

SoftwareONE

EMPOWERING COMPANIES TO TRANSFORM

H1 2021 Results Presentation

26 August 2021

DISCLAIMER

Forward-looking statements

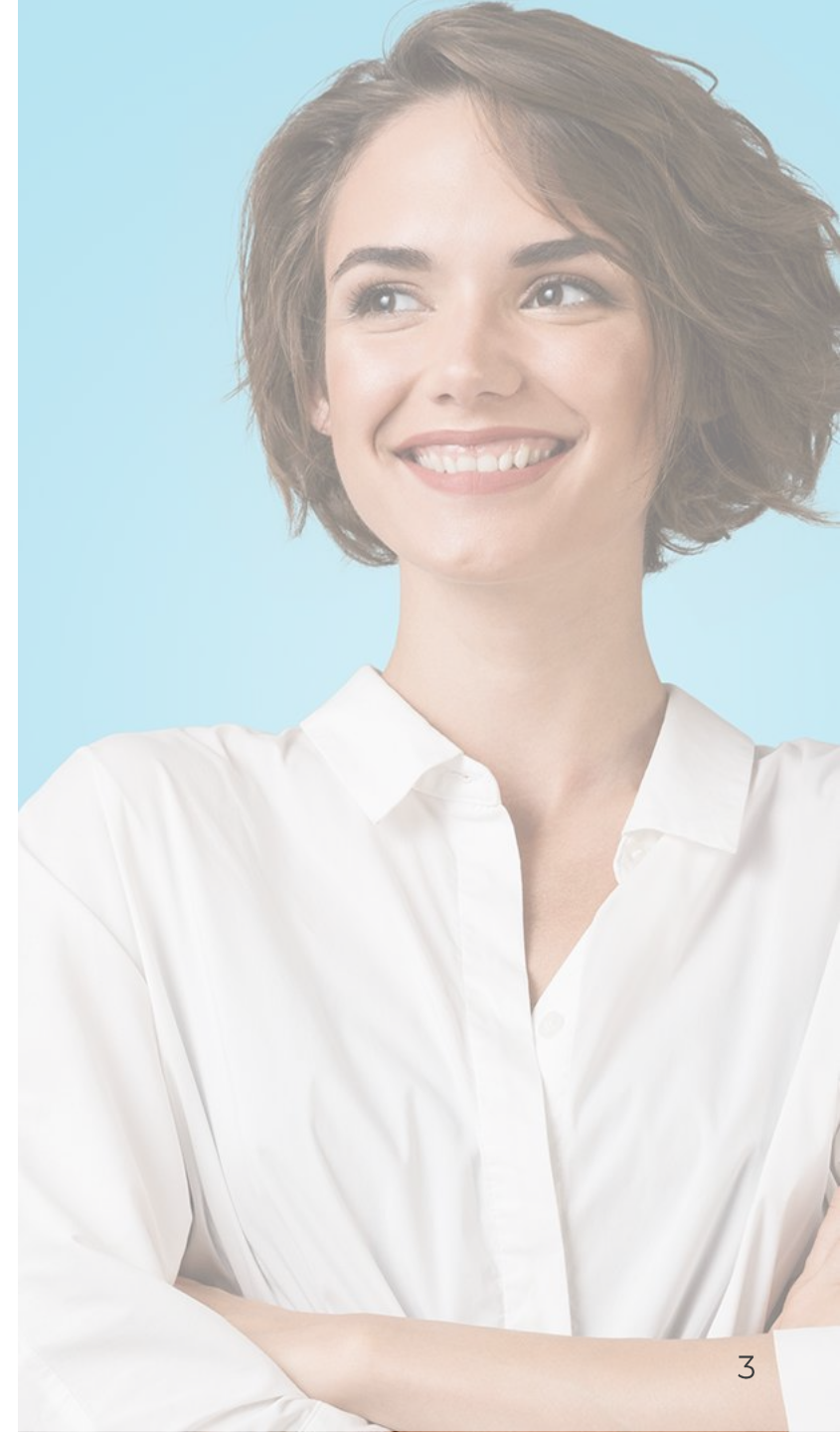
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AGENDA

- 01** H1 2021 summary results
- 02** Business update
- 03** Financial performance
- 04** Outlook
- 05** Q&A



01

H1 2021 SUMMARY RESULTS

Dieter Schlosser, CEO



KEY TAKE-AWAYS

1 Return to a **solid level of growth in H1 2021** during a year marked by **strategic investments**

2 Focus on overall growth with customers based on **digitizing Software & Cloud** and an expanding **portfolio of IP-based solutions and services**, all digitally enabled via our **PyraCloud** platform

3 Software & Cloud showed residual **COVID-19-related software purchasing weakness** and continued **shift to pay-as-you-go**; By region, LATAM impacted by weak COVID-19-related macro-economic environment

4 Solutions & Services delivered a **strong performance**, with portfolio resonating well with customers

5 **Investments in H1 2021** to capitalize on market opportunities in cloud-based services, with full year EBITDA margin profile expected to benefit from **operating leverage**

6 **Full-year 2021 guidance re-iterated**, with confidence that **investments are yielding results** and we remain **focused on executing our strategy**

H1 2021 KEY HIGHLIGHTS

RETURN TO A SOLID LEVEL OF GROWTH IN A YEAR MARKED BY STRATEGIC INVESTMENTS



CHF 414m
+12.3%⁽¹⁾

Gross profit

CHF 109m

Adj. EBITDA
(Margin 26.3%)



+53.4%⁽¹⁾

Solutions &
Services
Gross profit
growth



~35%

Solutions &
Services
as % of
Group gross
profit



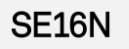
>100%

Comparex cost
synergies achieved



6

Acquisitions
announced
YTD



8,269

Employees

90

Countries



Strategic
agreement &
co-investment
plan with
Microsoft



5.4 million
Managed cloud
users supported



~60%
Activated
customers
+105% YoY
monthly active
users



New Executive Board
appointments:

Rodolfo Savitzky
(CFO)⁽²⁾

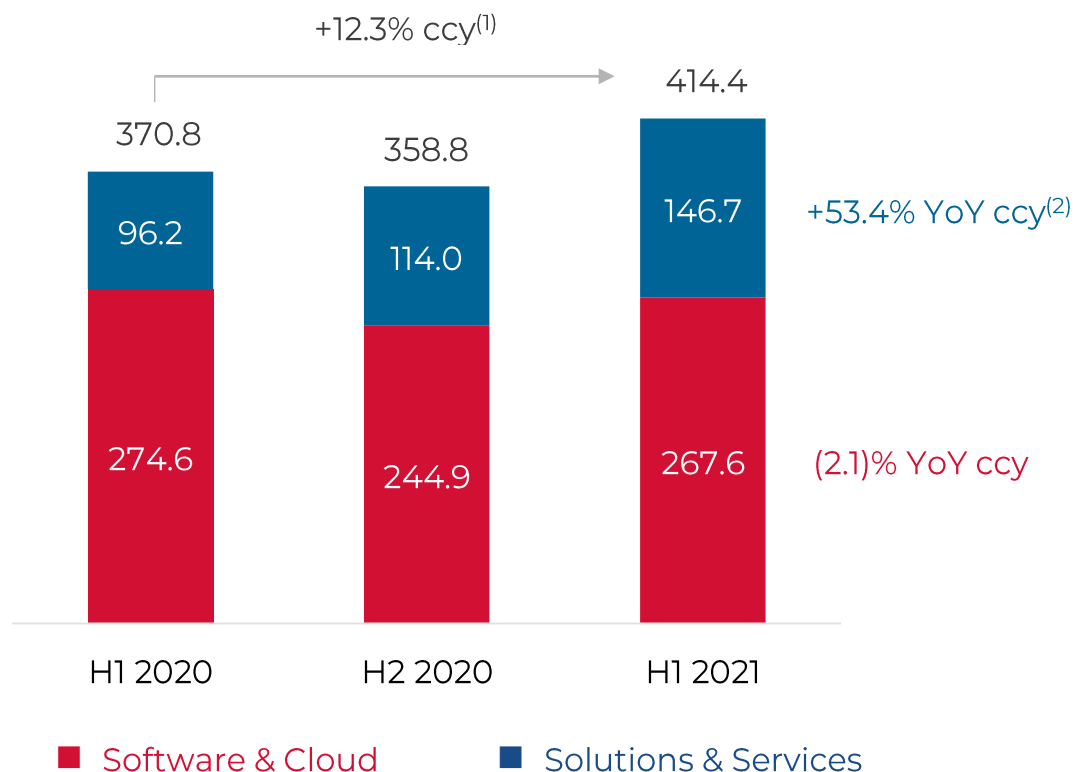
Bernd Schlotter
(President of Services)

GROSS PROFIT GROWTH ACCELERATES TO 12.3% YOY CCY

SOLUTIONS & SERVICES ACCELERATES TO 53.4% YOY IN CCY DRIVEN BY CUSTOMERS' CONTINUED PRIORITIZATION OF CLOUD-FIRST DIGITAL TRANSFORMATION

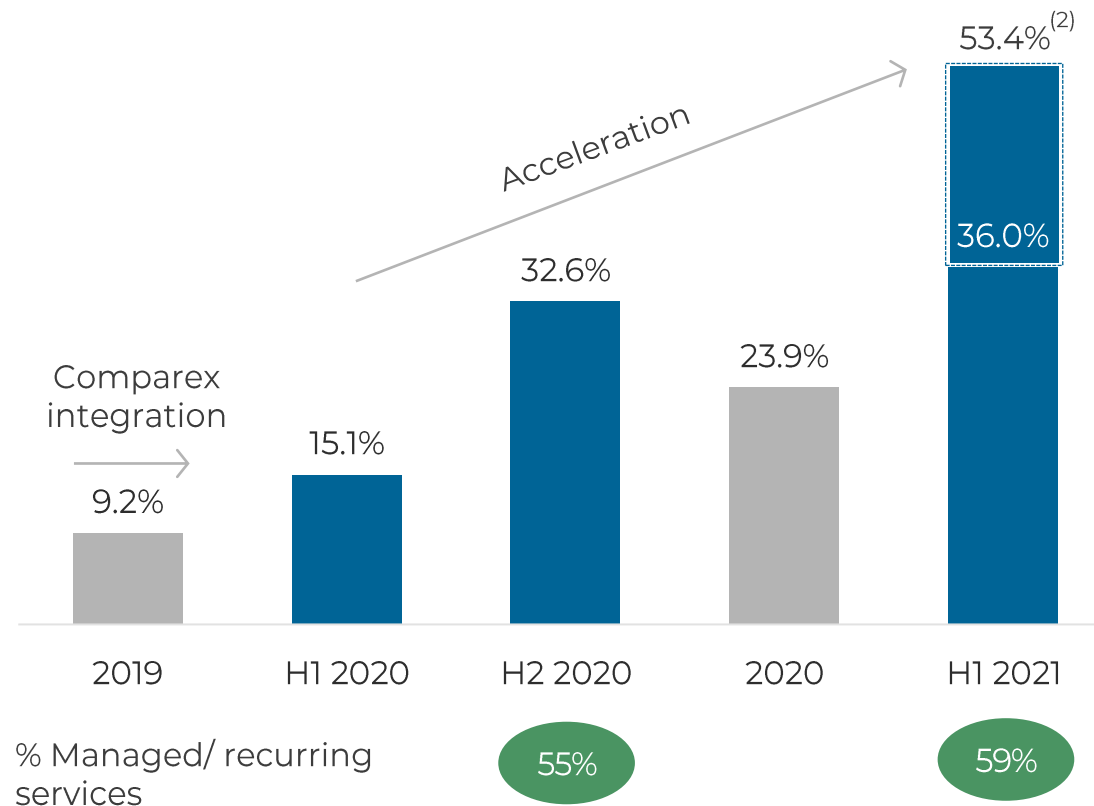
Group gross profit

CHFm



Gross profit growth in Solutions & Services

% YoY growth (ccy)



(1) InterGrupo contributed CHF 15.9 million of gross profit in H1 2021, corresponding to approximately 4% YoY growth for the group

(2) Excluding InterGrupo, the gross profit growth rate in Solutions & Services corresponded to 36.0% YoY

STRONG PERFORMANCE ACROSS KEY MARKETS

CERTAIN REGIONS STILL IMPACTED BY COVID-19, PARTICULARLY LATAM; SIGNIFICATION ACCELERATION IN NORAM AND DACH

NORAM

H1 2021 Gross profit

CHF60m
+11.3% YoY

EMEA

H1 2021 Gross profit

CHF262m
+8.2% YoY

APAC

H1 2021 Gross profit

CHF51m
+25.1% YoY

LATAM

H1 2021 Gross profit

CHF44m⁽¹⁾
+48.7% YoY
(5.4)% YoY, excl. InterGrupo

DACH

CHF135m
+12.1% YoY

Rest of EMEA

CHF127m
+4.2% YoY

FOCUSED EXECUTION OF STRATEGY TO DRIVE GROWTH

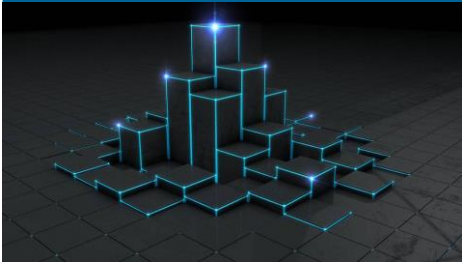
DIGITIZATION OF SOFTWARE & CLOUD WITH EXPANDED SERVICES PORTFOLIO TO DELIVER CUSTOMER VALUE, DIGITALLY-ENABLED BY PYRACLOUD

Continue to grow and digitize Software & Cloud



- Digitizing Software & Cloud with SoftwareONE Marketplace and Digital Supply Chain
- >60% customers activated and 105% YoY increase in users

Continue to cross/up-sell Solutions & Services



- 66% of LTM gross profit from customers purchasing both software and services, up from 60%
- >70% YoY gross profit growth in xSimple bundles

Expand portfolio to serve customers' digital journey



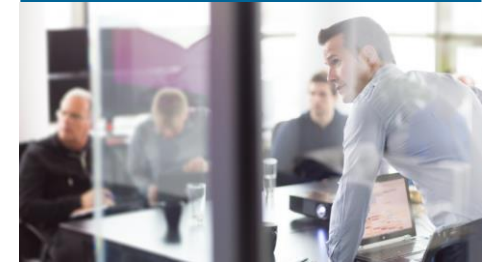
- IP-enabled services drive recurring and "sticky" business
- 59% managed / recurring services
- Investment in strategic growth areas to support customer needs, with >100% YoY gross profit growth

Scale global-local operating model for continued profitable growth



- Continued investment in local, regional and global delivery capabilities
- Automation and internal digital platform, disconnecting growth from headcount investments

Selectively pursue M&A to supplement organic growth and add capabilities



- Six acquisitions announced YTD, focusing on SAP on Cloud, and AWS and Google practices

02

BUSINESS UPDATE

Alex Alexandrov, COO



INCREASING IMPORTANCE AND COMPLEXITY OF TECHNOLOGY DRIVING GROWTH

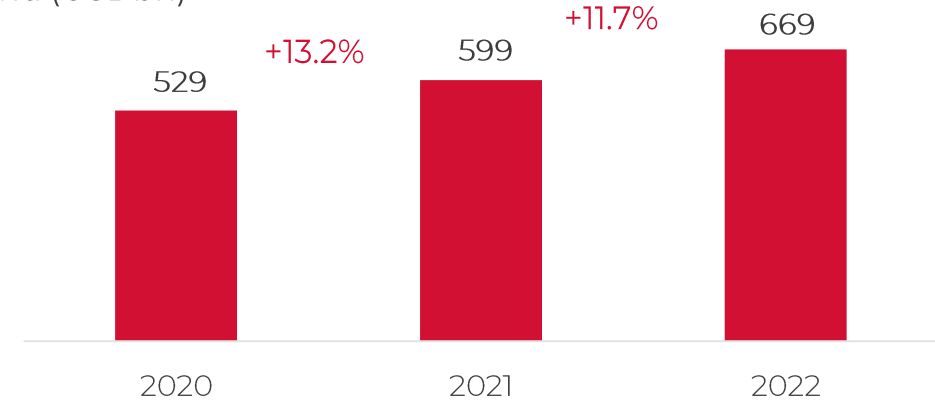
LARGE MARKETS GROWING DOUBLE-DIGIT



- Technology seen as a key **differentiator** and **increasingly core to corporates' business models**
- Increasing **technology spend** across businesses as % opex
- Increasing number of **software publishers**
- Complex shift from **on-premise to the cloud**
- Organisations **lack digital skills** to operate in a **multi-application environment**
- Recognition that **third party specialists are better placed to manage technology**
- Software publishers pushing customers to **buy services to optimise experience**

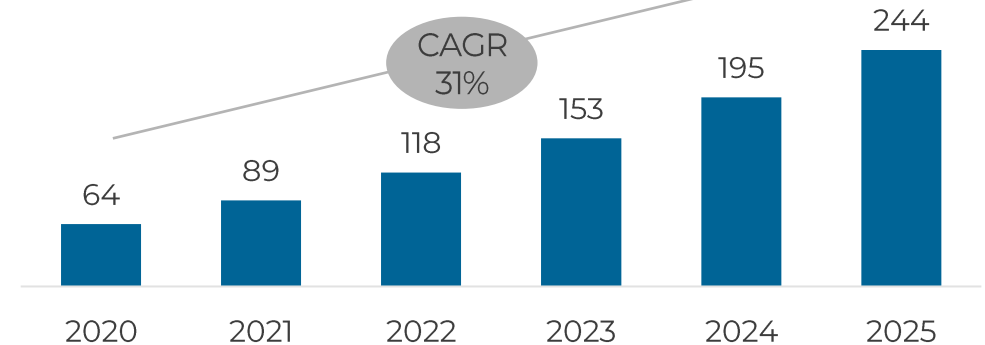
Worldwide enterprise software market

Spend (USDbn)



Worldwide IaaS public cloud services market

Spend (USDbn)



PORTFOLIO SUPPORTING END-TO-END CUSTOMERS' DIGITAL TRANSFORMATION

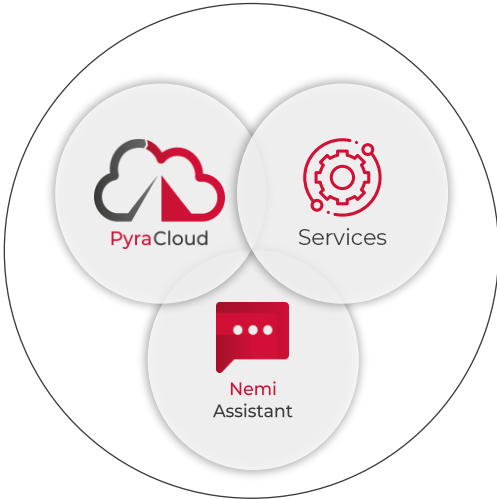
VALUE PROPOSITION BASED ON COMBINING SOFTWARE WITH SERVICES TO DRIVE RECURRING CUSTOMER RELATIONSHIPS

DIGITAL TRANSFORMATION

- Innovate business models
- Improve customer experience
- Optimize operational processes
- Empower employees

- Reduce software & cloud spend
- Ensure transparency & predictability
- Avoid compliance risks

COMMERCIAL TRANSFORMATION



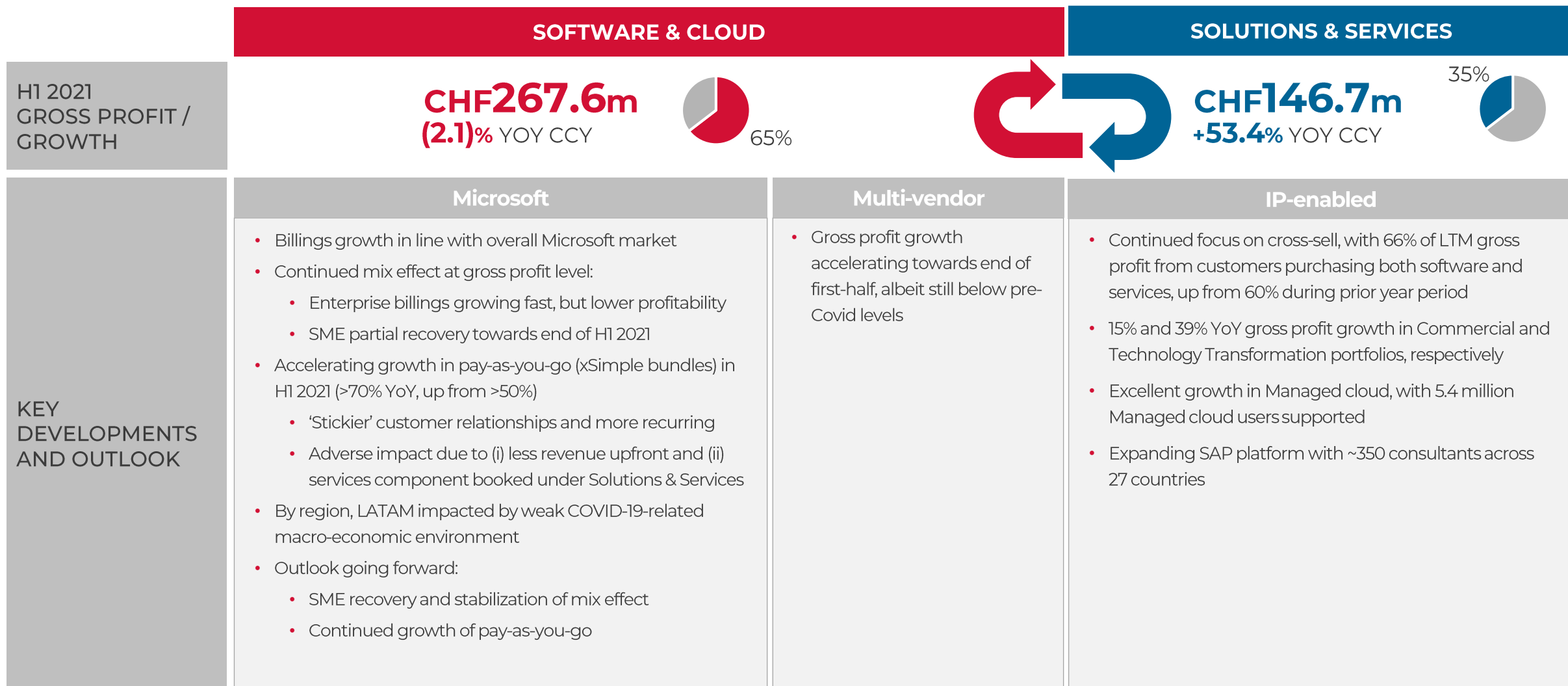
TECHNOLOGY TRANSFORMATION

- Improve time to value
- Optimize and modernize technologies
- Minimize security risks

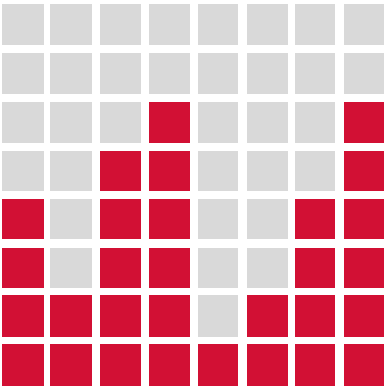
DELIVERING KEY OUTCOMES TO FUEL CUSTOMERS' DIGITAL TRANSFORMATION

PERFORMANCE ACROSS BUSINESS LINES

FOCUS ON OVERALL GROWTH WITH CUSTOMERS ACROSS BOTH BUSINESS LINES

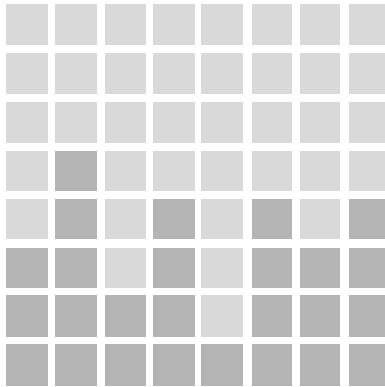


DIGITIZING SOFTWARE & CLOUD, IP-ENABLING SOLUTIONS & SERVICES



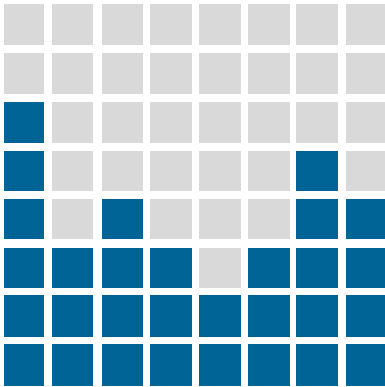
SoftwareONE MARKETPLACE

E-commerce space for buying, selling & managing software, services and solutions



SoftwareONE DIGITAL

Fully digitized customer engagement



CLOUD

Simple and intelligent management platform for multi-cloud environments

SoftwareONE INSIGHTS

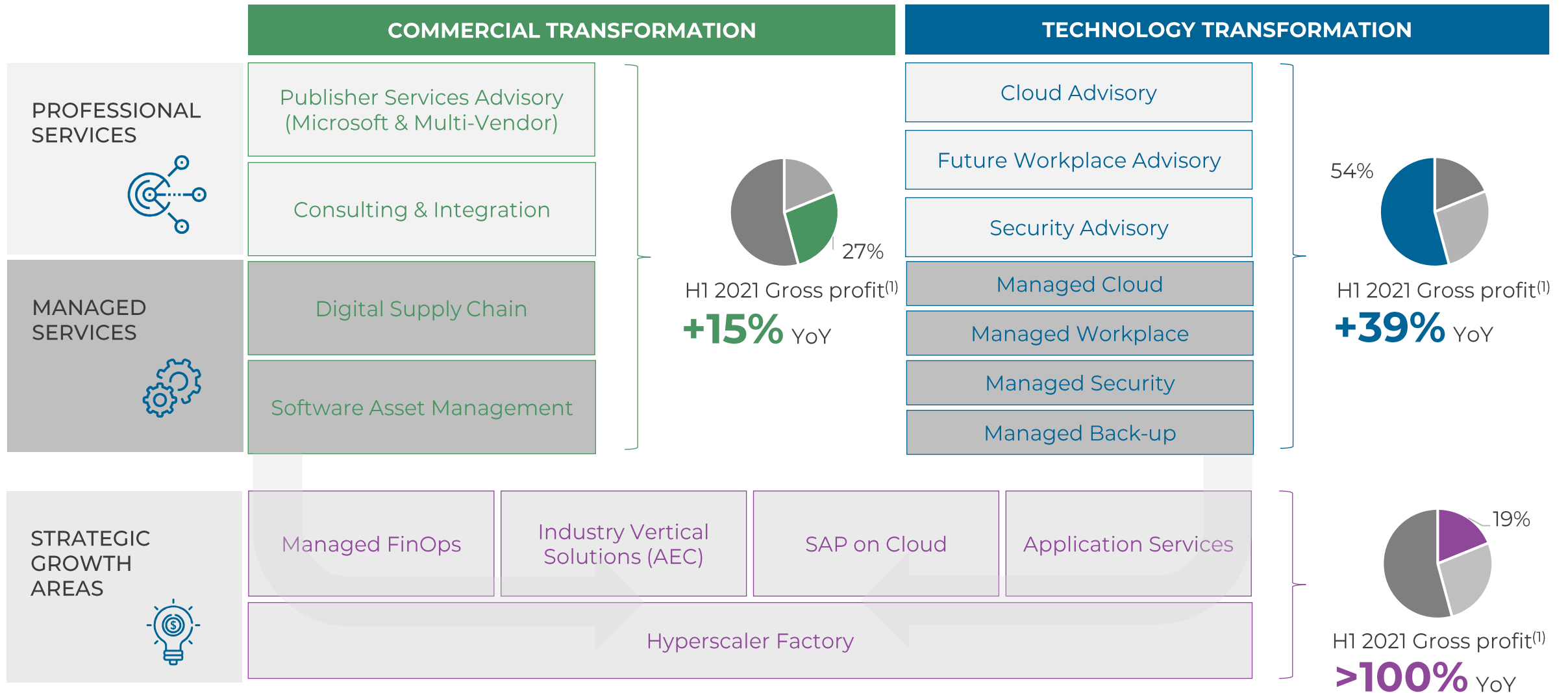


~60%
of customers on PyraCloud



+105%
YoY increase in PyraCloud users

SOLUTIONS & SERVICES PORTFOLIO DELIVERING CUSTOMER VALUE



STRATEGIC GROWTH AREAS CAPITALIZING ON MARKET OPPORTUNITIES

STRONG OUTLOOK EXPECTED TO DRIVE SCALE AND PROFITABILITY

Strategic growth areas



Application Services



SAP on Cloud



Hyperscaler Factory



Industry Vertical Solutions (AEC)



Managed FinOps



CHF25.8m

H1 2021 Gross profit

CHF(26.4)m

H1 2021 OPEX

Market opportunity

Market size and growth

App Services ~USD10bn market growing at approx.. 20%+ p.a.

Hyperscaler market growth >50%

Areas with top priority

70% of SAP customers moving to S/4HANA in mid-term, with support deadline in 2027

High-priority spend for customers as backbone infrastructure

Areas with low technology adoption

Construction represents one of world's largest industries, with annual spend of USD10 Tn; However, low adoption of digital technologies hindering productivity + substantial government initiatives & funding

Momentum



2-3x

Increase in win rates



3x

Increase in pipeline

03

FINANCIAL PERFORMANCE

H a n s G r ü t e r , C F O



H1 2021 PROFIT & LOSS SUMMARY

P&L summary

CHFm (unless otherwise indicated)

Revenue from Software & Cloud
Cost of software purchased
Gross profit from Software & Cloud
Revenue from Solutions & Services
Third party service delivery costs
Gross profit from Solutions & Services
Total gross profit
Personnel expenses
Other operating expenses
Other operating income
Total operating expenses
EBITDA
EBIT
Profit for the period
EBITDA margin (%)
EPS (diluted)

IFRS reported

H1 2020	H1 2021
3,941.2	4,170.2
(3,666.5)	(3,902.5)
274.6	267.6
145.9	196.3
(49.8)	(49.6)
96.2	146.7
370.8	414.4
(231.1)	(284.4)
(44.7)	(44.4)
7.3	7.0
(268.5)	(321.8)
102.3	92.5
72.6	65.3
66.7	38.3
27.6%	22.3%
0.43	0.25

Adjusted⁽¹⁾

H1 2020	H1 2021	% Δ at CCY ⁽²⁾
3,941.2	4,170.2	6.5%
(3,666.5)	(3,902.5)	-
274.6	267.6	(2.1)%
145.9	196.3	35.2%
(49.8)	(49.6)	-
96.2	146.7	53.4%
370.8	414.4	12.3%
(215.3)	(270.6)	26.5%
(41.3)	(40.6)	(1.2)%
5.8	5.9	2.5%
(250.8)	(305.3)	22.5%
120.0	109.1	(9.0)%
90.3	81.9	-
67.9	54.3	-
32.4%	26.3%	-
0.44	0.35	-

(1) Includes adjustments for share-based compensation, IPO, integration and M&A and earn-out expenses, appreciation of the shareholding in Crayon and related tax impact of adjustments; For a definition of Alternative Performance Measures used in this presentation, please see the Half-year report (page 12)

(2) In constant currency; Current period translated at average exchange rate of prior-year period, based on management accounts

ADJUSTED PROFIT BRIDGE

IFRS reported to adjusted profit bridge

CHFm (unless otherwise indicated)	H1 2020	H1 2021
IFRS reported profit for the period	66.7	38.3
Share-based compensation ⁽¹⁾	12.4	7.8
Integration expenses	4.5	3.1
IPO expenses	0.5	-
M&A and earn-out expenses	0.4	5.7
Total adjustments to operating expenses	17.7	16.6
Adjustment for depreciation/(appreciation) of Crayon shareholding⁽²⁾	(13.3)	1.2
Tax impact of adjustments	(3.2)	(1.8)
Adjusted profit for the period	67.9	54.3

- Adjustments:
 - Share-based compensation⁽¹⁾
 - Integration expenses
 - IPO expenses
 - M&A and earn-out expenses
 - Depreciation of shareholding in Norwegian listed company Crayon⁽²⁾
 - Tax impact of adjustments

(1) Refers to Management Equity Plan (MEP), which was fully funded pre-IPO by major shareholders with no cash or equity impact, and the employee free share grant

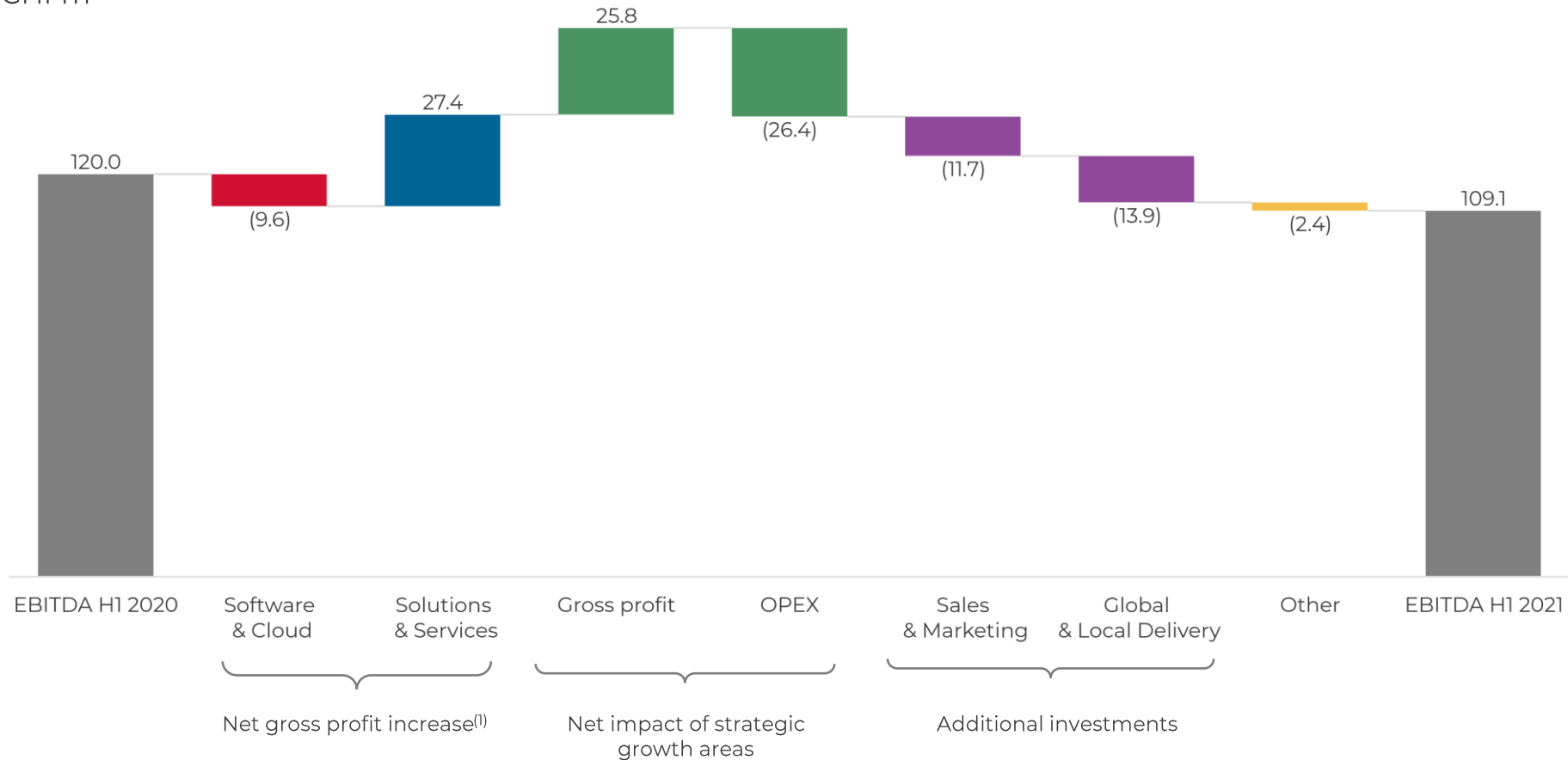
(2) Included in net financial items under IFRS reported accounts

PROFITABILITY IMPACTED BY STRATEGIC INVESTMENTS

FRONT-LOADED INVESTMENTS IN STRATEGIC GROWTH AREAS AND SALES & MARKETING AND DELIVERY CAPABILITIES

Adj. EBITDA bridge

CHFm



New talent (FTEs)

6,219

31 Dec 2020

+

~600

Net new hires

+

~1,450

InterGrupo acquisition

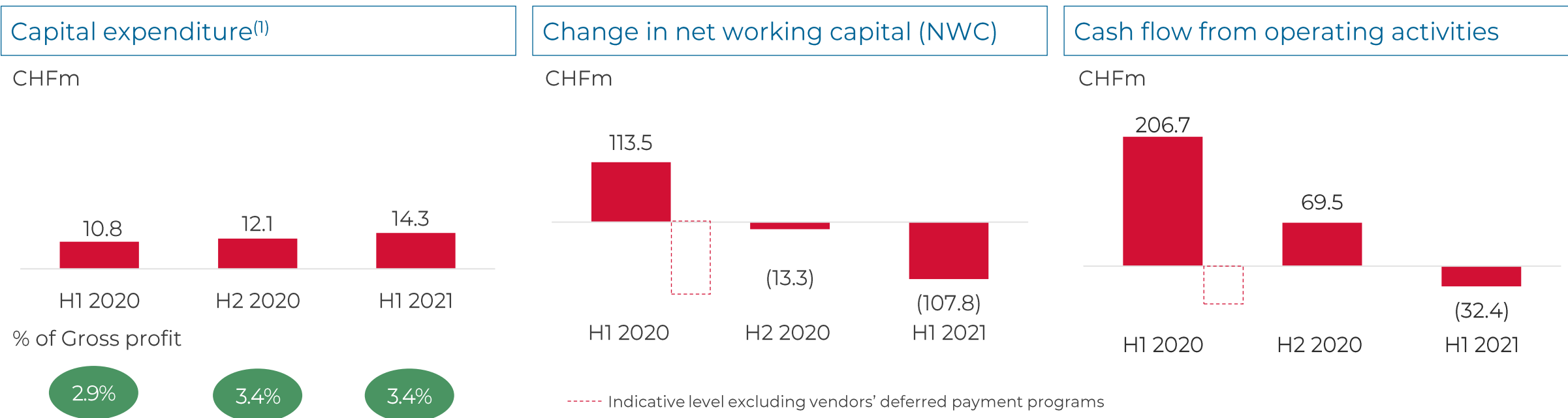
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8,269

30 June 2021

CASH FLOW DRIVEN BY SEASONALITY AND BUSINESS GROWTH

CONTINUED UNDERLYING IMPROVEMENTS IN NET WORKING CAPITAL DURING H1 2021



- Primarily investments in PyraCloud and other intangible assets generated internally

- Outflow in H1 2021 driven by seasonal effects, business growth and record low level at 31 December 2020
- Strong inflow in H1 2020 driven by vendors' deferred payment programs in the amount of CHF 250 million, as reported earlier
- Underlying improvements in NWC in H1 2021 vs. prior period

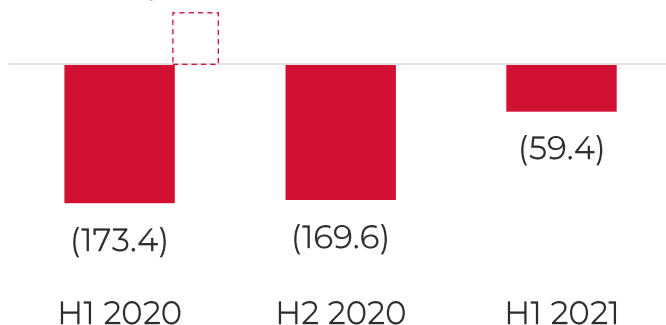
- Mainly driven by changes in NWC
- Inflated cash flow in H1 2020 due to vendors' deferred payment programs

STRONG BALANCE SHEET FOR ACCELERATED GROWTH

EXCELLENT BASIS FOR FURTHER ACQUISITIONS

Net working capital⁽¹⁾

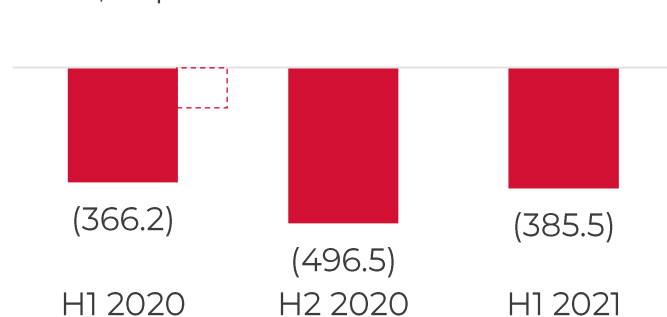
CHFm, at period end



----- Indicative level excluding vendors' deferred payment programs

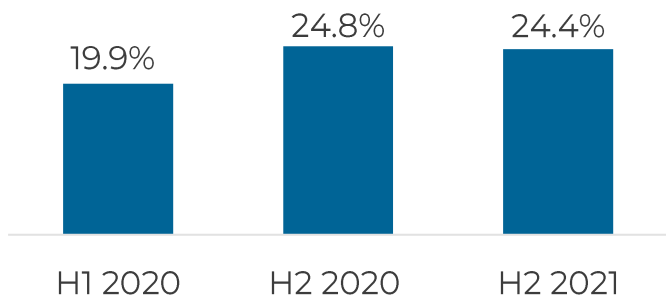
Net debt/(cash)⁽²⁾

CHFm, at period end



Equity ratio

Total Equity/Capitalization (%), at period end

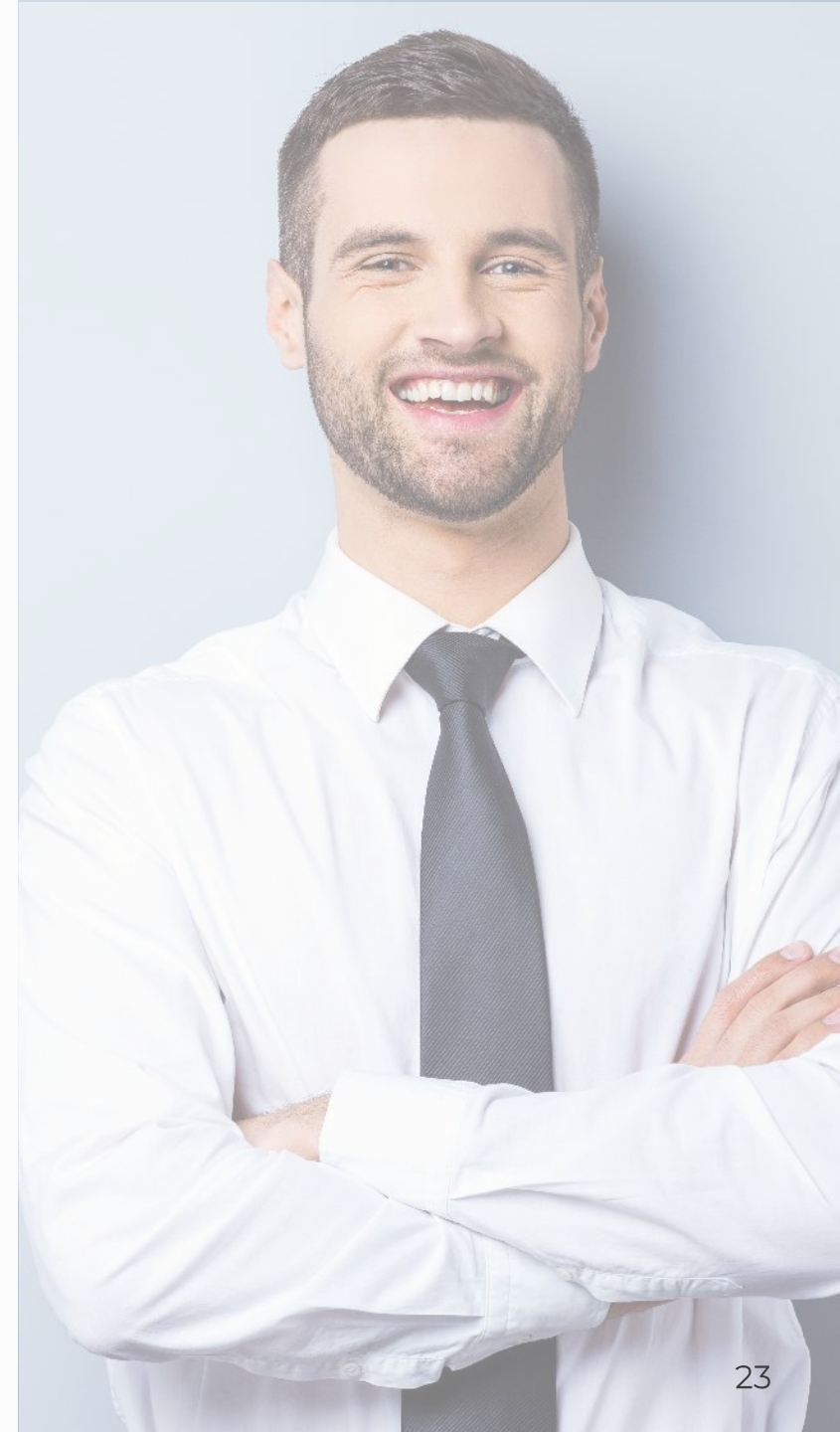


- NWC continues to be in negative territory, despite:
 - Seasonal effects
 - Business growth
- H1 2020 was impacted by COVID-19-related vendors' deferred payment programs, which artificially decreased NWC and increased net cash by approximately CHF250m
- Underlying improvement in NWC during H1 2021 vs. H1 2020, which is expected to continue
 - However, record low on 31 December 2020 unlikely to be reached fully this year
- Unlevered balance sheet, available unused credit lines and solid equity level provide excellent basis for further acquisitions

04

OUTLOOK

Dieter Schlosser, CEO



FULL-YEAR 2021 GUIDANCE AND MID-TERM TARGETS RE-ITERATED

BASED ON NO MATERIAL DETERIORATION IN THE ENVIRONMENT DUE TO COVID-19

	2021 guidance	Key assumptions to FY2021 guidance	Mid-term guidance
Gross profit growth	<ul style="list-style-type: none"> Above 10% growth in ccy, excluding InterGrupo (expected to contribute ~4%) 	<ul style="list-style-type: none"> Further acceleration in gross profit growth in H2 2021 driven by: <ul style="list-style-type: none"> Recovery in Software & Cloud with a return to positive growth Continued strong momentum in Solutions & Services supported by backlog 	<ul style="list-style-type: none"> Mid-teens growth in constant currency
Adj. EBITDA margin	<ul style="list-style-type: none"> Approximately 30% 	<ul style="list-style-type: none"> Cost base at approximately the same level in H2 2021 compared to H1 2021, driven by frontloaded investments 	<ul style="list-style-type: none"> EBITDA growth in excess of gross profit growth
Dividend policy	<ul style="list-style-type: none"> 30-50% adjusted profit for the year 	<ul style="list-style-type: none"> Progressive dividend policy 	<ul style="list-style-type: none"> 30-50% adjusted profit for the year

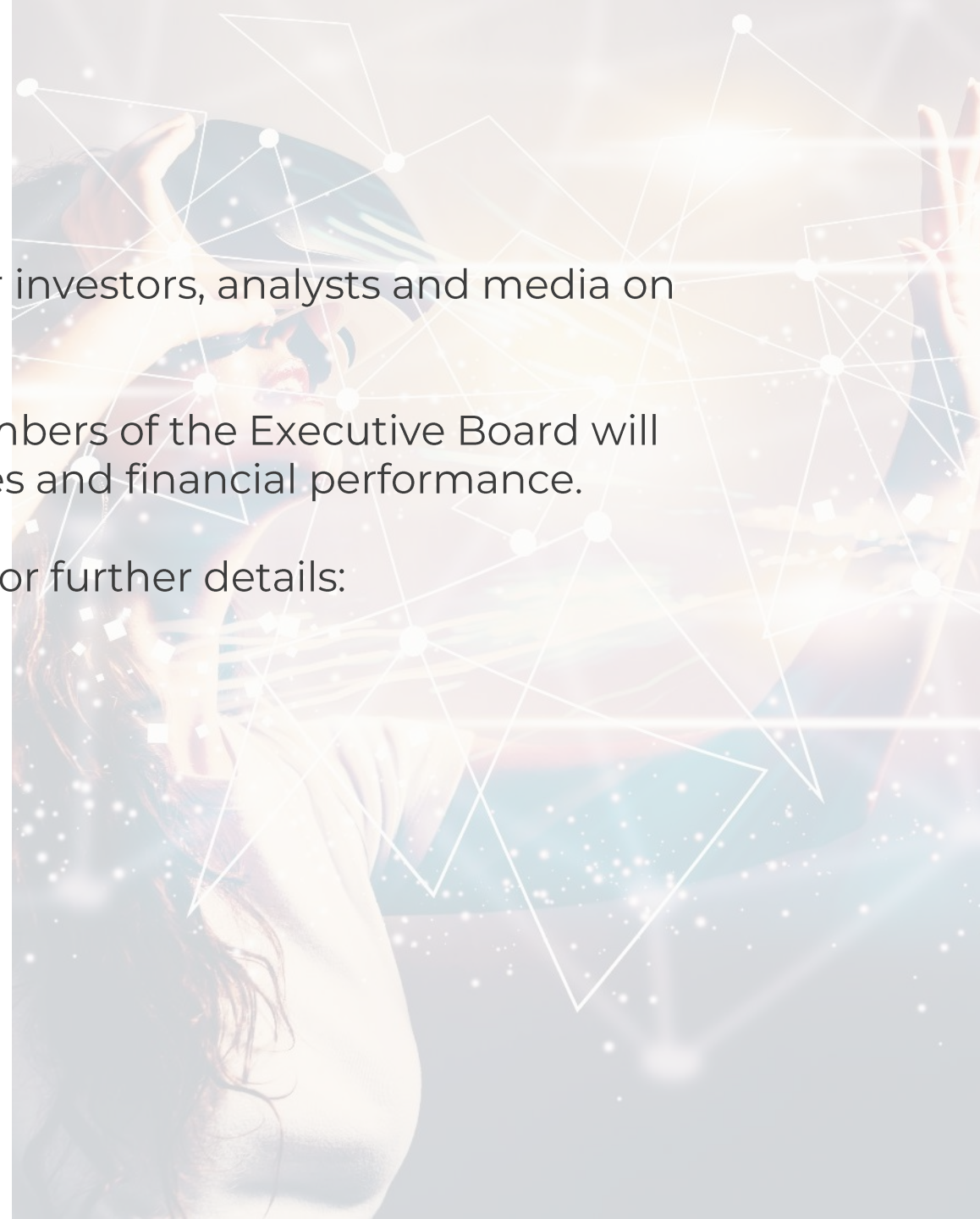
2021 CAPITAL MARKETS DAY

SoftwareONE will host a virtual Capital Markets Day for investors, analysts and media on Wednesday, **20 October 2021 at 14:00 CEST**.

During the event, CEO Dieter Schlosser and other members of the Executive Board will provide insights into our growth strategy, business lines and financial performance.

Please visit SoftwareONE's Investor Relations website for further details:

<https://www.softwareone.com/en/about/investors>



Q&A



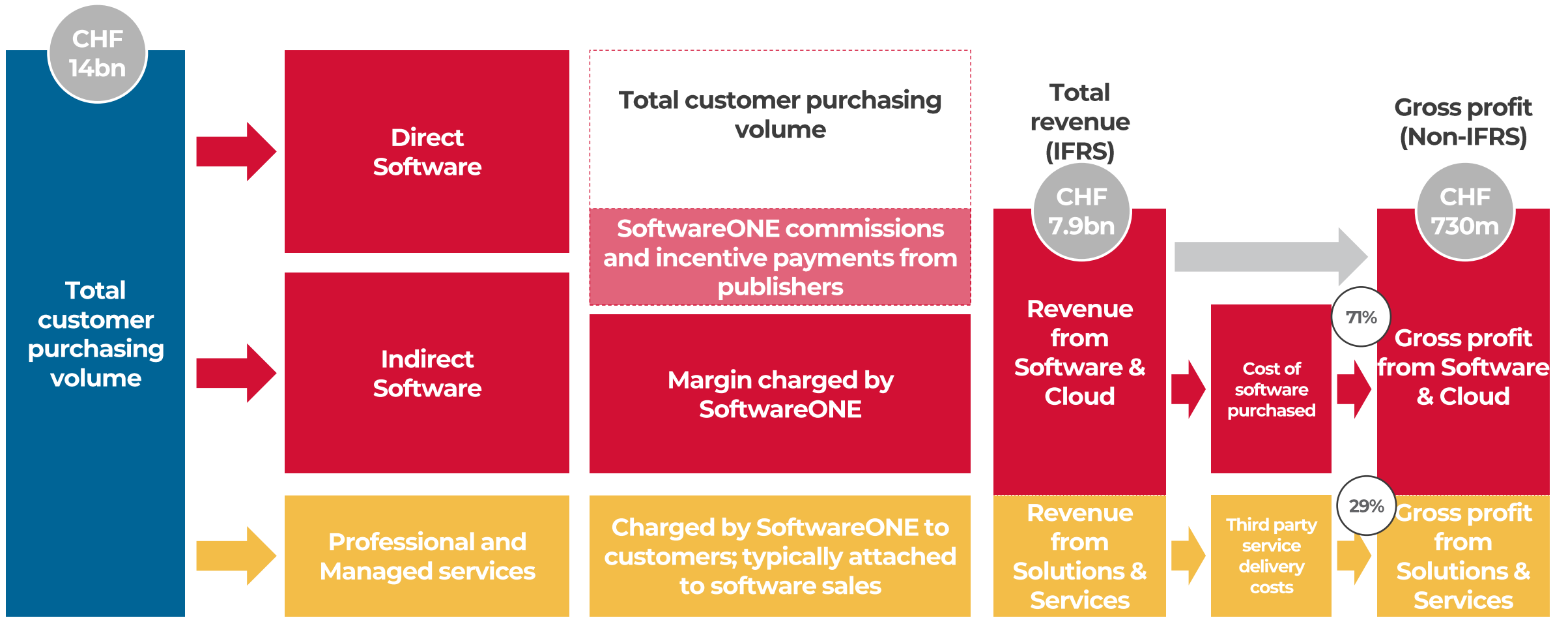


THANK YOU!

A young woman with dark curly hair, wearing glasses and a white long-sleeved shirt, is sitting at a desk with a laptop. She is smiling broadly and raising both fists in a celebratory gesture. The background is a blurred office or home workspace with plants and a window. The word "Appendix" is overlaid in large white text across the center of the image.

Appendix

REVENUE AND GROSS PROFIT RECOGNITION



PROFIT AND LOSS STATEMENT

CHFm	IFRS reported		Adjusted ⁽¹⁾	
	H1 2020	H1 2021	H1 2020	H1 2021
Revenue from Software & Cloud	3,941.2	4,170.2	3,941.2	4,170.2
Revenue from Solutions & Services	145.9	196.3	145.9	196.3
Total revenue	4,087.1	4,366.5	4,087.1	4,366.5
Cost of software purchased	(3,666.5)	(3,902.5)	(3,666.5)	(3,902.5)
Third-party service delivery costs	(49.8)	(49.6)	(49.8)	(49.6)
Total gross profit	370.8	414.4	370.8	414.4
Personnel expenses	(231.1)	(284.4)	(215.3)	(270.6)
Other operating expenses	(44.7)	(44.4)	(41.3)	(40.6)
Other operating income	7.3	7.0	5.8	5.9
EBITDA	102.3	92.5	120.0	109.1
Depreciation, amortization & impairment ⁽²⁾	(29.7)	(27.2)	(29.7)	(27.2)
EBIT	72.6	65.3	90.3	81.9
Finance income	21.5	1.2	8.2	1.2
Finance cost	(4.4)	(4.6)	(4.4)	(3.4)
Foreign exchange differences, net	(5.9)	(6.2)	(5.9)	(6.2)
Share of result of joint ventures and associated companies	0.4	-	0.4	-
Earnings before tax	84.2	55.7	88.6	73.5
Income tax expense	(17.5)	(17.4)	(20.8)	(19.2)
Profit for the period	66.7	38.3	67.9	54.3

(1) Includes adjustments for certain share-based compensation, IPO, integration and M&A and earn-out expenses, appreciation of the shareholding in Crayon and related tax impact of adjustments; For a definition of Alternative Performance Measures used in this presentation, please see the 2021 Half-year report page 12

(2) Includes PPA amortization (including impairments) of CHF 7.1 million and CHF 10.7 million in H1 2021 and H1 2020, respectively

BALANCE SHEET

CHFm, as per 30 June	IFRS reported	
	H1 2020	H1 2021
Cash and cash equivalents	540.4	276.3
Trade receivables	1,894.8	1,934.8
Income tax receivables	8.7	11.8
Other receivables	80.2	82.8
Derivative financial instruments	6.5	4.1
Prepayments and contract assets	108.3	130.4
Financial assets	69.4	150.1
Current assets	2,708.3	2,590.3
Tangible assets	22.5	32.6
Intangible assets	458.3	520.9
Right-of-use assets	35.0	39.6
Investment in joint ventures and associated companies	7.0	-
Other receivables	37.5	63.5
Financial assets	-	-
Derivative financial instruments	0.3	0.8
Deferred tax assets	24.8	29.4
Non-current assets	585.5	686.8
TOTAL ASSETS	3,293.8	3,277.1

CHFm, as per 30 June	IFRS reported	
	H1 2020	H1 2021
Trade payables	1,781.4	1,865.5
Other payables	206.6	192.6
Accrued expenses and contract liabilities	268.7	149.3
Derivative financial instruments	3.8	1.6
Income tax liabilities	28.1	39.5
Provisions	6.3	6.8
Bank overdrafts	151.9	4.3
Other financial liabilities	26.0	62.4
Current liabilities	2,472.8	2,322.0
Derivative financial instruments	0.3	0.2
Provisions	11.1	15.2
Financial liabilities	74.4	37.7
Other payables	32.9	59.1
Deferred tax liabilities	27.5	26.5
Defined benefit liabilities	20.1	15.6
Non-current liabilities	166.3	154.4
TOTAL LIABILITIES	2,639.1	2,476.4
TOTAL EQUITY	654.7	800.7
TOTAL LIABILITIES AND EQUITY	3,293.8	3,277.1

CASH FLOW STATEMENT

CHFm	IFRS reported	
	H1 2020	H1 2021
Profit for the period	66.7	38.3
Depreciation, amortization & impairment	29.7	27.2
Total finance result, net	(11.2)	9.6
Share of result of JVs and associated companies	(0.4)	-
Tax expenses	17.5	17.4
Other non-cash items	12.8	(7.1)
Change in trade receivables	(67.9)	(218.8)
Change in other receivables, prepayments and contract assets	(46.7)	(56.2)
Change in trade and other payables	195.8	145.7
Change in accrued expenses and contract liabilities	32.3	21.5
Changes in provisions	(3.3)	3.4
Income taxes paid	(18.6)	(13.5)
Net cash generated from/(used in) operating activities	206.7	(32.4)
Purchases of tangible and intangible assets	(10.8)	(14.3)
Proceeds from sale of tangible and intangible assets	0.2	0.2
Purchases of financial assets	(3.0)	-
Loans granted	(1.0)	-
Loan repayments received	3.2	0.1
Interest received	0.7	0.3
Acquisition of business (net of cash)	(35.0)	(34.8)
Net cash from/(used) in investing activities	(45.6)	(48.5)

CHFm	IFRS reported	
	H1 2020	H1 2021
Proceeds from financial liabilities	376.8	1,340.9
Repayments of financial liabilities	(262.8)	(1,371.2)
Payment of contingent consideration liabilities	(1.6)	(0.7)
Interest paid	(4.1)	(4.1)
Dividends paid to owners of the parent	(32.5)	(46.4)
Net cash from/(used in) financing activities	76.0	(81.4)
Net (decrease)/increase in cash and cash equivalents	237.1	(162.2)
Cash and cash equivalents at beginning of period	313.5	434.9
Net FX difference on cash and cash equivalents	(10.2)	3.6
Cash and cash equivalents at end of period	540.4	276.3

WORKING CAPITAL RECONCILIATION

Net working capital

CHFm, as per 30 June	H1 2020	H1 2021
Trade receivables	1,894.8	1,934.8
Other receivables	80.2	82.8
Prepayments and contract assets	108.3	130.4
Trade payables	(1,781.4)	(1,865.5)
Other payables	(206.6)	(192.6)
Accrued expenses and contract liabilities	(268.7)	(149.3)
NWC (after factoring)	(173.4)	(59.4)
Receivables sold under factoring	119.2	124.7
NWC (before factoring)	(54.2)	65.3
Adjustment for MEP ⁽¹⁾	26.7	-
NWC (before factoring, MEP)	(27.6)	65.3

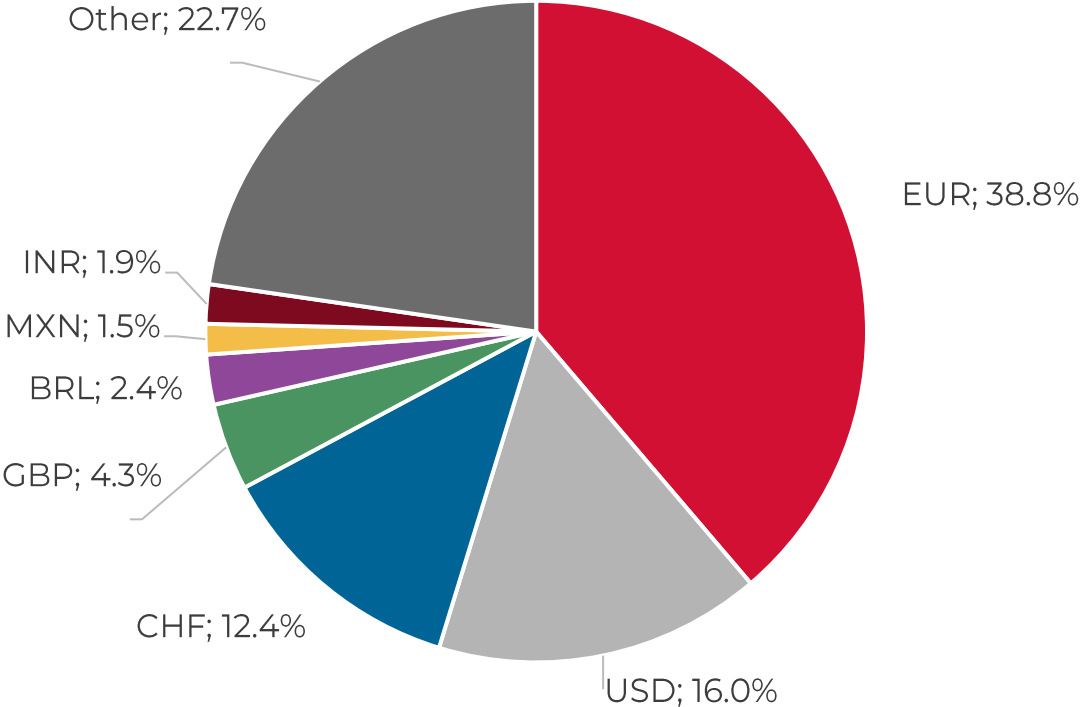
NET DEBT RECONCILIATION

Net debt/(cash)

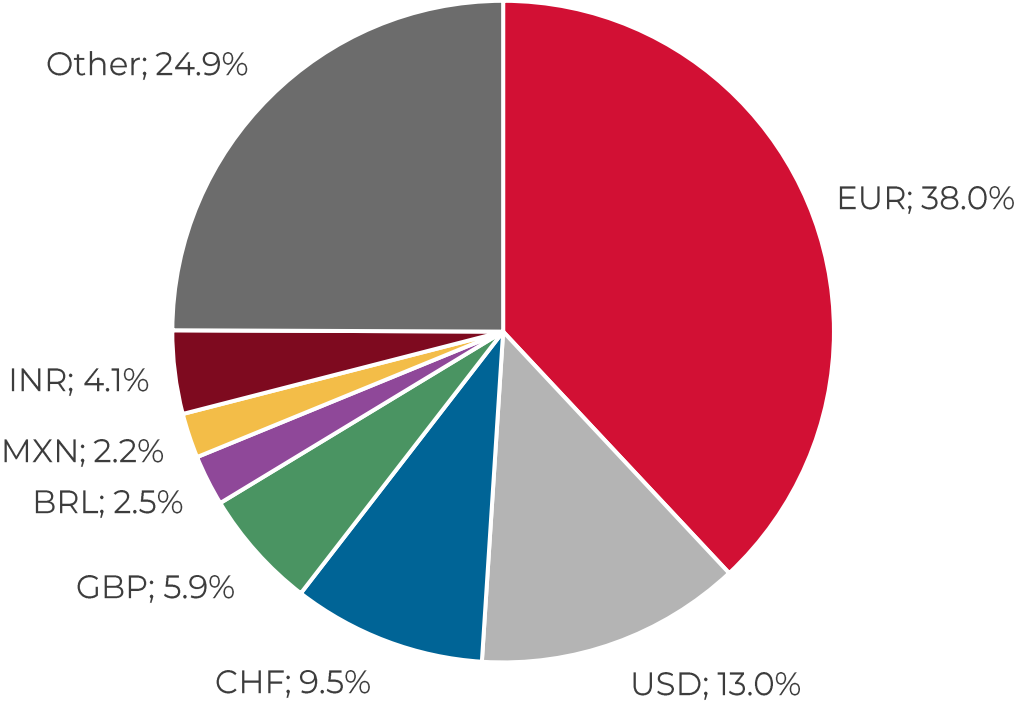
CHFm, as per 30 June	H1 2020	H1 2021
Bank overdrafts	151.9	4.3
Other current financial liabilities	10.2	44.6
Current contingent consideration liabilities	2.1	1.8
Other non-current financial liabilities	47.4	5.3
Non-current contingent consideration liabilities	5.0	7.6
Lease liabilities	35.7	40.7
MEP liability	26.7	-
Total financial liabilities	278.9	104.4
Cash and cash equivalents	(540.4)	(276.3)
Current financial assets	(67.3)	(150.1)
Other non-current receivables	(37.5)	(63.5)
Total financial assets	(645.2)	(489.9)
Net debt/ (cash)	(366.2)	(385.5)

FX EXPOSURE

Gross profit by currency⁽¹⁾



Operating expenses by currency⁽¹⁾



(1) Based on H1 2021 management accounts