

Interim announcement for the first quarter of 2021

adesso SE sees successful start to 2021 / Dynamic sales growth and rise in earnings / Guidance increase, taking into account the non-recurring effects from the sale of the e-Spirit Group

- Sales up by 30 % to EUR 163.2 million
- EBITDA rises by 193 % to EUR 35.8 million (of which EUR 17.0 million from one-off effect)
- Earnings per share: EUR 3.78 (without one-off effect: EUR 1.07; previous year: EUR 0.60)
- The full-year forecast is confirmed and adjusted to take special effects into account

***Dortmund, 12 May 2021* – adesso SE sees a successful start to 2021, reporting a strong increase in sales of 30 % to EUR 163.2 million in the first quarter of 2021, following the significant growth in the number of employees in previous quarters and the acquisitions made in 2020. Around 25 percentage points of the growth was achieved organically, following the high demand for digitalisation services. The remaining 5 percentage points can be attributed to the acquisitions made in the previous year. The good capacity utilisation of the previous year was continued. Furthermore, the first significant license revenues in the product business were generated. This leads to a significant increase in the EBITDA to EUR 35.8 million (+193 %). This includes a non-recurring special effect of EUR 17.0 million from the sale of the e-Spirit Group, resolved in March 2021. Even without this effect, the operating earnings rose disproportionately to sales by 54 %, so that sales and EBITDA (adjusted) are well within the previous full-year forecast for 2021. The full-year forecast has therefore been confirmed on the basis of the positive development of the first quarter and further year planning and has been adjusted for the special effects from the sale of the e-Spirit Group. adesso now expects an EBITDA upwards of EUR 89 million (previously: upwards of EUR 72 million) with sales upwards of EUR 600 million.**

Business development

Sales revenues rose to a new record high of EUR 163.2 million in the first quarter. The acquisitions contributed 5 percentage points to the 30 % increase. In addition to the further expansion of business activities in the IT Services segment, especially at the parent company adesso SE in Germany, growth was driven by the positive development of business with the in|sure Ecosphere product family as well as with mobile applications. The high increase in personnel in Germany and abroad was continued. Sales in Germany increased by 33 %, while the share of sales abroad increased at a lower rate by 21 %. Compared to the first quarter of the previous year, the number of employees increased by 21 % or rather 887 employees to 5,079 as at the reporting date (previous year: +20 % or 710 employees). Overall, 19 % of employees are employed abroad (previous year: 17 %).

With the exception of the automotive and transportation industry, whose sales continue to decline due to the pandemic, all of adesso's core industries increased significantly in comparison to the same quarter in the previous year. Insurance, which made the largest contribution to sales thanks to licensing revenues in the product business, was able to expand business by 33 % compared to the same period of time in the previous year. Once again, the relatively new core manufacturing industry showed above-average growth. The industries of healthcare and public administration each increased sales by 21 %. After only slight growth of 2 % for the whole of 2020, revenue in the banking industry is up again by 26 % during the first quarter of 2021 compared to the same quarter of the previous year. Things are looking considerably brighter and the overall environment once again more investment-friendly.

Sales generated abroad increased by a total of 21 % to EUR 32.8 million. Seen in absolute terms, this growth was driven in particular by the subsidiaries in Switzerland as well as by the acquisitions made in the Netherlands in 2020. In terms of percentage, the subsidiaries in Spain, Austria and Turkey showed the highest growth.

Income development

Besides the positive non-recurring effect resulting from the sale of the e-Spirit Group in the amount of EUR 17.0 million, the biggest driving force behind the above-average increase of the operating earnings to EUR 35.8 million (Q1/2020: EUR 12.2 million) was the successful licensing of the business with in|sure Ecosphere during the first quarter of 2021. With the Pensionskasse der Mitarbeiter der Hoechst-Gruppe VVaG, one of the largest pension funds in

Germany has decided to update its entire application environment based on the products from the adesso Group. In addition, another significant licence agreement was concluded with an insurance company.

Despite the significant restrictions due to the ongoing lockdown in Germany, capacity utilisation and booking intensity in the IT services business was able to develop satisfactorily. Clients as well as the adesso Group companies have decided to switch to remote operations.

Personnel costs rose by 31 % to EUR 112.5 million, largely in proportion to sales growth (+30 %) and gross profit (+31 %). While the average number of employees increased by 25 % compared to the same period time during the previous year, the usual operating costs remained constant at EUR 15.7 million, despite the strong employee and sales growth. The average personnel costs per employee therefore increased again in a somewhat fashion by 5 %.

As predicted, two more significant deals in the product business with in|sure Ecosphere were recorded in the first quarter of the year. adesso will continue to invest in the successful product family and, with continued success, a positive contribution to earnings from the product business can be expected again in 2021. The sales pipeline is well filled and there are good opportunities for additional contracts to be concluded during the course of this year, which will strengthen the product business compared to the previous year.

Depreciation and amortisation increased by a total of EUR 1.6 million to EUR 7.8 million, of which EUR 0.8 million was attributable to depreciation and amortisation relating to company acquisitions (previous year: EUR 0.6 million). Income from investment activities came to EUR -0.1 million, while income from financing activities stood at EUR -0.6 million. Due to the higher EBITDA in connection with the non-recurring effect as well as a lower tax rate of 14 % compared to the same quarter of the previous year, the consolidated result was able to improve by 538 % to EUR 23.5 million (previous year: EUR 3.7 million). Earnings per share amounted to EUR 3.78 (without one-off effect from the sale of e-Spirit: EUR 1.07; previous year: EUR 0.60).

Additional figures and information

adesso held liquid assets of EUR 51.1 million as at 31 March 2021 (previous year: EUR 32.3 million; 31 December 2020: EUR 55.1 million). Interest-bearing financial liabilities amounted to EUR 68.8 million, compared with EUR 56.5 million in the previous year. At 21 %, working capital rose at a significantly lower margin compared to sales in the first quarter of the previous year to stand at EUR 113.2 million. Equity rose by EUR 23.5 million to EUR 126.3 million in the

first quarter compared to the figure at the end of 2020 (31 March 2020: EUR 96.1 million). The equity ratio improved by 1.1 percentage points year on year to 30.2 %. Additional indicators can be downloaded in table form under Investor Relations on the adesso website at www.adesso-group.de/en/.

Outlook

Against the current backdrop of the measures to contain the pandemic and the progress of the vaccination campaigns, there are currently no signs of any new detrimental effects on adesso's business for the rest of the year that had not already been taken into account in the original forecast of March 2021. At the same time, there is the likelihood of a tendency to ease restrictions in Germany in order to gradually return economic activities to normality. Despite the extended lockdown and the continued and clearly noticeable restrictions in the services business, adesso managed to benefit from the high demand for digitalisation initiatives across all industries in the first quarter of 2021. As in the previous year, 2021 also offers a solid framework for service business on account of positive capacity utilisation thanks to calendar effects providing an average of four additional working days. As the effects of the pandemic subside and additional sales are generated, the fledgling companies based abroad, which are currently still operating at a loss, should to improve their earnings. Be that as it may, managing pandemic-related uncertainties remains a top priority at adesso, as there is no precise schedule for a return to normality and the easing of restrictions could also be associated with future changes in day-to-day business. Products are well on the way to a renewed positive contribution to earnings, with two significant contracts signed and a pipeline that continues to be well filled. Both sales and investments in e-Spirit will be omitted from the second quarter of 2021 in accordance with the deconsolidation through the sale of the company. Based on this information and in view of the successful start to the year, the Executive Board confirms the previous forecast for sales upwards of EUR 600 million. Adjusted for the non-recurring effect on operating earnings from the sale of the e-Spirit Group, forecast EBITDA is raised to upwards of EUR 89 million (previously: upwards of EUR 72 million). The previous target for the minimum EBITDA margin of over 10 % will be raised to upwards of 12 % on account of the non-recurring effect. As in previous years, second-quarter earnings are expected to be down on the first quarter (after deduction of the non-recurring effect), since it has the lowest number of working days. The sales and earnings contribution in the second half of the year is expected to be larger than in the first half of the year adjusted for the non-recurring effect in light of the higher number of potential working days, the conclusion of licensing

agreements in product business and the further increase in expected digitalisation orders.

The Executive Board

Contact person for Investor Relations:

adesso SE

Martin Möllmann

Manager Investor Relations

Adessoplatz 1

44269 Dortmund

Germany

T: +49 231 7000-7000

F: +49 231 7000-1000

ir@adesso.de

www.adesso-group.de/en/ | www.adesso.de/en/