining expected credit losses using impairment matrices.

A.3.7. Contract assets, capitalised contract costs, contract liabilities

Contract assets, capitalised contract costs and contract liabilities are balance sheet items that arise in connection with revenue recognition in accordance with IFRS 15 (see section A.3.2 of the consolidated financial statements).

Contract assets exist when CANCOM has fulfilled its performance obligation but the customer has not yet provided the consideration. In contrast to receivables, contract assets are conditional claims, i.e. the customer has not yet taken delivery. Contract assets are subject to the impairment provisions of IFRS 9; CANCOM uses the simplification model and simplified methods for determining expected credit losses using impairment matrices. Contract liabilities exist if CANCOM has not yet fulfilled its performance obligation but has already received consideration from the customer.

IFRS 15 differentiates between contract acquisition costs and contract fulfilment costs. Additional contract acquisition costs - i.e. costs that CANCOM would not have incurred if the contract had not been concluded - must generally be capitalised in accordance with IFRS 15, provided that the costs are expected to be settled. However, CANCOM recognises additional initiation costs as expenses as soon as they are incurred if the contract term or amortisation period is less than one year. In accordance with IFRS 15, contract fulfilment costs must be capitalised if the costs relate directly to the contract, they generate resources that are used to fulfil the contracts and the costs are expected to be offset - unless the costs fall within the scope of another standard. CANCOM specifies the capitalisation criterion "expected settlement of costs" in such a way that the contract must either already be completed at the respective reporting date or, in the view of the management responsible for concluding the contract, is highly likely to be completed in the near future. Furthermore, the sales revenues associated with the contract must exceed the planned direct costs for the capitalisation criterion of the expected settlement of costs to be met.

Contract acquisition costs to be capitalised and contract fulfilment costs to be capitalised are recognised in the CANCOM Group under the balance sheet items "capitalised current contract costs" and "capitalised non-current contract costs" respectively. The items include capitalised internal and external services (design and conception, set-up and service provision costs and legal consulting costs). The capitalised costs are subsequently reversed over the term of the contract upon fulfilment of the customer contract or amortised on a straight-line basis. Impairment losses are also recognised where necessary.

In the result for the period, the expenses are neutralised accordingly via the "capitalised contract costs" item when they are recognised in the balance sheet. Amortisation and any impairment of capitalised contract costs are also reported in the result for the period under the item "Capitalised contract costs".

A.3.8. Inventories

In accordance with IAS 2, inventories are generally measured at the lower of cost and net realisable value. The acquisition cost is relevant for CANCOM. The cost of inventories includes all costs of acquisition and other costs incurred in bringing the inventories to their present location and condition. The acquisition cost is determined on the basis of a weighted average value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. If the reasons that led to an impairment of inventories to the net realisable value no longer apply, the impairment loss is reversed accordingly. Impairment losses and reversals of impairment losses on inventories are recognised under "Cost of materials/expenses for purchased services" in the statement of profit or loss for the period.

A.3.9. Property, plant and equipment

Property, plant and equipment is initially recognised at cost in accordance with IAS 16 and subsequently depreciated on a straight-line basis over its expected useful life. Acquisition or production cost includes the purchase price, all directly attributable costs, estimated costs for future disposal and restoration obligations and borrowing costs, if these are to be capitalised in accordance with IAS 23.

Scheduled amortisation is based on the following useful lives:

- Buildings on third-party land: 50 years;
- Buildings on own land: 30-33 years;
- IT data centres: 7 years;
- Motor vehicles: 6-8 years;
- Technical equipment and machinery: 7-20 years;
- Operating and office equipment: 3-14 years.

The appropriateness of the useful lives is reviewed regularly. If necessary, adjustments are made to the useful lives. Amortisation generally begins when the asset is ready for use. If there are indications of impairment in accordance with IAS 36 and the recoverable amount is lower than the amortised cost, the items are written down (see also section A.3.12 of the consolidated financial statements). If the reasons for the impairment losses no longer apply, the impairment losses are reversed accordingly.

Low-value assets for which the acquisition or production costs do not exceed € 250 are recognised in full as an expense in the result for the period in the year of acquisition.

Gains or losses from the impairment of property, plant and equipment are recognised in the presentation of the result for the period under "Depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets"; gains or losses from the disposal of property, plant and equipment are included in "Other operating income" or "Other operating expenses".

A.3.10. Intangible assets (excluding goodwill)

This balance sheet item mainly includes acquired intangible assets and internally generated intangible assets.

Acquired intangible assets (acquired rights and licences) are initially measured at cost (purchase price, directly attributable costs). Assets identified in the context of company acquisitions (see also section A.3.31 of the consolidated financial statements), such as contractual customer relationships, order backlogs or rental benefits, are recognised as acquired intangible assets and initially measured at fair value if the criteria of IFRS 3 and IAS 38 are met.

Internally generated intangible assets (such as internally generated software) are recognised if they meet the capitalisation criteria of IAS 38 (in particular evidence of technical feasibility, intention and ability to use and reliable measurability). Production costs include the costs directly attributable to the development phase as well as borrowing costs if these are to be capitalised in accordance with IAS 23. Research costs are recognised as expenses.

Acquired and internally generated intangible assets with finite useful lives are amortised after initial recognition. The straight-line amortisation method is used, while a non-linear amortisation method (e.g. a revenue or payment-based amortisation method) is used for customer bases and order backlogs; useful lives of 3-12 years are assumed within the CANCOM Group.

The appropriateness of the useful lives is reviewed regularly. If necessary, adjustments are made to the useful lives. If there are indications of impairment for intangible assets with finite useful lives in accordance with IAS 36 and if the recoverable amount is lower than the amortised cost, the items are written down (see also section A.3.12 of the consolidated financial statements). If the reasons for the impairment losses no longer apply, the impairment losses are reversed accordingly.

Any acquired and internally generated intangible assets with indefinite useful lives are not amortised but tested for impairment at least once a year in accordance with IAS 36 (see also section A.3.12 of the consolidated financial statements).

Gains or losses from the impairment of intangible assets are recognised within the presentation of the result for the period in the item "Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets"; gains or losses from the disposal of intangible assets are included in the item "Other operating income" or in the item "Other operating expenses".

A.3.11. Goodwill

Goodwill arises in connection with a company acquisition (see also section A.3.31 of the consolidated financial statements) if the total consideration transferred to the seller of the company exceeds the net amount of the identifiable assets acquired and liabilities assumed. The positive difference must be capitalised in accordance with IFRS 3.

Goodwill is not amortised but tested for impairment at least once a year in accordance with IAS 36 (see also section A.3.12 of the consolidated financial statements). The impairment test for goodwill is carried out at the level of groups of cash-generating units to which the item was allocated on initial recognition. There are two groups of cash-generating units within the CANCOM Group: "CANCOM Deutschland" and "CANCOM International". The assets and liabilities allocated to CANCOM Germany (International) correspond to the assets and liabilities of the Germany (International) operating segment. On initial recognition, goodwill is allocated to the group of cash-generating units that is expected to benefit from the synergies of the business combination. According to IAS 36, a cash-generating unit is the smallest identifiable group of assets with cash inflows that are largely independent of those from other assets. Goodwill is always impaired if the recoverable amount of the groups of cash-generating units allocated to the item is below the carrying amount of these groups of cash-generating units; the goodwill must then be written down by this difference. The basis for calculating the recoverable amount is the higher of the value in use and the fair value less costs to sell of the group of cash-generating units. This is determined using a present value model taking into account cash flows based on internal planning figures. A subsequent reversal of the impairment in the form of a write-up of goodwill is not possible.

A.3.12. Impairment of property, plant and equipment, intangible assets, goodwill, right-of-use assets and property, plant and equipment

Impairment is determined in accordance with IAS 36 by comparing the carrying amount with the recoverable amount. Such an impairment test is carried out at the level of the individual assets if it is possible to estimate the recoverable amount for the individual asset. Otherwise, the impairment test must be performed at the level of the cash-generating unit (or at the level of groups of cash-generating units). A cash-generating unit is the smallest grouping of assets that generates largely independent cash inflows.

At each reporting date, an assessment is made as to whether there are any indications of impairment of assets. If such an indication exists, the recoverable amount of the asset or cash-generating unit (or group of cash-generating units) must be determined and compared with the carrying amount. Goodwill, any other intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment once a year, regardless of whether or not there are any indications of impairment.

The recoverable amount of an asset or a cash-generating unit (or a group of cash-generating units) is the higher of its fair value less costs to sell and its value in use. The recoverable amount for a cash-generating unit (or a group of cash-generating units) is generally determined using the discounted cash flow method, taking into account cash flows based on internal planning figures. The cash flows are discounted using a cost of capital that reflects current market expectations with regard to the interest effect and the specific risks of the cash-generating unit (or group of cash-generating units).

An impairment loss is recognised if the recoverable amount of the asset or cash-generating unit (or group of cash-generating units) is lower than the corresponding carrying amount. In the case of a cash-generating unit (or a group of cash-generating units), any goodwill must first be reduced or eliminated. If the carrying amount is insufficient, the other assets of the cash-generating unit (or group of cash-generating units) must be reduced proportionately.

With the exception of goodwill, an assessment must be made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If this is the case, the carrying amount of the asset or cash-generating unit must be increased to its recoverable amount. Assets may not be written up above their amortised carrying amounts, which would have been determined if no impairment losses had previously been recognised.

A.3.13. Rights of use

Right-of-use assets are assets that CANCOM must recognise if it enters into leases (see section A.3.28 of the consolidated financial statements) as a lessee. They are recognised in accordance with IFRS 16, which normally requires the lessee to recognise a lease liability as the present value of the lease payments not yet made and at the same time capitalise a right-of-use asset in the amount of the acquisition cost, which is essentially the initial carrying amount of the lease liability. The right-of-use asset is subsequently amortised over the term/useful life of the underlying asset. In addition, the impairment rules in IAS 36 are applied (see section A.3.12 of the consolidated financial statements).

These three classes of rights of use exist within the CANCOM Group:

- Rights of use for land and buildings;
- Rights of use for operating and office equipment;
- Rights of use for motor vehicles.

A.3.14. Financial assets and loans

The balance sheet item "Financial assets and loans" can generally include securities, loans issued and equity investments. These items are financial instruments (see also section A.3.26 of the consolidated financial statements) and are recognised in accordance with IFRS 9. CANCOM allocates them to the measurement category "Financial assets measured at fair value through other comprehensive income". Subsequent measurement is at fair value with changes in value recognised directly in equity under "other reserves" (i.e. in other comprehensive income in the statement of comprehensive income and not in the presentation of profit or loss for the period), whereby changes in the value of equity instruments (equity investments) recognised in equity are never transferred to profit or loss for the period. The impairment provisions of IFRS 9 are also relevant for debt instruments, i.e. expected credit losses must be recognised for the items on each reporting date. The change in the expected credit loss represents an impairment loss or income to be recognised in profit or loss for the period.

A.3.15. Investments in companies accounted for using the equity method

Joint ventures and associated companies are included in the consolidated financial statements using the equity method. Under the equity method, the carrying amount of the investment is recognised in the investor's balance sheet in line with the development of the share of equity in the company in which the investment is held. The investment is recognised and measured in its entirety as an asset (in the balance sheet item "Investments accounted for using the equity method"); the individual assets and liabilities are not included in the investor's balance sheet. Under the equity method, the shares are initially recognised at cost. Subsequently, this amount is adjusted for any changes in the owner's share of the net assets of the investee. The owner's profit or loss includes its share of the investee's profit or loss and the owner's other comprehensive income includes its share of the investee's other comprehensive income. In the presentation of the result for the period, this is recognised in the item "Result from companies accounted for using the equity method".

A.3.16. Deferred taxes

Deferred taxes are recognised in accordance with IAS 12 to account for the future tax consequences of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements and on loss carryforwards. Deferred taxes are measured on the basis of the regulations issued by the legislator at the end of the respective reporting period for the reporting periods in which the differences will be offset or the loss carryforwards will probably be utilised. Deferred tax assets on loss carryforwards are only recognised if their realisability in the near future appears sufficiently certain. Deferred tax assets and liabilities are only netted if certain conditions are met.

The offsetting entry to the balance sheet recognition of deferred taxes is made within the presentation of the result for the period in the item "Income taxes" - unless the tax results from a transaction or event that is recognised in the same or another period either in equity in the item "Other reserves" (i.e. in other comprehensive income in the statement of comprehensive income) or elsewhere directly in equity.

Deferred tax assets and deferred tax liabilities in connection with the regulations on global minimum taxation (Pillar 2 model regulations) are not to be recognised or disclosed in accordance with IAS 12.

A.3.17. Other financial assets

The balance sheet item "other financial assets" includes, in particular, receivables from finance leases (see section A.3.28 of the consolidated financial statements) and financial instruments such as, in particular, receivables suppliers, non-controlling interests and employees. They also include derivative financial instruments (see section A.3.27 of the consolidated financial statements) with a positive market value as at the reporting date. Receivables are accounted for in accordance with IFRS 9 and are allocated by CANCOM to the measurement category "financial assets measured at amortised cost". They are subsequently measured using the effective interest method. In addition, the impairment provisions of IFRS 9 apply and expected credit losses must therefore be recognised.

Derivative financial instruments not included in hedging relationships must be allocated to the "financial assets at fair value through profit or loss" measurement category. As a result, the items must be measured at fair value on each reporting date; changes in value must be recognised in profit or loss for the period.

A.3.18. Other assets

The balance sheet items "Other current assets" and "Other non-current assets" include receivables and deferred items that do not fulfil the definition of financial instruments. In particular, these are receivables from authorities and accrued expenses. If no specific IFRS/IAS is applied, the provisions of the Conceptual Framework are used for accounting purposes.

A.3.19. Liabilities to banks

Liabilities to banks include subordinated and non-subordinated loans that CANCOM has received from banks. These are financial instruments (see section A.3.26 of the consolidated financial statements) that must be recognised in accordance with IFRS 9. In the CANCOM Group, liabilities to banks are allocated to the measurement category "financial liabilities measured at amortised cost". They are subsequently measured at amortised cost using the effective interest method. The latter method implies that interest expenses are recognised on an accrual basis in the amount of the effective interest charge (i.e. including transaction costs and premiums/discounts).

A.3.20. Liabilities from deliveries and services

Trade payables are financial instruments (see also section A.3.26 of the consolidated financial statements); they are recognised in accordance with IFRS 9. In the CANCOM Group, the items are allocated to the measurement category "financial liabilities measured at amortised cost". The carrying amount generally corresponds to the agreed purchase price of the service received or the original invoice amount (reduced by any discounts utilised).

A.3.21. Pension provisions and similar provisions

Within the CANCOM Group, this includes pension commitments and severance obligations in Austria. The latter are statutory or contractual entitlements of employees to receive one-off severance payments after leaving the company. The amount of the severance payments depends on the length of service and the salary level of the employees.

In accordance with IAS 19, provisions must be recognised for pension commitments and other post-employment benefits in the form of defined benefit plans where the actuarial risk (that the benefits will cost more than expected) and the investment risk (that the invested assets will not be sufficient to pay the expected benefits) are essentially borne by the company. The provision is recognised as a net liability, i.e. the capital formed to finance the pension or severance payments (actuarial reserve) is deducted from the defined benefit obligation (which reflects the future pension or severance payments to employees) if the actuarial reserve meets the definition of plan assets.

The defined benefit obligation is measured using an actuarial valuation method (projected unit credit method or projected unit credit method). This method assumes that the employee earns an additional portion of his or her final benefit entitlement in each year of service; as a result, the defined benefit obligation increases successively until retirement or departure. The future payments are discounted using an actuarial interest rate that is derived from market yields on high-quality corporate bonds at each reporting date. The method takes into account actuarial assumptions such as demographic assumptions (e.g. probability of death, staff turnover, early retirement) and financial assumptions (e.g. actuarial interest rate, future salary trends).

Cost components in connection with provisions for pensions and other post-employment benefits are service cost, net interest (interest expense, interest income), actuarial gains or losses and income from plan assets. In the presentation of the result for the period, the service cost (i.e. the increase in the present value of a defined benefit obligation arising from work performed in the reporting period) is recognised under "Personnel expenses" and the net interest under "Interest and similar expenses". The net interest is determined by multiplying the net liability by the actuarial interest rate of the defined benefit obligation. Actuarial gains or losses and income from plan assets are recognised directly in equity under "Retained earnings including profit carried forward and profit for the period" (i.e. in other comprehensive income in the statement of comprehensive income and not in the statement of profit or loss for the period). Actuarial gains and losses are changes in the present value of the defined benefit obligation due to experience adjustments (effects of differences between previous actuarial assumptions and actual developments) and the effects of changes in actuarial assumptions. The return on plan assets is the difference between the actual return on plan assets and the return based on the actuarial interest rate of the defined benefit obligation.

A.3.22. Other provisions

The balance sheet items "other current provisions" and "other non-current provisions" include personnel-related provisions for anniversary, early retirement and severance obligations as well as obligations for bonuses, premiums and other gratuities. In accordance with IAS 19, depending on the characteristics of the obligation, these are recognised either according to the rules for short-term employee benefits, according to the rules for other long-term employee benefits (i.e. not considered pension or severance payments) or according to the rules for long-term employee benefits due to the termination of employment.

The balance sheet items "other current provisions" and "other non-current provisions" also include warranty obligations, any levies for copyright infringements and other provisions (such as for restoration obligations or for onerous contracts or impending losses). Such provisions are recognised in accordance with IAS 37 if a current (legal or constructive) obligation has arisen from a past event that is likely to result in an outflow of resources and the amount of which can be reliably estimated. They are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. Non-current provisions must be discounted at a risk-adequate interest rate.

A.3.23. Liabilities, receivables from current income taxes

The balance sheet item "Income tax liabilities" includes payment obligations from corporation and trade tax assessments. They are recognised in accordance with IAS 12. The carrying amount generally corresponds to the amount payable to the tax authorities.

The actual income taxes are calculated based on the respective national tax results and regulations for the year. In addition, the actual taxes recognised in the financial year also include adjustment amounts for any tax payments or refunds for years not yet finally assessed, but excluding interest payments or interest refunds and penalties on tax arrears.

Receivables from tax overpayments are recognised in the balance sheet item "Other current assets". These are refund amounts that are virtually certain as at the reporting date.

Tax liabilities are recognised in the event that amounts recognised in the tax returns are unlikely to be realised (uncertain tax positions). The amount is determined from the best possible estimate of the expected tax payment (expected value or most probable value of the tax uncertainty). Tax receivables from uncertain tax positions are recognised if it is probable that they can be realised. Only if there is a tax loss carryforward or an unused tax credit is no tax liability or tax receivable recognised for these uncertain tax positions, but instead the deferred tax asset is adjusted for the unused tax loss carryforwards and tax credits.

A.3.24. Other financial liabilities

The balance sheet items "Other current financial liabilities" and "Other non-current financial liabilities" include, in particular, lease liabilities arising from the fact that CANCOM is the lessee under leases (see section A.3.28 of the consolidated financial statements). They also include financial liabilities that arise in connection with sale and leaseback transactions due to the fact that the sale of the underlying asset does not fulfil the criteria of a sale in accordance with IFRS 15 and therefore incoming payments from the sale must be recognised as financial liabilities in accordance with IFRS 9. These "financial liabilities to leasing companies" are subsequently measured under the measurement category "financial liabilities measured at amortised cost" and thus using the effective interest method. In addition, purchase price liabilities entered into in the course of company acquisitions (see section A.3.31 of the consolidated financial statements) are allocated to the balance sheet items. The latter purchase price liabilities are contingent considerations (see section A.3.31 of the consolidated financial statements for accounting).

In addition, derivative financial instruments not included in hedging relationships (see section A.3.27 of the consolidated financial statements) are recognised under the balance sheet item "Other current financial liabilities" or "Other non-current financial liabilities" if they have a negative fair value as at the reporting date. Such items must be allocated to the measurement category "financial liabilities at fair value through profit or loss". As a result, they must be measured at fair value on each reporting date; changes in value must be recognised in profit or loss for the period.

A.3.25. Other debts

The balance sheet items "other current liabilities" and "other non-current liabilities" include liabilities and deferred items that do not fulfil the definition of financial instruments. In particular, these are liabilities to public authorities, co-operatives and social security institutions as well as liabilities to employees. If no specific IFRS/IAS is applied, the provisions of the framework concept for accounting are used.

A.3.26. Financial instruments

Financial instruments are defined in IAS 32; the relevant accounting and disclosure requirements can be found in IFRS 9 and IFRS 7. The term "financial instrument" includes financial assets and financial liabilities. Financial assets include cash and cash equivalents, contractual rights to receive cash or other financial assets such as trade receivables, derivative financial instruments with a positive fair value and equity instruments held in other companies. Financial liabilities comprise contractual obligations to dispose of cash or other financial assets. These include, for example, loans taken out, short-term loans, trade payables and derivative financial instruments with a negative fair value.

The balance sheet items "Cash and cash equivalents", "Trade receivables", "Other current financial assets", "Financial assets and loans" and "Other non-current financial assets" consist exclusively of financial assets. The balance sheet items "Current liabilities to banks", "Trade payables", "Other current financial liabilities", "Non-current liabilities to banks" and "Other non-current financial liabilities" consist exclusively of financial liabilities.

Upon initial recognition, financial instruments must be allocated to measurement categories listed in IFRS 9. The subsequent measurement of the items is determined by the measurement category. There are three measurement categories for financial assets (" financial assets measured at fair value through profit or loss financial assets", "financial assets measured at fair value through other comprehensive income", "financial assets measured at amortised cost"). Financial assets are allocated on the basis of criteria, taking into account the objective associated with the item (the business model) and the characteristics of the cash flows. Financial liabilities can be allocated to two measurement categories ("financial liabilities measured at fair value through profit or loss", "financial liabilities measured at amortised cost").

Financial assets and financial liabilities are recognised as soon as an entity becomes a party to the contractual provisions of the financial instrument. Regular way purchases or sales are recognised uniformly within the CANCOM Group on the settlement date (the date on which the asset is delivered to or by the company). Initial measurement is at fair value or, in the case of trade receivables, at the transaction price in accordance with IFRS 15. The requirements of IFRS 13 apply to the determination of fair value. Transaction costs are recognised in the initial carrying amount for items not measured at fair value through profit or loss.

The CANCOM Group did not make use of the option to voluntarily designate financial assets or financial liabilities as "financial assets/liabilities at fair value through profit or loss" upon initial recognition (fair value option) in the reporting period or in the comparative period.

After initial recognition, financial instruments in the measurement categories "financial assets/liabilities at fair value through profit or loss" and "financial assets at fair value through other comprehensive income" must be measured at fair value. The measurement categories "financial assets/liabilities at fair value through profit or loss" also include derivative financial instruments that are not part of an effective hedging relationship in accordance with IFRS 9 (see also section A.3.27 of the consolidated financial statements). Changes in the value of the latter measurement categories are recognised in profit or loss (i.e. via the presentation of the result for the period). The subsequent measurement of items that fall under the measurement category "financial assets measured at fair value through other comprehensive income" is also recognised at fair value. However, changes in value are recognised directly in equity in the "other reserves" item (i.e. in other comprehensive income in the statement of comprehensive income and not in the statement of profit or loss for the period), taking tax aspects into account. The changes in value recognised directly in equity are never transferred to profit or loss for the period in the case of equity instruments.

Derivative financial instruments included in an effective hedging relationship (see also section A.3.27 of the consolidated financial statements) are not allocated to any measurement category. They are also recognised at fair value; however, depending on the type of hedging relationship, changes in value may also be recognised directly in equity under "Other reserves" (i.e. in other comprehensive income in the statement of comprehensive income).

Financial assets in the measurement category "financial assets measured at amortised cost" and financial liabilities in the measurement category "financial liabilities measured at amortised cost" are measured after initial recognition at amortised cost using the effective interest method.

Debt instruments allocated to the measurement category "financial assets measured at amortised cost" and the measurement category "financial assets measured at fair value through other comprehensive income" are subject to the impairment requirements of IFRS 9. The expected credit loss for the respective item must be recognised on each reporting date. The change in the expected credit loss represents an impairment loss or to be recognised in profit or loss. To determine the impairment, the financial instruments concerned are categorised into three levels:

- Stage 1: no indications of impairment, no increase in default risk; risk provisioning determined on the basis of the probability-weighted default in the next 12 months (12M_ECL);

- Stage 2: no indications of impairment, but increase in default risk; risk provisioning determined on the basis of the probability-weighted default over the entire term (L_ECL);

- Stage 3: objective evidence of impairment; determination of the risk provision on the basis of the probability-weighted loss over the entire term (L_ECL).

A.3.27. Derivative financial instruments

Derivative financial instruments are generally only used in the CANCOM Group to hedge risks arising from changes in exchange rates in the form of forward exchange transactions and similar currency derivatives. In addition, assets and liabilities may arise in connection with company acquisitions (see section A.3.31 of the consolidated financial statements) that fulfil the definition of derivative financial instruments and must therefore be recognised accordingly. These are contingent considerations.

Derivative financial instruments are recognised in accordance with the requirements of IFRS 9, either as stand-alone instruments or as part of an effective hedging relationship (hedge accounting). Hedge accounting means entering into underlying and hedging transactions in a documented economic relationship in such a way that the compensatory effects on earnings resulting from changes in market prices occur in the same period. If a hedging relationship is designated, the gains and losses from the underlying and hedging transactions are recognised in accordance with the special hedge accounting rules. In principle, there is an option to apply hedge accounting for each item. However, the application of hedge accounting rules is subject to conditions. For example, the hedging relationship must be documented. Furthermore, the hedging relationship must fulfil certain effectiveness criteria (economic relationship between the underlying transaction and the hedging instrument, no dominant influence of the default risk, hedge ratio corresponds to the hedge ratio used for risk management purposes).

No hedge accounting was practised in the CANCOM Group in the reporting period or in the comparative period.

The measure of value for the initial and subsequent measurement of derivative financial instruments is fair value. The fair value of certain derivatives can be either positive or negative; depending on this, it is either a financial asset or a financial liability. The fair value is to be determined in accordance with the requirements of IFRS 13. If no quoted market prices from active markets are available, the fair values are calculated using present value or option pricing models whose key input factors (e.g. market prices, interest rates) are derived from quoted prices or other directly or indirectly observable input factors.

Freestanding derivative financial instruments, i.e. those not included in an effective hedging relationship in accordance with IFRS 9, are always allocated to the measurement categories "financial assets/liabilities at fair value through profit or loss". Changes in the value of derivative financial instruments that CANCOM enters into to hedge operational currency risks are recognised in the "Other operating income" or "Other operating expenses" items in the presentation of the result for the period.

Derivative financial instruments included in an effective hedging relationship are not allocated to any measurement category. They are also recognised at fair value, whereby, depending on the type of hedge (fair value hedge, cash flow hedge) or the characteristics of the hedge, they are either recognised in profit or loss (i.e. in the statement of profit or loss for the period) or directly in equity under "other reserves" (i.e. in other comprehensive income in the statement of comprehensive income).

A.3.28. Leases

Leases must be recognised in accordance with IFRS 16. IFRS 16 defines a lease as a contract for the use of an identifiable asset over which the entity has control, whereby the latter is specified by the right to obtain significant economic benefits and the right to direct the use of the asset. IFRS 16 differentiates between the perspective of the lessee and the perspective of the lessor in the accounting requirements.

The lessee must generally recognise an asset for the right of use granted and a lease liability on the commencement date. The lease liability is initially recognised at the present value of the lease payments not yet made. The right-of-use asset is capitalised at cost, which is essentially the initial carrying amount of the lease liability. Subsequently, the lease payments must be divided into a repayment portion and an interest portion (with a constant interest rate on the remaining liability) and recognised accordingly as a reduction of the lease liability or as financing costs (interest expenses). In addition, the lease liability (and therefore also the right-of-use asset) must be remeasured (at present value) if there are changes to the term, purchase options, residual value guarantees and variable lease payments. The right-of-use asset is amortised over the term/useful life of the underlying asset.

Furthermore, right-of-use assets are subject to the impairment provisions of IAS 36 (see section A.3.12 of the consolidated financial statements). Short-term leases and leases where the underlying asset is of low value may be exempted from the basic obligation to recognise the lease liability and the right-of-use asset. Simplified recognition rules then apply. CANCOM does not make use of the option to apply these simplification rules.

The lessor must classify the lease as either a finance lease or an operating lease at the inception of the lease. The former is a lease in which substantially all the risks and rewards incidental to ownership of an underlying asset are transferred - which is not the case with an operating lease. If a lease is classified as a finance lease, the lessor derecognises the leased asset and recognises a receivable in the amount of the net investment in the lease. Subsequently, the lease payments are divided into a repayment portion and an interest portion (with a constant interest rate on the remaining receivable) and recognised accordingly as a reduction of the receivable or as financial income (interest income). The lessor must apply the derecognition and impairment provisions of IFRS 9 to the net investment/receivable. If the lease is classified as an operating lease, the lease payments are recognised on a straight-line basis over the term (or on another systematic basis) as income in the statement of profit or loss for the period. The leased asset remains on the lessor's balance sheet and is depreciated by the lessor.

The provisions of IFRS 16 on sale and leaseback transactions are primarily applied at CANCOM when merchandise is sold to a leasing company and leased back directly from this leasing company in order to lease the merchandise back to CANCOM customers. A distinction is made between two cases:

- The sale to the leasing company is classified as a sale in accordance with IFRS 15 (i.e. the leasing company obtains control of the merchandise). Although CANCOM derecognises the merchandise in full, it recognises a pro rata right of use in addition to the lease liability as part of the leaseback (i.e. CANCOM is the lessee). Pro rata sales revenue and pro rata cost of materials/expenses for purchased services are recognised from the sale to the leasing company. The provisions of IFRS 16 on subleases are applied to leases to CANCOM customers; CANCOM is the sublessor. The sublease is predominantly classified as a finance lease. The recognition of the lease receivable and derecognition of the leased asset (i.e. the right-of-use asset) results in a gain, which is recognised in the presentation of the result for the period under "Other operating income" as "Income from subleases".

- The sale to the leasing company is not classified as a sale in accordance with IFRS 15 (i.e. the leasing company does not obtain control over the merchandise). CANCOM does not initially derecognise the merchandise. Instead, the receipt of payment is recognised by the leasing company as a financial liability in accordance with IFRS 9. The leases with customers (i.e. CANCOM is the lessor) are predominantly classified as finance leases, which is accompanied by the derecognition of the merchandise. As a lessor, CANCOM applies the provisions for manufacturers and dealers of IFRS 16 and therefore recognises revenue at the present value of the lease payments to be received and the corresponding cost of materials/expenses for purchased services at the inception of the respective lease.

A.3.29. Government grants

Government grants, which are grants for assets in accordance with IAS 20 (i.e. grants for investments), are only recognised if there is reasonable assurance that a company within the CANCOM Group will comply with the conditions attached to them and the grants will be received. The grants are not deducted from the corresponding asset, but are recognised as deferred income in the balance sheet item "other current liabilities" or in the balance sheet item "other non-current liabilities". The deferred income item is subsequently amortised over the useful life or depreciation period of the corresponding property, plant and equipment asset (i.e. through the presentation of the result for the period under "Other operating income"). Grants related to income are also recognised in the period in which the corresponding entitlement arises in the statement of profit or loss for the period under "Other operating income".

A.3.30. Transactions and items in foreign currency

In accordance with IAS 21, a foreign currency transaction is a business transaction whose value is denominated in a foreign currency or which requires fulfilment in a foreign currency. A foreign currency is any currency other than the functional currency of the Group company. Foreign currency transactions are business transactions for the purchase or sale of goods or services in a foreign currency, borrowing or lending in a foreign currency or otherwise acquiring or disposing of assets and liabilities in a foreign currency. Foreign currency items are balance sheet items that were received or incurred in foreign currency (and whose entries were therefore preceded by foreign currency transactions).

Foreign currency transactions or foreign currency items are initially translated into the functional currency at the spot rate applicable on the date of the transaction.

The subsequent measurement of a foreign currency item depends on whether it is a monetary or non-monetary item. Monetary items in a foreign currency must be translated into the functional currency on each reporting date using the closing rate (i.e. the spot rate on the reporting date); translation differences must generally be recognised in profit or loss, i.e. in the statement of profit or loss for the period. Translation differences from operating assets and liabilities (e.g. from trade receivables or trade payables) are recognised under "Other operating income" or "Other operating expenses". Translation differences from non-operating assets and liabilities (e.g. from financial loans issued or received) are recognised in the item "Currency gains/losses". Non-monetary items - if they are measured at cost - are translated into the functional currency at the exchange rate prevailing on the date of initial recognition. Non-monetary items measured at fair value must be translated at the exchange rate prevailing on the date of measurement (i.e. generally the closing rate). Translation differences from non-monetary items are to be treated like all other gains or losses, i.e. they are to be recognised either in profit or loss or directly in equity under "other reserves" (i.e. in other comprehensive income in the statement of comprehensive income).

A.3.31. Company acquisitions

Business combinations are recognised in accordance with IFRS 3 using the acquisition method. The acquirer must recognise the identifiable assets acquired, the liabilities assumed and all non-controlling interests in the acquiree at the acquisition date in accordance with the requirements of IFRS 3 and generally measure them at fair value. This means that the equity (assets less liabilities) of the acquired company is remeasured. The purchase price of a company acquisition is measured as the sum of the consideration transferred (including contingent consideration), measured at fair value at the acquisition date, and the non-controlling interests in the acquired company. A positive difference between the purchase price and the revalued equity represents goodwill, which is recognised as an asset in the balance sheet; a negative difference, however, must be recognised immediately as income the statement of profit or loss for the period after a further review (see below).

Costs incurred as part of the business combination are recognised as an expense in the presentation of the result for the period under "Other operating expenses".

When the Group acquires a company, it assesses the appropriate classification and designation of the financial assets and liabilities assumed in accordance with the contractual terms, economic circumstances and conditions prevailing at the time of acquisition.

An agreed contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of a contingent consideration that represents an asset or liability are generally recognised in profit or loss in the statement of profit or loss for the period in accordance with IFRS 9. A contingent consideration that is classified as equity is not remeasured and its subsequent settlement is recognised in equity.

Goodwill is initially recognised at cost, which is measured as the excess of the total consideration transferred and the amount of the non-controlling interest over the identifiable assets acquired and liabilities assumed of the company. If this consideration is less than the fair value of the net assets of the acquired company, the difference is recognised in the statement of profit or loss for the period.

After initial recognition, goodwill is not amortised but tested for impairment at least once a year in accordance with IAS 36 (see section A.3.11 and section A.3.12 of the consolidated financial statements). For impairment testing, goodwill must be allocated to groups of cash-generating units in accordance with the requirements of IAS 36.

A.3.32. Share-based payments

Share-based payments and share-based payment programmes are accounted for in accordance with IFRS 2. The standard distinguishes between equity-settled and cash-settled share-based payments.

In the case of equity-settled share-based payments, the fair value of the benefits received - which is determined indirectly by reference to the fair value of the equity instruments granted in transactions with employees - is recognised as an expense in profit or loss for the period (within the CANCOM Group under "Personnel expenses") on the grant date over the period in which the employees become unconditionally entitled to the awards (vesting period). A non-linear distribution is assumed. This non-linear distribution is known as "graded vesting". It is assumed that the employee has earned 50 percent of the entitlement after two years, a further 25 percent after three years and the remaining 25 percent after four years. Equity is increased accordingly as an offsetting entry. The amount recognised as an expense is adjusted to reflect the number of awards for which the corresponding service conditions and non-market performance conditions are expected to be met, so that the amount ultimately recognised as an expense is based on the number of awards that meet the corresponding service conditions and non-market performance conditions at the end of the vesting period.

In the case of cash-settled share-based payment arrangements, a liability is recognised. Within the CANCOM Group, they are recognised in the balance sheet item "Other current provisions" or in the balance sheet item "Other non-current provisions". The liability is measured at the fair value of the stock appreciation rights at each reporting date. Changes in the fair value are recognised in profit or loss in the presentation of the result for the period (within the CANCOM Group in the item "Personnel expenses").

A.3.33. Earnings per share

Earnings per share are calculated in accordance with IAS 33. The standard differentiates between basic earnings per share and diluted earnings per share.

Basic earnings per share are calculated by dividing the consolidated net profit for the period less non-controlling interests by the weighted average number of ordinary shares in circulation (currently outstanding) during the period.

Diluted earnings per share take into account potential ordinary shares in addition to the ordinary shares currently outstanding.

The calculation of basic and diluted earnings per share can be seen in the statement of comprehensive income under the presentation of the result for the period.

A.3.34. Repurchased treasury shares

Acquired treasury shares are deducted from equity. Within the CANCOM Group, the amounts paid for the acquisition are recognised in full (i.e. including the nominal value of the repurchased treasury shares) against retained earnings. Transaction costs from the acquisition of treasury shares are also recognised as a reduction in retained earnings.

If previously acquired treasury shares are cancelled (capital reduction), the subscribed capital is reduced in the amount of the nominal value attributable to the cancelled shares and the capital reserve is increased accordingly.

In the event of a renewed sale of previously acquired treasury shares, the amount of the consideration received is recognised as an increase in retained earnings.

A.4. Discretionary decisions and estimation uncertainties

Discretionary decisions must be made when applying the recognition and measurement methods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that involve a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next reporting period are explained below:

- In the context of company acquisitions, the assets acquired and liabilities assumed must be identified at the time of acquisition and generally measured at fair value (see section A.3.31 of the consolidated financial statements). In particular, the identification and measurement of intangible assets (such as acquired customer bases, order backlogs, rental benefits) is subject to judgement.

- In accordance with IFRS 15, if another party is involved in the delivery of goods or the provision of services to a customer, an entity must evaluate, as part of revenue recognition (see section A.3.2 of the consolidated financial statements), whether its performance obligation is to deliver the goods or provide the services as headmaster or to engage this other party to deliver the goods or provide the services as agent. The weighting of individual arguments for or against a principal/agent position - and the associated recognition of revenue at a point in time or over a period of time - that must be carried out as part of an overall assessment is complex and sometimes discretionary. This applies in particular to sales of third-party software licences (see section A.3.2.5 of the consolidated financial statements).

- When carrying out impairment tests on goodwill, assumptions are made that form the basis for determining the recoverable amount (see section B.8.3 of the consolidated financial statements); management planning calculations are also used for this purpose.

- In the case of trade payables (see section B.11 of the consolidated financial statements) in connection with additional agreements that CANCOM enters into with suppliers, it must be examined whether the additional agreement constitutes a material contract modification in relation to the original supplier contract in accordance with IFRS 9 or whether the trade payables are to be derecognised. The derecognition criteria are discretionary.

- When determining the term of leases (see section D.3 of the consolidated financial statements), an assessment must be made in connection with extension and cancellation options as to whether the respective exercise of the option is sufficiently certain.

- The valuation of share options and performance shares to employees as share-based payments (see section D.4 of the consolidated financial statements) takes into account, in particular, estimated market-dependent performance conditions (such as expected volatilities and risk-free interest rates) as well as company-specific parameters (such as fluctuations and mortality rates).

- Valuation allowances are recognised on receivables to take account of expected credit losses resulting from the inability or unwillingness of customers to pay. This relates in particular to the carrying amounts of trade receivables (see section D.6.5 of the consolidated financial statements).

- The determination of the useful lives of property, plant and equipment and intangible assets (see section A.3.9 and section A.3.10 of the consolidated financial statements) is based on management judgement and planning calculations. This also applies to the determination of impairments of such items and of financial assets.

These recognition and measurement uncertainties are based on the best possible findings in relation to the circumstances on the reporting date. The actual amounts may differ from the estimates. The carrying amounts recognised in the financial statements and the of these uncertainties can be found in the balance sheet and the related notes.

At the time of preparing the consolidated financial statements, no significant changes to the assumptions on which the recognition and measurement were based are expected. In this respect, no significant adjustments to the assumptions and estimates that would have a material impact on the result for the period or on the carrying amounts of the assets and liabilities concerned in the next financial year (reporting period 2025) are currently expected.

A.5. Accounting standards to be applied for the first time

The CANCOM Group has applied the following pronouncements or amendments to pronouncements of the IASB for the first time in the reporting period:

- Amendments to IAS 1 "Presentation of Financial Statements" (title of the amendments: "Classification of liabilities as current or non-current", "Classification of liabilities as current or non-current - deferral of the commencement date" and "Non-current liabilities with ancillary conditions");

- Amendment to IFRS 16 "Leases" (title of the amendment: "Lease liability in a sale and leaseback transaction");

- Amendment to IAS 7 "Statement of Cash Flows" and amendment to IFRS 7 "Financial Instruments: Disclosures" (title of the amendment: "Supplier Financing Arrangements").

The first two amendments to IAS 1 relate to the adjustment of the assessment criteria for the classification of liabilities as current or non-current. The third amendment to IAS 1 concerns the classification of liabilities that are subject to ancillary conditions. It is clarified that ancillary conditions that must be met before or on the reporting date can have an effect on classification as current or non-current. By contrast, ancillary conditions that only have to be complied with after the reporting date have no effect on classification. Instead of being taken into account as part of the classification, such ancillary conditions must be disclosed in the notes.

The amendment to IFRS 16 relates to the recognition of lease liabilities from sale and leaseback transactions. It requires a lessee to measure the lease liability following a sale in such a way that no amount relating to the retained right-of-use asset is recognised in profit or loss.

The amendments to IAS 7 and IFRS 7 relate to disclosure requirements in connection with supplier financing agreements. The new regulations supplement the requirements already contained in IFRS in this regard and include additional disclosure requirements.

None of the above-mentioned rule changes have any material impact on the CANCOM Group's net assets, financial position, results of operations or cash flows.

A.6. Accounting standards not applied

For the consolidated financial statements of CANCOM SE as at 31 December 2024, no IFRS were voluntarily applied early. The pronouncements are recognised for the first time at the time of their mandatory application. The application of IFRS is conditional on the European Union (EU) issuing the endorsements, some of which are still outstanding.

With the exception of IFRS 18, the application of which will result in significant changes in presentation, particularly with regard to the income statement, the amendments to the regulations listed below are not expected to have any material impact on the presentation of the net assets, financial position and results of operations or on the cash flows of the CANCOM Group.

A.6.1. Mandatory first-time application in the 2025 reporting period

The following announcement will be applied for the first time in the CANCOM consolidated financial statements as at 31 December 2025:

- Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates" (title of the amendment: "Lack of Exchangeability").

The amendment concerns the determination of the exchange rate in the event of long-term non-exchangeability. IAS 21 is supplemented by requirements for assessing whether a currency can be exchanged for another currency. Furthermore, the standard now contains guidance on determining the exchange rate when such an exchange is not possible and additional corresponding disclosure requirements.

A.6.2. Mandatory first-time application in the 2026 reporting period or later

The following pronouncements will be applied for the first time in the CANCOM consolidated financial statements as at 31 December 2026 or later:

- Amendment to IFRS 9 "Financial Instruments" and amendment to IFRS 7 "Financial Instruments: Disclosures" (title of the amendment: "Amendments to the Classification and Measurement of Financial Instruments"; not yet endorsed by the EU);

- "Improvements to International Financial Reporting Standards" ("Volume 11"; to be published in 2024; not yet adopted by the EU);

- IFRS 18 "Presentation and Disclosure in Financial Statements" (not yet adopted by the EU)

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (not yet adopted by the EU);

- Amendment to IFRS 9 "Financial Instruments" and amendment to IFRS 7 "Financial Instruments: Disclosures" (title of the amendment: "Contracts Referencing Nature-dependent Electricity"; not yet endorsed by the EU).

The amendment to IFRS 9 and IFRS 7 clarifies the classification of financial assets that are linked to environmental, social and governance (ESG) and similar characteristics. In addition, the amendment addresses the fulfilment of liabilities through electronic payment systems. The accounting changes also introduced additional disclosure requirements with regard to investments in equity instruments measured at fair value through other comprehensive income and financial instruments with conditional characteristics (e.g. ESG objectives).

The IASB makes amendments to various IFRS via collective standards "Improvements to International Financial Reporting Standards". A total of five standards were amended as part of Volume 11.

IFRS 18 replaces IAS 1 "Presentation of Financial Statements" and leads to adjustments to IAS 7 "Statement of Cash Flows". In accordance with the standard, the income statement must be categorised by "operating", "investing" and "financing". Disclosure options therefore no longer apply. Mandatory interim figures must be presented after the first two areas. In the cash flow statement, the disclosure options for dividends and interest received and paid no longer apply and the operating result is specified as the starting point when applying the indirect method. In addition, IFRS 18 contains requirements on whether and how disclosures are to be made in the notes on performance indicators defined by management. In the year of initial application of IFRS 18, the previous year's comparative figures must be adjusted. A reconciliation statement must be presented in the notes for the adjustment of the income statement.

IFRS 19 allows certain subsidiaries to apply IFRS accounting standards with reduced disclosures in the notes. The standard can be applied by a subsidiary if the subsidiary itself is not subject to public accountability and its parent company prepares IFRS consolidated financial statements.

The amendment to IFRS 9 and IFRS 7 concerns contracts that relate to nature-dependent electricity. These contracts help companies to access electricity from sources such as wind or solar power. The amended IFRS 9 contains clarifications on the application of the "own use exemption" to these contracts. In addition, the amended IFRS 9 contains adjustments to the regulations on hedge accounting with the option of using contracts for electricity from nature-dependent renewable energy sources as a hedging instrument if certain conditions are met. The amended IFRS 7 contains additional disclosure requirements for these contracts.

A.6.3. Announcements without a mandatory first-time application date

The amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (title of the amendments: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" and "Effective Date of Amendments to IFRS 10 and IAS 28"; not yet adopted by the EU) do not yet have a mandatory first-time application date. An inconsistency between the provisions of IFRS 10 and IAS 28 is addressed in the event of the sale of assets to an associate or joint venture or the contribution of assets to an associate or joint venture.

A.7. Changes to the reporting structure and corrections of errors, changes to the recognition and measurement methods, changes in presentation due to a discontinued operation

There were no changes to the reporting structure, error corrections or changes to the recognition and measurement methods in the reporting and comparative periods. Furthermore, there were no changes in presentation in the reporting and comparative periods due to a discontinued operation.

B. Notes to the consolidated balance sheet

B.1. Cash and cash equivalents

Cash and cash equivalents consist exclusively of bank balances due at any time and cash in hand.

B.2. Non-current assets and disposal groups held for sale and associated liabilities

No non-current assets and disposal groups held for sale or associated liabilities were recognised in the reporting period or in the comparative period.

B.3. Receivables from goods and services

Trade receivables break down as follows:

(in T€)	31.12.2024	31.12.2023
Gross carrying amount (before value adjustments)	426,594	477,388
Value adjustments	-2,840	-1,890
Trade receivables, balance sheet disclosure	**423,754**	**475,498**

The trade receivables recognised in the balance sheet relate exclusively to contracts with customers in accordance with IFRS 15.

The gross carrying amount of trade receivables developed as follows in the reporting period:

(in T€)	Level 2	Level 3	Total
Gross carrying amount as at 1 January	474,869	2,519	477,388
Changes in the scope of consolidation	900	0	900
Transfer to level 3	-2,848	2,848	0
Transfer to level 2	0	0	0
Addition of new receivables	384,863	560	385,423
Derecognition due to settlement of	-435,548	-1,346	-436,894
Derecognition due to write-down of	-132	-91	-223
Gross carrying amount as at 31.12.	**422,104**	**4,490**	**426,594**

The valuation allowances for trade receivables developed as follows in the reporting period:

(in T€)	Level 2	Level 3	Total
Value adjustments as at 1 January	737	1,153	1,890
Changes in the scope of consolidation	4	0	4
Transfer to level 3	-26	26	0
Transfer to level 2	2	-2	0
Revaluation of the value adjustment (addition, reversal)	-156	1,140	984
Derecognition due to write-down of receivables	-1	-37	-38
Value adjustments as at 31.12.	**560**	**2,280**	**2,840**

The amount of T€ -1,795 in the reporting period in the statement of comprehensive income in the item 'Impairment losses on financial assets, including reversals of impairment losses' amount of T€ -1,795 (comparative period: T€ -43) is composed of the amounts for the revaluation of the impairment of T€ -984 (comparative period: T€ -96) and for the write-off due to the write-down of receivables of T€ 38 (comparative period: T€ 278); In addition, it includes losses from the write-off/write-down of receivables of T€ 886 (comparative period: T€ 366), gains from payments received on receivables already written off/down of T€ 21 (comparative period: T€ 130), impairments and reversals of impairments on contract assets of T€ 11 (comparative period: T€ 2) and impairments and reversals of impairments on receivables from finance leases of T€ 5 (comparative period: T€ 9).

For trade receivables, impairments and reversals of impairments for expected credit losses are determined using an impairment matrix. Please refer to the information on default risks in section D.6.5 of the consolidated financial statements.

B.4. Contract assets, contract liabilities and capitalised contract costs

The following table provides information on contract assets from contracts with customers:

(in T€)	31.12.2024	31.12.2023
Current contract assets	18,427	32,371
Contract assets, balance sheet disclosure	**18,427**	**32,371**

Contract assets mainly relate to orders in progress in connection with IT projects. These are essentially claims to consideration for services completed but not yet invoiced as at the reporting date. They are reclassified to trade receivables if the right to receive payment is unconditional. The latter is particularly the case upon acceptance by the customer; this regularly triggers an invoice to the customer.

The following table provides information on contract liabilities from contracts with customers:

(in T€)	31.12.2024	31.12.2023
Current contract liabilities	72,793	54,876
Non-current contract liabilities	15,352	19,008
Contract liabilities, balance sheet disclosure	**88,145**	**73,884**

Contract liabilities mainly relate to advance payments received from customers and prepaid term contracts in connection with IT projects and support services. The amount reported at the beginning of the reporting or comparative period was essentially recognised as revenue in the respective period.

The following table shows the contract costs capitalised in the reporting and comparative periods:

(in T€)	31.12.2024	31.12.2023
Capitalised short-term contract costs	0	234
Capitalised contract costs, balance sheet disclosure	**0**	**234**

No contract costs were capitalised as contract initiation costs or as contract fulfilment costs in either the reporting period or the comparative period. The contract initiation costs capitalised at the end of the comparative period in the amount of T€ 144 relate to three projects (comparative period: three projects) allocated to the Germany operating segment. The contract fulfilment costs capitalised at the end of the comparative period in the amount of T€ 90 relate to one project (comparative period: one project) allocated to the Germany operating segment. In the reporting period, amortisation of capitalised contract initiation costs in the amount of T€ 144 (comparative period: T€ 576) and contract fulfilment costs in the amount of T€ 90 (comparative period: T€ 361) was carried out.

In the statement of comprehensive income (in the result for the period), capitalised contract costs are reported as a separate item within total operating revenue.

B.5. Inventories

Inventories mainly comprise goods, in particular hardware components and software. They are made up as follows:

(in T€)	31.12.2024	31.12.2023 (adjusted*)	31.12.2023 (before adjustment)
Finished goods, merchandise and raw materials and supplies	66,997	79,074	79,073
Advance payments made	1,052	840	840
Inventories, balance sheet disclosure	**68,049**	**79,914**	**79,913**

*) See the explanations in section A.2.2.2 of the consolidated financial statements

The cost of finished goods, merchandise and raw materials and supplies totalled T€ 915,406 in the reporting period (comparative period: T€ 841,006).

In the reporting period, inventories of finished goods and merchandise were impaired by T€ 768 (comparative period: T€ 1,014) due to overreaching, obsolescence, reduced marketability or subsequent costs. In addition, impairment losses on inventories totalling T€ 720 were reversed in the reporting period due to better-than-expected sales of obsolete inventories.

No inventories were pledged as collateral in the reporting and comparative periods.

B.6. Other financial assets

Other current financial assets are as follows:

(in T€)	31.12.2024	31.12.2023
Receivables from finance leases	30,699	34,866
Bonus claims against suppliers	14,787	12,158
Receivables from companies with which a Participation relationship exists	3,644	2,675
Creditors with debit balances	3,084	3,381
Derivative financial assets	1,128	717
Actuarial reserves in the form of reimbursement rights	1,026	0
Receivables from employees	115	178
Receivables from share buybacks	0	2,456
Other current financial assets, balance sheet disclosure	**54,483**	**56,431**

Other non-current financial assets are made up as follows:

(in T€)	31.12.2024	31.12.2023
Receivables from finance leases	43,288	46,913
Receivables from companies in which a participating interest is held	3,277	2,539
Receivables from security deposits	646	678
Assets from employee benefits	318	1,093
Derivative financial assets	292	83
Other non-current financial assets, balance sheet disclosure	**47,821**	**51,306**

B.7. Other assets

Other current assets are broken down as follows:

(in T€)	31.12.2024	31.12.2023
Deferred expenses	42,211	33,219
Receivables from tax overpayments	19,227	10,166
Receivables from insurance benefits	772	308
Receivables from social insurance institutions	41	39
Other receivables	112	409
Other current assets, Balance sheet disclosure	**62,363**	**44,141**

Other non-current assets are made up as follows:

(in T€)	31.12.2024	31.12.2023
Deferred expenses	34,644	23,264
Other non-current assets, Balance sheet disclosure	**34,644**	**23,264**

Deferred expenses mainly include payments made in advance under current maintenance contracts.

B.8. Fixed assets

The development of fixed assets in the reporting and comparative period, consisting of the balance sheet items:

- Property, plant and equipment,
- intangible assets (excluding goodwill),
- Goodwill,
- Rights of use,
- Financial assets and loans,
- Investments in companies accounted for using the equity method,

is presented in the corresponding consolidated statement of changes in non-current assets.

Development of Group fixed assets

(consolidated statement of changes in fixed assets) in the reporting period

	ACQUISITION/PRODUCTION COSTS						
(in T€)	**AS at 01.01. 2024**	**Currency differences 2024**	**Additions from first cons. 2024**	**Additions 2024**	**Disposals 2024**	**Reclassifica-tions 2024**	**As at 31.12.2024**
Property, plant and equipment							
Motor vehicles	14,992	0	3	637	5,016	0	10,616
Land and buildings	19,669	0	0	1,471	0	497	21,637
IT data centres	34,490	0	0	3,759	3,919	0	34,330
Other operating and office equipment	48,069	-26	19	8,577	2,601	-497	53,541
Technical equipment and machinery	3,519	0	0	96	0	0	3,615
Total property, plant and equipment	**120,739**	**-26**	**22**	**14,540**	**11,536**	**0**	**123,739**
Intangible assets (excluding goodwill)							
Purchased and self-created software	111,312	-2	0	7,738	2,541	0	116,507
Customer bases, orders on hand, other items from company acquisitions	69,273	-109	2,180	0	21,635	0	49,709
Total intangible assets (excluding goodwill)	**180,585**	**-111**	**2,180**	**7,738**	**24,176**	**0**	**166,216**
Goodwill	**283,477**	**0**	**5,533**	**0**	**0**	**0**	**289,010**
Rights of use							
Rights of use for land and buildings	134,068	-32	711	5,869	3,904	0	136,712
Rights of use for operating and office equipment	8,601	-42	6	866	2,476	0	6,955
Rights of use for motor vehicles	33,232	-9	111	15,709	4,610	0	44,433
Total rights of use	**175,901**	**-83**	**828**	**22,444**	**10,990**	**0**	**188,100**
Financial assets and loans	**1,926**	**0**	**0**	**0**	**1,893**	**0**	**33**
Investments in companies accounted for using the equity method	**14,538**	**0**	**0**	**848**	**907**	**0**	**14,479**
Total	**777,166**	**-220**	**8,563**	**45,570**	**49,502**	**0**	**781,577**

DESCRIPTIONS					BOOK VALUES	
As at 01.01. 2024	**Currency differences 2024**	**Additions 2024**	**Disposals 2024**	**As at 31.12.2024**	**As at 31.12.2024**	**As at 31.12.2023**
13,876	0	621	4,722	9,775	841	1,116
1,919	0	1,341	0	3,260	18,377	17,750
19,680	0	5,529	3,912	21,297	13,033	14,810
24,663	1	6,968	2,430	29,202	24,339	23,406
921	0	239	0	1,160	2,455	2,598
61,059	**1**	**14,698**	**11,064**	**64,694**	**59,045**	**59,680**
61,782	1	13,254	2,465	72,572	43,935	49,530
29,023	1	11,582	21,636	18,970	30,739	40,250
90,805	**2**	**24,836**	**24,101**	**91,542**	**74,674**	**89,780**
18,967	**0**	**0**	**0**	**18,967**	**270,043**	**264,510**
39,056	0	14,247	3,902	49,401	87,311	95,012
4,250	1	2,366	2,476	4,141	2,814	4,351
10,431	0	8,897	4,610	14,718	29,715	22,801
53,737	**1**	**25,510**	**10,988**	**68,260**	**119,840**	**122,164**
0	**0**	**0**	**0**	**0**	**33**	**1,926**
0	**0**	**0**	**0**	**0**	**14,479**	**14,538**
224,568	**4**	**65,044**	**46,153**	**243,463**	**538,114**	**552,598**

Development of Group fixed assets

(consolidated statement of changes in fixed assets) in the reporting period

	ACQUISITION/PRODUCTION COSTS						
(in T€)	**As at 01.01.2023**	**Currency differences 2023**	**Additions from first cons. 2023**	**Additions 2023**	**Disposals 2023**	**Reclassifica-tions 2023**	**As at 31.12.2023**
Property, plant and equipment							
Motor vehicles	18,106	0	468	249	3,831	0	14,992
Land and buildings	3,806	0	12,987	2,643	55	288	19,669
IT data centres	37,319	0	3,814	4,623	11,260	-6	34,490
Other operating and office equipment	42,084	79	6,092	5,641	5,491	-336	48,069
Technical equipment and machinery	3,271	0	161	87	0	0	3,519
Total property, plant and equipment	**104,586**	**79**	**23,522**	**13,243**	**20,637**	**-54**	**120,739**
Intangible assets (excluding goodwill)							
Purchased and self-created software	95,465	5	5,993	12,543	2,748	54	111,312
Customer bases, orders on hand, other items from company acquisitions*	32,742	321	39,082	0	2,872	0	69,273
Total intangible assets (excluding goodwill)*	**128,207**	**326**	**45,075**	**12,543**	**5,620**	**54**	**180,585**
Goodwill*	**144,152**	**0**	**139,325**	**0**	**0**	**0**	**283,477**
Rights of use							
Rights of use for land and buildings	99,876	88	28,047	7,422	1,365	0	134,068
Rights of use for operating and office equipment	5,497	125	3,367	495	883	0	8,601
Rights of use for motor vehicles	15,457	30	6,922	11,942	1,119	0	33,232
Total rights of use	**120,830**	**243**	**38,336**	**19,859**	**3,367**	**0**	**175,901**
Financial assets and loans	**5**	**0**	**1,827**	**94**	**0**	**0**	**1,926**
Investments in companies accounted for using the equity method	**0**	**0**	**14,996**	**265**	**723**	**0**	**14,538**
Total*	**497,780**	**648**	**263,081**	**46,004**	**30,347**	**0**	**777,166**

*) see the explanations in section A.2.2.2 of the consolidated financial statements.

DESCRIPTIONS						BOOK VALUES	
As at 01.01. 2023	**Currency differences 2023**	**Additions 2023**	**Disposals 2023**	**Reclassifica-tions 2023**	**As at 31.12.2023**	**As at 31.12.2023**	**As at 31.12.2022**
15,864	0	1,614	3,602	0	13,876	1,116	2,242
1,268	0	715	55	-9	1,919	17,750	2,538
26,086	0	4,854	11,260	0	19,680	14,810	11,233
23,556	9	6,555	5,465	8	24,663	23,406	18,528
703	0	218	0	0	921	2,598	2,568
67,477	**9**	**13,956**	**20,382**	**-1**	**61,059**	**59,680**	**37,109**
47,266	0	17,264	2,749	1	61,782	49,530	48,199
23,536	34	8,324	2,871	0	29,023	40,250	9,206
70,802	**34**	**25,588**	**5,620**	**1**	**90,805**	**89,780**	**57,405**
18,967	**0**	**0**	**0**	**0**	**18,967**	**264,510**	**125,185**
27,815	8	12,599	1,366	0	39,056	95,012	72,061
2,992	15	2,127	884	0	4,250	4,351	2,505
5,885	3	5,662	1,119	0	10,431	22,801	9,572
36,692	**26**	**20,388**	**3,369**	**0**	**53,737**	**122,164**	**84,138**
0	**0**	**0**	**0**	**0**	**0**	**1,926**	**5**
0	**0**	**0**	**0**	**0**	**0**	**14,538**	**0**
193,938	**69**	**59,932**	**29,371**	**0**	**224,568**	**552,598**	**303,842**

B.8.1. Property, plant and equipment

Property, plant and equipment for the reporting and comparative periods are as follows:

(in T€)	31.12.2024	31.12.2023
Land and buildings	18,377	17,750
IT data centres	13,033	14,810
Technical equipment and machinery	2,455	2,598
Motor vehicles	841	1,116
Other operating and office equipment	24,339	23,406
Property, plant and equipment, balance sheet disclosure	**59,045**	**59,680**

B.8.2. Intangible assets (excluding goodwill)

Intangible assets (excluding goodwill) are broken down as follows:

(in T€)	31.12.2024	31.12.2023 (adjusted*)	31.12.2023 (before adjustment)
Purchased software	37,342	41,434	41,434
Customer bases	23,134	26,924	28,958
Self-created software	6,593	8,096	8,096
Orders on hand	6,032	11,456	11,406
Other intangible assets resulting from company acquisitions	1,573	1,870	1,870
Intangible assets (excluding goodwill), balance sheet disclosure	**74,674**	**89,780**	**91,764**

*) See the explanations in section A.2.2.2 of the consolidated financial statements. As part of the retrospective correction of the acquired DextraData GmbH division, the customer base was reduced by T€ 2,034 and orders on hand increased by T€ 50.

The item "Purchased software" includes in particular ERP systems and software for computer centre components. They are amortised as scheduled and have an average remaining useful life of three years.

The customer bases and order backlogs are based on company acquisitions made in the reporting period and in previous periods. The items are amortised over their respective expected useful lives. The customer bases have an average remaining useful life of nine years, while the order backlog has an average remaining useful life of three years.

The item "internally generated software" mainly includes the AHP private cloud platform in the amount of T€ 3,634 (comparative period: T€ 4,251), which is amortised over its expected useful life. The average remaining useful life is three years.

The item "Other intangible assets resulting from company acquisitions" includes favourable rental agreements and product-specific software.

B.8.3. Goodwill

Goodwill is broken down as follows:

(in T€)	31.12.2024	31.12.2023 (adjusted*)	31.12.2023 (before adjustment)
CANCOM Germany	176,652	171,120	168,593
CANCOM International	93,391	93,390	93,132
Goodwill, balance sheet disclosure	**270,043**	**264,510**	**261,725**

*) See the explanations in section A.2.2.2 of the consolidated financial statements. As part of the retrospective correction of the acquired business division of DextraData GmbH, the goodwill of CANCOM Germany was increased by T€ 2,527. As part of the retrospective recognition of a net liability from pension obligations of the acquired CANCOM Switzerland AG, the goodwill of CANCOM International was increased by T€ 258.

SBSK GmbH & Co KG was acquired in the reporting period. This resulted in goodwill of T€ 5,532, which was allocated in full to the group of cash-generating units CANCOM Deutschland (see also the explanations in section A.2.2.1 of the consolidated financial statements).

The KBC Group (now CANCOM Austria Group) was acquired in the comparative period; the acquisition resulted in goodwill of T€ 127,068 (adjusted; before adjustment: T€ 126,810). In addition, CANCOM GmbH acquired a business division from DextraData GmbH in the comparative period. This resulted in goodwill of T€ 12,256 (adjusted; before adjustment: T€ 9,729), which was allocated in full to the group of cash-generating units CANCOM Germany.

Goodwill is not amortised but tested for impairment at least once a year in accordance with IAS 36 by comparing the carrying amount with the recoverable amount of the respective group of cash-generating units (see also the explanations in section A.3.11 and section A.3.12 of the consolidated financial statements).

The internal management of the CANCOM Group was changed at the beginning of the comparative period. As a result, the management and reporting of the "Cloud Solutions" and "IT Solutions" business segments was discontinued. With the acquisition of the CANCOM Austria Group, internal corporate management was changed again in June 2023. Since June 2023, the CANCOM Group has been managed on the basis of the "Germany" and "International" business segments. Segment reporting was published on the basis of these two operating segments for the first time in the 2023 half-year consolidated financial statements.

As a result of the change in internal corporate management, the CANCOM Group has been using two groups of cash-generating units to test goodwill for impairment since 1 July 2023, i.e. from this date there are two groups of cash-generating units "CANCOM Germany" and "CANCOM International". Groups of cash-generating units are used as the management of the CANCOM Group monitors goodwill on the basis of these two groups, which also represent the Germany and International business segments. At the end of the 2022 financial year, goodwill was still tested for impairment on the basis of seven cash-generating units; NWC Services GmbH would have been added as an eighth cash-generating unit in the comparative period. With regard to these eight cash-generating units, the reallocation of assets and liabilities was based on the registered office of the respective companies. The following table shows how goodwill was allocated to the two groups of cash-generating units existing from 1 July 2023 - CANCOM Germany and CANCOM International.

Cash-generating units before reclassification until 30.06.2023	Goodwill before reclassification as at 30.06.2023 in T€	Goodwill after reclassification as at 01.07.2023 in T€	
		CANCOM Germany	CANCOM International
1. CANCOM Managed Services GmbH	58,159	58,159	0
2. CANCOM GmbH IT Solutions	36,852	36,852	0
3. CANCOM Public Gruppe	7,049	7,049	0
4. CANCOM GmbH Cloud Solutions	7,152	7,152	0
5. CANCOM ICT Service GmbH	2,522	2,522	0
6. CANCOM a + d IT solutions GmbH	1,717	0	1,717
7. S&L Gruppe	8,268	8,268	0
8. NWC Services GmbH	3,466	3,466	0

Goodwill impairment tests were last carried out for the cash-generating units listed in the previous table as at 30 June 2023. There was no need for amortisation in each case.

With regard to the CANCOM Austria Group, the assets and liabilities - with the exception of goodwill - were also allocated to the two groups of cash-generating units on the basis of the registered office of the respective companies. The goodwill of the CANCOM Austria Group was allocated to the two groups of cash-generating units on the basis of the number of employees and the expected synergies from the acquisition. Goodwill of T€ 35,395 was calculated for CANCOM Germany and goodwill of T€ 91,673 (adjusted; before adjustment: T€ 91,415) for CANCOM International.

The following table shows the most important assumptions on which the calculation of the value in use of the two groups of cash-generating units is based (information on the comparative period in brackets).

Group of cash-generating units	Goodwill as at 31.012.2024 in T€	Sales growth in % for 2025	Average sales growth in % for 2026-2029	Pre-tax discount rate in %	After-tax discount rate in %
CANCOM Germany	176,652	5.7 (15.0)	4.1 (4.3)	10.91 (12.98)	7.97 (9.41)
CANCOM International	93,391	5.1 (71.5)	4.1 (5.4)	9.8 (11.47)	8.01 (9.46)

The recoverable amount is determined as the value in use using the discounted cash flow method; the payments taken into account are based on a five-year detailed forecast period. The forecasts are based on financial plans approved by management, take past experience into account and are based on management's assessment of future developments. External market studies (e.g. from Bitkom) are also used. The forecasts are based on individual sales estimates of the groups of cash-generating units. Cash flows beyond the detailed forecast period are extrapolated using a perpetual growth rate of 1.5 percent (comparative period: 1.5 percent). The discount rate components are determined using external financial information systems; the base interest rates used in the reporting period were 2.58 percent (comparative period: 2.22 percent); a uniform market risk premium of 7.0 percent (comparative period: 7.0 percent) was used in the reporting period. In the reporting period, the peer group consisted of five companies (comparative period: six companies) based in Europe.

For the group of cash-generating units CANCOM Germany, the recoverable amount exceeded the carrying amount at the end of the reporting period by T€ 166,441 (at the end of the comparative period by T€ 352,701). It was analysed whether an impairment of goodwill would have been necessary in the event of lower revenue growth. The sensitivity analyses showed that if average sales growth had been 1.0 percent lower in absolute terms (comparative period: 2.5 percent) for the period 2026 to 2029 (comparative period: period 2025 to 2028), the recoverable amount would have corresponded to the carrying amount.

For the group of cash-generating units CANCOM International, the recoverable amount exceeded the carrying amount at the end of the reporting period by T€ 294,212 (at the end of the comparative period by T€ 308,023). It was analysed whether an impairment of goodwill would have been necessary in the event of lower sales growth. The sensitivity analyses showed that if average sales growth had been 2.3 percent lower in absolute terms (comparative period: 1.5 percent) for the period 2026 to 2029 (comparative period: period 2025 to 2028), the recoverable amount would have corresponded to the carrying amount.

B.8.4. Rights of use

Rights of use are allocated to the following classes in the CANCOM Group:

- Rights of use for land and buildings,
- Rights of use for operating and office equipment,
- Rights of use for motor vehicles.

The development of the individual classes can be seen in the consolidated statement of changes in non-current assets for the reporting period and the comparative period. For further information on leases, please refer to section D.3 of the consolidated financial statements.

B.8.5. Financial assets and loans

Financial assets and loans mainly relate to financial investments totalling T€ 28 (comparative period: T€ 28). Securities are included in the amount of T€ 0 (comparative period: T€ 1,893).

B.8.6. Investments in companies accounted for using the equity method

The following table shows the carrying amounts of the shares accounted for using the equity method:

(in T€)	31.12.2024	31.12.2023
Joint ventures	8,092	8,801
Associated companies	6,387	5,737
Investments accounted for using the equity method, balance sheet disclosure	**14,479**	**14,538**

The companies included in the carrying amounts are immaterial, both individually and in total, for the presentation of the net assets, financial position and results of operations of the CANCOM Group.

B.9. Deferred taxes

Deferred tax assets in the reporting period and the comparative period developed as follows:

Aktive latente Steuern aus	temporary differences (in T€)	Tax loss carryfor-wards (in T€)
Status 01.01.2024	11,007	8
Addition from capitalisation not recognised in profit or loss due to initial consolidation	3,405	0
Addition from actuarial losses from pension provisions and similar provisions recognised directly in equity	433	0
Tax expense/income in the result for the period	-290	1
Currency differences recognised directly in equity	3	0
As at 31.12.2024	**14,558**	**9**
Status 01.01.2023	7,774	54
Addition from capitalisation not recognised in profit or loss due to initial consolidation	2,953	1,005
Addition from actuarial losses from pension provisions and similar provisions recognised directly in equity	388	0
Tax expense/income in the result for the period	-152	-1,051
Adjustment due to the retrospective recognition of the net liability from pension obligations at CANCOM Switzerland AG*	44	0
As at 31.12.2023 (adjusted*)	**11,007**	**8**

*) See the explanations in section A.2.2.2 of the consolidated financial statements.

In the reporting period, the CANCOM Group had corporation tax loss carryforwards of T€ 35 (comparative period: T€ 28) and trade tax loss carryforwards of T€ 20 (comparative period: T€17). The amount of unused losses for which no deferred tax assets were recognised in the balance sheet was T€ 0 in the reporting period (comparative period: T€ 0). No amounts of these unrecognised tax loss carryforwards will expire over time. Based on the planned tax results, the capitalised deferred tax benefits from loss carryforwards are expected to be realised.

Deferred tax assets from temporary differences in the reporting period result from deviations in other financial liabilities (IFRS 16) in the amount of T€ 39,028 (comparative period: T€ 43,946), in rights of use (IFRS 16) in the amount of T€ -34,002 (comparative period: T€ -34,171), in other financial assets (IFRS 16) in the amount of T€ -7.940 (comparative period: T€ -9,295), property, plant and equipment (IFRS 16) in the amount of T€ 7,640 (comparative period: T€ 4,611), intangible assets in the amount of T€ 3,885 (comparative period: T€ 1,207), pension provisions and similar provisions in the amount of T€ 3,188 (comparative period adjusted: T€ 3,009; before adjustment: T€ 2.965), other provisions in the amount of T€ 919 (comparative period: T€ 927), other assets in the amount of T€ 549 (comparative period: T€ 0), other liabilities in the amount of T€ 503 (comparative period: T€ 445), trade payables in the amount of T€ 443 (comparative period: T€ 0), property, plant and equipment in the amount of T€ 157 (comparative period: T€ 0), financial assets in the amount of T€ 112 (comparative period: T€ 61), inventories in the amount of T€ 57 (comparative period: T€ 28), trade receivables in the amount of T€ 10 (comparative period: T€ 63), other financial assets in the amount of T€ 7 (comparative period: T€ 53), other financial liabilities in the amount of T€ 0 (comparative period: T€ 96) and other balance sheet items in the amount of T€ 2 (comparative period: T€ 27).

The deferred tax assets recognised directly in equity in the reporting period mainly relate to intangible assets in the amount of T€ 2,929 (comparative period: pension provisions and similar provisions in the amount of T€ 2,190).

Neither impairment losses on deferred tax assets from loss carryforwards nor impairment losses on deferred tax assets from temporary differences were recognised in the reporting period or the comparative period.

Deferred tax liabilities in the reporting period and the comparative period developed as follows:

Deferred tax liabilities from	temporary differences (in T€)
Status 01.01.2024	20,255
Additions from liabilities recognised directly in equity due to initial consolidation	1,078
Addition from actuarial gains from financial assets recognised directly in equity	-10
Tax expense/income in the result for the period	-3,215
Currency differences recognised directly in equity	-15
As at 31.12.2024	**18,093**
Status 01.01.2023	11,747
Additions from liabilities recognised directly in equity due to initial consolidation	10,979
Addition from actuarial gains from financial assets recognised directly in equity	21
Tax expense/income in the result for the period	-2,528
Currency differences recognised directly in equity	36
As at 31.12.2023	**20,255**

Deferred tax liabilities are recognised for differences to the tax accounts. In the reporting period, they resulted from the recognition and revaluation of intangible assets in the amount of T€ 6,611 (comparative period: T€ 7,418), from other financial assets in the amount of T€ 4,007 (comparative period: T€ 4,167), from trade receivables in the amount of T€ 2,423 (comparative period: T€ 2,327), from property, plant and equipment in the amount of T€ 1,912 (comparative period: T€ 1,981), from deviations from software development costs in the amount of T€ 1,536 (comparative period: T€ 1,965), from contract liabilities in the amount of T€ 634 (comparative period: T€ 0), from contract assets in the amount of T€ 369 (comparative period: T€ 1,171), from financial assets in the amount of T€ 353 (comparative period: T€ 480), from other provisions in the amount of T€ 144 (comparative period: T€ 154), from property, plant and equipment (IFRS 16) in the amount of T€ 237 (comparative period: T€ 501), from other financial liabilities (IFRS 16) in the amount of T€ -1,198 (comparative period: T€ 114), from other financial assets (IFRS 16) in the amount of T€ 1,054 (comparative period: T€ 0), from right-of-use assets (IFRS 16) in the amount of T€ 0 (comparative period: T€ -584), from pension provisions and similar provisions in the amount of T€ 11 (comparative period: T€ 0), from trade payables in the amount of T€ 0 (comparative period: T€ 487) and from capitalised contract costs in the amount of T€ 0 (comparative period: T€ 74).

In the reporting period, the deferred tax liabilities recognised directly in equity on initial consolidation mainly relate to intangible assets of T€ 650 and contract liabilities of T€ 366 (comparative period: intangible assets of T€ 6,168 and property, plant and equipment of T€ 2,021).

Please refer to section A.2.2.1 of the consolidated financial statements for the presentation of differences from initial consolidation in the reporting period.

In the reporting period, no deferred tax liabilities were recognised for temporary differences connection with shares in subsidiaries amounting to T€ 3,563 (comparative period: T€ 2,005) in accordance with IAS 12.39.

Deferred taxes are measured at the tax rate applicable on the respective reporting date, which was between 16.0 percent (Swiss and Romanian subsidiaries) and 31.9 percent (subsidiaries with major operations in Aachen, Frankfurt, Hamburg, Cologne, Langenfeld and Munich) at the end of the reporting period.

B.10. Liabilities to banks

Current liabilities to banks are as follows:

(in T€)	31.12.2024	31.12.2023
Short-term loans	854	9,415
Current liabilities to banks, balance sheet disclosure	**854**	**9,415**

Current liabilities to banks in the comparative period are mainly financial liabilities assumed by the CANCOM Group as part of the acquisition of the CANCOM Austria Group.

Non-current liabilities to banks are broken down as follows:

(in T€)	31.12.2024	31.12.2023
Long-term loans	250	1,311
Non-current liabilities to banks, balance sheet disclosure	**250**	**1,311**

B.11. Liabilities from deliveries and services

Trade payables in the reporting period and the comparative period are mainly made up of liabilities for merchandise delivered and liabilities for services purchased. They also trade payables in connection with notes payable totalling T€ 32,355 (comparative period: T€ 11,300).

Information on liquidity and currency risks with regard to trade payables is provided in section D.6.2 and section D.6.3 of the consolidated financial statements.

B.12. Other financial liabilities

Other current financial liabilities are as follows:

(in T€)	31.12.2024	31.12.2023 (adjusted*)	31.12.2023 (before adjustment)
Leasing liabilities	35,309	38,655	38,655
Financial liabilities to leasing companies	15,620	17,112	17,112
Debtors with credit balances	8,412	6,725	6,725
Purchase price liabilities for the acquisition of shares in affiliated companies or for acquired business areas	5,896	20,146	20,254
Financial liabilities to financial service providers	710	6,908	6,908
Remuneration of the Supervisory Board	466	449	449
Outstanding cost invoices	405	452	452
Liabilities for interest and bank charges	150	134	134
Liabilities to companies in which participations are held	44	145	145
Derivative financial liabilities	0	385	385
Other current financial liabilities, balance sheet disclosure	**67,012**	**91,111**	**91,219**

*) See the explanations in section A.2.2.2 of the consolidated financial statements

Other non-current financial liabilities are made up as follows:

(in T€)	31.12.2024	31.12.2023
Leasing liabilities	114,060	115,065
Financial liabilities to leasing companies	27,890	29,499
Purchase price liabilities for the acquisition of shares in affiliated companies or for acquired business areas	4,264	9,533
Derivative financial liabilities	0	8
Other non-current financial liabilities, balance sheet disclosure	**146,214**	**154,105**

B.13. Provisions (excluding pension provisions)

Provisions (excluding pension provisions) developed as follows in the reporting period:

(in T€)	As at 01.01.2024	Additions from first-time cons.	Consumption	Resolution	Feed	As at 31.12.2024
Anniversary provisions	5,740	0	952	0	1,118	5,906
Provisions for onerous contracts	2,358	0	1,168	0	2,951	4,141
Severance payments, salaries	3,362	0	2,873	362	3,281	3,408
Acquisition costs	1,399	12	1,132	46	876	1,109
Share-based payments	535	0	0	197	340	678
Warranties	106	0	22	0	130	214
Archiving costs	101	7	19	0	0	89
Other	161	0	7	0	206	360
	13,762	**19**	**6,173**	**605**	**8,902**	**15,905**

The additions to the provisions for onerous contracts mainly relate to two onerous customer contracts for operations management in Austria, where the fulfilment costs will exceed the contractually agreed sales revenues.

The additions recognised under provisions for severance payments and salaries mainly relate to restructuring measures in the form of the closure of divisions in individual regions. This results in the release of employees with corresponding severance payments.

The total amount of provisions shown in the previous table includes non-current provisions totalling T€ 6,235 (comparative period: T€ 5,849), which are reported under "Other non-current provisions". They mainly relate to anniversary provisions totalling T€ 5,461 (comparative period: T€ 5,208), share-based payments totalling T€ 660 (comparative period: T€ 535) and provisions for archiving costs totalling T€ 57 (comparative period: T€ 68).

The cash outflows for anniversary bonuses are expected within a period up to 2064 (comparative period: 2063). The current provisions recognised in the reporting period for severance payments, salaries and impending losses generally lead to payments in the following year.

B.14. Income tax liabilities

Income tax liabilities mainly comprise income tax liabilities resulting from the reporting period and the comparative period.

B.15. Other debts

Other current liabilities are as follows:

(in T€)	31.12.2024	31.12.2023 (adjusted*)	31.12.2023 (before adjustment)
Value added tax liabilities	32,507	27,332	27,332
Liabilities for royalties and employee bonuses	22,750	20,355	19,703
Liabilities for holidays and overtime	10,454	10,297	10,297
Liabilities for wage and church tax	5,447	5,558	5,558
Liabilities for capital gains tax	4,802	0	0
Liabilities for social security	4,141	3,826	3,826
Liabilities for wages and salaries	2,010	1,633	1,633
Liabilities to employers' liability insurance associations	878	870	870
Liabilities from levies for severely disabled persons	371	509	509
Prepaid expenses and deferred charges	275	296	296
Credit card liabilities	89	69	69
Liabilities for travelling expenses	4	35	35
Other liabilities	509	377	377
Other current liabilities, balance sheet disclosure	**84,237**	**71,157**	**70,505**

*) See the explanations in section A.2.2.2 of the consolidated financial statements.

Other non-current liabilities are as follows:

(in T€)	31.12.2024	31.12.2023
Prepaid expenses and deferred charges	10	13
Other non-current liabilities, balance sheet disclosure	**10**	**13**

B.16. Pension provisions and similar provisions

B.16.1. Pension provisions

The recognised pension obligations amounting to T€ 5,054 (comparative period: T€ 4,164) exclusively include obligations for pensions of active and former employees based on defined benefit commitments that were taken over as part of company acquisitions and are employer-financed - in Switzerland 50 percent employee-financed. These are mainly pension obligations from pension plans and from several individual commitments. The risks relate to invalidity, mortality and longevity risks as well as risks from uncertain adjustments to pension benefits; there are also financing risks resulting from the commitments. The net liability from pension plans amounts to T€ 5,129 (comparative period: T€ 4,238) and the net asset value from pension plans amounts to T€ 75 (comparative period: T€ 74). The current portion of the net liability from pension plans amounts to T€ 162 (comparative period: T€ 142).

The amount of the pension commitments from the pension plans is based on the length of service and the remuneration of the individual employees or on fixed commitments.

No significant risks associated with the defined benefit obligations are expected. Around two thirds of the obligations are covered by plan assets, which either take into account a higher coverage ratio in the tied collective foundation assets, cover the longevity risk in the pension plan or provide for the pension option in the reinsurance policies.

The development of the pension obligation and plan assets for the defined benefit plans is as follows:

(in T€)	2024	2023 (adjusted*)
Change in the pension obligation		
Defined benefit obligation as at 1 January	10,259	2,849
Changes in the scope of consolidation	0	2,527
First-time recognition of the defined benefit obligation at CANCOM Switzerland AG*	0	4,477
Service cost: present value of entitlements earned in the period	200	2
Past service cost	328	0
Remeasurements: actuarial gains (-) and losses (+) from		
- Changes in financial assumptions	428	448
- Changes in experience adjustments	-68	-83
Interest expense	292	205
Pension payments	-240	-166
Contributions of the beneficiary employees	172	0
Contract transfers to the target plan	2,426	0
Net translation differences	187	0
Defined benefit obligation as at 31.12.	**13,984**	**10,259**

(in T€)	2024	2023 (adjusted*)
Change in plan assets		
Fair value of plan assets as at 01.01.	6,340	2,063
Initial recognition of plan assets at CANCOM Switzerland AG*	0	4,175
Revaluations: Gains and losses excluding interest income	-23	12
Interest income	158	76
Contributions made by the employer (payments into the plan assets)	176	83
Pension payments from the plan assets	-69	-69
Contributions of the beneficiary employees	172	0
Contract transfers to the target plan	2,235	0
Net translation differences	171	0
Fair value of plan assets as at 31.12.	**9,160**	**6,340**
Influence of the asset ceiling		
Influence of the asset ceiling as at 1 January	245	289
Revaluations: Gains and losses excluding interest income	-23	-55
Interest expense	8	11
Influence of the asset ceiling as at 31.12.	**230**	**245**
Composition		
Defined benefit obligation as at 31.12.	13,984	10,259
Fair value of plan assets as at 31.12.	-9,160	-6,340
	4,824	**3,919**
Influence of the asset ceiling	230	245
Recognised pension obligation as at 31.12.	**5,054**	**4,164**
thereof		
Net asset value from pension plans	-75	-74
Net debt from pension plans	5,129	4,238

*) See the explanations in section A.2.2.2 of the consolidated financial statements

The plan assets consist of foundation assets managed independently by various providers, pension fund assets and reinsurance policies and are made up as follows:

(in T€)	2024	2023 (adjusted*)
Foundation assets (Switzerland)	7,014	4,175
Fund assets (Germany)	1,312	1,362
Reinsurance policies (Germany)	834	803
Fair value as at 31.12.	**9,160**	**6,340**

*) See the explanations in section A.2.2.2 of the consolidated financial statements

The foundation's assets are mainly invested in equity instruments, securities and real estate. The fund assets are invested in reinsurance policies and the reinsurance policies are held directly.

The plan assets (Germany) show a surplus in the reporting period, but this is not recognised as an asset in the amount of T€ 230 (comparative period: T€ 245), as CANCOM has no future economic benefit in the form of a refund for contributions paid in. CANCOM's management reviews at regular intervals on the basis of actual or expected cash flows from the plan assets whether the investment mix compensates for the risks from the defined benefit pension commitments as extensively as possible.

The following assumptions were used to calculate the defined benefit obligation for Germany and Austria (euro countries):

	2024 (in %)	2023 (in %)
Interest rate	3.54	3.52
Salary trend	0.18	0.00
Pension dynamics	2.39	2.43

For Switzerland, these assumptions were taken into account when determining the defined benefit obligation:

	2024 (in %)	2023 (in %)
Interest rate	1.00	1.50
Salary trend	1.00	1.00
Pension dynamics	0.00	0.00

The biometric calculation bases were taken from the Heubeck 2018 G mortality tables (for Germany), the AVÖ 2018_P ANG tables (for Austria) and the BVG 2020 generation tables (for Switzerland). The future pension increases in the reporting period are shown as a weighted average value, taking into account contractually stipulated agreements, whereby there is effectively no inflation for Switzerland.

The average term of the pension obligations in the reporting period was 14.6 years for Germany and Austria (comparative period: 15.2 years) and 15.9 years for Switzerland.

The total expense for the pension plans in accordance with IAS 19 in the reporting period and the comparative period is broken down as follows:

	2024 (in T€)	2023 (in T€)
Current service cost	200	2
Past service cost	328	0
Gains (-) or losses (+) from revaluations	360	298
Net interest income (-)/expense (+)	142	140
Net translation differences	16	0
	1,046	**440**

The following table shows the percentage effect that a change in the assumptions made would have on the defined benefit obligation in Germany and Austria (euro countries) as at the reporting date if the other assumptions remained unchanged:

	Absolute change in %	Sensitivity 2024 in %	Sensitivity 2023 in %
Interest rate	+1.00	-12.88	-13.04
	-1.00	16.03	16.29
Salary trend	+0.50	0.23	0.00
	-0.50	-0.22	0.00
Pension dynamics	+0.25	3.11	3.19
	-0.25	-2.96	-3.03

The following sensitivities arise for Switzerland as at the reporting date:

	Absolute change in %	Sensitivity 2024 in %
Interest rate	+0.25	-3.78
	-0.25	4.08
Salary trend	+0.25	0.31
	-0.25	-0.35
Pension dynamics	+0.25	2.25
	-0.25	-2.13

The above sensitivity analyses were carried out using an actuarial method that shows the effect of realistic changes in the key assumptions at the end of the reporting or comparative period on the defined benefit obligation.

In the reporting period, expenses for pension obligations in the amount of T€ 511 (comparative period: T€ 325) and contributions to plan assets in the amount of T€ 262 (comparative period: T€ 271) are expected for the following year. Furthermore, net pension payments totalling T€ 162 (comparative period: T€ 142) are expected for the following year of the reporting period.

In the reporting period, the expenses recognised for defined contribution plans amounted to T€ 2,299 (comparative period: T€ 1,518).

B.16.2. Provisions for severance payments

The recognised provisions for severance payments amounting to T€ 21,545 (comparative period: T€ 21,159) mainly comprise statutory and contractual entitlements of employees in Austria or their dependants to one-off severance payments. These can arise in particular due to termination by the employer, termination of employment by mutual agreement, retirement or death of the employee. In the case of severance payment obligations, the CANCOM Group bears the risk of inflation as a result of salary adjustments, which simultaneously lead to higher severance payment obligations. For employees who joined the company after 31 December 2002, monthly payments are made into an external employee pension fund, so that the CANCOM Group generally has no severance payment obligations.

The development of the severance payment obligation and the plan assets for the defined benefit plans is as follows:

(in T€)	2024	2023
Change in the severance payment obligation		
Defined benefit obligation as at 1 January	21,656	0
Changes in the scope of consolidation	0	19,830
Service cost: present value of entitlements earned in the period	331	331
Remeasurements: actuarial gains (-) and losses (+) from		
- Changes in demographic assumptions	108	0
- Changes in financial assumptions	194	1,721
- Changes in experience adjustments	1,320	-341
Interest expense	710	721
Severance payments	-2,218	-606
Defined benefit obligation as at 31.12.	**22,101**	**21,656**
Change in plan assets		
Fair value of plan assets as at 1 January	497	0
Changes in the scope of consolidation	0	458
Revaluations: Gains and losses excluding interest income	3	0
Interest income	15	0
Contributions made by the employer (payments into the plan assets)	41	41
Severance payments from plan assets	0	-2
Fair value of plan assets as at 31.12.	**556**	**497**
Composition		
Defined benefit obligation as at 31.12.	22,101	21,656
Fair value of plan assets as at 31.12.	-556	-497
Net debt from pension plans	21,545	21,159

The plan assets consist of a direct reinsurance policy, which had a fair value of T€ 556 at the end of the reporting period (comparative period: T€ 497).

The following assumptions were used to calculate the defined benefit obligation:

	2024 (in %)	2023 (in %)
Interest rate	3.48	3.36
Salary trend	3.70	3.50

The biometric calculation bases were taken from the AVÖ 2018-P tables for salaried employees.

The average term of severance obligations in the reporting period was 9.9 years (comparative period: 9.8 years).

The total expense for severance obligations in accordance with IAS 19 is broken down as follows in the reporting period:

	2024 (in T€)	2023 (in T€)
Current service cost	331	331
Gains (-) or losses (+) from revaluations	1,619	1,380
Net interest income (-)/expense (+)	695	721
	2,645	**2,432**

The following table shows the percentage effect a change in the assumptions made would have on the defined benefit obligation as at the reporting date if the other assumptions were to remain unchanged:

	Absolute change in %	Sensitivity 2024 in %	Sensitivity 2023 in %
Interest rate	+1.00	-8.88	-8.79
	-1.00	10.18	10.08
Salary trend	+0.50	4.86	4.60
	-0.50	-4.59	-4.35

The above sensitivity analyses were carried out using an actuarial method that shows the effect of realistic changes in the key assumptions at the end of the reporting period on the defined benefit obligation.

In the reporting period, expenses for severance obligations totalling T€ 944 (comparative period: T€ 995) and contributions to plan assets of T€ 41 (comparative period: T€ 41) are expected for the following year. Furthermore, net severance payments totalling T€ 1,016 (comparative period: T€ 650) are expected for the following year of the reporting period.

B.17. Equity capital

B.17.1. Subscribed capital

The Company's share capital was last reduced by 14.1 percent in July 2024 by the resolution to cancel 1,669,758 no-par value bearer shares and in October 2024 by the resolution to cancel 3,501,705 no-par value bearer shares. As at 31 December 2024, the share capital of CANCOM SE amounted to T€ 31,515 in accordance with the Articles of Association (comparative period: T€ 36,687) and was divided into 31,515,345 no-par-value shares (no-par-value shares with a notional value of € 1.00 per share) (comparative period: 36,686,808 no-par-value shares).

B.17.1.1. Authorised and conditional capital

By resolution of the Annual General Meeting on 14 June 2023, the Executive Board is authorised, with the approval of the Supervisory Board, to increase the company's subscribed capital on one or more occasions in the period up to 13 June 2028 by up to a total of T€ 7,074 (comparative period: T€ 7,009) by issuing up to 7,074,370 (comparative period: 7,008,728) new no-par value bearer shares in return for cash and/or non-cash contributions (Authorised Capital I/2023). In principle, shareholders are to be granted subscription rights. However, the Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in the following cases:

- for peak amounts;
- if a capital increase against cash contributions does not exceed 10 percent of the share capital and the issue price of the new shares is not significantly lower than the stock market price (Section 186 (3) sentence 4 AktG); when exercising this authorisation with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG, the exclusion of subscription rights based on other authorisations in accordance with Section 186 (3) sentence 4 AktG must be taken into account;

- in the case of capital increases against contributions in kind to grant new shares for the purpose of acquiring companies or interests in companies or parts of companies or for the purpose of acquiring receivables from the company.

The total shares issued on the basis of the above authorisation with the exclusion of subscription rights in the event of capital increases against cash and/or non-cash contributions may not exceed a pro rata amount of 10 percent of the share capital either at the time of the resolution or at the time this authorisation is exercised. This maximum limit of 10 percent of the share capital shall include the proportionate amount of the share capital (i) attributable to shares in the company that are issued during the term of the authorised capital with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG or against contributions in kind by the Management Board or are sold as treasury shares and (ii) attributable to shares in the company, which are issued or are to be issued during the term of the authorised capital from conditional capital to service bonds with warrants or convertible bonds, which in turn are issued by the Management Board during the term of the authorised capital with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG or against contributions in kind.

The Executive Board decides on the further content of the respective share rights and the conditions for the implementation of capital increases with the approval of the Supervisory Board.

In the previous period of 2023, the Management Board increased the company's share capital by € 3,500,000.00 to € 38,871,850.00 against contributions in kind by partially utilising Authorised Capital I/2018 by issuing 3,500,000 new no-par value bearer shares with a pro rata amount of the share capital of € 1.00 per share ("new shares") from € 35,371,850.00. The remaining Authorised Capital I/2018 in the amount of T€ 3,509 expired on 13 June 2023.

The Management Board did not make use of the aforementioned authorisation of Authorised Capital I/2023 in the reporting period. Authorised Capital I/2023 therefore remains unchanged at T€ 7,074 as at 31 December 2024 in accordance with the Articles of Association.

The share capital is conditionally increased by up to T€ 7,074 through the issue of up to 7,074,370 new no-par value shares (Conditional Capital 2023). The conditional capital increase will only be implemented to the extent that the holders of share options issued by the company in the period up to 13 June 2028 on the basis of the authorisation resolution of the Annual General Meeting on 14 June 2023 exercise their subscription rights to shares in the company and the company does not grant treasury shares or a cash settlement in fulfilment of the subscription rights. The new shares in the company resulting from the exercise of these subscription rights will participate in profits from the beginning of the financial year in which they are issued.

The company's share capital is conditionally increased by up to a further T€ 1,500 by issuing up to 1,500,000 new no-par value bearer shares (Conditional Capital 1/2018). The conditional capital increase will only be implemented to the extent that holders of share options issued by the company in the period up to 13 June 2023 on the basis of the authorisation resolution of the Annual General Meeting on 14 June 2018 their subscription rights to shares in the company and the company does not grant treasury shares or a cash settlement in fulfilment of the subscription rights. The new shares in the company resulting from the exercise of these subscription rights will participate in profits from the beginning of the financial year in which they are issued. The Executive Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

In the reporting period (2024) and in the comparative period (2023), no new shares were issued using Contingent Capital 2023 or Contingent Capital I/2018.

The Management Board is not aware of any restrictions relating to voting rights or the transfer of shares.

B.17.1.2. Share buyback programme

The share capital figure at the time the authorisation becomes effective is decisive for the limit of 10 percent. If the share capital figure is lower at the time this authorisation is exercised, this lower figure shall be decisive. The shares are to be acquired via the stock exchange or via a public purchase offer to the shareholders. In both cases, the purchase price may not be more than 10 percent higher or lower than the arithmetic mean of the closing auction prices of CANCOM SE shares in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last three trading days prior to the purchase or the assumption of an obligation to purchase. The buyback volume may be limited if the shares offered exceed the total amount of the company's purchase offer. The authorisation may be exercised for any legally permissible purpose. Excluding shareholders' subscription rights, treasury shares may be transferred to third parties, in particular for the purpose of acquiring companies or participating interests in companies. Treasury shares may also be sold for cash, provided the purchase price is not significantly lower than the current market price at the time of sale. Furthermore, treasury shares may also be used to fulfil conversion or option rights granted by the company or to implement a scrip dividend. Furthermore, treasury shares may be promised or transferred to fulfil remuneration agreements and may be offered for sale to employees and members of the Executive Board as part of the exercise of subscription rights. The Executive Board of CANCOM SE was also authorised to cancel treasury shares with the approval of the Supervisory Board without a further resolution by the Annual General Meeting.

The authorisation to acquire treasury shares up to a total of 10 percent of the subscribed capital until 27 June 2027 was fully utilised and cancelled with the new authorisation of the 2024 Annual General Meeting.

As part of a voluntary public share buyback offer on 1 July 2024, CANCOM SE repurchased a total of 3,501,705 treasury shares at a price of € 33.00 in the period from 4 July 2024 up to and including 24 July 2024. For this purpose, a bank was commissioned to buy back the shares on behalf of CANCOM SE. The allotment ratio was 76.15 percent. On the basis of the shares contained in the share capital at the time this took effect (35,017,050 shares), this corresponds to 10.00 percent of the share capital after the previous cancellation of treasury shares and associated capital reduction took effect.

As part of a previous share buyback programme "Share Buyback Programme 2023/24", CANCOM SE repurchased a total of 1,103,850 treasury shares in the period from 1 January 2024 up to and including 5 April 2024.

In the period from 3 July 2023 up to and including 29 December 2023, a total of 2,750,950 treasury shares were repurchased as part of the same share buyback programme. Based on the number of shares in the share capital at the time the authorisation came into effect (38,548,001 shares), this corresponds to 7.14 percent of the share capital. Based on the number of shares contained in the share capital as at 31 December 2023 (36,686,808 shares), this corresponds to 7.50 percent of the share capital.

The acquisition of treasury shares from the previous buyback programmes was carried out by a bank commissioned by CANCOM SE exclusively via the stock exchange in electronic trading on the Frankfurt Stock Exchange (XETRA) and in accordance with Article 5(1)(a) of Regulation (EU) No 596/2014 in conjunction with Article 2(1) of Delegated Regulation (EU) 2016/1052.

In the reporting period, treasury shares were repurchased at a market value of T€ 146,595 (comparative period: T€ 71,449); this corresponded to an average share price of € 31.83 (volume-weighted; excluding transaction costs; comparative period: € 25.97). The amount paid was recognised in full as a reduction in retained earnings. In addition, transaction costs from the acquisition of treasury shares amounting to T€ 121 were recognised as a reduction in retained earnings in the reporting period and T€ 179 in the comparative period. The shares acquired in the reporting period were not transferred to third parties until 31 December 2024, were not sold for cash, were not used to fulfil conversion or option rights and were not used to pay a scrip dividend. Furthermore, no treasury shares were used in the reporting period to fulfil remuneration agreements or offered for sale to employees or members of the Management Board as part of the exercise of subscription rights.

On 1 July 2024, the Executive Board of CANCOM SE resolved, with the approval of the Supervisory Board, to cancel the treasury shares held by the company and to reduce the share capital. CANCOM SE cancelled the 1,669,758 treasury shares held by the company and reduced the share capital by the corresponding nominal amount of € 1,669,758. CANCOM had acquired these treasury shares as part of the "Share Buyback Programme 2023/24" in the period from 27 November 2023 up to and including 5 April 2024 on the basis of the authorisation granted by the Annual General Meeting on 28 June 2022. This corresponds to 4.55 percent of the company's share capital. After the capital reduction, the share capital at the time of € 36,686,808 amounted to € 35,017,050 and was divided into 35,017,050 no-par value shares with a share capital of € 1.00 per share.

In addition, on 1 July 2024, the Executive Board and the Supervisory Board of CANCOM SE resolved to make use of the authorisation granted by the Annual General Meeting on 5 June 2024 to acquire treasury shares in accordance with Art. 5 SE-VO in conjunction with Section 71 para. 1 no. 8 AktG. § Section 71 (1) no. 8 AktG and to offer shareholders the repurchase of up to 3,501,705 treasury shares (corresponding to 10 percent of the share capital after the previously intended cancellation of treasury shares and associated capital reduction) as part of a voluntary public repurchase offer to all shareholders. The share buyback was carried out at € 33.00 per share. A total of 3,501,705 shares were bought back. The offer was published in the Federal Gazette on 3 July 2024. The amendment to the Articles of Association to reflect the reduced share capital was made on 4 July 2024. The final results and the allotment ratio were published in the Federal Gazette on 29 July 2024.

On 9 October 2024, the Executive Board of CANCOM SE resolved, following the approval of the Supervisory Board, to cancel the 3,501,705 treasury shares held by the company and to reduce the share capital by the corresponding nominal amount of € 3,501,705. The notification was published in the Federal Gazette on 9 October 2024. The entry in the Articles of Association was made on 17 October 2024 and the entry in the commercial register was made on 19 November 2024.

CANCOM had acquired these treasury shares as part of the "Share Buyback Offer 2024" in the period from 4 July 2024 up to and including 24 July 2024 on the basis of the authorisation granted by the Annual General Meeting on 5 June 2024. This corresponds to 10.00 percent of the company's share capital. Following the capital reduction, the share capital amounts to € 31,515,345 and is divided into 31,515,345 no-par value shares with an amount of share capital of € 1.00 per share.

By resolution of the Executive Board on 30 November 2023, the share capital was reduced by T€ 2,185,185 to T€ 36,686,808.00 by cancelling 2,185,042 no-par value shares. The announcement in accordance with Section 49 para. 1 sentence 1 no. 2 WpHG regarding the cancellation of treasury shares for the purpose of reducing the share capital was published in the Federal Gazette on 5 December 2023. The shares were cancelled on 7 December 2023, the amendment to the Articles of Association on 8 December 2023 and the entry in the commercial register on 8 January 2024.

Further information on the share buyback programmes is available on the company's website at investors.cancom.com.

B.17.2. Capital reserve

The capital reserve was created from premiums from capital increases by CANCOM SE, from capital reductions and from the issue of share-based payments.

In the reporting period, the capital reserve increased by T€ 1,670 due to the reduction in share capital in July 2024 and by T€ 3,502 in October 2024; the capital reserve therefore increased by a total of T€ 5,172 in the reporting period. In the comparative period, the capital reserve increased by T€ 2,185 due to the reduction in share capital in November 2023.

In the comparative period, there was a non-cash capital increase with the issue of 3,500,000 no-par value shares to the shareholders of KBC Beteiligungs GmbH (now CANCOM Austria Beteiligungs GmbH) based in Vienna (Austria). The issue amount exceeding the nominal capital of T€ 3,500 was transferred to the capital reserve in the amount of T€ 96,460 and the transaction costs of T€ 55 were recognised as a deduction.

Furthermore, the capital reserve increased by T€ 11 in the comparative period due to the recognition of share-based payments.

B.17.3. Retained earnings including profit carried forward and profit for the period

Retained earnings include the Group's past earnings, insofar as these have not been distributed. Furthermore, remeasurements from defined benefit plans, after taking deferred taxes into account, and repurchased treasury shares are recognised in retained earnings. In accordance with the resolution of the Annual General Meeting, T€ 35,017 or € 1.00 per share (comparative period: T€ 35,372 or € 1.00 per share) was distributed as a dividend from the net retained profits of CANCOM SE's 2023 annual financial statements in 2024.

In the comparative period, withdrawals totalling T€ 32,948 were made from other revenue reserves.

In addition, losses (after taking deferred taxes into account) of T€ 1,558 comparative period: losses of T€ 1,290) from the remeasurement of defined benefit pension plans were recognised in retained earnings in the reporting period.

B.17.4. Other reserves

In the reporting period, other reserves include gains from the currency translation of foreign operations recognised in equity amounting to T€ 308 (comparative period: T€ 516) and, in the comparative period, gains from financial assets measured at fair value through other comprehensive income amounting to T€ 71.

In the reporting period, gains of T€ 71 from the measurement of financial assets at fair value recognised in other reserves or in other comprehensive income were reclassified to the result for the period (in the item "Other financial result income").

In the comparative period, currency losses of T€ 2,189 recognised in other reserves or in other comprehensive income were reclassified to the result for the period (in the item "Result from discontinued operations").

B.17.5. Capital risk management

The CANCOM Group manages its capital with the aim of maximising the earnings of its stakeholders by optimising the ratio of equity to debt. This ensures that all Group companies can operate on a going concern basis. The Group's capital structure consists of debt, cash and cash equivalents and equity. The latter is made up of issued shares, retained earnings and other reserves as well as non-controlling interests.

The objectives of capital management are to ensure the company's continued existence and an adequate return on equity. To achieve this, capital is set in relation to total capital. In order to fulfil the objectives, the management may carry out capital structure measures (such as conditional capital increases) or change the amount of borrowed capital - for example by taking on/repaying liabilities to banks or by changing the contracts entered into as lessee.

Capital is monitored on the basis of economic equity. Economic equity is the equity recognised in the consolidated statement of financial position. Liabilities are defined as the sum of all current and non-current liabilities as recognised in the consolidated balance sheet.

The balance sheet equity, debt and total capital are as follows:

		As at 31.12.2024	As at 31.12.2023 (adjusted*)	As at 31.12.2023 (before adjustment)
Equity capital	million €	574.4	724.5	724.5
Equity as % of total capital	%	40.8	46.8	46.8
Debt capital	million €	832.5	824.9	824.0
Borrowed capital as % of total capital	%	59.2	53.2	53.2
Total capital (equity plus borrowed capital)	million €	1,406.9	1,549.3	1,548.5

*) See the explanations in section A.2.2.2 of the consolidated financial statements.

The Group's capital structure is regularly reviewed as part of risk management.

C. Notes to the consolidated statement of comprehensive income

C.1. Sales revenue

Sales in the reporting and comparative periods are broken down as follows:

(in T€)	2024	2023
from the sale of goods	1,095,797	1,015,254
from the provision of services	641,822	507,479
Total	**1,737,619**	**1,522,733**
of which from the sale of goods		
attributable to the Germany operating segment	724,510	746,031
attributable to the International business segment	371,287	269,223
of which from the provision of services		
attributable to the Germany operating segment	410,220	389,889
attributable to the International business segment	231,601	117,590

(in T€)	2024	2023
Revenue from contracts with customers	1,695,122	1,496,434
Leasing income	42,497	26,299
Total	**1,737,619**	**1,522,733**

The following table shows the breakdown of revenue from contracts with customers in the reporting and comparative periods according to the two options for recognising revenue from contracts with customers in accordance with IFRS 15. The table also shows which operating segment the revenue from contracts with customers is attributable to.

(in T€)	2024	2023
Time of revenue realisation		
Products and services transferred at a point in time	1,053,300	988,955
Products and services transferred over a period of time	641,822	507,479
Total	**1,695,122**	**1,496,434**
thereof		
attributable to the Germany operating segment	1,133,840	1,128,954
attributable to the International business segment	561,282	367,480

To determine the total amount of the transaction price allocated to unsatisfied performance obligations at the end of the reporting period (i.e. the contractually fixed open order backlog in accordance with IFRS 15), CANCOM takes into account customer contracts that have a contract volume of at least T€ 100 (comparative period: T€100) at the time the contract is concluded, whereby subsequent extension options on the part of the customer are not included. Furthermore, with reference to IFRS 15.121 (a), customer contracts with an expected original term of one year or less are not recognised. At the end of the reporting period, the contractually fixed open order backlog totalled T€ 702,780 (comparative period: T€ 649,920). Of this, an amount of T€ 414,324 (comparative period: T€ 341,798) is expected to be realised in the 2025 financial year (comparative period: 2024), an amount of T€ 249,336 (comparative period: T€ 272,718) in the 2026 to 2028 financial years (comparative period: in the 2025 to 2027 financial years) and an amount of T€ 39,120 (comparative period: T€ 35,404) in the 2029 financial year or later (comparative period: in the 2028 financial year or later).

C.2. Other operating income

Other operating income for the reporting period and the comparative period breaks down as follows:

(in T€)	2024	2023
Operating currency gains	6,931	7,637
Income relating to other periods	2,867	2,898
Income from subleases	1,662	1,244
Income from reimbursement of damages	266	1,580
Income from government grants	246	908
Rental income	129	4
Other operating income	62	918
Total	**12,163**	**15,189**

Income relating to other periods in the reporting period and the comparative period mainly includes income from the derecognition of debtors with credit balances totalling T€ 1,467 (comparative period: T€ 2,023) and income from the sale of fixed assets amounting to T€ 1,285 (comparative period: T€ 774).

The income from subleases recognised in the reporting and comparative periods arises in connection with sale and leaseback transactions in which merchandise is sold to a leasing company - whereby this sale is classified as a sale in accordance with IFRS 15 - and leased back directly from this leasing company in order to lease the merchandise back to CANCOM customers (see section A.3.28 of the consolidated financial statements).

C.3. Other own work capitalised

Other own work capitalised includes work performed by the company's own employees in connection with the acquisition and manufacture of fixed assets and capitalisable development costs relating to intangible assets. Own work is broken down as follows:

(in T€)	2024	2023
Capitalised development costs	1,030	1,000
Own work capitalised in connection with purchased intangible assets	577	3,287
Total	**1,607**	**4,287**

Research and development costs that were not capitalised as they did not meet the recognition criteria in IAS 38 amounted to T€ 12,898 in the reporting period (comparative period: T€ 6,700).

C.4. Capitalised contract costs

In the reporting period, an amount of T€ -144 was recognised as contract initiation costs under capitalised contract costs (comparative period: T€ -576). In the reporting period and in the comparative period, the amounts recognised resulted exclusively from the reversal of contract initiation costs capitalised in previous periods.

In the reporting period, an amount of T€ -90 (comparative period: T€ -361) was recognised as contract fulfilment costs under capitalised contract costs. In the reporting period and in the comparative period, the amounts recognised resulted exclusively from the reversal of contract fulfilment costs capitalised in previous periods.

C.5. Cost of materials/expenses for purchased services

The cost of materials/expenses for purchased services in the reporting period comprise expenses for raw materials, consumables and supplies and for purchased goods totalling T€ 915,406 (comparative period: T€ 841,006) and expenses for purchased services from the core business amounting to T€ 142,118 (comparative period: T€ 116,979). In addition, impairment losses on inventories in the amount of T€ 768 (comparative period: T€ 1,014) and reversals of impairment losses on inventories in the amount of T€ 720 were recognised.

C.6. Personnel expenses

Personnel expenses for the reporting period and the comparative period break down as follows:

(in T€)	2024	2023
Wages and salaries	-385,452	-316,288
Social security contributions	-77,760	-63,403
Expenses for retirement benefits	-4,273	-2,375
Equity-settled share-based payments	0	-11
Share-based payments with cash settlement	-143	-505
Total	**-467,628**	**-382,582**

C.7. Depreciation and amortisation

Depreciation and amortisation for the reporting period and the comparative period are broken down as follows:

(in T€)	2024	2023
Scheduled depreciation of property, plant and equipment	-14,698	-13,956
Impairment losses on property, plant and equipment	0	0
Scheduled amortisation of software	-13,254	-17,264
Impairment losses on software	0	0
Scheduled amortisation of right-of-use assets	-25,510	-20,388
Impairment losses on rights of use	0	0
Scheduled amortisation on customer bases etc.	-11,582	-8,324
Impairment losses on customer bases etc.	0	0
Impairment of goodwill	0	0
Total	**-65,044**	**-59,932**

C.8. Other operating expenses

Other operating expenses for the reporting period and the comparative period break down as follows:

(in T€)	2024	2023
Maintenance, repairs, servicing, licences	-26,083	-16,994
External services	-12,662	-5,934
Room costs	-10,433	-9,758
Vehicle costs	-10,158	-7,435
Hospitality and travelling expenses	-9,557	-6,926
Legal and consulting costs	-8,368	-5,992
Operating currency losses	-5,427	-5,886
Cost of goods dispatch	-5,064	-5,174
Advertising costs	-4,558	-3,004
Training costs	-3,701	-3,339
Communication and office costs	-3,015	-2,953
Insurance and other charges	-2,983	-2,566
Fees, costs of monetary transactions	-1,121	-1,175
Stock exchange and representation costs	-262	-502
Other operating expenses	-7,746	-6,296
Total	**-111,138**	**-83,934**

C.9. Interest income and interest expenses

Interest income mainly results from interest income from receivables from finance leases totalling T€ 2,916 (comparative period: T€ 1,965), interest income from bank balances totalling T€ 1,619 (comparative period: T€ 996), interest income from receivables from customers totalling T€ 1,109 (comparative period: T€ 1,178) and interest income from financial assets totalling T€ 948 (comparative period: T€ 3,229).

Interest expenses mainly include interest expenses from lease liabilities totalling T€ 3,990 (comparative period: T€ 2,414), interest expenses from liabilities to banks in the amount of T€ 855 (comparative period: T€ 421), interest expenses from pension and severance provisions in the amount of T€ 837 (comparative period: T€ 861), interest-like expenses in the amount of T€ 604 (comparative period: T€ 238) and interest expenses in connection with the sale of receivables in the amount of T€ 280 (comparative period: T€ 1,529).

C.10. Other financial result

The other financial result for the reporting period includes income from the remeasurement of contingent considerations in the context of company acquisitions in the amount of T€ 2,482 (comparative period: T€ 269), income from the derecognition of financial instruments in the amount of T€ 457 (comparative period: T€ 1,180) and expenses from the derecognition of financial instruments in the amount of T€ 1,668 (comparative period: T€ 1,010). and expenses from the remeasurement of contingent considerations in the context of company acquisitions in the amount of T€ 440 (comparative period: T€ 1,767). For further details, please refer to section D.5 of the consolidated financial statements.

C.11. Result from companies accounted for using the equity method

The result from companies accounted for using the equity method recognised in the reporting period relates exclusively to the result from continuing operations and results in the amount of T€ -186 from joint ventures (comparative period: T€ 60) and in the amount of T€ 331 from associates (comparative period: T€ -120). These are exclusively amounts that were recognised in the results for the period of the joint ventures or associated companies.

C.12. Currency gains/losses

The amount recognised in the reporting period and in the comparative period (T€ 39 and T€ 126 respectively) results exclusively from currency gains.

C.13. Income taxes

The income tax rate for domestic companies was 31.0 percent in the reporting period (comparative period: 31.0 percent) and relates to corporation tax, trade tax and the solidarity surcharge.

The differences between the reported tax expenses and the tax rate of CANCOM SE in the reporting and comparative periods are as follows:

(in T€)	2024	2023
Earnings before income taxes	48,811	56,188
Expected tax expense at the tax rate of the domestic companies (reporting period: 31.0%; comparative period: 31.0%)	-15,131	-17,418
Taxation difference abroad	1,921	1,344
Tax-free income and capital losses not recognised for tax purposes	-1	-6
Current income taxes relating to other periods	-232	-420
Permanent differences	197	-285
Non-deductible operating expenses and trade tax additions and deductions	-1,986	-1,269
Effect of tax rate changes	-20	-103
Additional tax expense from business relationships with discontinued operations	0	-116
Miscellaneous	-36	65
Total	**-15,288**	**-18,208**

The actual tax rate in the reporting and comparative period is as follows:

(in T€ or in %)	2024	2023
Earnings before income taxes	48,811	56,188
Income taxes	-15,288	-18,208
Actual tax expense ratio	31.32 %	32.41 %

Income taxes paid or owed in the individual countries and deferred taxes are recognised as income taxes:

(in T€)	2024	2023
Actual income tax expense	**-18,214**	**-19,533**
Deferred income tax expense/income		
from deferred tax assets	-289	-1,203
from deferred tax liabilities	3,215	2,528
	2,926	**1,325**
thereof		
Current income tax expense recognised in the result for the period	-18,176	-19,453
Deferred income tax expense/income recognised in the result for the period	2,926	1,325
Actual income tax expense recognised in retained earnings or in the capital reserve	-38	-80

The regulations on global minimum taxation (Pillar 2 model regulations), which may lead to additional actual tax expenses from the 2024 financial year, did not result in any higher burdens for the CANCOM Group in the reporting period. Whether the global minimum taxation will apply and what impact this would have on the CANCOM Group was tested on the basis of the safe harbour transitional provisions provided for in the legislation on the basis of the CANCOM Group's financial and tax data for the 2023 financial year and for selected countries on the basis of current figures. On this basis, all countries in which the CANCOM Group operates are exempt from the supplementary tax. There are currently no indications that this result will change on the basis of the financial and tax data for subsequent financial years.

C.14. Result from discontinued operations

The result from discontinued operations in the comparative period mainly includes expenses and income in connection with the sale HPM Incorporated in the 2022 financial year and the closure of CANCOM, Inc. in the comparative period - i.e. in connection with the discontinuation of the CANCOM USA Group.

The total profit for the period (after income taxes) attributable to discontinued operations in the comparative period amounts to T€ -1,065. No profit is attributable to non-controlling interests.

The result from discontinued operations recognised in the comparative period resulted from the discontinuation of the CANCOM USA Group in the amount of T€ -974. Please refer to the tables contained in section A.2.2.3 of the 2023 consolidated financial statements for the composition of the result of this discontinued operation and for the presentation of the cash flows of the discontinued operation.

C.15. Profit for the period attributable to non-controlling interests

The profit for the period attributable to non-controlling interests in the reporting period and the comparative period results from the majority shareholding in CANCOM physical infrastructure GmbH (CANCOM shareholding 80 percent) and from the majority shareholding in CANCOM Banking Services GmbH (formerly K-Businesscom Banking Services GmbH; CANCOM shareholding 96 percent; acquired in the comparative period).

C.16. Earnings per share

C.16.1. Undiluted earnings per share

For the calculation of basic earnings per share from continuing operations, an amount of T€ 33,453 (comparative period: T€ 37,892) was used as the numerator in the reporting period. This is determined on the basis of the net profit for the period attributable to the shareholders of the parent company of T€ 33,453 (comparative period: T€ 36,827) less the result from discontinued operations of T€ 0 (comparative period: T€ -1,065).

For the calculation of undiluted earnings per share from discontinued operations, an amount of T€ 0 was used as the numerator in the reporting period (comparative period: T€ -1,065).

C.16.2. Diluted earnings per share

The calculation of diluted earnings per share from continuing and discontinued operations - compared to the number of shares used to calculate basic earnings - does not include any additional shares in the reporting period (comparative period: no additional shares). In the reporting and comparative period, this is the weighted average number of shares for the period from the issue of the share options on 17 August 2018 to 31 December 2024, which would have been issued if the options had been exercised.

In the numerator, an amount of T€ 33,453 (comparative period: T€ 37,892) was used to calculate diluted earnings per share from continuing operations in the reporting period and in the comparative period, i.e. there were no adjustments to the numerator of basic earnings per share from continuing operations.

To determine the diluted earnings per share from discontinued operations, an amount of T€ 0 was used as the numerator in the reporting period (comparative period: T€ -1,065); there were also no adjustments to the numerator of the basic earnings per share from discontinued operations in this regard.

D. Other information

D.1. Notes to the consolidated cash flow statement

The consolidated cash flow statement is prepared in accordance with the requirements of IAS 7. This requires a distinction to be made between cash flows from operating activities, investing activities and financing activities. Cash flows from operating activities are calculated using the indirect method.

Cash and cash equivalents in the cash flow statement comprise all cash and cash equivalents (i.e. cash in hand, cheques and bank balances) reported in the balance sheet to the extent that they are available within three months. Cash and cash equivalents are not subject to any restrictions on disposal.

The following table shows a reconciliation of liabilities from financing activities (liabilities to banks as well as lease liabilities and financial liabilities to leasing companies; the latter two are recognised in the balance sheet items "other current financial liabilities" and "other non-current financial liabilities"), which shows the changes that occurred during the reporting period:

(in T€)	As at 01.01.2024	Cash-effective changes	Non-cash changes				As at 31.12.2024
			from company acquisitions/ disposals	from exchange rate differences	from newly concluded contracts	from other changes	
Liabilities to banks	10,726	-7,931	0	-1	0	-1,690	1,104
Leasing liabilities	153,720	-27,549	820	-84	22,152	310	149,369
Financial liabilities to leasing companies	46,611	-6,045	0	-93	0	3,038	43,511
	211,057	**-41,525**	**820**	**-178**	**22,152**	**1,658**	**193,984**

In addition, the repayment of existing loans from various banks and other lenders in connection with the acquisition of KBC Beteiligungs GmbH (now CANCOM Austria Beteiligungs GmbH) in the amount of T€ 37,572 is recognised as a cash outflow in the comparative period under the item "Payments from the repayment of non-current financial liabilities (including the portion reported as current)".

Apart from the non-cash transactions presented in the previous table and in the previous sections (in particular the capital increase against contributions in kind of T€ 99,960 carried out in the comparative period, see section B.17.2 of the consolidated financial statements)there were no significant non-cash transactions in the financing area in the reporting or comparative period.

In the reporting period and in the comparative period, CANCOM entered into additional agreements with a supplier that enable the supplier to sell its receivables to financial service providers (supplier financing agreements). As a result, CANCOM is granted an extended payment term of 60 days for; without such agreements, the payment term would be 10 days. In return, CANCOM must pay a fee for each day on which the extended payment term is utilised, which is determined on the basis of the 3-month EURIBOR plus a premium. As the additional agreements in relation to the original supplier contract represent a material contractual amendment in accordance with IFRS 9, the resulting trade payables must be derecognised and reported under the balance sheet item "Other current financial liabilities" as "Financial liabilities to financial service providers". At the end of the reporting period, an amount of T€ 710 was recognised under this item due to supplier financing agreements; as the supplier sells its corresponding receivables directly to the financial services provider, CANCOM assumes that the supplier has received payments in this amount at the end of the reporting period. In the cash flow statement, the changes in such financial liabilities to financial service providers are presented within the cash flow from operating activities, as from an economic perspective the payments are payments in connection with the CANCOM Group's operating activities.

In the reporting period, the item "Cash inflows/outflows from financial liabilities to leasing companies and cash inflows from subleasing transactions" included in cash flow from financing activities includes cash inflows/outflows from disposals carried out as part of sale and leaseback transactions (see section A.3.28 of the consolidated financial statements) that are not classified as sales in accordance with IFRS 15 (from financial liabilities) in the amount of T€ -6,045 (comparative period: T€ -8,678). On the other hand, in the reporting period, these include proceeds from disposals that are classified as sales in accordance with IFRS 15 (from lease liabilities) in the amount of T€ 15,931 (comparative period: T€ 9,371). The latter payments received from lease liabilities are cash flows from disposals in which the associated payments received from leasing to CANCOM customers (i.e. from the sublease) are recognised in cash flow from operating activities.

D.2. Segment reporting

Segment information is provided in accordance with the provisions of IFRS 8. The segment information is based on the segmentation used for internal management purposes.

The CANCOM Group reports two business segments - Germany and International.

Management controls the CANCOM Group on the basis of the services, goods and software offered in these two business segments. All companies based in Germany form the Germany operating segment. The International operating segment therefore includes all companies based outside Germany. The list of shareholdings, which forms part of these consolidated financial statements, shows which company is allocated to which operating segment.


CANCOM

Segment information

(in T€)	Germany		International	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Revenue				
Revenue from external customers	1,134,730	1,135,801	602,889	386,932
Inter-segment sales	13,744	8,692	28,817	19,535
Total income	1,148,474	1,144,493	631,706	406,467
Cost of materials/expenses for purchased services	-711,338	-728,208	-364,703	-246,878
Personnel expenses	-283,847	-274,134	-183,781	-108,448
Other income and expenses	-83,526	-61,068	-39,963	-16,510
EBITDA	69,763	81,083	43,259	34,631
Depreciation of property, plant and equipment, software and rights of use	-41,110	-42,490	-12,352	-9,118
Scheduled amortisation on customer bases etc.	-5,500	-3,536	-6,082	-4,788
Operating result (EBIT)	23,153	35,057	24,825	20,725
Interest income	5,473	7,284	1,835	1,023
Interest expenses	-3,814	-3,458	-3,676	-3,203
Other financial result (not recognised in EBIT)	362	59	653	-1,299
Earnings before income taxes	25,174	38,942	23,637	17,246
Income taxes	-10,076	-13,027	-5,212	-5,181
Result from discontinued operations	0	868	0	-1,933
Profit for the period	**15,098**	**26,783**	**18,425**	**10,132**

Total operating segments		Reconciliation statement		Consolidated	
1.1.2024 to 31.12.2024	**1.1.2023 to 31.12.2023**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**	**1.1.2024 to 31.12.2024**	**1.1.2023 to 31.12.2023**
1,737,619	1,522,733				
42,561	28,227	-42,561	-28,227		
1,780,180	1,550,960	-42,561	-28,227	1,737,619	1,522,733
-1,076,041	-975,086	18,469	16,087	-1,057,572	-958,999
-467,628	-382,582	0	0	-467,628	-382,582
-123,489	-77,578	24,092	12,140	-99,397	-65,438
113,022	115,714	0	0	113,022	115,714
-53,462	-51,608	0	0	-53,462	-51,608
-11,582	-8,324	0	0	-11,582	-8,324
47,978	55,782	0	0	47,978	55,782
7,308	8,307	-557	-842	6,751	7,465
-7,490	-6,661	557	842	-6,933	-5,819
1,015	-1,240	0	0	1,015	-1,240
48,811	56,188	0	0	48,811	56,188
-15,288	-18,208	0	0	-15,288	-18,208
0	-1,065	0	0	0	-1,065
33,523	**36,915**	**0**	**0**	**33,523**	**36,915**

D.2.1. Measurement basis for the result of the operating segments

The accounting policies applied in the internal reporting on the operating segment correspond to the recognition and measurement methods described in section A.3 of the consolidated financial statements. No asymmetrical allocations are made when allocating expenses and income to reportable segments.

Internal sales are recognised either on a cost basis or on the basis of current market prices, depending on the type of service.

Segment assets, segment liabilities and investments are not presented, as the internal reporting system is based solely on key earnings figures by business segment for Group management purposes.

D.2.2. Reconciliation accounts

The reconciliation item includes items that are not directly related to the operating segments. These include sales between the operating segments.

D.2.3. Information on geographical areas, products and services

(in T€)	Sales by location of the customer	
	2024	2023
Germany	1,056,301	1,054,176
Austria	476,781	296,087
Rest of the world	204,537	172,470
Group total	**1,737,619**	**1,522,733**

(in T€)	Non-current assets	
	31.12.2024	31.12.2023
Germany	330,975	328,134
Austria	211,009	212,976
Rest of the world	16,262	17,487
Group total	**558,246**	**558,597**

In the reporting period, significant sales revenues and significant non-current assets allocated to foreign countries relate to Austria (comparative period: Austria).

In the reporting period and in the comparative period, no single customer accounted for 10 percent or more of the CANCOM Group's revenue. There are therefore no disclosure requirements with regard to dependencies on customers.

Non-current assets include all non-current assets except deferred tax assets and financial instruments.

We do not disclose revenue from external customers for each product and service or for each group of comparable products and services, as the information is not available and the costs of collecting it would be excessive.

D.3. Leases

D.3.1. CANCOM as lessee

CANCOM leases a large number of different assets. The leased assets are allocated to the classes "Land and buildings", "Operating and office equipment" and "Motor vehicles". The leases have terms of between two years and 16 years. The following table contains information on leases in which CANCOM is the lessee:

(in T€)	Land and buildings		Operating and office equipment		Motor vehicles		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Rights of use								
Depreciation and amortisation	14,247	12,599	2,366	2,127	8,897	5,662	25,510	20,388
Income from subleasing	0	0	1,662	1,244	0	0	1,662	1,244
Additions	6,580	35,469	872	3,862	15,820	18,864	23,272	58,195
Carrying amounts as at 31.12.	87,311	95,012	2,814	4,351	29,715	22,801	119,840	122,164
Leasing liabilities								
Interest expenses	1,682	1,039	1,201	798	1,107	577	3,990	2,414
Total cash outflows for leases	16,154	14,088	21,628	20,131	9,696	6,117	47,478	40,336
Gains/losses from sale and leaseback transactions	0	0	0	0	0	0	0	0

In the 2019 financial year, the CANCOM Group carried out a significant sale and leaseback transaction. This involved the sale and leaseback of a property in Jettingen-Scheppach in September 2019 via a leasing property company (see also section A.2.1.4 of the consolidated financial statements). The lease payments resulting from the leaseback totalled T€ 1,008 in the reporting period (comparative period: T€ 1,023).

Leases in which CANCOM is the lessee may contain renewal options. These are taken into account when determining the term or the lease instalments if it is considered reasonably certain that they will be exercised. The extension options not taken into account in the lease instalments would increase the lease instalments in the years 2027 (comparative period: 2027) to 2049 (comparative period: 2049) and lead to a total cash outflow of T€ 45,508 (comparative period: T€ 47,479).

Cancellation options of the lessee lead to a reduction of the term or to a reduction of the lease instalments if the exercise is considered sufficiently certain. In principle, CANCOM does not assume that termination options will be exercised, so that the full basic lease term is taken into account when determining the term or the lease instalments.

Please refer to section D.6.2 of the consolidated financial statements for the presentation of future interest and amortisation payments from lease liabilities.

D.3.2. CANCOM as lessor

D.3.2.1. Finance leases

In the reporting and comparative periods, CANCOM sold merchandise to leasing companies and leased the merchandise directly back from these leasing companies (sale and leaseback transactions) in order to then lease the merchandise to CANCOM customers. The term of the leases was between one and five years. In the reporting period and in the comparative period, approximately half of the new items were classified as sales in accordance with IFRS 15 and approximately half of the new items were not classified as sales in accordance with IFRS 15 in relation to the sales to the leasing companies (see section A.3.28 of the consolidated financial statements for the two cases to be distinguished in sale and leaseback transactions). The non-guaranteed residual values were estimated to be relatively low, meaning that there are hardly any risks in this regard. There are no variable lease payments or other risky agreements.

If disposals to the leasing companies carried out as part of sale and leaseback transactions were classified as sales in accordance with IFRS 15CANCOM recognised pro rata revenue and pro rata cost of materials/expenses for purchased services. In the reporting period, the gains from these sale and leaseback transactions totalled T€ 1,138 (comparative period: T€ 1,149).

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The following table shows the amounts recognised for finance leases in the reporting period and in the comparative period in the statement of profit or loss for the period:

(in T€)	2024	2023
Capital gains/losses	1,341	3,228
Financial income on the net investment in the lease	2,920	1,974
Impairment losses or reversals of impairment losses on finance lease receivables	5	9
Income not recognised in the measurement for variable lease payments	0	0

In the reporting period, carrying amounts totalling T€ 73,987 (comparative period: T€ 81,779) were recognised for the net investment in the lease.

The following table shows the undiscounted future lease payments for receivables from finance leases as well as a reconciliation to the net investment in the lease for the reporting period and the comparative period:

(in T€)	2024	2023
Finance lease payments due within 1 year	33,727	36,511
Finance lease payments due between 1 and 5 years	43,557	46,175
Finance lease payments due in more than 5 years	2,139	3,753
Total finance lease payments (undiscounted)	**79,423**	**86,439**
Non-guaranteed residual values	0	0
Interest income not yet realised	5,384	4,603
Present value of the lease payments to be received	**74,039**	**81,836**
Impairment losses on finance lease receivables	-52	-57
Net investment in the lease	**73,987**	**81,779**

D.3.2.2. Operating leases

In the reporting period and in the comparative period, CANCOM only acted as lessor within operating leases to an insignificant extent.

The non-current assets recognised in the reporting period and in the comparative period (see section B.8 of the consolidated financial statements) did not include any significant assets in operating leases.

D.4. Share-based payment

The following share-based payments exist in the CANCOM Group:

- equity-settled share-based payments (issued by CANCOM SE),
- cash-settled share-based payments (issued by CANCOM SE).

D.4.1. Option rights issued by CANCOM SE

On the basis of the authorisation in accordance with agenda item 9 of the Annual General Meeting on 14 June 2018 regarding the granting of subscription rights (share options) and the creation of Contingent Capital I/2018, the Group introduced a share option programme (equity-settled) that entitles members of the Management Board and selected employees of the company or affiliated companies to acquire shares in the company. In accordance with the programme ("ESOP 2018"), the holders of exercisable options have the right to acquire shares at the market price of the shares on the grant date. The share option programme entitles the following stakeholder groups to acquire shares:

- Group 1: Members of the Management Board;
- Group 2: Members of the management of affiliated companies;
- Group 3: Company executives;
- Group 4: Managers of affiliated companies.

The option rights can be redeemed under the following contractual conditions at a ratio of 1:1 for the subscription of new bearer shares in CANCOM SE with a pro rata amount of the share capital of € 1.00 per share. The option rights can be exercised for the first time after four years of service from the grant date. Further staggered waiting periods ("vesting periods") determine vesting after two years of 50 percent, after three years of a further 25 percent and after four years for the remaining 25 percent.
If the employment relationship is suspended, the expiry of the vesting periods is suspended and the vesting periods are extended by the corresponding period after resumption of the suspended employment relationship. The option rights can be exercised after expiry of the vesting period within a period of ten years from the date of issue.

The prerequisite for exercising the option right is that the following market-dependent performance conditions are met over the entire term of the share options:

- the relevant reference price exceeds the exercise price by at least 5 percent p.a. on a straight-line basis ("absolute performance target"), and

- the CANCOM SE share price has outperformed the unweighted average share price of the peer group in the same period between the date of issue and the date on which the option right is exercised ("relative performance target").

585,000 share options were issued on 17 August 2018 (tranche 1). A further 23,000 share options were issued on 2 July 2019 (tranche 2). A further 150,000 share options were issued on 6 May 2020 (tranche 3).

In 2018, 30,000 share options (belonging to tranche 1, group 2) expired, in 2019 20,000 share options (belonging to tranche 1, group 4) expired, in 2020 228,000 share options (200,000 options belonging to tranche 1, group 1; 20,000 options belonging to tranche 1, group 4; 8,000 options belonging to tranche 2, group 4) expired due to a change in the non-fulfilment of service conditionsin 2022 77,133 share options (2.133 options belonging to tranche 1, group 3; 75,000 options belonging to tranche 3, group 1); in the comparative period, 39,116 share options (9,116 options belonging to tranche 1, group 3; 30,000 options belonging to tranche 1, group 4) expired and in the reporting period, 20,000 share options (20,000 options belonging to tranche 1, group 4) expired, meaning that 339,224 share options were actually still outstanding and exercisable at the end of the reporting period. Of the 339,224 share options, 249,224 share options are attributable to tranche 1 (group 1: 60,000 share options, group 2: 70,000 share options, group 3: 31,724 share options, group 4: 87,500 share options, taking into account a transfer of 20,000 options from group 2 to group 4 in 2020), 15,000 share options to tranche 2 (group 2: 15,000 share options) and 75,000 share options to tranche 3 (group 1: 75,000 share options). The share options still outstanding at the end of the reporting period have a weighted average contractual term of 4.0 years.

The Conditional Capital 2018/I of T€ 1,500 entered in the commercial register on the date of issue or conditional capital to be resolved in the future, authorised capital created for this purpose in the future, or treasury shares of the company will serve to secure and service the option rights insofar as the company does not grant a cash settlement in fulfilment of the subscription rights.

The fair value of the share options was determined using a multivariate binomial tree model. In particular, an arbitrage-free and risk-neutral capital market and the possibility of reproducing the safe investment were assumed. The volatility indicator used is the annualised standard deviation of the steady return on the share over a specific period; the expected volatility used is based on historical volatility. The absolute and relative performance targets were taken into account in the multivariate binomial tree model.

Exercise conditions that are not market conditions are not included in the estimate of the fair value of the share options. Instead, exercise conditions that are not market conditions are taken into account by adjusting the number of equity instruments included in the determination of the transaction amount. The amount recognised for the service is therefore ultimately based on the number of equity instruments that can ultimately be exercised.

For tranche 1, the fair value per share option on the grant date was € 10.40 (group 1), € 9.78 (group 2), € 9.33 (group 3) and € 9.39 (group 4). Furthermore, a share price on the grant date of € 39.60, an exercise price of € 40.72, expected volatility of 28.98 percent, expected dividends of 1.11 percent and a risk-free interest rate (based on government bonds) of 0.02 percent were used to determine the fair value of the share-based payments on the grant date for all groups. The expected volatility is based on an assessment of the historical volatility of the company's share price and the peer group. The weighted average fair value of the share options issued under tranche 1 on the grant date was € 9.91.

For tranche 2, the fair value per share option on the grant date was € 13.80 (group 2) and € 13.17 (group 4). Furthermore, a share price on the grant date of € 47.50, an exercise price of € 46.68, expected volatility of 33.13 percent, expected dividends of 1.11 percent and a risk-free interest rate (based on government bonds) of -0.53 percent were used to determine the fair value of the share-based payments on the grant date for both groups. The expected volatility is based on an assessment of the historical volatility of the company's share price and the peer group. The weighted average fair value of the share options issued under tranche 2 on the grant date was € 13.58.

For tranche 3, the fair value per share option on the grant date was € 14.47 (Group 1). A share price of € 48.30 on the grant date, an exercise price of € 46.83, an expected volatility of 36.61 percent, expected dividends of 1.11 percent and a risk-free interest rate (based on government bonds) of -0.65 percent were used to determine the fair value of the share-based payment. The expected volatility is based on an assessment of the historical volatility of the company's share price and the peer group.

Expenses for equity-settled share-based payments totalled T€ 0 in the reporting period (comparative period: T€ 11).

D.4.2. Variable Executive Board remuneration (performance shares granted) issued by CANCOM SE

As part of his appointment in the 2021 financial year, Executive Board member Rüdiger Rath was granted long-term variable remuneration (Long Term Incentives LTI), which is categorised as share-based remuneration with cash settlement for future performance. In each financial year, the Executive Board member is granted an amount per tranche (on an annual basis € 175,000; this corresponds to a target remuneration of 100 percent), the receipt of which is dependent on targets that must be met over a three-year target achievement period. With the appointment of Rüdiger Rath as Chairman of the Executive Board, an adjustment to € 210,000 was agreed, valid from the 2023 financial year. Tranche 1 (LTI 2021) relates to the variable remuneration for the 2021 financial year, for which the three-year target achievement period of the 2021, 2022 and 2023 financial years is relevant. Tranche 2 (LTI 2022) relates to the variable remuneration for the 2022 financial year, for which the three-year target achievement period of the 2022, 2023 and 2024 financial years is relevant. This continues accordingly for the other tranches.

The Executive Board member Thomas Stark switched to the current remuneration system with effect from 1 January 2023 in connection with the granting of long-term variable remuneration (Long Term Incentives LTI), which are classified as cash-settled share-based payments for future performance. In each financial year, the Executive Board member is granted an amount per tranche (on an annual basis € 155,000; this corresponds to a target remuneration of 100 percent), the receipt of which is dependent on targets that must be met over a three-year target achievement period. Thomas Stark is participating for the first time in company tranche 3 (LTI 2023) with regard to the variable remuneration for the 2023 financial year, for which the three-year target achievement period of the 2023, 2024 and 2025 financial years is relevant. This continues accordingly for the other tranches.

Following his transfer from the Executive Board of K-Businesscom AG (now CANCOM Austria AG) to the Executive Board of CANCOM SE, Mr Jochen Borenich was granted long-term variable remuneration (Long Term Incentives LTI) from 1 August 2023, which is classified as cash-settled share-based payments for future performance. In each financial year, the Executive Board member is granted an amount per tranche (on an annual basis € 180,000; this corresponds to a target remuneration of 100 percent), the receipt of which is dependent on targets that must be met over a three-year target achievement period. Jochen Borenich participates pro rata temporis in company tranche 3 (LTI 2023) with regard to the variable remuneration for the 2023 financial year, for which the three-year target achievement period of the 2023, 2024 and 2025 financial years is relevant. As Jochen Borenich left the Executive Board of CANCOM SE with effect from 31 December 2024, he was granted cash-settled share-based payments for the last time for the 2024 financial year, for which the three-year target achievement period of the 2024, 2025 and 2026 financial years is relevant.

The tranches granted to the members of the Executive Board with the parameters used for the issue are shown in the following table.

Beneficiary Management Board	Tranche, designation	Date of issue	Amount granted over time	Amount granted per year in €	Pro rata amount granted per year in €	Fair value at issue per unit in €	Number of allotted performance shares	Fair value on issue per tranche in €
Rüdiger Rath	Tranche 1, LTI 2021	23.09.2021	1.10. to 31.12.2021, 3/12	175,000	43,750	52,59	805	42,335
Rüdiger Rath	Tranche 2, LTI 2022	07.12.2021	1.1. to 31.12.2022, 12/12	175,000	175,000	62,69	2,850	178,667
Rüdiger Rath	Tranche 3, LTI 2023	14.12.2022	1.1. to 31.12.2023, 12/12	210,000	210,000	29,42	7,340	215,943
Rüdiger Rath	Tranche 4, LTI 2024	12.12.2023	1.1. to 31.12.2024, 12/12	210,000	210,000	26,63	7,895	210,244
Rüdiger Rath	Tranche 5, LTI 2025	13.12.2024	1.1. to 31.12.2025, 12/12	210,000	210,000	23,81	8,777	208,980
Thomas Stark	Tranche 3, LTI 2023	14.12.2022	1.1. to 31.12.2023, 12/12	155,000	155,000	29,52	5,418	159,939
Thomas Stark	Tranche 4, LTI 2024	12.12.2023	1.1. to 31.12.2024, 12/12	155,000	155,000	26,75	5,827	155,872
Thomas Stark	Tranche 5, LTI 2025	13.12.2024	1.1. to 31.12.2025, 12/12	155,000	155,000	23,91	6,478	154,889
Jochen Borenich	Tranche 3, LTI 2023	14.06.2023	1.8. to 31.12.2023, 5/12	180,000	75,000	27,46	2,547	69,941
Jochen Borenich	Tranche 4, LTI 2024	12.12.2023	1.1. to 31.12.2024, 12/12	180,000	180,000	26,20	6,767	177,295

The following table shows the fair values of the performance shares granted per tranche at the end of the reporting period and the valuation parameters taken into account in the calculation. The expected volatility is based in each case on an assessment of the historical volatility of the company's share price.

Beneficiary Management Board	Tranche, designation	Fair value as at 31.12.2024 per unit in €	Parameters for determining the fair value per unit as at 31.12.2024				
			Share price per share in €	Expected volatility in %	Maximum remuneration in €	Expected dividend in %	Risk-free interest rate in %
Rüdiger Rath	Tranche 1, LTI 2021	29.96	27.21	/	/	2.75	/
Rüdiger Rath	Tranche 2, LTI 2022	26.12	23.24	37.59	674,043	2.91	2.17
Rüdiger Rath	Tranche 3, LTI 2023	25.11	23.24	31.17	694,853	2.91	2.15
Rüdiger Rath	Tranche 4, LTI 2024	24.21	23.24	33.36	694,853	2.91	2.02
Rüdiger Rath	Tranche 5, LTI 2025	23.07	23.24	37.30	694,853	2.91	2.03
Thomas Stark	Tranche 3, LTI 2023	25.11	23.24	31.17	575,866	2.91	2.15
Thomas Stark	Tranche 4, LTI 2024	24.21	23.24	33.36	546,530	2.91	2.02
Thomas Stark	Tranche 5, LTI 2025	23.15	23.24	37.30	546,530	2.91	2.03
Jochen Borenich	Tranche 3, LTI 2023	25.11	23.24	31.17	219,042	2.91	2.15
Jochen Borenich	Tranche 4, LTI 2024	24.20	23.24	33.36	488,323	2.91	2.02

For each tranche, the number of shares that the Executive Board member receives after the end of the respective target achievement period is determined when the target is set and corresponds to the amount granted each year (allocated performance shares). The allocated performance shares are calculated by dividing the annual amount granted by the average share price 30 trading days before the target is set. At the end of the relevant target achievement period for each tranche, the degree of target achievement for the tranche is determined. The number of performance shares to be used as the basis for the payout (to be paid) is calculated by multiplying the originally allocated performance shares by the degree of target achievement. Payment is made in cash after a vesting period of four years from the date on which the respective target was set; payment entitlements that have already been earned do not expire. The payout amount is determined by multiplying the performance shares to be paid by the average share price 30 trading days prior to the determination of target achievement plus the dividend equivalent.

The respective tranche is maintained depending on the length of service of the Executive Board member. This period of service extends for the duration of the respective financial year to which the tranche relates. Tranche 1 (LTI 2021), for example, was earned pro rata over the period from 1 January 2021 to 31 December 2021.

The expense for cash-settled share-based payment agreements from performance shares granted totalled T€ 143 in the reporting period (comparative period: T€ 505). The provision recognised for this amounted to T€ 678 at the end of the reporting period comparative period: T€ 535). At the end of the reporting period, expenses and liabilities were in relation to tranche 1 (LTI 2021), tranche 2 (LTI 2022), tranche 3 (LTI 2023), tranche 4 (LTI 2024) and, pro rata temporis, tranche 5 (LTI 2025) with a binding agreement, as the target setting and thus the determination of the financial performance criteria and the determination of the allocated performance shares had taken place for the tranches and the vesting period had begun.

The fair value of the liability from committed performance shares was determined using a binomial tree model. In particular, an arbitrage-free and risk-neutral capital market and the possibility of reproducing the safe investment were assumed. The volatility indicator used is the annualised standard deviation of the steady return on the share over a specific period; the expected volatility used is based on historical volatility.

Exercise conditions that are not market conditions are not included in the estimate of the fair value of the liability from the performance shares granted. Instead, they are taken into account by adjusting the number of awards that are taken into account when measuring the liability associated with the remuneration. The target achievement conditions for tranche 1 (LTI 2021) - achievement of certain EBITA targets in the 2021, 2022 and 2023 financial years - are vesting conditions that are not market conditions. Similarly, the target achievement conditions for tranche 2 (LTI 2022) - achievement of certain EBITA targets in the 2022, 2023 and 2024 financial years - are exercise conditions that are not market conditions. This also applies with regard to the target achievement conditions for tranche 3 (LTI 2023) - achievement of certain EBITA targets in the financial years 2023, 2024, 2025 - and with regard to the target achievement conditions for tranche 4 (LTI 2024) - achievement of certain EBITA targets in the financial years 2024, 2025, 2026.

The following table shows the fair values of the liabilities and provisions recognised for the respective tranches as well as the parameters used for measurement at the end of the reporting period. The table also contains information on the development of provisions and the respective weighted average contractual terms of the performance shares still outstanding at the end of the reporting period.

Beneficiary Management Board	**Tranche, designation**	**Fair value of the liability as at 01.01.2024 in T€**	**Consumption 2024 in T€**	**Allocation, reversal 2024 in T€**	**Fair value of the liability as at 31.12.2024 in T€**	**Parameters for determining the fair value of the liability as at 31.12.2024**			**Weighted average contractual term of outstanding shares as at 31.12.2024 in years**
						Fair value per share in €	**Number of allotted performance shares**	**Degree of target achievement in %**	
Rüdiger Rath	Tranche 1, LTI 2021	20	0	-1	19	29.96	805	76.6	0.8
Rüdiger Rath	Tranche 2, LTI 2022	0	0	0	0	26.12	2,850	54.6	0.9
Rüdiger Rath	Tranche 3, LTI 2023	232	0	-94	138	25.11	7,340	75.6	2.0
Rüdiger Rath	Tranche 4, LTI 2024	12	0	124	136	24.21	7,895	71.5	3.0
Rüdiger Rath	Tranche 5, LTI 2025	0	0	10	10	23.07	8,777	100.0	4.0
Thomas Stark	Tranche 3, LTI 2023	172	0	-70	102	25.11	5,418	75.6	2.0
Thomas Stark	Tranche 4, LTI 2024	9	0	92	101	24.21	5,827	71.5	3.0
Thomas Stark	Tranche 5, LTI 2025	0	0	7	7	23.15	6,478	100.0	4.0
Jochen Borenich	Tranche 3, LTI 2023	80	0	-32	48	25.11	2,547	75.6	2.5
Jochen Borenich	Tranche 4, LTI 2024	10	0	107	117	24.20	6,767	71.5	3.0
		535	**0**	**143**	**678**				

D.5. Further disclosures on financial instruments

The following table shows the carrying amounts of financial assets and financial liabilities by measurement category in accordance with IFRS 9 and the fair values for the reporting period:

(in T€)	Carrying amount 31.12.2024	FA_AC[1]	FA_FVOCI[2]	FA_FVPL/ FL_FVPL[3]	FL_AC[4]	No category	Fair value 31.12.2024
		Amortised cost	Fair value to be recognised	Fair value to be recognised	Amortised cost	Accounting in accordance with IFRS 16 and IAS 19	
Current assets							
Cash and cash equivalents	144,674	144,674					144,674
Receivables from goods and services	423,754	423,754					423,754
Other current financial assets	54,483	21,630		1,128		31,725	54,483
- Receivables from finance leases						30,699	30,699
- Derivative financial assets				1,128			1,128
- Other items		21,630				1,026	22,656
Non-current assets							
Financial assets and loans	33		33				33
Other non-current financial assets	47,821	3,923		292		43,606	45,389
- Receivables from finance leases						43,288	40,856
- Derivative financial assets				292			292
- Other items		3,923				318	4,241
Current liabilities							
Current liabilities to banks	854				854		854
Liabilities from deliveries and services	376,617				376,617		376,617
Other current financial liabilities	67,012			4,699	27,004	35,309	67,012
- Leasing liabilities						35,309	35,309
- Contingent consideration in accordance with IFRS 3				4,699			4,699
- Other items					27,004		27,004
Non-current liabilities							
Non-current liabilities to banks	250				250		227
Other non-current financial liabilities	146,214			4,264	27,890	114,060	/
- Leasing liabilities						114,060	/
- Contingent consideration in accordance with IFRS 3				4,264			4,264
- Other items					27,890		26,452
Total assets	**670,765**	**593,981**	**33**	**1,420**	**/**	**75,331**	**668,333**
Total liabilities	**590,947**	**/**	**/**	**8,963**	**432,615**	**149,369**	**/**

1) Measurement category "Financial assets measured at amortised cost".
2) Measurement category "financial assets measured at fair value through other comprehensive income".
3) Measurement category "financial assets at fair value through profit or loss" or "financial liabilities at fair value through profit or loss".
4) Measurement category "Financial liabilities measured at amortised cost".

The following table shows the carrying amounts of financial assets and financial liabilities by measurement category in accordance with IFRS 9 and the fair values for the comparative period:

(in T€)	Carrying amount 31.12.2023	FA_AC[1]	FA_FVOCI[2]	FA_FVPL/ FL_FVPL[3]	FL_AC[4]	No category	Fair value 31.12.2023
		Amortised cost	Fair value to be recognised	Fair value to be recognised	Amortised cost	Accounting in accordance with IFRS 16 and IAS 19	
Current assets							
Cash and cash equivalents	222,549	222,549					222,549
Receivables from goods and services	475,498	475,498					475,498
Other current financial assets	56,431	20,848		717		34,866	56,431
- Receivables from finance leases						34,866	34,866
- Derivative financial assets				717			717
- Other items		20,848					20,848
Non-current assets							
Financial assets and loans	1,926		1,926				1,926
Other non-current financial assets	51,306	3,216		83		48,007	48,122
- Receivables from finance leases						46,913	43,729
- Derivative financial assets				83			83
- Other items		3,216				1,094	4,310
Current liabilities							
Current liabilities to banks	9,415				9,415		9,415
Liabilities from deliveries and services	356,555				356,555		356,555
Other current financial liabilities*	91,111			4,479	47,977	38,655	91,111
- Leasing liabilities						38,655	38,655
- Contingent consideration in accordance with IFRS 3				4,094			4,094
- Derivative financial liabilities				385			385
- other items*					47,977		47,977
Non-current liabilities							
Non-current liabilities to banks	1,311				1,311		1,180
Other non-current financial liabilities	154,105			9,541	29,498	115,066	/
- Leasing liabilities						115,066	/
- Contingent consideration in accordance with IFRS 3				9,533			9,533
- Derivative financial liabilities				8			8
- Other items					29,498		27,703
Total assets	**807,710**	**722,111**	**1,926**	**800**	**/**	**82,873**	**804,526**
Total liabilities*	**612,497**	**/**	**/**	**14,020**	**444,756**	**153,721**	**/**

1) Measurement category "Financial assets measured at amortised cost".
2) Measurement category "financial assets measured at fair value through other comprehensive income".
3) Measurement category "financial assets at fair value through profit or loss" or "financial liabilities at fair value through profit or loss".
4) Measurement category "Financial liabilities measured at amortised cost".
*) see the explanations in section A.2.2.2 of the consolidated financial statements

For cash and cash equivalents (liquid funds) and other current financial instruments, i.e. trade receivables, other current financial assets, current liabilities to banks, trade payables and other current financial liabilities, the fair values correspond to the carrying amounts recognised on the respective reporting dates.

Financial assets and financial liabilities are measured at fair value in accordance with the availability of relevant information on the basis of the three levels of the measurement hierarchy listed in IFRS 13. For the first level, quoted market prices for identical assets and liabilities on active markets are directly observable. At the second level, measurement is based on valuation models that incorporate observable market parameters (e.g. interest rates, exchange rates). The third level provides for the use of valuation models that do not utilise input factors observable on the market.

For the securities included in the balance sheet item "Financial assets and loans", the fair value corresponds to the quoted price on the balance sheet date multiplied by the number of securities held (level 1).

The fair value of forward exchange contracts is determined using a discounted cash flow method. Future payments are estimated on the basis of forward exchange rates (observable rates on the reporting date) and the contracted forward exchange rates, discounted using an interest rate that takes into account the credit risk of the various counterparties (level 2).

The fair values of non-current receivables from finance leases and other items within other non-current financial assets as well as non-current liabilities to banks are calculated as the present values of the payments expected from the assets and liabilities and on the basis of market interest rates for comparable financial instruments (Level 2).

The fair values of lease liabilities are not disclosed with reference to IFRS 7.29 (d).

The fair values determined for contingent consideration from company acquisitions are based on different valuation models. As, in addition to input factors observable on the market (e.g. risk-adjusted discount rates), company-specific input factors (and therefore not observable on the market) are also included in the respective valuation model, these are allocated to Level 3. In detail, this relates to the following circumstances:

- four contingent purchase price liabilities from the acquisition of the S&L Group, which were recognised for the first time in the 2022 financial year;
- four contingent purchase price liabilities from the acquisition of NWC Services GmbH, which were recognised for the first time at the end of the 2022 financial year;
- three contingent purchase price liabilities incurred by the CANCOM Group in connection with the acquisition of the KBC Group (now CANCOM Austria Group) in the comparative period;
- a contingent purchase price liability from the acquisition of a division of DextraData GmbH, which was recognised for the first time at the end of the comparative period;
- four contingent purchase price liabilities from the acquisition of SBSK GmbH & Co. KG, which were recognised for the first time in the reporting period.

The contingent considerations resulting from the acquisition of the shares in the S&L Group are performance-related components (earn-outs); these are contingent payments depending on the EBIT of the acquired company for a total of four periods until 31 July 2025 in the amount of T€ 1,225 (fair value as at 31 December 2024).

The contingent considerations resulting from the acquisition of the shares in NWC Services GmbH are performance-related components (earn-outs); these are contingent payments depending on the EBIT of the acquired company for a total of four periods until 30 September 2025 in the amount of T€ 922 (fair value as at 31 December 2024).

The contingent considerations received by the CANCOM Group in connection with the acquisition of the KBC Group result from earlier acquisitions of K-Businesscom AG, St. Gallen and Belsoft Infortix AG, Zurich. Belsoft Infortix AG was merged into K-Businesscom AG in the comparative period; K-Businesscom AG was renamed CANCOM Switzerland AG, Zurich. The contingent considerations are also performance-related components (earn-outs); these are contingent payments depending on the EBIT of the acquired companies for a total of three periods until 31 December 2028 in the amount of T€ 2,041 (fair value as at 31 December 2024).

The contingent consideration received in connection with the acquisition of a division of DextraData GmbH is a contingent payment of T€ 2,250 (fair value as of 31 December 2024) depending on EBIT for the period from 1 January to 31 December 2024, depending on the retention of key employees and other employees until the end of the 2024 financial year and depending on the fulfilment of key functions agreed as part of a service agreement between the buyer and seller.

The contingent considerations resulting from the acquisition of the shares in SBSK GmbH & Co. KG are performance-related components (earn-outs); these are contingent payments depending on the EBIT of the acquired company for a total of four periods until 31 December 2027 in the amount of T€ 2,525 (fair value as at 31 December 2024).

The following table shows the development of contingent considerations allocated to level 3 of the fair value measurement hierarchy for the reporting period:

(in T€)	Contingent consideration
Status 01.01.2024	13,627
Change from derecognition/revaluation	-2,041
Additions	2,525
Disposals/compensation	-5,148
Status 31.12.2024	**8,963**

In the reporting period, there was unrealised income from the revaluation of T€ 2,714 (comparative period: T€ 266) and unrealised expenses from the revaluation of T€ 137 (comparative period: T€ 1,781), which were recognised in the items "Other financial result income" and "Other financial result expenses" in the presentation of the result for the period.

The net results by measurement category for the reporting period and the comparative period are as follows:

(in T€)	2024	2023
Financial assets measured at amortised cost (FA_AC)	1,971	3,820
Financial assets measured at fair value through other comprehensive income (FA_FVOCI)	0	23
Financial assets/liabilities at fair value through profit or loss (FA_FVPL/ FL_FVPL)	3,585	-296
Financial liabilities measured at amortised cost (FL_AC)	-3,670	-275
Total	**1,886**	**3,272**

The net results by measurement category include interest expenses, interest income, bank charges, impairments and reversals of impairments as well as measurement results from financial instruments recognised at fair value through profit or loss. The measurement result of the "financial liabilities measured at amortised cost" measurement category also includes gains and losses from remeasurement.

The application of the effective interest method for the measurement of financial liabilities measured at amortised cost results in interest expenses of T€ 117 (comparative period: T€ 72), which are recognised in the presentation of the result for the period under "Interest and similar expenses".

D.6. Risk management

D.6.1. General information on risk management

The aim of CANCOM's risk policy is the early identification and responsible handling of risks that could jeopardise the company as a going concern or are material. To define and ensure adequate risk controlling, the Executive Board has formulated risk principles and appointed a central risk officer who regularly monitors, measures and, if necessary, manages any risks.

As part of a risk analysis, risks at CANCOM are regularly classified and evaluated according to the criteria of probability of occurrence and extent of damage, and thus assigned to a risk matrix. In this context, all risks are assigned to a responsible party. Where risks can be quantified, appropriately defined key figures are used to assess them. If no precisely definable metrics are available for risks, these are assessed by the persons responsible.

As part of the risk early warning system, early warning indicators are defined for risks that could jeopardise the company as a going concern, the changes and developments of which are continuously monitored and discussed in risk management meetings. The regular risk management meetings between the Executive Board and risk officers ensure that existing and future risks are controlled on an ongoing and timely basis.

D.6.2. Liquidity risks

Liquidity risk is the risk that the company will not be able to fulfil its payment obligations at a contractually agreed time.

CANCOM is only exposed to liquidity risk to a limited extent due to its good equity base and generally long-term financing structure.

For years, CANCOM has used a liquidity management system with daily monitoring of liquidity development and assessment of liquidity risks as well as short-term to long-term liquidity planning.

CANCOM has sufficient net liquidity thanks to retained earnings and capital increases. Short-term liquidity is also guaranteed at all times through credit lines and factoring agreements. Long-term liquidity is secured through long-term bank financing and a corresponding equity base. Borrowings have been significantly reduced and are predominantly short-term as at the reporting date.

The liquidity risk is minimised by refinancing financial liabilities at an early stage. The following tables show the contractually agreed (undiscounted) interest and amortisation payments due from the end of the reporting period or from the end of the comparative period:

(in T€)	2025	2026	2027 to 2029	2030 and beyond
Liabilities from deliveries and services	376,617			
Financial liabilities to financial service providers	710			
Liabilities to banks	854	125	125	
Leasing liabilities	35,309	39,519	47,864	26,677
Financial liabilities to leasing companies	15,620	11,939	13,916	2,035
Derivative financial assets	-1,128	-292		
Liabilities from contingent considerations	4,699	733	3,531	
Other financial liabilities	10,674			
Interest payments to be made	3,661	2,682	2,664	1,221
Total	**447,016**	**54,706**	**68,100**	**29,933**

(in T€)	2024	2025	2026 to 2028	2029 and beyond
Liabilities from deliveries and services	356,555			
Financial liabilities to financial service providers	6,908			
Liabilities to banks	9,415	406	905	
Leasing liabilities	38,655	27,283	56,236	31,546
Financial liabilities to leasing companies	17,112	11,749	14,448	3,302
Derivative financial	385	8		
Derivative financial assets	-717	-83		
Liabilities from contingent considerations	4,094	5,708	3,825	
Other financial liabilities	24,065			
Interest payments to be made	3,090	2,317	2,932	2,296
Total	**459,562**	**47,388**	**78,346**	**37,144**

The CANCOM Group can utilise credit lines with banks. As of the reporting date of the reporting period, credit and guarantee lines totalled T€ 167,893 (comparative period: T€ 121,421). The total amount not yet utilised as at the reporting date of the reporting period was T€ 151,348 (comparative period: T€ 91,064). During the reporting period and the comparative period, the CANCOM Group did not experience any delays in interest and amortisation payments.

D.6.3. Currency risks

Currency risks exist in particular when receivables, liabilities, cash and cash equivalents and planned transactions exist or will arise in a currency other than the company's functional currency. As CANCOM's business activities are predominantly based in the eurozone and the companies mainly conduct their transactions in their local currency as the functional currency, currency risks in relation to financial instruments only arise to a minor extent. Accordingly, there were no significant concentrations of risk in relation to currency risks in the reporting and comparative periods, except with regard to financial instruments denominated in US dollars.

CANCOM does not engage in currency speculation and has an ongoing currency management system. Where available, foreign currency risks from orders are hedged. The operating units are prohibited from borrowing or investing funds in foreign currencies for speculative reasons. Group-internal financing or investments are preferably carried out in the respective functional currency or on a currency-hedged basis. Dedicated persons are permitted to enter into currency hedging transactions in amounts requiring authorisation. Authorisations to exceed these limits are granted by the Executive Board.

IFRS 7 requires a sensitivity analysis to categorise the significance of currency risks. Sensitivity analyses are used for this type of risk to determine the effects that a change in the aforementioned exchange rates as at the reporting date would have on the result for the period and on the equity of the CANCOM Group. The effects are determined by applying the hypothetical changes in exchange rates by ten percent to the portfolio of relevant financial instruments in foreign currencies as at the reporting date. It is assumed that the portfolio on the reporting date is representative of the reporting period. In the reporting period and in the comparative period, sensitivity analyses were only carried out on the result for the period in relation to the US dollar. Trade receivables and payables and, where applicable, forward exchange transactions were included.

If the euro had been 10 percent stronger (weaker) against the US dollar at the end of the reporting period, the profit for the period would have been T€ 1,612 higher (T€ 1,905 lower).

If the euro had been 10 percent stronger (weaker) against the US dollar at the end of the comparative period, the result for the period would have been T€ 6,698 lower (T€ 7,135 higher).

D.6.4. Interest rate risks

Due to its long-term financing, CANCOM is only affected by interest rate risks to a limited extent. In the past, interest rate fluctuations have only had a minor impact on the result for the period as existing loan agreements were predominantly concluded at fixed interest rates. In addition, CANCOM's good equity base enables it to take out loans at favourable interest rates.

The CANCOM Group has a risk management system for the optimisation of interest rate risks, consisting of ongoing monitoring of the market interest rate level and the Group's own interest rate conditions; in addition, there is constant contact with the banks. Credit line agreements provide for the possibility of adjusting interest rates. The conclusion of interest rate hedges is only envisaged in the event of strong interest rate fluctuations.

D.6.5. Default risks

Credit or default risk is the risk that business partners will not fulfil their contractual payment obligations, resulting in a loss for the CANCOM Group. In order to minimise credit risks, the CANCOM Group generally only enters into transactions in compliance with predefined risk limits. Before accepting a new customer, the Group uses internal and external creditworthiness checks to assess the creditworthiness of potential customers and set their credit limits. The customer assessment and credit limits are reviewed at least once a year.

Default risks generally exist for financial assets. IFRS 9 contains impairment provisions for certain financial assets to account for default risks. The following table shows the financial assets to which the impairment provisions of IFRS 9 were applied in the CANCOM Group in the reporting period and in the comparative period. The table also contains key information on the respective impairment tests. The table shows that there were only default risks to be recognised in connection with financial assets in the CANCOM Group relation to trade receivables and contract assets.

	Carrying amount 31.12.2024 (in T€)	Net impairment loss (income) 2024 (in T€)	Carrying amount 31.12.2023 (in T€)	Net impairment loss (income) 2023 (in T€)	Type of examination	Impairment model, stage allocation	Expected credit losses recognised[2]	Check for increase in default risk	Failure definition (transition from level 2 to level 3)	Consideration of collateral
Cash and cash equivalents	144,674	0	222,549	0	Individual examination	Standard model; level 1	12M_ECL	No (banks with investment grade rating)	/	No
Trade receivables, contract assets	442,181	-1,800	507,869	-52	Group and individual examination	Simplification model; level 2.3	L_ECL (value adjustment matrix)	Not applicable	Indications of inability to pay (e.g. insolvency)	No
Receivables from finance leases[1]	73,987	5	81,779	9	Group examination	Simplification model; level 2	L_ECL (value adjustment matrix)	Not applicable	Not applicable	No
Receivables from suppliers[1]	14,787	/	12,158	/	None (waiver due to immateriality)	/	/	/	/	/

1) Recognised in the balance sheet under "Other current financial assets" or "Other non-current financial assets".
2) L_ECL = expected credit losses over the entire term; 12M_ECL = portion of L_ECL resulting from default events that are possible within the next 12 months after the reporting date.

CANCOM generally considers financial assets to be in default if repayment is deemed unlikely. An impairment due to creditworthiness exists in particular if CANCOM has indications of financial difficulties or even insolvency on the part of the debtor. The gross carrying amount of a financial asset is reduced immediately due to uncollectibility if CANCOM cannot reasonably assume that the item can be realised or recovered in full or in part.

For cash and cash equivalents, expected credit losses are determined on the basis of the default risk probabilities of the banks at which the balances are recognised. The default risk probabilities are determined on the basis of current prices for credit default risk insurance (credit default swaps). The default risk with regard to credit balances from the investment of cash and cash equivalents at banks is virtually eliminated through risk diversification (large number of banks) and the selection of banks with a strong credit rating (investment grade rating). The expected credit losses determined in the reporting and comparative periods were insignificant, meaning that they were not recognised.

With regard to trade receivables and contract assets, CANCOM uses an impairment matrix with four loss rates (not yet overdue to over 365 days overdue) to determine the expected credit losses. Depending on the age structure of the receivables, uniform valuation allowances are recognised on the items throughout the Group. In addition, any change in creditworthiness between the granting of the payment term and the reporting date is taken into account. There is no significant concentration of credit risk, as the customer base is broad and there are only minor correlations. The loss ratios are based on historical values, adjusted for prospective expectations.

In principle, CANCOM recognises a default on a receivable at the reporting date if it is more than 365 days overdue at that date. With regard to gross receivables overdue by more than 365 days, it is assumed that 30 percent of these will not actually be settled or will default; a bankruptcy rate of 20 percent is also assumed. The estimates are based on historical experience within the CANCOM Group.

Irrespective of the overdue amount determined for each item on the respective reporting date, if there are objective indications of insolvency (i.e. when moving from stage 2 to stage 3, in particular if insolvency becomes known or if there are indications of imminent insolvency), trade receivables or contract assets with little or no expectation of payment are written down by 100 percent.

In the reporting period, expenses for value adjustments on trade receivables and contract assets amounting to T€ 1,800 (comparative period: T€ 52) were recognised.

The impairment matrix for the reporting period is as follows:

Impairment matrix as at 31.12.2024	Loss rate (weighted average) in %	Gross carrying amount with VAT in T€	Gross carrying amount excluding VAT in T€	Impairment in T€
Not yet overdue on the balance sheet date	0.07	351,475	283,754	199
1 to 120 days overdue at the reporting date	0.32	82,556	70,360	225
121 to 365 days overdue at the reporting date	2.40	6,500	5,696	137
Overdue by more than 365 days at the reporting date	24.00	2,483	2,184	524
Objective indications of impairment as at the reporting date	100.00	2,007	1,755	1,755
Total		**445,021**	**363,749**	**2,840**

The impairment matrix for the comparative period is as follows:

Impairment matrix as at 31.12.2023	Loss rate (weighted average) in %	Gross carrying amount with VAT in T€	Gross carrying amount excluding VAT in T€	Impairment in T€
Not yet overdue on the balance sheet date	0.07	393,559	309,114	216
1 to 120 days overdue at the reporting date	0.32	100,660	85,986	275
121 to 365 days overdue at the reporting date	2.32	13,021	11,315	263
Overdue by more than 365 days at the reporting date	24.00	1,661	1,456	349
Objective indications of impairment as at the reporting date	100.00	858	787	787
Total		**509,759**	**408,658**	**1,890**

In the reporting period and the comparative period, the impairment was calculated from the respective gross carrying amount excluding VAT multiplied by the corresponding loss rate. The change in the value adjustment item (31.12.2024: T€ 2,840; 31.12.2023: T€ 1,890; 31.12.2022: T€ 1.677) resulted in an amount of T€ -946 (comparative period: T€ 182) recognised in the statement of comprehensive income under "Impairment losses on financial assets including reversals of impairment losses", of which T€ -984 (comparative period: T€ -96) was attributable to the revaluation of the impairment and T€ 38 (comparative period: T€ 278) the derecognition due to the write-down of receivables. Due to changes in the scope of consolidation, the impairment item increased by T€ 4 (comparative period: increase of T€ 395) with no effect on income. In addition, the item "Impairment losses on financial assets including reversals of impairment losses" includes losses from the derecognition/write-down of trade receivables of T€ -886 (comparative period: T€ -366), gains due to incoming payments from trade receivables already derecognised/written down of T€ 21 (comparative period: T€ 130), impairment losses from the derecognition/write-down of trade receivables of T€ -2,560 (comparative period: T€ -366), impairment losses from the derecognition/write-down of trade receivables of T€ -2,670 (comparative period: T€ -366), impairment losses from the derecognition/write-down of trade receivables of T€ 130), impairment losses or reversals of impairment losses on contract assets of T€ 11 (comparative period: T€ 2) and impairment losses or reversals of impairment losses on receivables from financing leases of T€ 5 (comparative period: T€ 9). Please refer to section B.3 of the consolidated financial statements for information on the development of the impairment item in the reporting period.

In the case of receivables from finance leases, the risk of default is extremely low because CANCOM has the right to reclaim the merchandise leased to the customer in the event of default on the customer receivable and because the lessor transaction is generally financed via a sale and leaseback transaction in which the corresponding lease liability no longer has to be serviced in the event of default on the customer receivable. The amounts recognised under "Receivables from finance leases" as at the respective reporting dates are future lease payments that are not yet due and are recognised at present value (i.e. discounted). To determine the value adjustment, the respective carrying amount is multiplied by the loss rate for trade receivables not yet overdue as at the reporting date (reporting and comparative period: 0.07 percent). In the reporting period, impairment income of T€ 5 (comparative period: impairment income of T€ 9) was recognised in the statement of comprehensive income under "Impairment losses on financial assets including reversals of impairment losses".

No expected credit losses are recognised in relation to receivables from suppliers for reasons of immateriality.

The theoretical maximum default risk of the items listed above is equal to the carrying amounts recognised. As a rule, the Group does not have collateral that would reduce this default risk.

D.6.6. Financial market risks

Potential financial market risks are continuously analysed as part of CANCOM's risk management. Trading in financial instruments and structured products is not a core business of the company and is only used - if at all - for economic hedging of valuable underlying transactions that are exposed to currency risks. Foreign currencies were hedged in the amount of TUSD 60,438 (comparative period: TUSD 62,034) and TCHF 0 (comparative period: TCHF 30) as at the reporting date. The financial market risk is limited to the exchange rate risk of the forward exchange transactions concluded by the company on the reporting date of the reporting period, which have a fair value of T€ 1,420 (comparative period: net T€ 407).

Authorisations for the purchase and sale of structured products at the banks are restricted to the Management Board. This is intended to prevent transactions in this area by inexperienced persons.

D.7. Contingencies, contingent liabilities and other financial obligations

The companies of the CANCOM Group had the following financial obligations from rental, leasing, telecommunications and licence agreements:

Due in the year	2025 (in T€)	2026 (in T€)	2027 (in T€)	2028 (in T€)	2029 (in T€)	after 2029 (in T€)	Total (in T€)
from rental agreements (incidental rental costs)	2,664	2,032	1,641	1,029	766	1,145	9,277
from leasing contracts	733	532	388	206	34	1	1,894
from telecommunication contracts	2,193	238	87	3	3	3	2,527
from licence agreements	13,191	2,773	2,283	1,575	0	0	19,822
Total	**18,781**	**5,575**	**4,399**	**2,813**	**803**	**1,149**	**33,520**

D.8. Relationships with related companies and persons

CANCOM SE prepares these consolidated financial statements as the parent company. These consolidated financial statements are not included in higher-level consolidated financial statements.

Related parties as defined by IAS 24 are persons and entities that control, jointly control or exercise significant influence over the CANCOM Group. They also include companies that are controlled, jointly controlled or significantly influenced by persons related to CANCOM, their close family members or by the CANCOM Group itself. Related parties of CANCOM are therefore the active members of the Executive Board and Supervisory Board of CANCOM SE and their close family members. The related parties of CANCOM in the reporting period and in the comparative period are the subsidiaries, joint ventures and associated companies of the CANCOM Group. For an overview of these companies, please refer to section A.2.1 of the consolidated financial statements on the scope of consolidation and to the list of shareholdings in the consolidated financial statements. In addition, companies controlled or jointly controlled by active members of the Executive Board and Supervisory Board of CANCOM SE or their close family members are considered related parties.

At the end of the reporting period, there were trade receivables from joint ventures totalling T€ 1,464 (comparative period: T€ 674) and from associates totalling T€ 26 (comparative period: T€ 4). The former are mainly due from CANCOM Rental Services GmbH. There are also current and non-current loans to associated companies totalling T€ 2,099 (comparative period: current loans of T€ 2,000) and non-current loans to joint ventures totalling T€ 139. In the reporting period, CANCOM sold goods or services totalling T€ 34,139 to joint ventures and T€ 397 to associated companies.

At the end of the reporting period, there were financial liabilities to joint ventures (to CANCOM Rental Services GmbH) totalling T€ 26,749 (comparative period: T€ 31,318). At the end of the reporting period, there were also trade payables to joint ventures totalling T€ 243 (comparative period: T€ 157) and to associates totalling T€ 1,069 (comparative period: T€ 1,010). In the reporting period, these were mainly due to Elmon GmbH and in the comparative period mainly due to of CALPANA business consulting GmbH, Elmon GmbH and CANCOM Rental Services GmbH. In the reporting period, CANCOM purchased goods or services totalling T€ 16,971 from joint ventures and T€ 7,525 from associates.

Members of the Executive Board or Supervisory Board and their close family members only occasionally purchase goods or services from CANCOM. In total, CANCOM sold goods and/or services to members of the Executive Board and Supervisory Board of CANCOM SE and their close family members with a total value of less than T€ 10 in the reporting period (comparative period: less than T€ 100). Of this amount, T€ 0 was outstanding as at the reporting date (comparative period: T€ 0).

In addition, companies that are considered related parties by CANCOM and are neither subsidiaries nor joint ventures or associated companies of the CANCOM Group acquired goods or services from CANCOM. In the reporting period, the total value was T€ 187 (comparative period: T€ 0). Of this amount, T€ 53 was outstanding at the reporting date (comparative period: T€ 0).

All transactions with these related parties were concluded at arm's length and were settled net between ten and 30 days. None of the balances were secured. In the reporting and comparative periods, no expenses were recognised for bad or doubtful debts with regard to the amounts owed by related parties. No guarantees were granted or received. Transactions at the subsidiaries of the CANCOM Group were eliminated in the course of consolidation and therefore do not require further explanation.

Expenses for short-term benefits totalling T€ 1,926 (comparative period: T€ 1,547) were incurred in connection with the remuneration of the Management Board in the reporting period. In addition, there were termination benefits totalling T€ 0 (comparative period: T€ 375). A total expense T€ 143 comparative period: total expense of T€ 505) was recognised for the share-based remuneration of the Management Board in the reporting period.

No post-employment benefits or other long-term benefits were granted to active members of the Executive Board in the reporting and comparative periods.

In the reporting period, the members of the Executive Board were granted total remuneration in accordance with § 314 (1) no. 6 in conjunction with § 315e (1) HGB. § 315e (1) HGB totalling T€ 2,290 (comparative period: T€ 2,320). The payments relate to short-term benefits totalling T€ 1,926 (comparative period: T€ 1,547).

Executive Board member Rüdiger Rath was granted 8,777 (tranche 5 at T€ 209) performance shares in the reporting period. Executive Board member Thomas Stark was granted 6,478 (tranche 5 at T€ 155) performance shares in the reporting period. The performance shares are cash-settled share-based payments with a fair value totalling T€ 364 upon issue and are included in the total remuneration for the reporting period.

Executive Board member Rüdiger Rath was granted 7,895 (tranche 4 at T€ 210) performance shares in the comparative period. In the comparative period, Executive Board member Thomas Stark was granted 5,418 performance shares (tranche 3 at T€ 160) and 5,827 performance shares (tranche 4 at T€ 156). In the comparative period, Executive Board member Jochen Borenich was granted 2,547 performance shares (tranche 3 at T€ 70) and 6,767 performance shares (tranche 4 at T€ 177). The performance shares are cash-settled share-based payments with a fair value totalling T€ 773 upon issue and are included in the total remuneration for the comparative period.

Former members of the Management Board were granted T€ 0 in the reporting period and T€ 375 in the comparative period.

The remuneration of the members of the Supervisory Board in the reporting period comprised basic remuneration and additional remuneration for committee activities and totalled T€ 500 in the reporting period, including attendance fees (comparative period: T€ 474).

Individualised information on the remuneration of the Management Board and Supervisory Board is presented in the remuneration report in accordance with § 162 AktG. The remuneration report is published on the company's website.

There were no other significant business transactions between the company and members of the Management Board and Supervisory Board in the reporting period or in the comparative period.

D.9. Declaration on the Corporate Governance Code

The Executive Board and Supervisory Board have issued a joint declaration of compliance with the recommendations of the German Corporate Governance Code in accordance with § 161 (1) AktG, which has been published. This is permanently available to the public on the company's website under the link: https://omext.cancom.de/dam/?mdocs-file=19020 permanently available to the public.

D.10. Auditors' fees

The following fees (total remuneration including expenses excluding input tax) were calculated for the auditors within the meaning of § 318 HGB for the reporting period and the comparative period:

(in T€)	2024	2023
Audit services	-721	-943
Other services	-98	-10
Of which for the comparative period	-47	-89

The fees shown in the table above correspond to the expenses recognised in the reporting period and in the comparative period in the presentation of the result for the period.

In the reporting period, this exclusively relates to fees from Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, excluding fees from international alliances and networks. The auditing services include T€ 716 for the statutory audit of the consolidated financial statements and the annual financial statements of CANCOM SE and T€ 5 for the audit of the remuneration report. Other services in the reporting period totalling T€ 98 relate to consultancy services in connection with sustainability reporting.

In the comparative period, this relates exclusively to fees from KPMG AG Wirtschaftsprüfungsgesellschaft, excluding fees from international alliances and networks. The auditing services include T€ 932 for the statutory audit of the consolidated financial statements and the annual financial statements of CANCOM SE and T€ 11 for the audit of the remuneration report. The other services in the comparative period relate to services for certifications.

D.11. Number of employees

The CANCOM Group employed an annual average of 5,579 people in the reporting period (comparative period: 5,225 employees) and 5,553 people at the end of the year (comparative period: 5,615 employees).

The average number of employees in the reporting period of 5,579 (comparative period: 5,225 employees) is distributed across the following functional areas: Professional Services 3,771 employees (comparative period: 3,392 employees), Sales 948 employees (comparative period: 958 employees) and Central Services 860 employees (comparative period: 875 employees).

D.12. Information on shareholdings in the capital of CANCOM SE

As at 31 December 2024, the company had the following information on notifiable shareholdings in accordance with Sections 33 et seq. WpHG were available:

The Goldman Sachs Group, Inc., Wilmington, DE, USA, has not announced any threshold violations in 2024. The following notification therefore continues to apply: The Goldman Sachs Group, Inc, Wilmington, DE, USA, notified CANCOM SE on 24 March 2020 that its share of voting rights in CANCOM SE, held directly or indirectly, fell below the threshold of 5 percent on 20 March 2020 and on that day directly amounted to 1.80 percent (corresponding to 694,671 voting rights). Due to additional voting rights resulting from financial instruments, the total share of voting rights held on that day was 3.97 percent (corresponding to 1,531,921 voting rights).

Allianz Global Investors GmbH, Frankfurt, Germany, notified CANCOM SE on 5 August 2024 that its share of the voting rights in CANCOM SE, held directly or indirectly, fell below the threshold of 10 percent of the voting rights on 1 August 2024 and amounted to 9.17 percent (corresponding to 3,211,256 voting rights) on that date.

ALUK Privatstiftung did not report any contact with the threshold in 2024. The following notification therefore continues to apply: Dr Kari Kapsch notified CANCOM SE on 12 June 2023 that the share of voting rights in CANCOM SE held directly or indirectly by ALUK Privatstiftung, Vienna, Austria, which is controlled by him, exceeded the threshold of 5 percent on 7 June 2023 and amounted to 5.97 percent (corresponding to 2,321,530 voting rights) on that day.

PRIMEPULSE SE, Munich, Germany, notified CANCOM SE on 10 December 2024 that its share of voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 15 percent on 6 December 2024 and amounted to 15.00 percent (corresponding to 4,727,315 voting rights) on that date. Previously, PRIMEPULSE SE had reported on 9 September 2024 that its share of voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 10 percent of the voting rights on 3 September 2024 and on that day amounted to 10.15 percent (corresponding to 3,553,315 voting rights).

SEO Management AG, Rapperswil-Jona, Switzerland, did not report any contact with the threshold in 2024. The following notification therefore continues to apply: SEO Management AG, Rapperswil-Jona, Switzerland, notified CANCOM SE on 28 August 2023 that its share of voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 5 percent on 23 August 2023 and amounted to 5.04 percent (corresponding to 1,960,474 voting rights) on that day.

UBS Group AG, Zurich, Switzerland, notified CANCOM SE on 26 August 2024 that its share of the voting rights in CANCOM SE, held directly or indirectly, fell below the threshold of 3.00 percent of the voting rights on 21 August 2024 and amounted to 2.45 percent (corresponding to 857,692 voting rights) on that date.

Union Investment Privatfonds GmbH, Frankfurt am Main, Germany, notified CANCOM SE on 14 February 2024 that its share of the voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 3 percent of the voting rights on 13 February 2024 and amounted to 3.45 percent (corresponding to 1,143,380 voting rights) on that date.

BlackRock, Inc., Wilmington, Delaware, United States of America, notified CANCOM SE on 9 July 2024 that its share of the voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 3 percent of the voting rights on 4 July 2024 and on that day amounted to 3.19 percent (corresponding to 1,116,319 voting rights). Due to a takeover and restructuring of the Group, BlackRock, Inc., Wilmington, Delaware, United States of America, reported on 3 October 2024 that it had reached a voting rights share of 3.31 percent on 1 October 2024 (corresponding to 1,160,435 voting rights).

D.13. Executive Board and Supervisory Board

The members of the Management Board in the reporting period were

- Mr Rüdiger Rath, graduate business economist, Gelsenkirchen (Chairman);
- Mr Thomas Stark, Dipl.-Wirtsch.-Ing., Wittislingen;
- Mr Jochen Borenich, Mag., Vienna (until 31 December 2024).

All members of the Executive Board are authorised to represent the company together with another member of the Executive Board or together with an authorised signatory.

The following members of the Executive Board are members of statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

Mr Rüdiger Rath in:
- CANCOM ICT Service GmbH, Munich (Group mandate, Chairman of the Supervisory Board).
- CANCOM Austria Beteiligungs GmbH, Vienna (Group mandate, Chairman of the Supervisory Board).
- CANCOM Austria AG, Vienna (Group mandate, Chairman of the Supervisory Board).
- CANCOM GmbH, Jettingen-Scheppach (Group mandate, Chairman of the Supervisory Board).

Mr Thomas Stark in:
- CANCOM Austria AG, Vienna (Group mandate, deputy member of the Supervisory Board).

Members of the Supervisory Board were and/or are appointed in the reporting period:

- Mr Klaus Weinmann, Chairman of the Administrative Board and Managing Director of PRIMEPULSE SE, Munich (member of the Supervisory Board since 25 October 2023, Chairman of the Supervisory Board since 12 December 2023);

- Dr Kari Kapsch, Managing Director of Kapsch Immobilien GmbH, Vienna (member of the Supervisory Board from 25 October 2023 to 31 December 2024 and Deputy Chairman of the Supervisory Board from 5 June 2024 to 31 December 2024)

- Prof. Dr Isabell Welpe, Professor and Chair of Strategy and Organisation at the Technical University of Munich, Munich (member of the Supervisory Board since 26 June 2019 and Deputy Chairwoman of the Supervisory Board since 1 January 2025);

- Mr Stefan Kober, businessman, investor and Supervisory Board member of various companies (Deputy Chairman of the Supervisory Board and Supervisory Board member until 5 June 2024).

- Dr Swantje Schulze, Vice President Revenue EMEA of Knime AG (member of the Supervisory Board since 27 April 2023);

- Dr Ilias Läber, Chief Executive Officer & Member of the Board of Directors of Spectrum Value Management Ltd. and Managing Partner & Member of the Board of Directors of SEO Management AG, Jona (Switzerland) (Member of the Supervisory Board since 1 January 2024);

- Mr Jürgen Maidl, freelance management consultant (member of the Supervisory Board since 5 June 2024).

The following members of the Supervisory Board are members of other statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

Mr Klaus Weinmann:
- STEMMER IMAGING AG, Puchheim (Chairman of the Supervisory Board);
- FLOWFRAME SE, Munich (Chairman of the Supervisory Board).

Dr Kari Kapsch:
- CANCOM Austria AG, Vienna (member of the Supervisory Board).

Prof Dr Isabell Welpe:
- Deloitte Deutschland GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf (member of the Supervisory Board);
- Indus Holding AG, Bergisch Gladbach (member of the Supervisory Board);
- STEMMER IMAGING AG, Puchheim (member of the Supervisory Board).

Dr Ilias Läber:
- Holcim LTD, Zug, Switzerland (Member of the Board of Directors);
- dormakaba Holding AG (member of the Board of Directors);
- Swiss Automotive Group, Cham, Switzerland (Member of the Board of Directors).

Mr Stefan Kober (until 5 June 2024):
- PRIMEPULSE SE, Munich (member of the Board of Directors).

At the Supervisory Board meeting on 12 December 2023, it was decided that Mr Klaus Weinmann would become an expert for accounting following the departure of Dr Lothar Koniarski. The Supervisory Board also decided that Dr Ilias Läber should take over the role of Chairman of the Audit Committee immediately after his appointment by the court. Dr Ilias Läber is also to take over the role of audit expert from Mr Stefan Kober immediately after his appointment by the court. Following the court appointment of Dr Ilias Läber on 1 January 2024, the following members of the Supervisory Board were appointed as experts:

- Dr Ilias Läber (member of the Supervisory Board) is an expert for auditing financial statements (in accordance with Section 100 and Section 107 of the German Stock Corporation Act);

- Klaus Weinmann (Chairman of the Supervisory Board) is an accounting expert (in accordance with Section 100 and Section 107 of the German Stock Corporation Act).

Dr Kari Kapsch resigned from the Supervisory Board with effect from 31 December 2024. The Supervisory Board of CANCOM SE therefore consists of five members at the time this report was prepared.

D.14. Significant events after the reporting period

On 28 February 2025, the Supervisory Board of CANCOM SE extended the contract of CEO Rüdiger Rath early for a further four years until 31 December 2029. Rüdiger Rath joined the Executive Board in October 2021 and took over as CEO on 1 November 2022.

Dr Ilias Läber, member of the Supervisory Board of CANCOM SE, resigned from the Supervisory Board in due time with effect from 31 March 2025 and will therefore leave the Board on this date.

There were no other significant events for the CANCOM Group after the reporting period.

D.15. Proposal for the appropriation of CANCOM SE's earnings

The Executive Board resolves to propose to the Supervisory Board and the Annual General Meeting that the net retained profits of CANCOM SE for the reporting period of € 109,884,354.84 (comparative period: € 36,686,808.00), as determined in accordance with the provisions of German commercial law, be used to distribute a dividend of € 1.00 (comparative period: € 1.00) per dividend-bearing share.

D.16. Utilisation of the exemption pursuant to Section 264 (3)

CANCOM GmbH, Jettingen-Scheppach, CANCOM ICT Service GmbH, Munich, CANCOM Managed Services GmbH, Munich and CANCOM Public GmbH, Berlin make use of the simplification provisions of Section 264 (3) HGB.

Munich, 25 March 2025

The Executive Board of CANCOM SE

Rüdiger Rath CEO	Thomas Stark CFO

Rüdiger Rath, CEO
Thomas Stark, CFO

List of shareholdings

Name of the company	Registered office of the company	Participation rate in %
Subsidiaries		
1. CANCOM GmbH	Jettingen-Scheppach	100.00
and its subsidiaries		
2. - VVM AG (formerly CANCOM (Switzerland) AG)	Dietlikon (formerly Caslano)/Switzerland	100.00
3. - CANCOM Computersysteme GmbH	Graz/Austria	100.00
and its subsidiaries		
4. - CANCOM a + d IT solutions GmbH	Brunn am Gebirge/Austria	100.00
5. - SBSK GmbH & Co KG	Schönebeck	100.00
and its subsidiaries		
6. - SBSK GmbH	Schönebeck	100.00
7. CANCOM ICT Service GmbH	Munich	100.00
8. CANCOM Managed Services GmbH	Munich	100.00
9. CANCOM Public GmbH	Berlin	100.00
10. CANCOM Public BV	Brussels/Belgium	100.00
11. CANCOM physical infrastructure GmbH	Jettingen-Scheppach	80.00
12. CANCOM VVM II GmbH	Jettingen-Scheppach	100.00
13. CANCOM VVM GmbH	Munich	100.00
14. CANCOM Slovakia s.r.o.	Košice/Slovakia	100.00
15. CANCOM Austria Beteiligungs GmbH	Vienna/Austria	100.00
and its subsidiaries		
16. - CANCOM Austria AG	Vienna/Austria	100.00
and its subsidiaries		
17. - CANCOM ROMANIA S.R.L.	Bucharest/Romania	100.00
18. - CANCOM Czech Republic s.r.o.	Prague/Czech Republic	100.00
19. - CANCOM Switzerland AG	Zurich /Switzerland	100.00
20. - K-Businesscom Inc.	Georgia/USA	100.00
21. - CANCOM Converged Services GmbH	Vienna/Austria	100.00
22. - ITM Information Transport and -management Gesellschaft m.b.H.	Vienna/Austria	100.00
23. - evolaris next level GmbH	Raaba-Grambach/Austria	100.00
24. - CANCOM Cashpooling and Hedging GmbH	Vienna/Austria	100.00
and its subsidiaries		
25. - CANCOM Banking Services GmbH	Vienna/Austria	96.00
26. CANCOM Consumption Services GmbH (formerly CANCOM Technology GmbH), Vienna/Austria	Vienna/Austria	100.00
27. - CloudXcelerate GmbH	Vienna/Austria	100.00
28. - CANCOM Liegenschaft Management GmbH	Vienna/Austria	100.00
Joint ventures/associated companies accounted for using the equity method		
29. CANCOM Financial Services GmbH	Schweinfurt	40.00
30. Sensor Network Services GmbH	Vienna/Austria	50.00
31. CANCOM Rental Services GmbH (formerly K-Businesscom Rental Services GmbH)	Vienna/Austria	49.00
32. CALPANA business consulting GmbH	Linz/Austria	40.00
33. Workheld GmbH	Vienna/Austria	39.90
34. Elmon GmbH	Wiener Neudorf/Austria	25.10
Non-consolidated structured entities and financial investments		
35. Duana Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG	Mainz	100.00 *
36. Human.technology Styria GmbH	Graz/Austria	8.00

*) Voting rights 10 percent. Equity as at 31 December 2024 T€ 0; net profit for 2024 T€ 2.

Insurance of the legal representatives

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, which is combined with the management report of CANCOM SE, 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.

Munich, 25 March 2025

The Executive Board of CANCOM SE

Rüdiger Rath
CEO

Thomas Stark
CFO

INDEPENDENT AUDITOR'S REPORT

To CANCOM SE

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of CANCOM SE 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 2024 to 31 January 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of CANCOM SE for the financial year from 1 January 2024 to 31 January 2024. In accordance with the German legal requirements, we have not audited the content of the components of the combined management report listed under "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 referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (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 2024 to 31 December 2024, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 combined management report does not cover the content of the components of the combined management report listed under "Other Information".

Pursuant to § 322 (3) 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 combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined 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 Combined 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 combined 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 2024 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.

Impairment of Goodwill

1. In the consolidated financial statements of CANCOM SE, goodwill totalling EUR 270 million is reported under the balance sheet item "Goodwill", thus representing around 19% of total assets. The company allocates goodwill to the relevant groups of cash-generating units. Goodwill is subjected to an annual impairment test by the Company on the balance sheet date or on an ad hoc basis. This involves comparing the calculated values in use with the carrying amounts of the corresponding group of cash-generating units. These valuations are regularly based on the present value of future cash flows of the cash-generating unit to which the respective goodwill is allocated. The valuations are based on the budgets of the individual cash-generating units, which are based on the financial plans approved by management. Discounting is carried out using the weighted average cost of capital of the respective cash-generating unit. The result of this valuation is highly dependent on the assessment of future cash inflows by the legal representatives of the company and the discount rate used and is therefore subject to considerable uncertainty, which is why this matter is of particular significance in the context of our audit.

2. In order to address this risk, we critically reviewed management's assumptions and estimates and performed, among others, the following audit procedures:

   - We reviewed the planning process and the control implemented therein.

   - Furthermore, we followed the methodology for performing the impairment tests and assessed the calculation of the weighted average cost of capital.

   - We convinced ourselves that the future cash inflows on which the valuations are based, and the discount rates used form an appropriate basis for the impairment tests of the individual cash-generating units.

   - In our assessment we relied, among other things, on a comparison with general and industry-specific market expectations as well as comprehensive explanations by management on the main value drivers of the planning and a comparison of this information with the current budgets from the planning approved by the supervisory board.

   - In the knowledge that even relatively small changes in the discount rate can have a material impact on the value in use calculated in this way, we examined the parameters used to determine the discount rate applied, including the weighted average cost of capital, and verified the company's calculation model.

   - We assessed that the respective goodwill and the overall carrying amounts of the relevant groups of cash-generating units are covered by the discounted future cash flows as at the balance sheet date.

3. The Company's disclosures on goodwill are contained in text number B.8.3 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the Other Information. The Other Information comprises:

- The separate combined non-financial report of the Company and the Group, which is expected to be made available to us after the date of this auditor's report and to which reference is made in the combined management report,

- The combined Statement on Corporate Governance of the Company and the Group, to which reference is made in the combined management report, and

- The non-financial information contained in the combined management report that is labelled as unaudited.

- The Other Information also includes the Group’s annual report expected to be made available to us after the date of this auditor's report. The Other Information does not include the annual financial statements, the consolidated financial statements, the audited information of the combined management report and our respective auditor’s report thereon.

Our audit opinions on the consolidated financial statements and on the combined 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, our responsibility is to read the Other Information and, in so doing, to consider whether the Other Information

- is materially inconsistent with the consolidated financial statements, with the audited information in the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined 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 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 combined 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 combined 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 combined 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 combined management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined 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 combined 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) 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 combined 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 consolidated financial statements and of the combined management report, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined 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 the Group's internal control or on the effectiveness of these 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 combined 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 combined 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 combined 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 combined 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 LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the electronic reproductions of the consolidated financial statements and the combined management report prepared for publication purposes in accordance with § 317 (3a) HGB

Audit Opinion

In accordance with § 317 (3a) HGB, we have performed a reasonable assurance audit to determine whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as "ESEF documents") contained in the file named CANCOM_SE_2024-12-31_de.zip“ SHA256: 6cd09808da7d0c76895de62af f9a3102615961509107173746 22dd701136223f and prepared for publication purposes comply in all material respects with the electronic reporting format ("ESEF format") pursuant to § 328 (1) HGB. In accordance with German legal requirements, this audit covers only the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore does not cover the information contained in these reproductions or to any other information contained in the above-mentioned file. In accordance with these regulations, our audit also does not cover to the voluntary tagging made by the Company to the individual disclosures in the notes to the consolidated financial statements.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned file and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond this opinion and our opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 January 2024 to 31 December 2024 contained in the preceding "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report".

Basis for the Audit Opinion

We conducted our audit of the reproductions of the consolidated financial statements and of the combined management report contained in the above-mentioned file provided in accordance with § 317 (3a) HGB and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Combined Management Reports Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibilities under those requirements are further described in the "Auditor's responsibilities for the audit of the ESEF documents" section. Our audit practice has applied the requirements of the IDW quality management standard: Requirements for Quality Management in the Auditing Practice (IDW QMS 1).

The consolidated financial statements converted into the ESEF format are not fully machine-readable in a meaningful way due to the conversion process chosen by the Company with regard to the notes’ information in iXBRL format (‘blocktagging’). The legal compliance of the executive directors' interpretation that meaningful machine readability of the structured notes information is not explicitly required by the Delegated Regulation (EU) 2019/815 when block tagging the notes to the consolidated financial statements is subject to significant legal uncertainty, which therefore also represents an inherent uncertainty of our audit.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproductions of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 no. 2 HGB.

Furthermore, the Company's executive directors are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of § 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance – whether due to fraud or error – with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material non-compliance with the requirements of § 328 (1) HGB, 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.

- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.

- Evaluate 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, as applicable on the reporting date for the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.

- Assess whether the tagging of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as applicable at the reporting date, enables an adequate 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 auditor by the consolidated general meeting on 5 June 2024. We were engaged by the supervisory board on 5 August 2024. We are the Group auditor of CANCOM SE for the first time.

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 FACTS – USE OF THE AUDIT REPORT

Our audit report should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted into ESEF format – including the versions to be entered in the Business Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction 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 Andreas Weissinger.

Munich, 25 March 2025

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

Weissinger	Heitzer
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Balance sheet

ASSETS

(in €)	31.12.2024	31.12.2023
A. INVESTMENT ASSETS		
I. Intangible assets		
Purchased concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets	75,442.83	78,852.00
II. Property, plant and equipment		
Other equipment, operating and office equipment	566,819.02	451,328.60
III. Financial assets		
1. Shares in affiliated companies	491,731,027.25	463,968,453.94
2. Loans to affiliated companies	4,100,000.00	2,790,000.00
3. Investments	857,341.76	141,668.60
	496,688,369.01	466,900,122.54
	497,330,630.86	467,430,303.14
B. CURRENT ASSETS		
I. Receivables and other assets		
1. Trade receivables	0.00	14,030.62
2. Receivables from affiliated companies	105,091,168.98	126,095,775.84
3. Receivables from companies with which a Participation relationship exists	2,010,500.00	2,005,847.40
4. Other assets	12,600,731.22	8,027,205.50
	119,702,400.20	136,142,859.36
II. Cash on hand and bank balances	56,870,359.41	140,862,041.66
	176,572,759.61	277,004,901.02
C. PREPAID EXPENSES AND DEFERRED CHARGES	579,756.66	287,284.89
Total assets	**674,483,147.13**	**744,722,489.05**

EQUITY AND LIABILITIES

(in €)	31.12.2024	31.12.2023
A. EQUITY		
I. Subscribed capital	31,515,345.00	36,686,808.00
Own shares	0.00	-565,908.00
II. Capital reserve	485,377,488.32	480,206,025.32
III. Retained earnings		
1. Legal reserve	6,665.71	6,665.71
2. Other revenue reserves	27,919,357.43	169,909,186.57
	27,926,023.14	169,915,852.28
IV. Retained earnings	109,884,354.84	36,686,808.00
	654,703,211.30	722,929,585.60
B. PROVISIONS		
1. Tax provisions	1,497,123.00	1,115,003.31
2. Other provisions	4,487,520.28	7,454,470.79
	5,984,643.28	8,569,474.10
C. LIABILITIES		
1. Trade accounts payable	276,052.69	644,799.58
2. Liabilities to affiliated companies	18,420.65	31,165.52
3. Other liabilities	13,301,940.21	11,624,000.25
	13,596,413.55	12,299,965.35
D. DEFERRED TAX LIABILITIES	198,879.00	923,464.00
Total liabilities	**674,483,147.13**	**744,722,489.05**

Profit and loss account

INCOME STATEMENT
for the period from 1 January 2024 to 31 December 2024

(in €)	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
1. Revenue	11,214,555.45	11,249,029.45
2. Other operating income	5,808,255.09	5,095,685.02
3. Personnel expenses		
a) Wages and salaries	-11,393,138.96	-10,952,383.56
b) Social security contributions and expenses for pensions and other employee benefits	-1,824,708.01	-1,666,402.52
of which for retirement benefits in the amount of € 20,680.79 (previous year: € 14,412.97)		
	-13,217,846.97	**-12,618,786.08**
4. Amortisation of intangible assets		
of fixed assets and property, plant and equipment	-162,431.04	-150,400.27
5. Other operating expenses	-8,518,364.85	-8,199,835.41
6. Income from investments	104,925,863.02	20,552,038.24
7. Profits received on the basis of a profit transfer agreement	13,153,884.08	17,856,336.70
8. Other interest and similar income	6,501,243.11	11,022,157.33
9. Amortisation of financial assets	0.00	-30,551,782.00
10. Interest and similar expenses	-619,412.05	-17,519.78
11. Taxes on income and earnings	-5,694,924.00	-8,308,801.00
12. Earnings after taxes	**113,390,821.84**	**5,928,122.20**
13. Other taxes	-4,762.00	-4,698.00
14. Net income for the year	**113,386,059.84**	**5,923,424.20**
15. Profit carried forward from the previous year	1,669,758.00	0.00
16. Withdrawals from other revenue reserves	0.00	32,948,425.80
17. Allocation to the capital reserve	-5,171,463.00	-2,185,042.00
18. Retained earnings	**109,884,354.84**	**36,686,808.00**

Appendix

A. General information

CANCOM SE has its registered office in Munich and is entered in the commercial register at Munich Local Court (HRB 203845).

The company is a large corporation (Section 267 (3) sentence 2 HGB in conjunction with Section 264d HGB). The accounting and valuation are based on the provisions of the German Commercial Code on the accounting of corporations as well as the supplementary provisions of the German Stock Corporation Act and EC Regulation 2157/2001 on the Statute for a European company (SE).

The principle of consistency in presentation was observed. There were no deviations from the accounting and valuation methods in the financial year compared to the previous year.

The annual financial statements were prepared in € or T€. In individual cases, rounding may mean that figures in this report do not add up exactly to the totals shown and that percentages do not add up exactly to the figures shown.

B. Explanation of the recognition and measurement methods

B.1. Intangible assets

Intangible assets subject to wear and tear are valued at acquisition cost less scheduled pro rata amortisation (with a normal useful life of three years). Amortisation is carried out using the straight-line method.

B.2. Property, plant and equipment

Property, plant and equipment are recognised at cost less depreciation and any impairment losses. Depreciation is recognised using the straight-line method.

The useful lives of property, plant and equipment are between three and 14 years. Impairment losses are recognised if the impairment is expected to be permanent.

Low-value assets for which the acquisition or production costs do not exceed € 250.00 are recognised in full as an expense in the year of acquisition.

Assets with an acquisition cost of between € 250.00 and € 1,000.00 have been capitalised in a collective item since 1 January 2018. All assets in a given year are recognised in this collective item and depreciated over five years using the straight-line method.

B.3. Financial assets

Financial assets are recognised at the lower of cost or fair value in the event of permanent impairment.

Interest claims on loans to affiliated companies are capitalised if the underlying contract provides for a corresponding increase in the loan amount and interest payments are not made during the term.

B.4. Receivables and other assets

Receivables and other assets are recognised at the lower of nominal value or fair value.

B.5. Cash on hand and bank balances

Cash on hand and bank balances are recognised at nominal value.

B.6. Prepaid expenses and deferred charges

Prepaid expenses include expenses prior to the balance sheet date if they represent expenses for a specific period thereafter.

B.7. Equity capital

The subscribed capital is recognised at nominal value.

Purchased treasury shares are recognised as an adjustment item within equity. The arithmetical value of the treasury shares acquired (nominal value multiplied by the number of shares repurchased) is openly deducted from the subscribed capital. The remaining difference at acquisition cost is offset against other revenue reserves. Incidental acquisition costs are recognised in the income statement.

B.8. Provisions

Provisions are measured at the settlement amount required according to prudent business judgement and take into account all identifiable risks and contingent liabilities as well as impending losses.

B.9. Liabilities

All liabilities are recognised at the settlement amount.

B.10. Deferred tax liabilities

An excess of deferred tax liabilities is recognised for differences between the carrying amounts of assets, liabilities and prepaid expenses and deferred income for commercial law and tax purposes if an overall tax burden is expected in future financial years. If an overall future tax relief is expected, the option under Section 274 (1) sentence 2 HGB is exercised in such a way that no deferred tax assets are recognised. Loss carryforwards are recognised to the extent that they can be offset against taxable income within the next five years. Furthermore, differences between the commercial and tax valuations of assets, liabilities and prepaid expenses of controlled companies are included to the extent that future tax burdens and tax relief from the reversal of temporary differences at CANCOM SE as the controlling company can be assumed.

Deferred taxes are measured on the basis of the tax rates applicable in the subsequent financial year of the reversal of the temporary valuation differences, provided that the future tax rates are already known. The income tax rate amounts to 31.0 percent (previous year: 31.0 percent) and relates to corporation tax, trade tax and the solidarity surcharge.

B.11. Principles of currency conversion

Receivables and liabilities in foreign currencies are recognised at the exchange rate on the date they arise. Receivables and liabilities in foreign currencies within the Group are translated at the mean spot exchange rate on the reporting date in accordance with Section 256a HGB.

Loans to affiliated companies in foreign currencies are recognised at the bank buying rate upon addition. As at the reporting date, they are translated at the mean spot exchange rate in accordance with the historical cost principle.

Exchange rate gains/losses realised during the year in connection with loans to affiliated companies in foreign currencies are combined with unrealised exchange rate gains/losses on the reporting date.

B.12. Share-based payment

The Annual General Meeting on 14 June 2018 resolved to issue subscription rights to shares in CANCOM SE to members of the Executive Board or management and selected employees of CANCOM SE and affiliated companies. CANCOM SE has the option to fulfil the rights in cash or from the Contingent Capital 2018/1 resolved by the Annual General Meeting. 585,000 share options were issued on 17 August 2018, 23,000 share options were issued on 2 July 2019 and 150,000 share options were issued on 6 May 2020. In the 2018 financial year, 30,000 share options were issued, in the 2019 financial year 20,000 share options were issued, in the 2020 financial year 228,000 share options were issued, in the 2021 financial year 4,527 share options were issued, in the 2022 financial year 77,133 share options were issued and in the previous year 39,116 share options expired due to changes in the non-fulfilment of service conditions. In the reporting year, 20,000 share options expired. As at 31 December 2024, 339,224 options are actually outstanding and exercisable. It is currently assumed that the option rights will be serviced by equity instruments. They are therefore not recognised in the balance sheet until the option rights are exercised.

B.13. Income from investments

Income from investments is generally recognised at the time at which the claim arises and the receipt of the corresponding income can be expected with reasonable commercial judgement.

B.14. Profits received or losses to be offset on the basis of a profit transfer agreement

Profits received or losses to be offset on the basis of a profit transfer agreement are recognised if the result to be transferred can be quantified beyond doubt, even if the annual financial statements of the subsidiary have not yet been adopted.

C. Notes and disclosures on individual balance sheet items

C.1. Fixed assets

The development of fixed assets is shown in the statement of changes in fixed assets.

Please refer to the list of shareholdings for the composition of financial assets and the respective annual results of the subsidiaries.

In the reporting year, CANCOM SE acquired 100 percent of the shares and 100 percent of the voting rights in K-Businesscom GmbH from CANCOM Austria AG. K-Businesscom GmbH was subsequently merged with CANCOM GmbH. This increased CANCOM SE's shares in affiliated companies by T€ 27,755.

On 25 May 2023, CANCOM SE acquired 100 percent of the shares and 100 percent of the voting rights with a nominal value of T€ 35 in KBC Beteiligungs GmbH (now CANCOM Austria Beteiligungs GmbH), based in Vienna (Austria). The purchase agreement had already been concluded in April 2023. However, the acquisition was subject to various closing conditions, in particular antitrust clearance by the relevant antitrust authorities in Austria and Germany and an increase in the share capital of CANCOM SE by T€ 3,500 in return for the issue of 3,500,000 no-par value shares with the subsequent transfer of these no-par value shares to the sellers (contribution in kind of the shares contributed in return for a capital increase). The antitrust approval was granted by 25 May 2023; the transfer of the no-par value shares and thus the contribution in kind of the contributed shares in return for a capital increase became effective in June 2023. With the acquisition of KBC Beteiligungs GmbH (now CANCOM Austria Beteiligungs GmbH), CANCOM SE acquired a total of 21 affiliated companies. This increased the shares in affiliated companies by T€ 196,364 in the previous year.

Shares in affiliated companies fell by T€ 30,552 in the previous year due to an impairment loss recognised on the investment in CANCOM Managed Services GmbH in accordance with Section 253 (3) sentence 5 HGB as a result of a probable permanent reduction in value due to poorer earnings expectations.

Loans to affiliated companies as at the reporting date relate to long-term loans to CANCOM physical infrastructure GmbH (T€ 4,100; previous year: T€ 2,790).

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Development of fixed assets (statement of changes in fixed assets) in the reporting period

	ACQUISITION/PRODUCTION COSTS			
(in €)	As at 01.01.2024	Additions 2024	Disposals 2024	As at 31.12.2024
I. Intangible assets				
Purchased concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets	386,012.66	0.00	0.00	386,012.66
	386,012.66	0.00	0.00	386,012.66
II. Property, plant and equipment				
Other equipment, operating and office equipment	818,138.48	276,342.75	64,251.73	1,030,229.50
	818,138.48	276,342.75	64,251.73	1,030,229.50
III. Financial assets				
1. Shares in affiliated companies	494,520,235.94	27,762,573.31	0.00	522,282,809.25
2. Loans to affiliated companies	2,790,000.00	1,310,000.00	0.00	4,100,000.00
3. Investments	141,668.60	715,673.16	0.00	857,341.76
	497,451,904.54	29,788,246.47	0.00	527,240,151.01
Total	**498,656,055.68**	**30,064,589.22**	**64,251.73**	**528,656,393.17**

DESCRIPTIONS				BOOK VALUES	
As at 01.01.2024	**Additions 2024**	**Disposals 2024**	**As at 31.12.2024**	**As at 31.12.2024**	**As at 31.12.2023**
307,160.66	3,409.17	0.00	310,569.83	75,442,83	78,852,00
307,160.66	3,409.17	0.00	310,569.83	75,442,83	78,852,00
366,809.88	159,021.87	62,421.27	463,410.48	566,819,02	451,328,60
366,809.88	159,021.87	62,421.27	463,410.48	566,819,02	451,328,60
30,551,782.00	0.00	0.00	30,551,782.00	491,731,027,25	463,968,453,94
0.00	0.00	0.00	0.00	4,100,000,00	2,790,000,00
0.00	0.00	0.00	0.00	857,341,76	141,668,60
30,551,782.00	0.00	0.00	30,551,782.00	496,688,369,01	466,900,122,54
31,225,752.54	**162,431.04**	**62,421.27**	**31,325,762.31**	**497,330,630,86**	**467,430,303,14**

C.2. Receivables and other assets

Trade receivables and other assets have a remaining term of less than one year (previous year: remaining term of less than one year). Receivables from affiliated companies include loan receivables with a remaining term of more than one year totalling T€ 5,252 (previous year: remaining term of more than one year T€ 10,219).

Of the receivables from affiliated companies, T€ 13,154 (previous year: T€ 17,856) relate to profit receivables from profit transfer agreements, T€ 40,198 to dividends (previous year: T€ 0), T€ 2,435 (previous year: T€ 1,219) to trade receivables, T€ 31,488 (previous year: T€ 96,540) to receivables from loans and T€ 17,816 (previous year: T€ 10,481) to other receivables.

C.3. Subscribed capital

The Company's share capital was last reduced by a total of 14.1 percent in July 2024 by the resolution to cancel 1,669,758 no-par value bearer shares and in October 2024 by the resolution to cancel 3,501,705 no-par value bearer shares. As at 31 December 2024, the share capital of CANCOM SE amounted to T€ 31,515 in accordance with the Articles of Association (comparative period: T€36,687) and was divided into 31,515,345 no-par value shares (no-par value shares with a notional value of € 1.00 per share) (comparative period: 36,686,808 no-par value shares).

C.3.1. Authorised and conditional capital

By resolution of the Annual General Meeting on 14 June 2023, the Executive Board is authorised, with the approval of the Supervisory Board, to increase the company's subscribed capital on one or more occasions in the period up to 13 June 2028 by up to a total of T€ 7,074 (comparative period: T€ 7,009) by issuing up to 7,074,370 (comparative period: 7,008,728) new no-par value bearer shares in return for cash and/or non-cash contributions (Authorised Capital I/2023). In principle, shareholders are to be granted subscription rights. However, the Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in the following cases:

- for peak amounts;

- if a capital increase against cash contributions does not exceed 10 percent of the share capital and the issue price of the new shares is not significantly lower than the stock market price (Section 186 (3) sentence 4 AktG); when exercising this authorisation with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG, the exclusion of subscription rights based on other authorisations in accordance with Section 186 (3) sentence 4 AktG must be taken into account;

- in the case of capital increases against contributions in kind to grant new shares for the purpose of acquiring companies or interests in companies or parts of companies or for the purpose of acquiring receivables from the company.

The total shares issued on the basis of the above authorisation with the exclusion of subscription rights in the event of capital increases against cash and/or non-cash contributions may not exceed a pro rata amount of 10 percent of the share capital either at the time the resolution is adopted or at the time this authorisation is exercised. This maximum limit of 10 percent of the share capital shall include the proportionate amount of the share capital (i) attributable to shares in the company that are issued during the term of the authorised capital with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG or against contributions in kind by the Management Board or are sold as treasury shares and (ii) attributable to shares in the company, issued or to be issued during the term of the authorised capital from conditional capital to service bonds with warrants or convertible bonds, which in turn are issued by the Management Board during the term of the authorised capital with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG or against contributions in kind.

The Executive Board decides on the further content of the respective share rights and the conditions for the implementation of capital increases with the approval of the Supervisory Board.

In the previous period of 2023, the Management Board increased the company's share capital by € 3,500,000.00 to € 38,871,850.00 against contributions in kind through the partial utilisation of Authorised Capital I/2018 by issuing 3,500,000 new no-par value bearer shares with a pro rata amount of the share capital of € 1.00 per share ("new shares") from € 35,371,850.00. The remaining Authorised Capital I/2018 in the amount of T€ 3,509 expired on 13 June 2023.

The Management Board did not make use of the aforementioned authorisation of Authorised Capital I/2023 in the reporting period. The remaining Authorised Capital I/2023 as at 31 December 2024 therefore amounts to T€ 7,074 in accordance with the Articles of Association.

The share capital is conditionally increased by up to T€ 7,074 through the issue of up to 7,074,370 new no-par value shares (Conditional Capital 2023). The conditional capital increase will only be implemented to the extent that the holders of share options issued by the company in the period up to 13 June 2028 on the basis of the authorisation resolution of the Annual General Meeting on 14 June 2023 exercise their subscription rights to shares in the company and the company does not grant treasury shares or a cash settlement in fulfilment of the subscription rights. The new shares in the company resulting from the exercise of these subscription rights will participate in profits from the beginning of the financial year in which they are issued.

The company's share capital is conditionally increased by up to a further T€ 1,500 by issuing up to 1,500,000 new no-par value bearer shares (Conditional Capital 1/2018). The conditional capital increase will only be implemented to the extent that holders of share options issued by the company in the period up to 13 June 2023 on the basis of the authorisation resolution of the Annual General Meeting on 14 June 2018 exercise their subscription rights to shares in the company and the company does not grant treasury shares or a cash settlement in fulfilment of the subscription rights. The new shares in the company resulting from the exercise of these subscription rights will participate in profits from the beginning of the financial year in which they are issued. The Executive Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

In the reporting period (2024) and in the comparative period (2023), no new shares were issued using Conditional Capital 20234 or Conditional Capital I/2018.

The Management Board is not aware of any restrictions relating to voting rights or the transfer of shares.

C.3.2. Share buyback programme

On 5 June 2024, the Annual General Meeting authorised the Executive Board of CANCOM SE to acquire treasury shares up to a total of 10 percent of the share capital up to and including 4 June 2029.

The share capital figure at the time the authorisation becomes effective is decisive for the limit of 10 percent. If the share capital figure is lower at the time this authorisation is exercised, this lower figure shall be decisive. The shares are to be acquired via the stock exchange or via a public purchase offer to the shareholders. In both cases, the purchase price may not be more than 10 percent higher or lower than the arithmetic mean of the closing auction prices of CANCOM SE shares in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last three trading days prior to the purchase or the assumption of an obligation to purchase. The buyback volume may be limited if the shares offered exceed the total amount of the company's purchase offer. The authorisation may be exercised for any legally permissible purpose. Excluding shareholders' subscription rights, treasury shares may be transferred to third parties, in particular for the purpose of acquiring companies or participating interests in companies. Treasury shares may also be sold for cash provided that the purchase price is not significantly lower than the current market price at the time of sale. Furthermore, treasury shares may also be used to fulfil conversion or option rights granted by the company or to implement a scrip dividend. Furthermore, treasury shares may be promised or transferred to fulfil remuneration agreements and may be offered for sale to employees and members of the Executive Board as part of the exercise of subscription rights. The Executive Board of CANCOM SE was also authorised to cancel treasury shares with the approval of the Supervisory Board without a further resolution by the Annual General Meeting.

The authorisation to acquire treasury shares up to a total of 10 percent of the subscribed capital until 27 June 2027 was fully utilised and cancelled with the new authorisation of the 2024 Annual General Meeting.

As part of a voluntary public share buyback offer on 1 July 2024, CANCOM SE repurchased a total of 3,501,705 treasury shares at a price of € 33.00 in the period from 4 July 2024 up to and including 24 July 2024. For this purpose, a bank was commissioned to buy back the shares on behalf of CANCOM SE. The allotment ratio was 76.15 percent. On the basis of the shares contained in the share capital at the time this took effect (35,017,050 shares), this corresponds to 10.00 percent of the share capital after the previous cancellation of treasury shares and associated capital reduction took effect.

As part of a previous share buyback programme "Share Buyback Programme 3/24", CANCOM SE repurchased a total of 1,103,850 treasury shares in the period from 1 January 2024 up to and including 5 April 2024.

In the period from 3 July 2023 up to and including 29 December 2023, a total of 2,750,950 treasury shares were repurchased as part of the same share buyback programme. Based on the number of shares in the share capital at the time the authorisation came into effect (38,548,001 shares), this corresponds to 7.14 percent of the share capital. Based on the number of shares contained in the share capital as at 31 December 2023 (36,686,808 shares), this corresponds to 7.50 percent of the share capital.

The acquisition of treasury shares from the previous buyback programmes was carried out by a bank commissioned by CANCOM SE exclusively via the stock exchange in electronic trading on the Frankfurt Stock Exchange (XETRA) and in accordance with Article 5(1)(a) of Regulation (EU) No 596/2014 in conjunction with Article 2(1) of Delegated Regulation (EU) 2016/1052.

In the reporting period, treasury shares were repurchased at a market value of T€ 146,595 (comparative period: T€ 71,449); this corresponded to an average share price of € 31.83 (volume-weighted; excluding transaction costs; comparative period: € 25.97). The amount paid reduced the subscribed capital by the total nominal value of the repurchased treasury shares as a result of the capital reductions and the remaining difference was recognised as a reduction in other revenue reserves. In addition, incidental acquisition costs from the purchase of treasury shares amounting to T€ 121 were recognised in the income statement in the reporting period and T€ 179 in the comparative period. The shares acquired in the reporting period were not transferred to third parties until 31 December 2024, were not sold for cash, were not used to fulfil conversion or option rights and were not used to pay a scrip dividend. Furthermore, no treasury shares were used in the reporting period to fulfil remuneration agreements or offered for sale to employees or members of the Management Board as part of the exercise of subscription rights.

On 1 July 2024, the Executive Board of CANCOM SE resolved, with the approval of the Supervisory Board, to cancel the treasury shares held by the company and to reduce the share capital. CANCOM SE cancelled the 1,669,758 treasury shares held by the company and reduced the share capital by the corresponding nominal amount of € 1,669,758. CANCOM had acquired these treasury shares as part of the "Share Buyback Programme 2023/24" in the period from 27 November 2023 up to and including 5 April 2024 on the basis of the authorisation granted by the Annual General Meeting on 28 June 2022. This corresponds to 4.55 percent of the company's share capital. After the capital reduction, the share capital at the time of € 36,686,808 amounted to € 35,017,050 and was divided into 35,017,050 no-par value shares with a share capital of € 1.00 per share.

In addition, on 1 July 2024, the Executive Board and the Supervisory Board of CANCOM SE resolved to make use of the authorisation granted by the Annual General Meeting on 5 June 2024 to acquire treasury shares in accordance with Art. 5 SE-VO in conjunction with Section 71 para. 1 no. 8 AktG. § Section 71 para. 1 no. 8 AktG and to offer shareholders the repurchase of up to 3,501,705 treasury shares (corresponding to 10 percent of the share capital after the previously intended cancellation of treasury shares and associated capital reduction) as part of a voluntary public repurchase offer to all shareholders. The share buyback was carried out at € 33.00 per share. A total of 3,501,705 shares were bought back. The offer was published in the Federal Gazette on 3 July 2024. The amendment to the Articles of Association to reflect the reduced share capital was made on 4 July 2024. The final results and the allotment ratio were published in the Federal Gazette on 29 July 2024.

On 9 October 2024, the Executive Board of CANCOM SE resolved, following the approval of the Supervisory Board, to cancel the 3,501,705 treasury shares held by the company and to reduce the share capital by the corresponding nominal amount of € 3,501,705. The notification was published in the Federal Gazette on 9 October 2024. The entry in the Articles of Association was made on 17 October 2024 and the entry in the commercial register was made on 19 November 2024.

CANCOM had acquired these treasury shares as part of the "Share Buyback Offer 2024" in the period from 4 July 2024 up to and including 24 July 2024 on the basis of the authorisation granted by the Annual General Meeting on 5 June 2024. This corresponds to 10.00 percent of the company's share capital. Following the capital reduction, the share capital amounts to € 31,515,345 and is divided into 31,515,345 no-par value shares with an amount of share capital of € 1.00 per share.

By resolution of the Executive Board on 30 November 2023, the share capital was reduced by T€ 2,185,185 to € 36,686,808.00 by cancelling 2,185,042 no-par value shares. The announcement in accordance with § 49 para. 1 sentence 1 no. 2 WpHG regarding the cancellation of treasury shares for the purpose of reducing the share capital was published in the Federal Gazette on 5 December 2023. The shares were cancelled on 7 December 2023, the amendment to the Articles of Association on 8 December 2023 and the entry in the commercial register on 8 January 2024.

Further information on the share buyback programmes is available on the company's website at investors.cancom.com.

C.4. Capital reserve

The capital reserve is made up as follows:

(in T€)	2024	2023
Capital reserve 01.01.	480,206	381,561
Capital increase from the issue of shares (section 272 (2) no. 1 HGB)	0	96,460
Allocation to the capital reserve due to a capital reduction	5,172	2,185
Capital reserve 31.12.	**485,378**	**480,206**

In the 2024 financial year, the cancellation of a total of 5,171,463 no-par value shares resulted in transfers to the capital reserve in the amount of T€ 5,172 as part of capital reductions.

In the 2023 financial year, a non-cash capital increase was carried out with the issue of 3,500,000 no-par value shares to the shareholders of KBC Beteiligungs GmbH (now CANCOM Austria Beteiligungs GmbH) based in Vienna (Austria). The issue amount exceeding the nominal capital of T€ 3,500 was transferred to the capital reserve in the amount of T€ 96,460. In addition, the cancellation of 2,185,042 no-par value shares as part of a capital reduction was transferred to the capital reserves in the amount of T€ 2,185.

C.5. Other retained earnings

The other revenue reserves are made up as follows:

(in T€)	2024	2023
Other revenue reserves 01.01.	169,909	271,556
Acquisition of treasury shares	-141,990	-68,699
Withdrawals from other revenue reserves	0	-32,948
Other revenue reserves 31.12.	**27,919**	**169,909**

The difference between the nominal value of the repurchased treasury shares deducted from the share capital and the pure purchase price of the treasury shares - excluding incidental acquisition costs - was recognised as a reduction in other revenue reserves.

C.6. Retained earnings

Retained earnings are made up as follows:

(in T€)	2024	2023
Lecture 01.01.	36,687	35,372
Dividend distribution	-35,017	-35,372
Withdrawals from other revenue reserves	0	32,948
Allocation to the capital reserve	-5,172	-2,185
Net income for the year	113,386	5,924
Retained earnings 31.12.	**109,884**	**36,687**

C.7. Other provisions

Other provisions include provisions for variable purchase price components (earn-out) from the acquisition of the S&L Group and NWC Services GmbH (T€ 2,262; previous year: T€ 5.361), audit and closing costs (T€ 585; previous year: T€ 605), bonuses (T€ 359; previous year: T€ 309), variable salary components (T€ 218; previous year: T€ 250), severance payments (T€ 172; previous year: T€ 97), outstanding invoices (T€ 0; previous year: T€ 93), retention obligations (T€ 64; previous year: T€ 81), holiday (T€ 55; previous year: T€ 54), tax audit costs (T€ 50; previous year: T€ 39), employers' liability insurance association contributions (T€ 3; previous year: T€ 2), share-based payments (T€ 679; previous year: T€ 535), anniversary payments (T€ 28; previous year: T€ 28) and for partial retirement (T€ 13; previous year: T€ 0).

C.8. Liabilities

With regard to the composition of liabilities, please refer to the table of liabilities below.

(in T€)	Remaining term: up to 1 year	more than 1 year	more than 5 years	As at 31.12.2024	Secured by liens or similar rights	Type, shape
1. Trade accounts payable	276	0	0	276	0	cancelled
2. Liabilities to affiliated companies	18	0	0	18	0	cancelled
3. Other liabilities	12,945	338	19	13,302	0	cancelled
(thereof from taxes)	12,358	0	0	12,358		
Total	**13,239**	**338**	**19**	**13,596**	**0**	

(in T€)	Remaining term: up to 1 year	more than 1 year	more than 5 years	As at 31.12.2023	Secured by liens or similar rights	Art, Form
1. Trade accounts payable	645	0	0	645	0	cancelled
2. Liabilities to affiliated companies	31	0	0	31	0	cancelled
3. Other liabilities	11,371	241	12	11,624	0	cancelled
(thereof from taxes)	10,833	0	0	10,833		
Total	**12,047**	**241**	**12**	**12,300**	**0**	

The liabilities to affiliated companies in the 2024 financial year are attributable in full to trade payables (T€ 18; previous year: T€ 31).

C.9. Deferred taxes

Deferred taxes are shown in the following table:

(in T€)	Balance sheet values as at 31.12.2024			Deferred taxes as at 31.12.2024	Deferred taxes as at 31.12.2023	Change
	Commercial law	Tax law	Difference			
Deferred tax assets						
Other provisions	4,488	4,379	109	34	34	0
Deferred tax liabilities						
Shares in affiliated companies	491,731	399,843	-91,888	-1,424	-1,440	16
Balance of deferred tax assets and liabilities			-91,779	-1,390	-1,406	16
Deferred tax assets for tax group companies			5,640	1,748	1,350	398
Deferred tax liabilities for tax group companies			-2,984	-557	-867	310
Balance of deferred tax assets and liabilities for tax group companies			2,656	1,191	483	708
Deferred tax liabilities			**-89,123**	**-199**	**-923**	**724**

As at 31 December 2024, there is a surplus of deferred tax liabilities; for this surplus, the option under Section 274 (1) sentence 3 HGB is exercised in such a way that deferred tax assets and liabilities are netted.

Deferred tax liabilities as at 31 December 2024 before netting of T€ 1,424 (previous year: T€ 1,440) mainly relate to shares in affiliated companies for which deferred taxes were calculated in the amount of the non-deductible operating expenses of five percent (T€ 4,594; previous year: T€ 4,647).

Deferred tax assets from tax group companies result primarily from other provisions, pension provisions and goodwill. Deferred tax liabilities from tax group companies mainly result from trade payables and investments.

D. Notes and disclosures on the income statement

The income statement was prepared using the nature of expense method.

Sales in the 2024 financial year mainly include income from the provision of management services (T€ 11,114; previous year: T€ 10,803). 90.5 percent (previous year: 94.1 percent) of revenue in the 2024 financial year was generated in Germany (T€ 10,147; previous year: T€ 10,584) and 9.5 percent (previous year: 5.9 percent) abroad (T€ 1,068; previous year: T€ 665).

Other operating income primarily includes cost transfers within the Group totalling T€ 5,220 (previous year: T€ 3,418). In the 2024 financial year, prior-period income includes income from the reversal of provisions (T€ 293; previous year: T€ 30), income from cost reimbursements from previous years (T€ 80; previous year: T€ 29) and income from the sale of fixed assets (T€ 22; previous year: T€ 7). Write-ups of loans to affiliated companies accounted for T€ 0 in the reporting year (previous year: T€ 107). Income from currency translation (T€ 38; previous year: T€ 1,374) in the previous year resulted primarily from the repayment of the loan from CANCOM, Inc., USA.

Other operating expenses include expenses from currency translation totalling T€ 0 (previous year: T€ 19). Extraordinary expenses in the reporting year relate to expenses from the acquisition of treasury shares (T€ 121; previous year: T€ 179), capital increase costs (T€ 0; previous year: T€ 80) and expenses for subsequent purchase price adjustments from the sale of subsidiaries (T€ 0; previous year: T€ 108).

Income from investments totalling T€ 104,926 (previous year: T€ 20,552) relates exclusively to affiliated companies.

The item "Profits received under a profit transfer agreement" includes the net profit for the year transferred to CANCOM SE by CANCOM GmbH (T€ 9,587; previous year: T€ 14,853) and CANCOM ICT Service GmbH (T€ 3,567; previous year: T€ 3,004).

Other interest and similar income mainly includes interest income from affiliated companies totalling T€ 4,886 (previous year: T€ 7,475).

Other interest and similar expenses include T€ 20 (previous year: T€ 11) in expenses from the discounting of liabilities and provisions.

In the 2023 reporting year, write-downs on financial assets include an impairment loss of T€ 30,552 due to a probable permanent impairment of the investment in CANCOM Managed Services GmbH in accordance with Section 253 (3) sentence 5 HGB due to poorer earnings expectations.

Taxes on income include deferred tax income of T€ 724 (previous year: deferred tax expenses of T€ 406).

The regulations on global minimum taxation (Pillar 2 model regulations), which may lead to additional actual tax expenses (income) from the 2024 financial year onwards, will not result in any higher burdens for CANCOM SE.

E. Other information

E.1. Other financial obligations

The obligations from current rental, leasing and licence agreements amount to.

Due in the year	2025 (in T€)	Total (in T€)
from rental agreements	155	155
from leasing contracts	33	86
from licence agreements	39	39
thereof affiliated companies	155	155

E.2. Contingent liabilities

As at the reporting date, there were guarantees for CANCOM a+d IT Solutions GmbH (T€ 40,000; previous year: T€ 40,000), CANCOM GmbH (T€ 6,100; previous year: T€ 6,600), CANCOM ICT Service GmbH (T€ 1,500; previous year: T€ 1,500), CANCOM physical infrastructure GmbH (T€ 150; previous year: T€ 150), CANCOM Public BV (T€ 500; previous year: T€ 500) and a comprehensive guarantee (T€ 200; previous year: T€ 200) for the companies CANCOM GmbH, CANCOM physical infrastructure GmbH and CANCOM ICT Service GmbH.

In 2014, CANCOM SE issued a letter of comfort for T€ 4,500 on behalf of CANCOM Managed Services GmbH as part of a major customer project. Due to the positive progress of the project and the good financial resources of CANCOM Managed Services GmbH, the company does not currently expect the letter of comfort to be utilised.

Contingent liabilities in the form of joint and several liability for guarantees and other loans totalled T€ 9,193 as at the reporting date (previous year: T€ 16,202). The guarantee credits and other loans were entered into in full in favour of affiliated companies.

CANCOM SE only enters into contingent liabilities after carefully weighing up the risks and only in connection with affiliated companies or companies whose business activities are linked to CANCOM SE or affiliated companies. In the course of utilising the exemption provision pursuant to Section 264 (3) HGB, declarations of indemnity were issued for the subsidiaries CANCOM Managed Services GmbH and CANCOM Public GmbH, according to which CANCOM SE is liable for obligations entered into up to the reporting date in the following financial year. On the basis of a continuous evaluation of the risk situation of the contingent liabilities entered into and taking into account the knowledge gained up to the date of preparation, CANCOM SE currently assumes that the obligations underlying the contingent liabilities can be fulfilled by the respective principal debtors. CANCOM SE therefore assesses the risk of utilisation as unlikely for all contingent liabilities listed.

E.3. Executive Board and Supervisory Board

The members of the Management Board in the reporting period were

- Mr Rüdiger Rath, graduate business economist, Gelsenkirchen (Chairman);
- Mr Thomas Stark, Dipl.-Wirtsch.-Ing., Wittislingen;
- Mr Jochen Borenich, Mag., Vienna (until 31 December 2024).

All members of the Executive Board are authorised to represent the company together with another member of the Executive Board or together with an authorised signatory.

The following members of the Executive Board are members of statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

Mr Rüdiger Rath in:
- CANCOM ICT Service GmbH, Munich
  (Group mandate, Chairman of the Supervisory Board).
- CANCOM Austria Beteiligungs GmbH, Vienna
  (Group mandate, Chairman of the Supervisory Board).
- CANCOM Austria AG, Vienna
  (Group mandate, Chairman of the Supervisory Board).
- CANCOM GmbH, Jettingen-Scheppach
  (Group mandate, Chairman of the Supervisory Board).

Mr Thomas Stark in:
- CANCOM Austria AG, Vienna
  (Group mandate, deputy member of the Supervisory Board).

Members of the Supervisory Board were and/or are appointed in the reporting period:

- Mr Klaus Weinmann, Chairman of the Administrative Board and Managing Director of PRIMEPULSE SE, Munich (member of the Supervisory Board since 25 October 2023, Chairman of the Supervisory Board since 12 December 2023);

- Dr Kari Kapsch, Managing Director of Kapsch Immobilien GmbH, Vienna (member of the Supervisory Board from 25 October 2023 to 31 December 2024 and Deputy Chairman of the Supervisory Board from 5 June 2024 to 31 December 2024)

- Prof. Dr Isabell Welpe, Professor and Chair of Strategy and Organisation at the Technical University of Munich, Munich (member of the Supervisory Board since 26 June 2019 and Deputy Chairwoman of the Supervisory Board since 1 January 2025);

- Mr Stefan Kober, businessman, investor and Supervisory Board member of various companies (Deputy Chairman of the Supervisory Board and Supervisory Board member until 5 June 2024).

- Dr Swantje Schulze, Vice President Revenue EMEA of Knime AG (member of the Supervisory Board since 27 April 2023);

- Dr Ilias Läber, Chief Executive Officer & Member of the Board of Directors of Spectrum Value Management Ltd. and Managing Partner & Member of the Board of Directors of SEO Management AG, Jona (Switzerland) (Member of the Supervisory Board since 1 January 2024);

- Mr Jürgen Maidl, freelance management consultant (member of the Supervisory Board since 5 June 2024).

The following members of the Supervisory Board are members of other statutory supervisory boards or comparable domestic or foreign supervisory bodies of commercial enterprises:

Mr Klaus Weinmann:
- STEMMER IMAGING AG, Puchheim (Chairman of the Supervisory Board);
- FLOWFRAME SE, Munich (Chairman of the Supervisory Board).

Dr Kari Kapsch:
- CANCOM Austria AG, Vienna (member of the Supervisory Board).

Prof Dr Isabell Welpe:
- Deloitte Deutschland GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf (member of the Supervisory Board);
- Indus Holding AG, Bergisch Gladbach (member of the Supervisory Board);
- STEMMER IMAGING AG, Puchheim (member of the Supervisory Board).

Dr Ilias Läber:
- Holcim LTD, Zug, Switzerland (Member of the Board of Directors);
- dormakaba Holding AG (member of the Board of Directors);
- Swiss Automotive Group, Cham, Switzerland (Member of the Board of Directors).

Mr Stefan Kober (until 5 June 2024):
- PRIMEPULSE SE, Munich (member of the Board of Directors).

At the Supervisory Board meeting on 12 December 2023, it was decided that Mr Klaus Weinmann would become an accounting expert following the departure of Dr Lothar Koniarski. The Supervisory Board also decided that Dr Ilias Läber should take over the role of Chairman of the Audit Committee immediately after his appointment by the court. Dr Ilias Läber is also to take over the role of audit expert from Mr Stefan Kober immediately after his appointment by the court. Following the court appointment of Dr Ilias Läber on 1 January 2024, the following members of the Supervisory Board were appointed as experts:

- Dr Ilias Läber (member of the Supervisory Board) is an expert for auditing financial statements (in accordance with Section 100 and Section 107 of the German Stock Corporation Act);

- Klaus Weinmann (Chairman of the Supervisory Board) is an accounting expert (in accordance with Section 100 and Section 107 of the German Stock Corporation Act).

Dr Kari Kapsch resigned from the Supervisory Board with effect from 31 December 2024. The Supervisory Board of CANCOM SE therefore consists of five members at the time this report was prepared.

E.4. Number of employees

On average over the year, the company had 148 (previous year: 160) employees in the Central Services functional area, including part-time employees but excluding trainees, interns and Management Board members. Of these, 15 (previous year: 12) employees were employed in Executive Board support/holding functions, 11 (previous year: 11) in legal, 78 (previous year: 86) in finance and accounting and 44 (previous year: 51) in human resources.

E.5. Auditors' fees

The disclosures pursuant to Section 285 No. 17 HGB are omitted as they are included in the consolidated financial statements prepared by CANCOM SE.

E.6. Declaration on the Corporate Governance Code

The Management Board and Supervisory Board have issued a joint declaration of compliance with the recommendations of the German Corporate Governance Code in accordance with Section 161 (1) AktG, which has been published. This is permanently available to the public on the company's website.

E.7. Total remuneration of the Executive Board and Supervisory Board

The total remuneration of the members of the Management Board is divided into fixed and variable components. Payment of the variable components is linked to firmly defined performance targets.

Individual existing and former members of the Executive Board were granted share options in 2018 and 2020. In addition, existing members of the Executive Board were granted cash-settled performance shares as share-based remuneration in 2021, 2022, 2023 and 2024. In detail, the share-based remuneration of the members of the Executive Board is as follows

- Thomas Stark: 60,000 share options,
  fair value at issue on 17 August 2018: € 624,000.
- Rudolf Hotter: 150,000 share options,
  fair value at issue on 6 May 2020: € 2,170,500;
  75,000 of these share options will expire in 2022.
- Rüdiger Rath: 805 performance shares,
  fair value at issue on 23 September 2021:€ 42,335.
- Rüdiger Rath: 2,850 performance shares,
  fair value on issue on 7 December 2021: € 178,667.
- Rüdiger Rath: 7,340 performance shares,
  fair value on issue on 14 December 2022: € 215,943.
- Thomas Stark: 5,418 performance shares,
  fair value on issue on 14 December 2022: € 159,939.
- Rüdiger Rath: 7,895 performance shares,
  fair value on issue on 12 December 2023: € 210,244.
- Thomas Stark: 5,827 performance shares,
  fair value on issue on 12 December 2023: € 155,872.
- Jochen Borenich: 2,547 performance shares,
  fair value on issue on 14 June 2023: € 69,941.
- Jochen Borenich: 6,767 performance shares,
  fair value on issue on 12 December 2023: € 177,295.
- Rüdiger Rath: 8,777 performance shares,
  fair value on issue on 13 December 2024: € 208,980.
- Thomas Stark: 6,478 performance shares,
  fair value at issue on 13 December 2024: € 154,889.

The total remuneration of the Executive Board totalled T€ 2,290 in the reporting year (previous year: T€ 2,320), including all performance shares granted in the reporting year. Remuneration for former members of the Executive Board totalled T€ 0 in the reporting year (previous year: T€ 375).

The total remuneration of the Supervisory Board in the reporting year amounted to T€ 500 (previous year: T€ 474).

E.8. Information on shareholdings in the capital of CANCOM SE

As at 31 December 2024, the company had the following information on notifiable shareholdings in accordance with Sections 33 et seq. WpHG were available:

The Goldman Sachs Group, Inc., Wilmington, DE, USA, has not announced any threshold violations in 2024. The following notification therefore continues to apply: The Goldman Sachs Group, Inc, Wilmington, DE, USA, notified CANCOM SE on 24 March 2020 that its share of voting rights in CANCOM SE, held directly or indirectly, fell below the threshold of 5 percent on 20 March 2020 and on that day directly amounted to 1.80 percent (corresponding to 694,671 voting rights). Due to additional voting rights resulting from financial instruments, the total share of voting rights held on that day was 3.97 percent (corresponding to 1,531,921 voting rights).

Allianz Global Investors GmbH, Frankfurt, Germany, notified CANCOM SE on 5 August 2024 that its share of the voting rights in CANCOM SE, held directly or indirectly, fell below the threshold of 10 percent of the voting rights on 1 August 2024 and amounted to 9.17 percent (corresponding to 3,211,256 voting rights) on that date.

ALUK Privatstiftung did not report any contact with the threshold in 2024. The following notification therefore continues to apply: Dr Kari Kapsch notified CANCOM SE on 12 June 2023 that the share of voting rights in CANCOM SE held directly or indirectly by ALUK Privatstiftung, Vienna, Austria, which is controlled by him, exceeded the threshold of 5 percent on 7 June 2023 and amounted to 5.97 percent (corresponding to 2,321,530 voting rights) on that day.

PRIMEPULSE SE, Munich, Germany, notified CANCOM SE on 10 December 2024 that its share of voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 15 percent on 6 December 2024 and amounted to 15.00 percent (corresponding to 4,727,315 voting rights) on that date. Previously, PRIMEPULSE SE had reported on 9 September 2024 that its share of voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 10 percent of the voting rights on 3 September 2024 and on that day amounted to 10.15 percent (corresponding to 3,553,315 voting rights).

SEO Management AG, Rapperswil-Jona, Switzerland, did not report any contact with the threshold in 2024. The following notification therefore continues to apply: SEO Management AG, Rapperswil-Jona, Switzerland, notified CANCOM SE on 28 August 2023 that its share of voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 5 percent on 23 August 2023 and amounted to 5.04 percent (corresponding to 1,960,474 voting rights) on that day.

UBS Group AG, Zurich, Switzerland, notified CANCOM SE on 26 August 2024 that its share of voting rights in CANCOM SE, held directly or indirectly, fell below the threshold of 3.00 percent of the voting rights on 21 August 2024 and amounted to 2.45 percent (corresponding to 857,692 voting rights) on that date.

Union Investment Privatfonds GmbH, Frankfurt am Main, Germany, notified CANCOM SE on 14 February 2024 that its share of the voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 3 percent of the voting rights on 13 February 2024 and amounted to 3.45 percent (corresponding to 1,143,380 voting rights) on that date.

BlackRock, Inc., Wilmington, Delaware, United States of America, notified CANCOM SE on 9 July 2024 that its share of the voting rights in CANCOM SE, held directly or indirectly, exceeded the threshold of 3 percent of the voting rights on 4 July 2024 and on that day amounted to 3.19 percent (corresponding to 1,116,319 voting rights). As a result of a takeover and restructuring of the Group, BlackRock, Inc., Wilmington, Delaware, United States of America, reported on 3 October 2024 that it had reached a voting rights share of 3.31percent on 1 October 2024 (corresponding to 1,160,435 voting rights).

E.9. Supplementary report

On 28 February 2025, the Supervisory Board of CANCOM SE extended the contract of CEO Rüdiger Rath early for a further four years until 31 December 2029. Rüdiger Rath joined the Executive Board in October 2021 and took over as CEO on 1 November 2022.

Dr Ilias Läber, member of the Supervisory Board of CANCOM SE, resigned from the Supervisory Board in due time with effect from 31 March 2025 and will therefore leave the Board on this date.

There were no other significant events for CANCOM SE after the reporting period.

E.10. Proposal for the utilisation of the result

The Executive Board resolves to propose to the Supervisory Board and the Annual General Meeting that the net retained profits for the 2024 financial year of € 109,884,354.84 (previous year: € 36,686,808.00) be used to distribute a dividend of € 1.00 (previous year: € 1.00) per dividend-bearing share.

E.11. Parent company

CANCOM SE, Munich, is the company that prepares the consolidated financial statements. The consolidated financial statements of CANCOM SE are available on its website and can be viewed in the Federal Gazette and the company register.

Munich, 25 March 2025

The Executive Board of CANCOM SE

Rüdiger Rath CEO	Thomas Stark CFO

List of shareholdings

Name of the company, registered office of the company	Share of capital (in %)	Equity as at 31.12.2024 (in T€)*2	Annual result 2024 (in T€)*2
Investments over 20 %			
1. CANCOM GmbH, Jettingen-Scheppach	100.00	65,039	-1,237 *1
2. VVM AG, Dietlikon/Switzerland	100.00 A)	-1	0
3. CANCOM Computersysteme GmbH, Graz/Austria	100.00 A)	3,517	3,001
4. CANCOM a+d IT solutions GmbH, Brunn am Gebirge/Austria	100.00 B)	9,655	2,844
5. SBSK GmbH & Co KG, Schönebeck	100.00 A)	6,158	482
6. SBSK GmbH, Schönebeck	100.00 F)	36	-2
7. CANCOM ICT Service GmbH, Munich	100.00	3,592	-11 *1
8. CANCOM Managed Services GmbH, Munich	100.00	19,103	7,617
9. CANCOM Public GmbH, Berlin	100.00	4,846	3,395
10. CANCOM Public BV, Brussels/Belgium	100.00	3,129	194
11. CANCOM physical infrastructure GmbH, Jettingen-Scheppach	80.00	1,407	347
12. CANCOM VVM II GmbH, Jettingen-Scheppach	100.00	90	-1
13. CANCOM VVM GmbH, Munich	100.00	49	0
14. CANCOM Slovakia s.r.o., Košice/Slovakia	100.00	1,432	732
15. CANCOM Austria Beteiligungs GmbH, Vienna/Austria	100.00	79,552	31,071
16. CANCOM Austria AG, Vienna/Austria	100.00 C)	78,492	39,594
17. CANCOM ROMANIA S.R.L., Bucharest/Romania	100.00 D)	4,694	1,079
18. CANCOM Czech Republic s.r.o, Prague/Czech Republic	100.00 D)	85	33
19. CANCOM Switzerland AG, Zurich/Switzerland	100.00 D)	9,339	-1,141
20. K-Businesscom Inc., Georgia/USA	100.00 D)	-2	-2
21. CANCOM Converged Services GmbH, Vienna/Austria	100.00 D)	3,372	2,586
22. ITM Informationstransport und -management Gesellschaft m.b.H., Vienna/Austria	100.00 D)	555	460
23. evolaris next level GmbH, Raaba-Grambach/Austria	100.00 D)	17	-5
24. CANCOM Cashpooling and Hedging GmbH, Vienna/Austria	100.00 D)	782	765
25. CANCOM Banking Services GmbH, Vienna/Austria	96.00 E)	232	29
26. CANCOM Consumption Services GmbH (formerly CANCOM Technology GmbH), Vienna/Austria	100.00 D)	102	80
27. CloudXcelerate GmbH, Vienna/Austria	100.00 D)	-52	-99
28. CANCOM Liegenschaft Management GmbH, Vienna/Austria	100.00 D)	4,251	-129
29. CANCOM Financial Services GmbH, Schweinfurt	40.00	721	-225
30. Sensor Network Services GmbH, Vienna/Austria	50.00 D)	430	-262
31. CANCOM Rental Services GmbH, Vienna/Austria	49.00 D)	7,146	1,829
32. CALPANA business consulting GmbH, Linz/Austria	40.00 D)	706	1,026
33. Workheld GmbH, Vienna/Austria	39.90 D)	-289	-129
34. Elmon GmbH, Wiener Neudorf/Austria	25.10 D)	1,866	944 *3
35. Duana Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	100.00 G)	0	2

A) Indirect shareholding via CANCOM GmbH
B) Indirect shareholding via CANCOM Computersysteme GmbH
C) Indirect shareholding via CANCOM Austria Beteiligungs GmbH
D) Indirect shareholding via CANCOM Austria AG
E) Indirect shareholding via CANCOM Cashpooling and Hedging GmbH
F) Indirect shareholding via SBSK GmbH & Co. KG
G) Indirect shareholding via CANCOM GmbH, voting rights 10 percent

*1 Profit and loss transfer agreement with CANCOM SE.
*2 Equity as at 31 December 2024 and the net profit for 2024 were determined in accordance with the individual IFRS financial statements included in the consolidated financial statements.
*3 No approved annual financial statements for 2024 are yet available. The equity as at 31 December 2023 and the annual result for 2023 from the approved annual financial statements for 2023 were stated.

Insurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report of CANCOM SE, which is combined with the Group management report of CANCOM SE, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Munich, 25 March 2025

The Executive Board of CANCOM SE

Rüdiger Rath	Thomas Stark
CEO	CFO

INDEPENDENT AUDITOR'S REPORT

To CANCOM SE

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of CANCOM SE, which comprise the statement of financial position as at 31 December 2024, and the income statement for the financial year from 1 January 2024 to 31 December 2024, and the notes to the annual financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report of CANCOM SE for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the components of the combined management report listed under “Other Information”.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of those of its parts listed in the "Other information" section of the combined management report.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined 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 Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company 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 annual financial statements and on the combined management report.

Key Audit matters in the Audit of the Annual Financial Statements

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

We determined the following matter to be the most important in our audit:

Impairment of Shares in Affiliated Companies

Our presentation of this key audit matter has been structured as follows:

1. Facts and problem definition
2. Audit procedures and findings
3. Reference to further information

In the following we present this key audit matter:

Impairment of Shares in Affiliated Companies

1. In the annual financial statements of CANCOM SE shares in affiliated companies totalling EUR 497,831,027.25 are recognised under the item "Financial assets", thus representing around 73.5% of the balance sheet total. The shares in affiliated companies are subject to an annual impairment test by the Company on the balance sheet date or when there is an indication that an asset may be impaired. These valuations are regularly based on the cash value of future cash flows of the respective affiliated company. The valuations underlying the budgets of the individual affiliated companies are based on the financial planning approved by the Supervisory Board. Discounting is carried out using the weighted average cost of capital of the respective company. The result of this valuation is highly dependent on estimates of future cash inflows by the Company's legal representatives and on the discount rate used and is therefore subject to considerable uncertainty, which is why this matter is of particular significance in the scope of our audit.

2. In order to address this risk, we critically reviewed management's assumptions and estimates and performed, among others, the following audit procedures:

   - We reviewed the planning process and the control implemented therein.

   - Furthermore, we followed the methodology for performing the impairment tests and assessed the calculation of the weighted average cost of capital.

   - We convinced ourselves that the future cash inflows on which the valuations are based, and the discount rates used form an appropriate basis for the impairment tests of the individual companies.

   - In our assessment we relied, among other things, on a comparison with general and industry-specific market expectations as well as comprehensive explanations by management on the main value drivers of the planning and a comparison of this information with the current budgets from the planning approved by the supervisory board.

   - In the knowledge that even relatively small changes in the discount rate can have a material impact on the value in use calculated in this way, we examined the parameters used to determine the discount rate applied, including the weighted average cost of capital, and verified the Company's calculation scheme.

   - The procedure underlying the impairment test of the shares in affiliated companies is appropriate and in line with the valuation principles. The Company's assumptions and data are appropriate.

3. The Company's disclosures on shares in affiliated companies are contained in the "List of shareholdings".

Other Information

The executive directors and the supervisory board are responsible for the Other Information. The Other Information comprises:

- the separate non-financial report of the Company and the Group, which is expected to be made available to us after the date of this auditor's report and to which reference is made in the combined management report,

- the combined Statement on Corporate Governance of the Company and the Group, to which reference is made in the combined management report, and

- the non-financial information contained in the combined management report that has been labelled as unaudited.

The Other Information also includes the Group's annual report expected to be made available to us after the date of this auditor's report. The Other Information does not include the annual financial statements, the consolidated financial statements, the audited content of the combined management report and our respective auditor's report thereon.

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

In connection with our audit, our responsibility is to read the Other Information referred to above and, in doing so, consider whether the Other Information

- is materially inconsistent with the annual financial statements, with the audited information in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company'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, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual 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 combined 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 combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 annual financial statements and on the combined 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) 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 annual financial statements and this combined 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 and of the combined management report, 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 opinions. 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 control.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined 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 the Company's internal control or on the effectiveness of these arrangements and measures.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting 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 Company'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 annual financial statements and in the combined 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 Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the combined 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 annual 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 LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the electronic reproductions of the annual financial statements and the combined management report prepared for publication purposes in accordance with § 317 (3a) HGB

Audit Opinion

In accordance with § 317 (3a) HGB, we have performed a reasonable assurance audit to determine whether the reproductions of the annual financial statements and the combined management report (hereinafter also referred to as "ESEF documents") contained in the file named „CANCOM_SE_2024-12-31_de.zip" SHA256:6cd09808da7d0c76895de62aff9a3102615961509107173746 22dd701136223f and prepared for publication purposes comply in all material respects with the electronic reporting format ("ESEF format") pursuant to § 328 (1) HGB. In accordance with German legal requirements, this audit covers only the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore does not extend to the information contained in these reproductions or to any other information contained in the above-mentioned file.

In our opinion, the reproduction of the annual financial statements and the combined management report contained in the above-mentioned file and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond this opinion and our opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January 2024 to 31 December 2024 contained in the preceding "Report on the Audit of the Annual Financial Statements and of the Combined Management Report".

Basis for the Audit Opinion

We conducted our audit of the reproductions of the annual financial statements and of the combined management report contained in the above-mentioned file provided in accordance with § 317 (3a) HGB and in compliance with IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Combined Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibilities under those requirements are further described in the "Auditor's responsibilities for the audit of the ESEF documents" section. Our audit practice has complied with the requirements of the IDW quality management standard: Requirements for Quality Management in the Auditing Practice (IDW QMS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproductions of the annual financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB.

Furthermore, the Company's executive directors are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of § 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance – whether due to fraud or error – with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material non-compliance with the requirements of § 328 (1) HGB, 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.

- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the provided file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as applicable on the reporting date for the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 5 June 2024. We were engaged by the supervisory board on 5 August 2024. We are the auditor of CANCOM SE for the first time.

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 REPORT

Our audit report should always be read in conjunction with the audited annual financial statements and the audited combined management report as well as the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be filed in the Business Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction 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 Andreas Weissinger.

Munich, 25 March 2025

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Weissinger	Heitzer
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Financial calendar of CANCOM SE

2025

Non-financial Report 2024	Nichtfinanzieller Konzernbericht
13 May 2025	Quarterly Statement as at 31 March 2025
24 June 2025	Annual General Meeting, Munich
12 August 2025	Interim Report as at 30 June 2025
13 November 2025	Quarterly Statement as at 30 September 2025
24 – 26 November 2025	Analysts' conference as part of the Deutsches Eigenkapitalforum, Frankfurt/Main

Note:
Subject to change. Art 17 of the European Market Abuse Regulation (MAR) requires issuers to promptly publish any information which will significantly impact share price. This means that we may publish our quarterly or fiscal-year-end results before the dates listed above.

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