Media Release – ad hoc announcement pursuant to Art. 53 LR

SoftwareOne reports margin improvement despite revenue decline in Q1 2025

Stans, Switzerland I 21 May 2025 – **SoftwareOne Holding AG (SIX: SWON), a leading global software and cloud solutions provider, today announced its Q1 2025 trading update.**

- Group revenue down 5.7% YoY in constant currency (ccy) and down 6.0% in reported currency to CHF 232.2 million in Q1 2025
- Adjusted EBITDA up 2.3% YoY ccy to CHF 46.0 million, with a margin improvement of 1.4 ppts to 19.8%, driven by cost reductions offsetting lower-than-expected revenue growth
- All regions in line with expectations, with the exception of NORAM due to continued GTM-related execution challenges and increased macro-economic uncertainty; action taken to drive turnaround in H2 2025
- S&C Marketplace impacted by incentive changes as expected despite 10% YoY ccy gross billings growth in the Microsoft business; flat revenue growth in S&C Services driven by NORAM and large transactions in Q1 2024 distorting year-on-year comparability
- Cost reduction programme completed with CHF 88 million annualised savings, overachieving target of CHF 70 million (upgraded from CHF 50+ million previously)
- 2025 outlook (on a standalone basis) confirmed based on an expected turnaround in NORAM and strong positive momentum in H2 2025; combined company guidance to be provided post-completion
- Successful tender offer for Crayon, with SoftwareOne reaching over 90% at end of offer period; closing expected in June 2025, subject to remaining regulatory approvals

Raphael Erb, CEO of SoftwareOne said, “Q1 2025 marked a challenging start to the year, driven primarily by a weaker-than-anticipated performance in NORAM, while all other regions developed in line with expectations. We expected six months to resolve the GTM-related issues, and further turnaround measures have been implemented in NORAM. Thanks to the cost reduction programme initiated in Q4 2024, we delivered improved profitability at the adj. EBITDA level and have re-established a lean and sustainable cost structure going forward.

As we progress through Q2 2025, we see headwinds persist as we navigate Microsoft incentive changes and GTM-related fixes take hold. Taking into account the positive developments in April, we are confident that we can drive strong momentum in H2 2025, given lower negative impact from incentive changes, an acceleration in service-led offerings such as CSP and benefits of the GTM transformation coming through.

Meanwhile, I am thrilled to be embarking on a new chapter with Crayon. Based on our combined global footprint, enhanced offering and deep partner relationships, we will be excellently positioned to capitalise on the large, fast-growing market of software, cloud, data & AI. We have already made strong progress in terms of integration planning to ensure Day 1 readiness ahead of closing. I am thankful for both teams’ spirit and dedication as we come together.”

Rodolfo Savitzky, CFO of SoftwareOne added, “With the successful implementation of our cost reduction programme, we were able to drive improved margin compared to prior year despite the decline in revenue. With the completion of these cost reductions and the operational excellence programme, we have laid the foundation for scalable, profitable growth.”

Key figures – Group

CHFm	Q1 2025	Q1 2024	% Δ	% Δ (CCY)
Software & Cloud Marketplace	111.0	125.6	(11.6)%	(11.3)%
Software & Cloud Services	121.2	121.3	(0.1)%	0.1%
Total revenue	**232.2**	**246.9**	**(6.0)%**	**(5.7)%**
Delivery costs	(84.4)	(87.7)	(3.7)%	(3.2)%
Contribution margin	**147.8**	**159.3**	**(7.2)%**	**(7.1)%**
SG&A	(101.9)	(113.9)	(10.6)%	(10.8)%
Adjusted EBITDA	**46.0**	**45.4**	**1.3%**	**2.3%**
Adjusted EBITDA margin (% revenue)	*19.8%*	*18.4%*	*1.4pp*	-

Group revenue declined 5.7% YoY ccy and 6.0% in reported currency to CHF 232.2 million in Q1 2025, compared to CHF 246.9 million in the prior year. On an organic basis[1], revenue declined 6.2% YoY ccy.

The strengthening of the CHF versus, in particular, the Euro, Indian rupee, and Colombian peso, largely offset by a weakening against the US dollar, led to a negative FX translation impact of 0.3 percentage points on group revenue.

Mixed performance by region

Revenue by region

CHFm	Q1 2025	Q1 2024	% Δ	% Δ (CCY)
DACH	71.4	74.8	(4.5)%	(4.3)%
Rest of EMEA	71.3	72.2	(1.3)%	(1.1)%
NORAM	27.4	39.1	(29.9)%	(31.3)%
LATAM	22.8	24.8	(8.1)%	(2.9)%
APAC	38.3	32.8	16.6%	15.9%
Group, FX and Other	0.9	3.1	-	-
Group revenue	**232.2**	**246.9**	**(6.0)%**	**(5.7)%**

By region, DACH revenue declined 4.3% YoY ccy to CHF 71.4 million in Q1 2025, compared to CHF 74.8 million in the prior year. Weak results in the Microsoft transactional business were partially offset by solid momentum in CSP and strong growth in other ISVs. A large customer transaction in Q1 2024 also distorted year-on-year growth.

Rest of EMEA was down 1.1% YoY ccy in Q1 2025 to CHF 71.3 million, compared to CHF 72.2 million in the prior year, driven by soft results in Benelux and CEE, while Southern Europe delivered strong growth with several large customer wins and momentum in services.

Revenue in NORAM was down 31.3% YoY ccy to CHF 27.4 million in Q1 2025, compared to CHF 39.1 million in the prior year. This was driven by persistent GTM-related sales execution issues impacting results across both business lines, as well as increased macro-economic uncertainty leading to delays in customer decision-making and transaction slippage. In addition, certain large transactions in the prior year period reduced comparability to current year.

APAC delivered revenue growth of 15.9% YoY ccy to CHF 38.3 million in Q1 2025, compared to CHF 32.8 million in the prior year, driven by strong results in India, Japan and South-East Asia. Growth in services was very strong, with continued expansion of the AWS practice and momentum in Application Services.

[1] Defined as revenue growth in constant currency, excluding the contribution of acquired businesses the first 12 months after acquisition

Revenue in LATAM decreased by 2.9% YoY ccy to CHF 22.8 million in Q1 2025, compared to CHF 24.8 million in the prior year, impacted by the loss of a public sector contract in Colombia in 2024. Mexico delivered another quarter of strong double-digit revenue growth on the back of actions taken to resolve the GTM-related issues, while Central America & Caribbean also reported good results.

Revenue decline driven by Marketplace

Software & Cloud Marketplace

Key figures – Software & Cloud Marketplace

CHFm	Q1 2025	Q1 2024	% Δ	% Δ (CCY)
Revenue	**111.0**	**125.6**	**(11.6)%**	**(11.3)%**
Contribution margin	**96.0**	**108.2**	**(11.3)%**	**(11.0)%**
Contribution margin (% of revenue)	*86.5%*	*86.1%*	-	-
Adjusted EBITDA	**53.6**	**57.9**	**(7.4)%**	**(6.5)%**
Adjusted EBITDA margin (% of revenue)	*48.3%*	*46.1%*	-	-

Revenue in Software & Cloud Marketplace declined 11.3% YoY ccy to CHF 111.0 million in Q1 2025, compared to CHF 125.6 million in the prior year, driven by weakness in the Microsoft transactional business as a result of changed incentives for enterprise agreements as expected.

Gross billings in the Microsoft business, including direct and indirect billings on a gross basis, increased 10% YoY ccy to CHF 4.4 billion[2], while revenue declined primarily due to the above-mentioned incentive changes.

SoftwareOne added approximately 36,000 new Copilot users during Q1 2025 to around 823,000 users at 31 March 2025. In addition, there were over 280 new services engagements in Q1 2025.

With over 41 thousand active clients and 57 thousand cloud subscriptions, LTM gross sales to 31 March 2025 on Marketplace Platform increased to CHF 915 million, up 37% YoY compared to prior year. New features are continuously added to enhance the Platform's capabilities and improve existing functionalities.

Contribution margin was CHF 96.0 million in Q1 2025, down 11.0% YoY ccy, reflecting a margin of 86.5%, compared to CHF 86.1% in Q1 2024 driven by the decline in revenue.

Adjusted EBITDA declined by 6.5% YoY ccy to CHF 53.6 million in Q1 2025, compared to CHF 57.9 million in the prior year period. The adjusted EBITDA margin improved to 48.3%, compared to 46.1% in the prior year driven by delivery cost and SG&A reductions.

Software & Cloud Services

Key figures – Software & Cloud Services

CHFm	Q1 2025	Q1 2024	% Δ	% Δ (CCY)
Revenue	**121.2**	**121.3**	**(0.1)%**	**0.1%**
Contribution margin	**51.8**	**51.1**	**1.4%**	**1.3%**
Contribution margin (% of revenue)	*42.8%*	*42.1%*	-	-
Adjusted EBITDA	**8.4**	**4.4**	**90.9%**	**92.6%**
Adjusted EBITDA margin (% of revenue)	*6.9%*	*3.6%*	-	-

[2] Sourced from SoftwareOne (due to changes in Microsoft reporting)

Software & Cloud Services grew by 0.1% YoY ccy to CHF 121.2 million in Q1 2025, compared to CHF 121.3 million in the prior year, driven by weakness across several service lines and large transactions in Q1 2024 in NORAM. Excluding NORAM, group revenue grew 6.2% YoY ccy in the quarter.

Focus on cross-selling continued with 76% of LTM (to 31 March 2025) revenue generated by c. 16.2k clients purchasing both software and services, up from 15.9k a year ago.

Revenue in Essentials[3] was up 14% YoY ccy in Q1 2025, driven by an acceleration in clients transitioning from enterprise agreements to the CSP model.

Contribution margin increased 1.3% YoY ccy to CHF 51.8 million in Q1 2025, slightly up from 51.1 in the prior year, with delivery costs remaining stable.

Adjusted EBITDA was CHF 8.4 million in Q1 2025, compared to CHF 4.4 million in the prior year period. The margin improved to 6.9% compared to 3.6% in the prior year, driven by lower SG&A expenses.

Margin improvement driven by cost reduction programme

Adjusted EBITDA for Q1 2025 grew to CHF 46.0 million with a margin of 19.8%, compared to CHF 45.4 million and 18.4% in the prior year, benefitting from the cost reduction programme.

Announced in late 2024, the cost reduction programme was concluded as planned by the end of Q1 2025, with annualised savings of CHF 88 million, compared to the initial target of CHF 50+ million, driven by a reduction of management layers and corporate overhead costs.

Total adjustments amounted to CHF 19.3 million in Q1 2025, compared to CHF 16.6 million in the prior year. Of this total amount, CHF 18.2 million related to the cost reduction programme, exceeding the target of CHF 15 million as a result of the above-mentioned higher-than-planned savings and resulting severance payments. Total adjustments are expected to be below CHF 30 million for full-year 2025, excluding Crayon implementation costs.

For a reconciliation of reported to adjusted EBITDA for the period, see page 6 of this media release

Further action taken to address GTM-related challenges in NORAM

The GTM transformation was implemented in mid-2024 to better align sales resources to the needs of the company's different client segments and to drive sales productivity. The accelerated timetable and magnitude of change led to sales execution issues in certain countries, including NORAM, UK and Mexico. Under the new CEO leadership, decisive action was taken to resolve the disruption, leading to improvements in the UK and Mexico. However, given persistent challenges in NORAM, further action has been taken in to drive a turnaround in this region by H2 2025. This includes strengthening the regional leadership team with Executive Board member Oliver Berchtold on an interim basis, strategic re-hiring to drive other ISV growth and building dedicated teams for priority sales motions.

Outlook for full-year 2025

On a standalone basis, SoftwareOne confirms its 2025 full-year guidance as follows:

- Revenue growth of 2-4% for the group in constant currency, based on a turnaround in NORAM;
- Adjusted EBITDA margin of 24-26% of revenue, with reported EBITDA to more than double compared to prior year;
- Dividend pay-out ratio of 30-50% of adjusted profit for the year.

Revenue growth is expected to remain at a similar negative level in Q2 2025 compared to Q1 2025 due to Microsoft incentive changes weighing in particular on June. Looking to H2 2025, the company expects a turnaround in NORAM based on the actions taken and strong positive momentum driven by lower impact

[3] Formerly known as xSimples; refers to total revenue reported under S&C Marketplace and Services

from the Microsoft incentive changes in the second half, an acceleration in service-led offerings such as CSP, benefits of the GTM transformation coming through, as well as a more favourable comparable period.

The achieved cost savings and strict cost control will continue to drive margin improvement compared to prior year. Total adjustments are expected to be below CHF 30 million for full-year 2025, excluding Crayon implementation costs.

Guidance for the combined company will be issued following completion of the transaction.

Successful tender offer for Crayon

On 7 May 2025, SoftwareOne announced that it had received acceptances under the offer, which together with the shares already owned or controlled by SoftwareOne, had reached 91.6% of Crayon's issued and outstanding share capital.

Furthermore, Euronext Oslo Børs decided on 12 May 2025 to admit SoftwareOne to secondary trading. The first day of secondary trading is expected to be on or around the closing of the transaction.

Closing is expected in June 2025, subject to remaining regulatory approvals. SoftwareOne intends to carry out a compulsory acquisition of the remaining Crayon shares.

Integration planning

Integration planning continues to progress between the two companies, while taking regulatory and anti-trust restrictions into account. Since February the project has accelerated across all workstreams, including strategy, sales & marketing, people & culture, IT, finance, amongst others, with support from external post-merger experts. Day 1 readiness is planned to be achieved ahead of the expected closing date in June. In addition, detailed roadmaps for milestones around Day 30, Day 100 and beyond are being defined.

Financing

A bridge facility of approximately CHF 700 million is currently in place to fund the acquisition and will be re-financed at transaction closing. Post-transaction, SoftwareOne expects proforma net debt / adjusted EBITDA to be below 2.0x at year-end 2025.

RESULTS OVERVIEW

Reconciliation – Reported to adjusted EBITDA

CHFm	Q1 2025	Q1 2024
Reported EBITDA	**26.7**	**28.7**
Impact of change in revenue recognition of Microsoft Enterprise Agreements	0.5	0.3
Integration, M&A and earn-out expenses	1.5	3.1
Operational excellence restructuring expenses	-	4.1
GTM restructuring expenses	-	5.1
Cost reduction programme	18.2	-
Discontinuation of MTWO vertical	0.1	3.0
Other non-recurring items	(0.9)	1.0
Total adjustments	**19.3**	**16.6**
Adjusted EBITDA	**46.0**	**45.4**

Source: Management view

Q1 2025 TRADING UPDATE DOCUMENTS

The Q1 2025 trading update documents can be found on SoftwareOne's website in the Results centre.

CALL FOR INVESTORS, ANALYSTS AND THE MEDIA

A webcast for investors, analysts and the media with Raphael Erb, CEO and Rodolfo Savitzky, CFO will be held today at 9.30 CEST and may be joined via the link Audio webcast.

If you wish to actively participate in the Q&A session or are unable to join via the webcast, you may call the following numbers, 10 – 15 minutes before conference start

Switzerland / Europe: +41 58 310 50 00

United Kingdom: +44 (0) 207 107 06 13

United States: +1 (1) 631 570 56 13

The webcast will be archived and a digital playback will be available approximately two hours after the event in the Results centre.

CORPORATE CALENDAR

2025 Half-year results and Half-year report	21 August 2025
Q3 2025 Trading update	13 November 2025

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ABOUT SOFTWAREONE

SoftwareOne is a leading global software and cloud solutions provider that is redefining how organizations build, buy and manage everything in the cloud. By helping clients to migrate and modernize their workloads and applications – and in parallel, to navigate and optimise the resulting software and cloud changes – SoftwareOne unlocks the value of technology. The company's ~9,000 employees are driven to deliver a portfolio of 7,500 software brands with a presence in over 60 countries. Headquartered in Switzerland, SoftwareOne is listed on the SIX Swiss Exchange under the ticker symbol SWON. Visit us at www.softwareone.com

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This media release may contain certain forward-looking statements relating to the group's 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.