



Media Release

SoftwareONE delivers solid results with continued acceleration in Solutions & Services in 2020

Stans, Switzerland | 25 March 2021 – **SoftwareONE Holding AG, a leading global provider of end-to-end software and cloud technology solutions, today announced solid overall 2020 results. In a year defined by the Covid-19 pandemic, gross profit grew 4.4% YoY at constant currency. Solutions & Services continued its growth trajectory driven by accelerating demand for cloud-based services, while Software & Cloud was adversely impacted by weakness in SME purchasing. Significant investments in strategic capabilities, with more than 2,200 net new FTEs, is expected to drive gross profit growth above 10% in 2021.**

- On an adjusted basis¹, gross profit grew 4.4% YoY at constant currency, totaling CHF 729.6 million in 2020, impacted by a strengthening of the Swiss franc
- Gross profit in Software & Cloud declined 1.9% at constant currency, while growth in Solutions & Services accelerated to 23.9% YoY driven by demand for cloud-based services and 'X Simple' bundles
- Adjusted EBITDA increased 5.1% YoY at constant currency to CHF 223.1 million, implying a margin of 30.6%, while operating cash flow grew 27.7% to CHF 276.3 million driven by improvements in working capital
- Strategic agreement and co-investment plan with Microsoft announced today to accelerate the migration and adoption of SAP S/4HANA and application modernization on Azure globally
- Six acquisitions in key strategic growth areas, including application services leader InterGrupo, as well as continued investments in talent resulted in more than 2,200 net new FTEs
- Integration of Comparex near completion with >80% targeted cost synergies achieved
- Recognized as a leader in the Gartner 'Magic Quadrant' report for Software Asset Management (SAM) Managed Services and a FinOps Certified Service Provider (FCSP) and Platform (FCP)
- Dividend of CHF 0.30 per share proposed for 2020
- Two new independent Board members, Isabelle Romy and Adam Warby, nominated for election at the AGM on 20 May 2021 and expected to join the Audit and Nomination and Compensation Committees, respectively
- Audio webcast for investors, analysts and media to be held today at 9.00 CET

¹ Unless otherwise indicated, all references to YoY percentage changes in the profit & loss statement between 2020 and 2019 are on an adjusted basis, including proforma adjustments to present 2019 as if the acquisition of Comparex had occurred on 1 January 2019, as well as other adjustments detailed on page 9 of this media release

Dieter Schlosser, CEO of SoftwareONE said, "Throughout 2020 we worked tirelessly to support our customers with their changing needs, while also ensuring our employees' safety. For this I am extremely thankful to my colleagues worldwide who rose to the challenges presented by the Covid-19 pandemic.

Although Software & Cloud performed below our expectations, I could not be more excited about Solutions & Services' future. Covid-19 has proven to be a catalyst for the cloud, making digital transformation an immediate strategic priority for customers in order to drive resilience and innovation. With our unique global reach, this presents a significant growth opportunity to accompany our 65,000+ customers to the cloud. Consequently, we are now accelerating our growth strategy with an even more competitive services offering focused on technology and IP-enablement, delivered through our global delivery centers and centered around PyraCloud, our proprietary digital platform which provides customers with data-driven, actionable intelligence.

We are entering 2021 with confidence that our strategy and momentum in Solutions & Services will return SoftwareONE to double-digit growth, while further increasing the proportion of high-quality recurring revenues."

Key figures

CHFm (unless otherwise indicated)	2020	2019	% Δ	% Δ at CCY
Adjusted¹				
Gross profit from Software & Cloud	519.5	561.9	(7.5)%	(1.9)%
Gross profit from Solutions & Services	210.1	180.4	16.5%	23.9%
Gross profit	729.6	742.2	(1.7)%	4.4%
Operating expenses	(506.5)	(518.7)	(2.3)%	4.0%
EBITDA	223.1	223.6	(0.2)%	5.1%
EBITDA margin (%)	30.6%	30.1%	0.5pp	-
EPS (diluted)	0.81	0.88	(7.4)%	-
IFRS reported				
Net cash generated from/(used in) operating activities	276.3	216.3	-	-
Net debt/(cash) ²	(496.5)	(209.9)	-	-
Net working capital (after factoring) at period-end	(169.6)	(71.4)	-	-
Headcount (in FTEs) (excluding InterGrupo)³	6,219	5,442	14.3%	-

¹ Includes proforma adjustments to present 2019 as if the acquisition of Comparex had occurred on 1 January 2019, as well as other adjustments detailed on page 9

² Reflects change in net debt definition with reclassification of non-current supplier liabilities to non-current other payables in 2020 and 2019

³ An additional 1,450 employees joined via the InterGrupo acquisition which closed in January 2021, bringing the current total to approximately 7,700

Overall solid performance during Covid-19 pandemic

According to Gartner, overall global IT and enterprise software spend declined by 3.2% and 2.4%, respectively, in 2020 as CIOs prioritized spending on mission-critical technology and services, particularly during the initial stages of the Covid-19 pandemic. In this environment, SoftwareONE delivered solid results, driven by the strength of its business model and high degree of diversification across customers, sectors and geographies.

Total revenue corresponded to CHF 7,906.3 million in 2020, up 6.4% and 0.6% YoY in constant and reported currency, respectively.

Gross profit increased by 4.4% YoY in constant currency, totaling CHF 729.6 million in 2020, corresponding to a decline of 1.7% in reported currency. The negative currency translation effect was due to an appreciation of the Swiss franc (CHF), primarily against the EUR, USD, GBP, BRL, MXN and INR.

Acquisitions made during 2020 contributed approximately CHF 7 million to gross profit growth.

Performance by business

Software & Cloud

Gross profit from Software & Cloud decreased 1.9% YoY in constant currency, totaling CHF 519.5 million in 2020.

As a consequence of the Covid-19 pandemic, customers experienced rapid and unforeseeable changes to their technology needs and operations throughout 2020. SoftwareONE's portfolio resonated well with customers, with heightened demand for remote enablement, collaboration, cost optimization and cloud-based management. Offsetting this positive impact was weakness in purchasing by SMEs who became more cautious regarding discretionary or one-off transactions which are typically project-related. While some improvement in purchasing levels was seen in mid-2020, the re-introduction of lock-downs later in the year negatively impacted customers' decision-making.

Microsoft

SoftwareONE's Microsoft business developed well in 2020 driven by strong renewals and growing demand for Microsoft's software and cloud products. Microsoft Cloud billings, comprising 365, Azure and Dynamics, grew double-digit compared to the prior year while On-premise declined. By customer segment, large enterprises performed well and public sector organizations showed exceptional strength in billings growth, although the latter represent a smaller portion of SoftwareONE's business. Meanwhile, SMEs – which typically serve as the group's growth and profitability engine – reduced their spend significantly in 2020.

The shift to 'pay-as-you-go' subscriptions from multi-year agreements, which SoftwareONE captures with its 'X Simple' bundles such as 365Simple and AzureSimple, continued very strongly. While positive in terms of promoting closer customer relationships and attaching services, this development also adversely affected results due to (i) less revenue recognized upfront and (ii) the

entire services component (i.e. customer mark-up for the managed service and PyraCloud) being booked under Solutions & Services.

Multi-vendor

SoftwareONE's multi-vendor business includes many market-leading software companies, including Adobe, AWS, Citrix, Google Cloud, Oracle, Red Hat, VMware, Sophos, Symantec and Veeam. While purchasing behavior varied greatly depending on the type of software, SoftwareONE generally saw healthy growth in mission-critical software, with some weakness related to discretionary or project-related offerings in 2020.

Solutions & Services

Solutions & Services achieved strong gross profit growth of 23.9% YoY in constant currency to CHF 210.1 million in 2020. This result includes a gross profit contribution from InterGrupo of approximately CHF 5 million following its consolidation from November 2020 onwards, as well as less than CHF 2 million related to other acquisitions.

While professional services experienced some deferrals in the Covid-19 environment, managed services enjoyed strong renewals and growth as customers sought out trusted partners to help them operate their technology environment in the cloud and drive their long-term digital transformation journeys.

Offerings such as 365Simple and AzureSimple also contributed meaningfully to growth in 2020, with the entire services and platform component of these bundles being booked under Solutions & Services.

During 2020 SoftwareONE continued to expand its hyperscaler offering to include AWS and Google Cloud-related services to support customers with their multi-cloud strategies.

Performance by geography

On a geographical basis, performance varied depending on the extent of lockdown measures, as well as other disruptive events during 2020. EMEA (67.3% of 2020 gross profit), APAC (11.3%) and LATAM (7.0%) delivered strong growth at gross profit level in constant currency, while NORAM's (14.4%) development was subdued.

Investments across strategic growth areas

Total adjusted operating expenses increased by 4.0% YoY in constant currency to CHF 506.5 million in 2020, excluding share-based compensation¹, IPO, integration and M&A and earn-out expenses which amounted to CHF 35.1 million in total.

The development of SoftwareONE's cost base reflected the successful realization of Comparex synergies and Covid-19-related savings due to lower expenses for travel and physical marketing

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

events, which amounted to approximately CHF 38 million in total. Along with lower variable compensation, these savings provided scope for re-investment into strategic growth areas.

New hires included sales and technical pre-sales, professional and managed services delivery personnel, as well as specialists in digital transformation services such as application modernization, critical workload migration and security. The additional personnel expenses relating to these hires amounted to approximately CHF 34 million in 2020. Furthermore, substantial investments were made in scaling bolt-on acquisitions, which in their current phase produced a contribution margin significantly below that of SoftwareONE on a group level. Despite the short-term impact on EBITDA margin, these investments are expected to contribute meaningfully to driving long-term growth.

The number of FTEs, excluding the acquisition of InterGrupo, stood at 6,219 as at 31 December 2020. Including InterGrupo, the number of FTEs increased to approximately 7,700.

With regards to the integration of Comparex, SoftwareONE achieved run-rate cost synergies of CHF 32.5 million by 31 December 2020, in line with its guidance to deliver 80-85% of the targeted cost synergies earlier than expected. The full CHF 40 million of targeted cost synergies is expected to be achieved by the end of 2021.

Adjusted EBITDA increased 5.1% YoY at constant currency to CHF 223.1 million, implying a margin of 30.6% in 2020, impacted by a higher cost base driven by the above-mentioned strategic investments.

Adjusted profit for the period was CHF 125.7 million in 2020, representing a decrease of 6.3% YoY in reported currency.

IFRS reported profit for the period increased 41.4% YoY in reported currency to CHF 176.8 million in 2020. This result includes the aforementioned adjustments, as well as a non-taxable appreciation in SoftwareONE's shareholding in Norwegian listed company Crayon of CHF 83.0 million.

For a reconciliation of IFRS reported profit to adjusted profit for the period, see page 10 of this media release.

Strong liquidity and unlevered balance sheet

Net cash generated from operating activities amounted to CHF 276.3 million in 2020, an increase of CHF 60.0 million compared to the prior year. This was driven primarily by continuous improvements in the collection of receivables and prudent management of payment terms.

Capital expenditure totaled CHF 22.8 million in 2020, mainly relating to investments in PyraCloud and purchases of IT equipment. Cash outflow relating to acquisitions of businesses amounted to CHF 45.5 million, including earn-out payments relating to prior acquisitions. Free cash flow was CHF 257.6 million during 2020.

SoftwareONE closely monitored the credit situation among customers following the escalation of the Covid-19 pandemic in early 2020, but saw only a minor impact on its ability to collect funds from customers. The bad debt provision as a percentage of trade receivables increased from 0.9%

as at 31 December 2019 to 1.0% as at 31 December 2020. The proportion of insured receivables remained high at approximately 47%, with an additional 20% being from governments or highly creditworthy customers as at 31 December 2020.

Net cash position was CHF 496.5 million as at 31 December 2020 compared to CHF 209.9 million one year earlier.

Overall, SoftwareONE continues to be in a position of financial strength, with significant liquidity and strong cash flow generation.

Strategy update

SoftwareONE's current strategic cycle 'Vision 2022' was established in 2018 and is centered on enabling customers to embark on their digital journeys, empowering them to utilize technology to support and drive business outcomes. Given the fast pace of change – across the customer, vendor and technology landscapes – SoftwareONE is now accelerating its investments to transform into a provider of IP and technology-driven services at scale.

While expected to happen at an even faster pace, the update is in line with the strategic direction that SoftwareONE has been taking in recent years in terms of increasing services adoption amongst its customer base, building on its No. 1 market-leading positions in SLM/FinOps and managed cloud services. PyraCloud will continue playing a central role in connecting customers with all areas of the company's portfolio, acting as a 'digital sales engine' and reinforcing long-standing customer relationships.

As part of this acceleration, SoftwareONE is establishing a comprehensive offering, which comprises three major components – digital, commercial and technology transformation – covering customers' entire digital journeys:

- **Commercial Transformation** includes providing a publisher marketplace and digital supply chain (DSC) solutions for purchasing on-premise, SaaS software and public cloud products, as well as a comprehensive range of SLM services including advisory to help customers optimize their cloud spend, ensure transparency and manage compliance risks;
- **Technology Transformation** includes services to help customers adopt and utilize the latest cloud-enabled technology to build scalable operating models, complete with management, governance and security features;
- **Digital Transformation** includes leveraging the combination of commercial and technology transformation to help customers digitally transform by changing business models, empowering employees, optimizing operational processes and improving customer experience.

SoftwareONE's market leadership in commercial transformation, combined with its natural extension into technology, uniquely positions it to help customers modernize their applications and critical workloads in the public cloud, while simultaneously managing and optimizing their software estates. This allows SoftwareONE to deliver key business outcomes that fuel customers' digital journeys. As a result, customers become more agile, while gains from operational

efficiencies and applied intelligence through PyraCloud become available for re-investment into future waves of digitization.

In order to strengthen its capabilities within this new category, SoftwareONE has developed five strategic incubation initiatives, which it reinforced with bolt-on acquisitions, strategic collaborations and new hires during 2020:

- **Hyperscaler factory** involves expanding SoftwareONE's migration capabilities on Microsoft Azure, AWS and Google Cloud to offer deep expertise in multi-cloud solutions, managed cloud compute optimization around costs and technology, as well as real-time management, monitoring and automation with PyraCloud;
- **SAP in the cloud** encompasses deepening its offering in SAP cloud migration and next-generation S/4HANA solutions, supporting customers in transitioning critical workloads ahead of the 2027 support deadline, which typically also involves significant new software spend;
- **Application services** includes building on its capabilities in helping customers develop customized cloud-native technologies, as well as migrating legacy applications to the cloud;
- **Managed FinOps** builds on SoftwareONE's long-standing expertise in SAM to help customers with digital transformation, cloud cost management and security, as well as defining their technology roadmap, migrating and managing them in the cloud;
- **Industry verticals** involve partnering with leading industry players to drive digitization for the benefit of overall industries, e.g. the strategic agreement with RIB Software.

By leveraging its new offering and growth initiatives, SoftwareONE seeks to achieve a transformed customer base characterized by high services adoption. Software & Cloud will remain the foundational pillar, while becoming increasingly digital through an engagement model via PyraCloud. Overall, this is expected to further increase the quality and recurring nature of SoftwareONE's revenue base.

Strategic agreement and co-investment plan with Microsoft

SoftwareONE and Microsoft today announced a strategic agreement to accelerate the migration and adoption of SAP S/4HANA and application modernization on Azure globally, building on a long-standing and successful 30-year relationship. Based on the terms of the agreement, SoftwareONE will significantly expand its related sales and delivery capabilities by the end of 2023, supported by co-investment by Microsoft.

Outlook

In 2021, SoftwareONE expects an improved operating environment, albeit with uncertainty around Covid-19 restrictions, vaccine roll-out and government stimulus programs, which are expected to influence the rate of macroeconomic recovery. According to Gartner¹, global IT spend is expected to increase by 6.2% in 2021, with enterprise software growing at 8.8%. Moreover,

¹ Gartner Forecasts Worldwide IT Spending (January 2021)

Gartner predicts that organizations will accelerate their digital transformation plans by at least five years, with the cloud as a critical enabler of resilience and innovation in a post-pandemic world.

As SoftwareONE accelerates its growth strategy, continued focus will be maintained on meeting customer purchasing needs via Software & Cloud. However, as previously described, the group's approach will shift further towards modern commerce, 'pay-as-you-go' subscriptions and an expanding portfolio of IP-based services and solutions, all digitally-enabled via PyraCloud. Meanwhile, investments to take advantage of new strategic growth areas within services will continue, which is expected to limit EBITDA margin expansion beyond its current level.

Consequently, and based on the assumption of no further material deterioration in the environment due to Covid-19, SoftwareONE's guidance for 2021 is as follows:

- Gross profit growth above 10% for the group in constant currency¹;
- Adjusted EBITDA margin of approximately 30%;
- Dividend pay-out ratio of 30-50% of adjusted profit for the year.

By business line, Solutions & Services is expected to continue to demonstrate strong momentum in 2021, with the rate of gross profit growth materially exceeding that of Software & Cloud. Furthermore, overall growth for the group is expected to accelerate during the course of the year, as the effects of ongoing strategic initiatives and investments come through.

Beyond 2021, SoftwareONE expects a further acceleration in gross profit growth to the 'mid-teens' in constant currency, with EBITDA growth in excess of gross profit growth in the mid-term.

Supported by a strong balance sheet and cash flow generation, SoftwareONE will continue to invest to drive long-term profitable growth.

¹ In excess of the contribution by InterGrupo

RESULTS OVERVIEW

Profit & loss summary

CHFm (unless otherwise indicated)	IFRS reported		Adjusted			
	2020 ¹	2019	2020 ¹	2019	% Δ	% Δ at CCY
Revenue from Software & Cloud	7,593.3	7,313.9	7,593.3	7,544.3	0.6%	6.4%
Cost of software purchased	(7,073.9)	(6,773.4)	(7,073.9)	(6,982.4)	1.3%	-
Gross profit from Software & Cloud	519.5	540.5	519.5	561.9	(7.5)%	(1.9)%
Revenue from Solutions & Services	312.9	296.9	312.9	315.6	(0.9)%	5.9%
Third party service delivery costs	(102.8)	(123.1)	(102.8)	(135.3)	(24.0)%	-
Gross profit from Solutions & Services	210.1	173.8	210.1	180.4	16.5%	23.9%
Gross profit total	729.6	714.3	729.6	742.2	(1.7)%	4.4%
Operating expenses	(541.6)	(544.0)	(506.5)	(518.7)	(2.3)%	4.0%
EBITDA	188.0	170.3	223.1	223.6	(0.2)%	5.1%
Depreciation, amortisation & impairment ²	(55.2)	(51.3)	(55.2)	(52.3)	5.5%	-
EBIT	132.8	119.0	167.9	171.3	(2.0)%	-
Net financial items	81.0	35.3	(2.0)	(4.7)	(57.3)%	-
Earnings before tax	213.8	154.4	165.9	166.6	(0.4)%	-
Income tax expense	(37.0)	(29.3)	(40.2)	(32.4)	24.1%	-
Profit for the period	176.8	125.0	125.7	134.2	(6.3)%	-
EBITDA margin (%)	25.8%	23.8%	30.6%	30.1%	0.5pp	-
EPS (diluted)	1.14	0.82	0.81	0.88	(7.4)%	-

Adjustments summary

CHFm (unless otherwise indicated)	2020	2019 Adjustments		
	Adjustments ³	Adding Comparex ⁴	Other ³	Total
Revenue from Software & Cloud	-	230.4	-	230.4
Cost of software purchased	-	(209.0)	-	(209.0)
Gross profit from Software & Cloud	-	21.4	-	21.4
Revenue from Solutions & Services	-	18.7	-	18.7
Third party service delivery costs	-	(12.1)	-	(12.1)
Gross profit from Solutions & Services	-	6.5	-	6.5
Gross profit total	-	27.9	-	27.9
Operating expenses	35.1	(21.9)	47.2	25.4
EBITDA	35.1	6.1	47.2	53.3
Depreciation, amortisation & impairment	-	(1.0)	-	(1.0)
EBIT	35.1	5.1	47.2	52.3
Net financial items	(83.0)	(1.1)	(38.9)	(40.1)
Earnings before tax	(47.9)	3.9	8.3	12.2
Income tax expense	(3.1)	0.3	(3.3)	(3.0)
Profit for the period	(51.0)	4.2	5.0	9.2

¹ Includes approximately two months of InterGrupo, which was consolidated from November 2020 onwards

² Includes PPA amortization (including impairments) of CHF 16.8 million and CHF 11.5 million in 2020 and 2019, respectively

³ Includes adjustments for share-based compensation, IPO, integration and M&A and earn-out expenses and appreciation of the shareholding in Crayon and related tax impact of adjustments

⁴ Proforma adjustments including the addition of Comparex financials for the month of January 2019 as well as adjustments for alignment of accounting policies, reclassification and currency translation

Reconciliation – IFRS reported to Adjusted profit

CHFm (unless otherwise indicated)	2020	2019
IFRS reported profit for the period	176.8	125.0
Proforma adjustments for Comparex acquisition	-	4.2
Share-based compensation	24.2	21.4
IPO, integration and M&A and earn-out expenses	10.9	25.9
Total operating expense adjustments	35.1	47.2
Depreciation / (appreciation) of Crayon shareholding	(83.0)	(38.9)
Tax impact of adjustments	(3.1)	(3.3)
Adjusted profit for the period	125.7	134.2

Source: Management view

Alternative Performance Measures

Please see the 2020 Annual Report for a definition of [Alternative Performance Measures](#) (page 36 of the PDF version) used in this media release.

2020 RESULTS DOCUMENTS

The 2020 results documents can be found on SoftwareONE's website in the [Results Center](#).

CALL FOR INVESTORS, ANALYSTS AND THE MEDIA

An investor, analyst and media audio webcast with Dieter Schlosser, CEO, Hans Grüter, CFO and Alex Alexandrov, COO will be held today at 9.00 CET and may be joined via the link [audio webcast](#).

To actively participate in the Q&A session, please join via telephone instead:

Switzerland: +41 445806522

Germany: +49 69201744220

UK: +44 2030092470

US: +1 8774230830

Other international numbers are available [here](#). Enter the PIN: 53027264# and join [no-audio webcast](#) to view the slides. Please join 10-15 minutes before the webcast is due to start.

The webcast will be archived and a digital playback will be available approximately one hour after the event in the [Results Center](#).

CORPORATE CALENDAR

2020 Annual General Meeting (AGM)	20 May 2021
2021 Half-year results & Half-year report	26 August 2021
2021 Full-year results & Annual report	3 March 2022

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ABOUT SOFTWAREONE

SoftwareONE is a leading global provider of end-to-end software and cloud technology solutions, headquartered in Switzerland. With an IP and technology-driven services portfolio, it enables companies to holistically develop and implement their commercial, technology and digital transformation strategies. This is achieved by modernizing applications and migrate critical workloads on public clouds, while simultaneously managing and optimizing the related software and cloud assets and licensing. SoftwareONE's offerings are connected by PyraCloud, its proprietary digital platform, which provides customers with data-driven, actionable intelligence. With around 7,700 employees and sales and service delivery capabilities in 90 countries, SoftwareONE provides around 65,000 business customers with software and cloud solutions from over 7,500 publishers. SoftwareONE's shares (SWON) are listed on SIX Swiss Exchange. For more information, please visit [SoftwareONE.com](https://www.softwareone.com).

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING AND NON-IFRS INFORMATION

This media release may contain certain forward-looking statements relating to SoftwareONE Holding AG (the 'Company') and each of its subsidiaries and affiliates (jointly referred to as 'SoftwareONE' or the 'group') and its future business, development and economic performance. Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to force majeure, competitive pressures, legislative and regulatory developments, global, macroeconomic and political trends, the group's ability to attract and retain the employees that are necessary to generate revenues and to manage its businesses, fluctuations in currency exchange rates and general financial market conditions, changes in accounting standards or policies, delay or inability in obtaining approvals from authorities, technical developments, litigation or adverse publicity and news coverage, each of which could cause actual development and results to differ materially from the statements made in this media release. SoftwareONE assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

Certain financial data included in this media release consists of non-IFRS or adjusted financial measures. These non-IFRS or adjusted financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS or adjusted financial measures and ratios included herein. In addition, certain financial information contained herein has not been audited, confirmed or otherwise covered by a report by independent accountants and, as such, actual data could vary, possibly significantly, from the data set forth herein.

In addition, this media release contains selected financial statement line items and non-IFRS or adjusted financial measures prepared on a proforma basis. The proforma financial information for 2019 has been prepared by aggregating (i) the audited IFRS reported financial information for the financial year 2019 (consisting of twelve months of the group (excluding Comparex AG and its consolidated subsidiaries ('Comparex')) and eleven months of Comparex) and (ii) the month of January 2019 of Comparex. The proforma financial information has been prepared by taking into account the group's acquisition of Comparex as if such acquisition had taken place on 1 January 2019 and has not been audited, reviewed or otherwise verified. Accordingly, such proforma financial information should be treated as merely indicative of the performance of the group as if the acquisition of Comparex had taken place on 1 January 2019 and

the group's actual performance for the relevant period could vary, possibly significantly, from the information set forth in the proforma financial information.