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COMPANY REPRESENTATIVES

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PRESENTATION

Arne Hansen Kjell

My name is Kjell Arne Hansen, and I'm the Head of Investor Relations at SoftwareOne. Joining me today are our Co-CEOs, Erb Raphael and Melissa Mulholland; and our CFO, Hanspeter Schraner. In terms of agenda, Melissa and Raphael will start with a summary of the year and the Q4 performance. Hanspeter will then take us through our detailed financial performance.

And finally, Melissa will take us through the final section covering our AI opportunities within the business model as well as our financial outlook for 2026. Before handing over, please let me draw your attention to the disclaimer regarding forward-looking statements and non-IFRS measures on Slide 2 and 3.

And with that, I will hand it over to Melissa.

Mulholland Melissa

Thank you, Kjell Arne. Welcome to our full year 2025 presentation. 2025 was transformational. With the combination of SoftwareOne and Crayon, we have created a global software and cloud leader with unmatched reach and capabilities. Today, combined gross sales amount to CHF14 billion.

We serve over 70,000 clients across more than 70 countries, supported by 13,000 highly skilled colleagues. Our ecosystem is equally strong with more than 10,000 vendors and a network of 12,000 channel partners, providing reach to the SMB segment. This scale matters. It shows how we are one of a kind and a truly global partner for hyperscalers and ISVs.

In addition, both Gartner and IDC have recognized us as a leader in software asset management. We are well positioned to capture the structural growth opportunity and customer demand based on our global scale and market position.

Overall, we have delivered. We returned to growth with revenue up 1.4% year-over-year on a like-for-like basis, ahead of our initial expectation of broadly flat development. Profitability remained strong with an adjusted EBITDA margin of 20.9%, in line with our commitment to stay above 20%. At the same time, we maintained discipline on adjustments coming in below our guidance of below CHF30 million, excluding the Crayon-related costs.

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Lastly, we made good progress on synergies, delivering CHF43 million of run rate by the end of 2025. As of today, total run rate cost synergies amount to CHF64 million.

This was a year where we delivered on our promises while building the foundation for further improvement. Growth improved steadily throughout 2025, and by Q3, we were back to positive territory. And in Q4, we reached 11% revenue growth. We will continue to build off the foundation laid in 2025. The actions we are taking are working, putting us in a stronger position to drive momentum in 2026.

Let me briefly comment on the full year performance. I'll focus on the combined like-for-like numbers as this best reflects the underlying development of the business. As stated earlier, we delivered 1.4% revenue growth for the full year, with a clear acceleration into Q4 where growth reached 11%.

At the same time, profitability improved and we delivered an adjusted EBITDA margin of 20.9% for the year, an improvement of 0.5 percentage points compared to 2024. The key message is clear. We are improving our growth momentum, combined with continued strong margins. Hanspeter will explain the detailed IFRS numbers shortly. But as you can see, our business is on a path of continued growth.

Looking at our three segments, we see a clear pattern of improving momentum across the business. In direct, the full year performance was impacted by the Microsoft incentive changes. However, we saw a clear rebound in Q4, supported by multi-vendor and continued CSP growth. Going forward, we see significant growth opportunities driven by our broad partner ecosystem across global software vendors, including AWS, Google, VMware, and Adobe.

Furthermore, the push for EU sovereign cloud increases demand for multi-cloud compliant cloud solutions, playing directly to SoftwareOne's strength in navigating complex vendor ecosystems and regulatory requirements.

In channel, growth was strong at 18.7% for the full year, driven in particular by APAC, which represents 60% of the total channel revenue. At the end of February 2026, we became the first global authorized distributor for Google Cloud, enabling channel partners to access and resell Google.

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This is a strategic milestone allowing us to significantly expand our channel business through authorized distribution of Google Cloud services across 10 markets, covering Australia, India, the Nordics, Germany, France, and the US, with additional countries to follow throughout the year.

In services, we see solid momentum, supported by demand in areas like cloud and cybersecurity. Across all business lines, growth reflects our ability to capture new incentive opportunities introduced by Microsoft across CSP and services.

While EA-related incentives were reduced, we have partially offset this by leveraging our combined service portfolio and strong CSP offering. Profitability improved across all business lines, driven by stronger growth, impact from cost savings, and synergy realization. We see a strong and encouraging development with solid growth in channel and services and a recovering direct business entering 2026.

I will now hand it over to Raphael to walk you through the regional performance.

Erb Raphael
Thank you very much, Melissa. Welcome to everyone from my side. I will now take you through the regional performance. First, I want to highlight a change in our segment reporting going forward. Following the acquisition of Crayon, our operating segments have been reassessed. Given our significant presence in the Nordics and the CEE, the rest of Europe region has been restructured into three new operating regions; Nordics, Western Europe, and CEE.

In DACH, revenue grew 2.8% in 2025, driven in particular by a strong Q4 growth of 15.4%. Headwinds from Microsoft incentive changes on enterprise agreements negatively impacted revenue during the year, but this was offset by a successful transition to CSP as well as strong multi-vendor and public sector growth.

Revenue in Western Europe increased 3.3%, driven by strong growth in multi-vendor sales and services, while also here partly offset by changes in Microsoft incentives. Similar to the performance in DACH, the year ended strong with 12.2% revenue growth in Q4.

APAC grew 11.4%, driven by strong results across the region, with India performing particularly well. The largest contributor to growth came from services business as was driving by strong demand with data and AI and cloud services.

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I'm also pleased to share that during Q1 2026, payments commenced from a public sector customer in the Philippines on Crayon's previously outstanding receivables is USD22 million collected as of today. The remaining amount is expected to be collected shortly, bringing this long-standing matter to a close.

Nordics revenue grew 0.7% in 2025. During the year, growth in the direct business was positive and accelerated to double digit in the fourth quarter as the impact from Microsoft incentives ease. 2025 was a disappointing year in North America with revenue declining 12.6% year-over-year. The 2025 performance reflects the previous GTM-related sales execution challenges as well as impact from Microsoft incentive changes.

The previously initiated turnaround measures are gaining traction, with internal sales metrics improving sequentially, supporting a recovery and return to growth in 2026. LATAM declined 4.4%, driven particular by weakness in the direct business. We see strong growth opportunity across key markets like Brazil, Mexico and Colombia, and are confident in our capability to achieve profitable growth in the region.

As part of the portfolio review and to support improved future performance, the company has decided to exit 4 nonstrategic countries in the region: Argentina, Uruguay, El Salvador and Nicaragua. Finally, CEE grew revenue with 14% in 2025 driven by strong double-digit growth across both the direct business and services business.

Now I want to present a good example of our Google Cloud capabilities and how we support customers in a cloud migration and modernization project. Barton Peveril, a U.K.-based college with more than 5,000 students partnered with us to migrate to Google Cloud. They were facing a significant increase in on-premise hosting costs, alongside the need to modernize their IT environment and support new AI-driven learning tools.

Together with SoftwareOne, they executed the full cloud migration over a relatively short period, followed by a managed service agreement to support ongoing operations. The outcome was solid, where they achieved meaningful cost savings, reduced operational workload and significantly improved the performance and security of their systems.

Importantly, this also led to a five year managed service agreement where we support and maintain their cloud infrastructure going forward.

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This is a great example on how we combine cloud migrations with long-term services, creating both immediate customer value and recurring revenue streams for us.

With that, I will now hand over to Hanspeter to walk you through the 2025 IFRS financial update.

Schraner Hanspeter
Thank you, Raphael, and a warm welcome to everybody joining us today. In this section, we are presenting the IFRS figures in reported currency. As a reminder, the income statement includes 12 months of SoftwareOne and six months of Crayon.

Year-over-year revenue growth of 22.5% mainly reflects the acquisition of Crayon closed on 2nd of July 2025. Reported EBITDA margin improvement is driven by benefits of the previously initiated cost reduction program and continuous cost control. The increase in depreciation, amortization and impairments from CHF72.7 million to CHF123.7 million is related to the acquisition and includes depreciation on fixed assets, amortization of intangible assets, amortization of right of use assets and CHF17.8 million of impairments. The impairments comprise CHF3.8 million on intangible assets, CHF8 million on LATAM goodwill and CHF6 million on right-of-use assets related to office closures due to integration.

Net financial expense increased to CHF54.4 million, significantly higher than prior year. This was mainly due to lower finance income and higher finance expenses. The decrease of finance income is largely reflecting a CHF12 million lower fair value gain on Crayon shares in 2025 compared to prior year.

Finance expenses increased driven by higher interest costs from acquisition financing and higher factoring costs in line with the increased use of factoring. In addition, other finance expense includes a one-off CHF5 million make-whole payments related to the early redemption of Crayon bonds following the acquisition.

Income tax expense is CHF28.1 million, implying an effective tax rate of 95% compared with the expected average group tax rate of 23%. The main drivers of this gap are non-deductible expenses for tax purposes as well as unrecognized tax losses. Net profit for the period is CHF1.4 million.

In this slide, I will take you to the adjusted to reported EBITDA. Our reported EBITDA ended at CHF207.6 million in 2025.

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2025 adjustments to reported EBITDA of CHF69.4 million in total were primarily related to Crayon transaction and integration costs totalling CHF48.3 million. Excluding these costs, adjustments to reported EBITDA were CHF21.1 million, well below the CHF30 million target.

Overall, we saw a significant reduction in adjustments with 2025 adjustments constituting around 30% of reported EBITDA in comparison to around 90% in previous year. The adjusted EBITDA margin in Q4 2025 was 23.4%, down 1.5 percentage points year-on-year, mainly due to significantly lower EBITDA adjustments compared with Q4 2024.

Let me now walk you through the developments in adjusted opex on a like-for-like basis. This bridge shows the development on a combined like-for-like basis which we believe is the most relevant way to assess the cost development. Overall, opex remained broadly stable year-on-year, declining slightly to 1.2 billion, reflecting strong cost discipline despite inflationary pressure and continued investments in the business.

In '25, realized 74 million of cost savings from the legacy SoftwareOne cost-saving program, which was completed in Q2 2025 as well as 16 million of in-year synergies corresponding to 43 million of run rate synergies. Synergies from the Crayon acquisition are primarily driven by the elimination of publications, simplification of the organizational structure and efficiency gains across corporate functions. These effects helped offset underlying cost increases during the year.

Compensation increased by 42 million mainly due to salary inflation across the existing global workforce and the catch-up of social security contribution in India following legislative changes.
In addition, we continue to invest selectively in sales and delivery capabilities to support future growth. Importantly, these investments are funded by realized synergies, allowing us to strengthen go-to-market and delivery capacity without diluting margins over time.

We also saw higher third-party delivery costs in line with increased activity levels as well as some non-recurring and other costs, and foreign exchange had a positive impact of approximately 4.6 million (*corrigendum* approximately 46 million). Overall, this reflects a balanced cost development with tangible synergy delivery, disciplined cost management and continued investment to support sustainable growth.

Turning to the balance sheet. The most significant year-on-year changes reflect the impact of the Crayon acquisition, which is clearly visible across several line items.

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Cash and cash equivalents increased to 419.1 million, while financial liabilities rose to 788.4 million, mainly reflecting the 575 million term loan, 100 million utilization of the revolving credit facility at year-end and the 100 million bridge loan, which was repaid in January 2026. As a result, net debt amounted to 369.3 million compared to a net cash position in the prior year.

Net working capital on 31st December 2025 was negative at 564.4 million, primarily driven by the inclusion of Crayon and the continued use of factoring. The increase in intangible assets is mainly driven by the recognition of acquired technology and customer relationships from the Crayon acquisition as well as an increase in goodwill which primarily reflects the value of the assembled workforce and the expected synergies from combining the operations of Crayon.

Equity increased to 981.4 million driven by the acquisition of Crayon. Overall, this balance sheet reflects the step up in scale following the acquisition. Before I walk through the trade receivables 2025, I would like to briefly comment on a matter we decided to disclose proactively in today's press release.

Preliminary legal proceedings have been initiated into potential forgery of documents by individuals relating to SoftwareOne's recording of certain overdue trade receivables in the first half of 2024. The proceedings are not directed against SoftwareOne, and they were triggered by allegations raised by a third party.

I want to make it very clear. Internal audits performed an extensive retrospective assessment of trade receivables and related provisions of the first half of 2024 and concluded that they were accurately recorded. The assessment also confirmed that provisions were appropriate and consistent with subsequent write-offs and provisions.

The slide presents the aging of trade receivables and the corresponding lifetime expected credit loss for 2025 and 2024. The acquisition of Crayon led to a material increase in trade receivables in '25. In accordance with IFRS, acquired trade receivables are recognized at fair value net of expected credit losses.

The implied bad debt amounts to 33 million included in the respective fair value and is largely allocated to receivable past due by more than 181 days. For like-for-like comparability, and on a cross presentation of the acquired trade receivables, the expected credit loss in the bigger than 180 days bucket would be approximately 50%, broadly comparable to the previous year.

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As of December 2025, Crayon's acquired trade receivables included (unintelligible 00:22:47) related to a public customer in the Philippines. As Raphael already mentioned, USD21.5 million of this amount was collected in March 2026. At year-end 2025 and next to the standard closing procedures, internal audit again performed an additional assessment of the trade receivables and related provision recognized at year-end 2025 and again concluded that they were accurately recorded.

Further, the statutory audit of the 2025 full year accounts, which included a focused review of revenue recognition and the provisioning of overdue trade receivables provided further independent assurance regarding the appropriateness of the provisions recognized in the 2025 accounts and their compliance with applicable standards.

Turning to the net working capital. Net working capital after factoring decreased by CHF411.6 million year-on-year, mainly reflecting increased use of short-term factoring of approximately CHF282 million as well as the positive impact from acquiring the negative working capital from Crayon.

Given our business model, characterized by high gross sales volume and seasonal volatility, effective working capital management is key. As part of this, we use nonrecourse factoring as a flexible and economically attractive liquidity management tool applied in a disciplined manner. However, it's important to state that our primary focus remains on structurally improving underlying working capital over time.

Net working capital before factoring decreased by CHF129.5 million year-on-year, driven largely by the acquisition and consolidation of Crayon. Crayon entered the group with a strong negative working capital position which contributed positively to the balance sheet and reduced net working capital at the combined company level.

On the right-hand side, we outlined key operational levers we are addressing across the end-to-end order-to-cash cycle, including faster and more accurate invoicing, reduction of overdue receivables, strong credit entry billing processes and better alignment of payment terms with vendors and customers. Together, these measures support our ambition to structurally strengthen working capital and, in turn, improve cash flow over time.

Now turning to our cash flow statement. Working capital changes gave a cash inflow of CHF130.6 million.

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However, as mentioned on the previous slide, this is significantly impacted by the use of factoring. Noncash items of CHF169.6 million mainly reflect depreciation, amortization and impairments, together with the add back of the net finance results.

Capex came in at CHF65.5 million, primarily driven by investments in internal IT, systems and platforms. The cash outflow related to the Crayon acquisition amounted to CHF290.2 million, as presented in the cash flow statements, and shown net of cash acquired.

Gross cash consideration totaled to CHF504.8 million comprising CHF419.4 million for the acquisition of Crayon shares and CHF85.4 million for the subsequent squeeze out. This was partially offset by cash acquired of CHF270.3 million. The remaining CHF2.7 million relates to earn-out considerations to be paid in cash for Medalsoft and Predica acquisitions back in 2024 and 2022, respectively.

Financing contributed a net inflow of CHF273.4 million, driving by debt funding, partially offset by 2024 dividends of CHF45.6 million and interest costs. We ended the period with a cash of CHF419.1 million, giving us a solid liquidity position.

Turning to the net debt development. The increase over the year was primarily driven by the cash outflow related to the acquisition of Crayon. The Crayon acquisition reflects net cash outflow of CHF405 million as well as the impact of the derecognition of the Crayon shares. Excluding the acquisition effect, the underlying cash generation was driven by a positive contribution of CHF277 million from adjusted EBITDA and the further CHF130.6 million inflow from changes in working capital.

Other cash outflows mainly relate to cash-effective portion of EBITDA adjustments, capital expenditures, interest and tax payments as well as dividends. As a result, net debt stood at CHF369.3 million at year-end. Leverage measured on as net debt divided by adjusted EBITDA on an IFRS basis remains at a comfortable level of 1.3x. On a like-for-like basis, leverage would amount to 1.2x.

Finally, let me turn to the dividends. Our dividend policy targets a payout ratio of 30% to 50% of adjusted net profit for the year. As a reminder, at our H2 '25 earnings release, we refined our policy by excluding transaction and integration costs related to the Crayon acquisition when calculating adjusted net profit used for dividends. This was made to better reflect the underlying earning power and dividend capacity of the business in a year of integration.

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For 2025, we proposed a dividend of CHF0.15 per share, corresponding to a total distribution of CHF33 million and the payout ratio of 37% of reported adjusted net profit. Excluding Crayon-related transaction and integration costs, the implied payout ratio is 71%.

This dividend proposal reflects our continued commitment to delivering attractive shareholder returns while maintaining a balanced capital allocation. It also underlines our confidence that the actions implemented to strengthen net working capital and improve operational execution will translate into improved cash generation in 2026.

With that, I will hand it back to Melissa, who will provide further insights in how our business model benefits from AI, followed by her closing remarks.

Mulholland Melissa
Thank you, Hanspeter. Before I go into our outlook and closing remarks, I would like to address how we are positioned in a market that is now rapidly and fundamentally being changed by AI. AI is increasing software and cloud consumption, but also complexity, driving a much greater need for governance, optimization and services.

At the same time, AI adoption is forcing customers to upgrade their software estates and invest in new tools while accelerating cloud migration and usage. This plays directly into our model. We thrive in helping our customers in maximizing return on investment in IT and simplifying complexity.

We support customers across the full life cycle from sourcing and procurement to migration and cloud services to optimization and cost management and increasingly into data and AI solutions. And as customers become more AI ready, we see a clear increase in demand for higher-value services.

From a hyperscaler perspective, the vendors see us as a clear driver of AI solutions. Given our customer proximity, AI capabilities that have been established since 2017 and our agility to market, we are uniquely positioned to help customers manage the complexity and spend through our AI solutions.

AI is not just a technology shift. It is a structural growth driver for our business. Let me finally turn to our outlook for 2026.

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We expect revenue growth to accelerate to mid-single digits on constant currency on a like-for-like basis. We see growth driven by CSP, multi-vendor expansion, increasing demand for higher value services and continued channel growth. Expanding our AI capabilities alongside the sales force enables us to build and deliver AI-driven customer solutions, further accelerating consumption growth.

At the same time, we expect further margin improvement with adjusted EBITDA margin above 23%, driven by operating leverage, synergies and continued cost discipline. On synergies, we remain on track to reach 100 million run rate synergies, building on the strong progress already delivered in 2025. As already mentioned, by the end of March, the total realized cost synergies amounted to CHF64 million.

We enter 2026 with improving momentum, clear drivers for growth and a strong path towards higher profitability. Let me close with a few key takeaways. 2025 has been a transformational year, while the performance also demonstrates the strength of the combined company. We have executed with discipline, successfully integrated the business and delivered ahead of our synergy targets.

At the same time, we have delivered on our financial commitments and strengthened our position and customer offering. Finally, we are uniquely positioned to capture the continued growth in software and cloud, supported by our global scale, strong vendor relationships and clear commercial focus. This is a business with improving momentum, a stronger platform and a clear path forward and I'm looking forward to sharing more about our strategy and priorities on the Capital Market Day in June. Thank you. I'll hand it now back to the operator.

QUESTION & ANSWER

Operator

Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their telephone. You will hear a tone to confirm that you have entered the queue. If you wish to remove yourself from the question queue, you may press star and two. Questioners on the phone are requested to disable the loud speaker mode and eventually turn off the volume from the webcast while asking a question. Anyone who has a question may press star and one at this time.

The first question comes from Mao, Ines from BNP Paribas. Please go ahead.

Mao Ines

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Hi, thank you. Can you hear me?

Erb Raphael

Yes, we can.

Mao Ines

Thank you, Melissa, Raphael, Hanspeter, and congrats for the strong result today. I have two questions. So the first one is the company is guiding for mid-single-digit revenue growth next year. Does this include a recovery of North America region already? My second question is, can you give us more color on why profitability improved so much year-over-year in Q4 in the services segment? So we expect this margin level as the new normalized level, so to stabilize from here or is there more scope for margin expansion in the services segment? And my final question is can you give us.

Erb Raphael

Sorry, somehow your voice is not so clear. We can hardly understand.

Mao Ines

Can you hear me better?

Erb Raphael

Yes, now it's clear to me.

Mao Ines

Okay. I'll restart. So my first question is about next year revenue growth guidance. Does this include the recovery of the North America region in this guidance? My second question is on the profitability level in the services segment, which has improved quite significantly year-over-year in Q4. Should we expect this margin level as a new normal level, so to stabilize from here or more margin expansion in the services segment?

And my last question is, can you discuss the growth prospects for the services segment in 2026? And any new offerings that will drive growth? Typically, in Microsoft E7, I understand it will be a readiness assessment conducting by SoftwareOne team. Would you recognize this as the services revenue going forward? Thank you very much.

Erb Raphael

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Thank you. Maybe I kick off with the first questions around North America. For sure, as we all know, 2025 has been a disappointing performance for us. However, we are making, as mentioned, also step-by-step progress, especially also around our GTM turnaround. Our internal sales metrics and KPIs clearly show that we are making progress.

And with that, to answer your question, we are positive that 2026 is going to be more resilient actually and a more predictable year for us in North America and we are positive that in that region, we will return into revenue growth for the full year 2026. Around the services margin, maybe also, I think if you look into the numbers and the development from 2024 into 2025, it has been a positive progress.

So the margin overall has been increasing and we are positive that this will continue. It will continue as our service portfolio is shifting more and more towards cloud-native capability, also higher value advisory and managed services and support services, which we are having in our offering. I think this will help to further improve and accelerate our overall margins in the services business.

Mulholland Melissa
Thanks for your questions. Regarding E7, you're right to call it out. We see this as a strategic opportunity with our Microsoft portfolio as it combines, let's call it, the SKU capability along with AI through Co-pilot to simplify this for our customers. And we see this to be particularly attractive in the high end of corporate into the enterprise segment.

So we're well positioned to capture additional growth opportunities from this. In terms of additional service areas of growth that are implied, certainly, we're going to continue our focus around AI as well as agents and continue to improve the, let's say, the efficiency of the overall services line, which is implied in terms of the overall margin improvement in Q4.

Mao Ines
Thank you.

Operator
The next question comes from Christian Bader from Zuercher Kantonalbank. Please go ahead.

Bader Christian

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Yes. Good morning. I have three questions, please and I'd like to do them one after the other. First of all, you mentioned several times new business with Google Cloud. And I was wondering what is the revenue potential here? And is this business going to be margin accretive?

Mulholland Melissa

Thanks for the question. So with Google and with our channel business in general, this is a new opportunity for us. As we've seen with our AWS channel expansion, it will take time for this to be able to really take effect in terms of the P&L. So we expect this to deliver additional upside in the back half of H2, but more likely in 2027 from a materiality perspective.

From a margin standpoint, this is very accretive to our overall channel margins as the channel business is very highly dependent on our platform, CloudIQ, which gives us more efficiency and scale. So we see this to be particularly attractive across the markets that we are ready to launch with more countries to come.

Bader Christian

Okay. My second question has to do with LATAM because you said that you exited four countries Argentina and three others. So I was wondering how much of revenue is lost due to the exit of these four countries?

Erb Raphael

The revenue impact is not significant because those markets are very, very, small markets already. They're actually the revenue impact from a revenue 2025 has been very insignificant.

Bader Christian

I see. All right. Okay and my last question is, is it possible to get some guidance for your investments both in tangibles and intangibles for 2026? Capex guidance, any capex guidance, please.

Schraner Hanspeter

So as we are continuing to invest in our technology, especially in the platforms, the investments will maybe slightly increase, but for sure, have a similar level as in 2025.

Bader Christian

Okay. All right. That's it, thank you.

Operator

The next question comes from Florian Treisch from Kepler Cheuvreux. Please go ahead.

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Treisch Florian

Yes. Good morning, everybody. Thanks for taking my question. My question is around the Microsoft incentive changes, EA changes. I mean we discussed at length last year being a headwind for SoftwareOne. So, the first question would be, have you actually, let's say, delivered better than expected on these kind of headwinds as you have mentioned or flagged that Q4 has clearly been driven by the CSP transition? And then looking into '26, how much of a tailwind can it become? Or would you still assume it's a slight negative impact on the overall business? Thank you.

Mulholland Melissa

Thank you so much for asking. So great question. In terms of Q4 and what we saw for the full year for 2025, yes, we delivered better than expected given the, let's say, negative effect of the EA changes. This was driven by the focus to CSP realization, which I'm pleased to say we delivered.

In addition, we also saw the shift to services-based incentives as particularly accretive, and that's also demonstrated in the Q4 profitability improvement overall for services. As we go into 2026, we do not see any headwinds effect with related to the EA incentives.

If anything, there will be stabilization of incentives as indicated also by Microsoft. So, with that, we will further, let's say, accelerate the growth that we've had around CSP and services as we see that to drive more potential.

Treisch Florian

Great. Thank you very much.

Mulholland Melissa

Thank you.

Operator

The next question comes from Christopher Pong from UBS. Please go ahead.

Pong Christopher

Good morning, everyone. Thanks for taking my questions. Maybe two from my side. I was just wondering on exceptionals in 2026. What should we expect over here? Obviously, you'll have to take some further cost synergies, but is there anything else we should be mindful of?

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Schraner Hanspeter

I mean, look, as we already stated, our goal is to narrow the gap between the reported and adjusted EBITDA. So, we said it's below 30 million. And of course, you always have certain items to adjust which are non-recurring, but we stick to the below 30 million and with a clear ambition to further decrease. This does not include the Crayon acquisition cost or cost related to the integration, to be clear.

Erb Raphael

And maybe to add on, on the cost synergies, as we already mentioned, to date, we are at the 64 million, and we are making further progress on that. We are very committed on our 80 million to 100 million target, which we mentioned. And through that, we should also -- this should also help to make a positive impact also going into H2 on our overall opex situation.

Pong Christopher

Got it. And I guess maybe on just the outlook and the cadence of revenue growth for the year. You mentioned that profitability would probably be more weighted towards second half. I was just wondering if you think revenue growth would also be sort of second half weighted as well.

Mulholland Melissa

Yes. I mean with the seasonality of our business, Q4 is the largest quarter. So you could certainly see that implied growth pick up on towards the back half of the year.

Pong Christopher

Got it. Perfect. Thank you very much

Operator

The Next question comes from Marc Purgi from Finanz und Wirtschaft. Please go ahead.

Purgi Marc

Yes. Thanks for taking my question. I only have one question concerning North America. You already talked about it in length, which is about the return to growth.

Can we expect that in the second half? Or could you maybe be more precise about when that should occur? And just about the general market situation, how is the market -- how is your market position?

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Schraner Hanspeter
In general, as mentioned, I'm very confident that in North America 2026, we will return into growth overall as a company again, which is very good, given where we are coming from. I also expect in Q1 a better performance than in Q4. So from this perspective, I'm positive that the trajectory is going to improve, and we should see an improvement already in Q1 compared to Q4.

Overall, I think the market for us is -- remains to be an attractive market. And again, with the combination of Crayon, I think we have a good chance now with a better overall setup also with the channel business as an additional business line for us. So, we continue to be very focused on North America.

Operator
The next question comes from Andreas Wolf from Berenberg. Please go ahead.

Wolf Andreas
Yes. Good morning. Thank you for taking my question and congratulations on the strong Q4. I have several questions. The first one is related to the assessment of the individual regions. Have you already fully assessed the region's performance? Or is there a possibility of impairments also in 2026?

The second is related to AI and the adoption of use cases? Do you see opportunities associated with the deployment of on-site engineers to drive use case adoption and ultimately, your business?

Question number three. How are AI providers such as OpenAI or Anthropic dealing with resellers? Does this -- does their growth offer business opportunities for you as well? And the last one is related to Microsoft price increases. What do you believe will be the tailwind from those in 2026? Thank you.

Schraner Hanspeter
Let me take the first question regarding the impairments. So what we did in 2025, we do the impairment test on CGU levels, which are the seven regions. And obviously, there were no impairments based on the current business plans for all regions with the exception of LATAM.

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LATAM we impaired 8 million. And we believe this is the right number based on what we know today. So based on what we know today, there are no further impairments expected in 2026. Otherwise, you would have impaired already at the end of 2025.

Mulholland Melissa

Thanks for your question regarding AI. So I'll start with the first regarding the adoption of use cases. So this is something that we are very much focused on. We always believe that it's important to test internal use cases before we take them to market.

And we're also finding ways to drive AI through internal adoption to increase more efficiency and scale also to reduce cost to make us quicker to market to customers. So, this is something that, yes, we are focused on, and yes, we are also looking at ways to deploy our internal AI capability to both support customers, but also ourselves.

In terms of your question regarding Anthropic, OpenAI, certainly, this is something that is quite exciting to see in the market. Anthropic is certainly an area where we see additional partner opportunity as they need partners like us to be able to deploy and also to help customers manage which AI models should they actually consider.

This is where our business model really thrives around complexity. So we help guide our customers around which model makes sense for their data environment, but also how to implement and build those solutions. So we see business opportunity to come out of that.

In terms of the Microsoft price increases, I always say Microsoft price increases help our business. So, there's certainly a carry forward from that. It also positions us well to be able to support our customers in navigating that price increase as our business has always been focused around cost management overall. Hard to say what the actual implied impact will be, but certainly, we see this to be positive for 2026.

Wolf Andreas

Thank you.

Operator

Ladies and gentlemen, that was the last question. I would now like to turn the conference back over to Kjell Arne Hansen for any closing remarks.

Arne Hansen Kjell

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Thank you, and thank you, everyone, for joining the call. And as always, please don't hesitate to reach out to the IR team if you have any further questions. Thank you.

- END -

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