PASSION FOR TECHNOLOGIES

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CHANGE OF CONTROL

# THE ADECCO GROUP COMPLETES PURCHASE OF MAJORITY HOLDING IN AKKA

| **A NEW CHAPTER IN AKKA HISTORY** | • The Adecco Group has acquired 59.91 percent of AKKA Technologies' issued share capital from the Ricci Family and SWILUX S.A., the fully owned subsidiary of Compagnie Nationale à Portefeuille SA[1], bringing its total holding in AKKA to 64.72[2] percent<br>• The combination of Modis, the Adecco Group's high-tech services business, and AKKA, a leader in engineering R&D services, creates a leading engineering and digital solutions business in the Smart Industry market<br>• As part of the consideration for the sale of their shares in AKKA Technologies, Mr Mauro Ricci and Mr Jean-Franck Ricci will receive 1,626,772 newly created ordinary shares of Adecco Group AG with a lock-up period of 24 months[3]<br>• A joint leadership team is in place under Jan Gupta, appointed President of AKKA Group Executive Committee; Dominique Cerutti appointed Senior Advisor to Jan and the future business unit<br>• Jan Gupta has been appointed Chairman of the Board of Directors. Changes to the Board of Directors reflect the changes in the shareholding of the Company<br>• The Adecco Group will launch a Mandatory Tender Offer in Belgium and France for the remaining AKKA Technologies securities, at €49 per share in cash, and €100,000 plus accrued interest per convertible bond[4].<br>• Completion of Mandatory Tender Offer anticipated by end H1 2022 |
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**Brussels (Belgium), 24 February 2022, 6:45 am CET:**

**Mauro Ricci, Chairman and CEO of AKKA, commented:**

*"For our 20,000 engineers a new chapter begins today. AKKA is now part of the Adecco Group, bringing us one step closer to joining forces with Modis. Together, we will become a Smart Industry powerhouse, delivering cutting edge, end-to-end solutions, based on our enhanced global reach and highly complementary capability mix.*

*I want to thank all colleagues, partners and customers who have been instrumental over the past four decades in building AKKA into a leading player in engineering and R&D services, with a unique positioning in mobility. I am confident that Jan and the future leadership team will strengthen the robust foundations of both companies to unleash the potential of this new player as a long-term partner of our customers on their innovation journey."*

**Alain Dehaze, CEO of The Adecco Group said**: "*We extend a warm welcome to our new colleagues and customers. With the best team in the industry, the future business is uniquely positioned to meet rising demand from customers for high-tech experts to scale up their innovation, improve productivity and accelerate digital*

[1] In accordance with the terms as announced 28 July 2021.
[2] The Adecco Group, via Modis International AG, had acquired 4.81 percent of AKKA's share capital on the market between 18 November 2021 and 14 February 2022.
[3] Agreed terms of €42 per share in cash plus €7 per share value equivalent in Adecco Group AG new ordinary shares.
[4] ODIRNANE.

*transformation. We will now begin the integration of AKKA and Modis that will create a Smart Industry leader, delivering significant value for all stakeholders."*

The Adecco Group will launch a Mandatory Tender Offer in Belgium and France for the remaining AKKA Technologies securities, at the same cash price of €49 per share or €100,000 plus accrued interest per convertible bond[5], allowing AKKA shareholders who will tender their shares to the offer to benefit from an immediate access to liquidity at a price that presents a strong premium of 99% to the last quoted price preceding the announcement[6]and of 108% to the last three months' volume weighted average price preceding the announcement[4].

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The first stage of the transaction announced on July 28th, 2021 closes today as The Adecco Group announces that the acquisition of a controlling stake in AKKA Technologies has been completed through the purchase of all holdings from the Ricci family and SWILUX S.A., the fully-owned subsidiary of Compagnie Nationale à Portefeuille SA.

The Adecco Group will combine AKKA and Modis. Through this landmark step, the new business will generate around €4 billion of revenues and be the global number two in the ER&D services market with 50,000 engineers and digital experts.

The Adecco Group now owns 64.72[2] percent of the shares issued by AKKA Technologies.

As a result, the Group will launch a Mandatory Tender Offer in Belgium and France for the remaining AKKA Technologies securities, at the same cash price of €49 per share, and €100,000 plus accrued interest per convertible bond. The Mandatory Tender Offer will be unconditional. AKKA Technologies security holders will thus have the option to tender their holdings, thus benefiting from an immediate access to liquidity. The publication of the offer document, the response memorandum of the Board of Directors of AKKA Technologies and further information on the acceptance procedure will follow in due course.

After the closing of the Mandatory Tender Offer, the Adecco Group intends to proceed to a simplified squeeze-out if the conditions for such a squeeze-out bid are met, with a view to acquiring all securities of AKKA Technologies as well as delisting its equity from Euronext Brussels and Euronext Paris. The Group expects such process to be completed by end H1 2022.

The offer price per share represents a premium of 99% to the share price of €24.60 on 26 July 2021[4], and a 108% premium over the last three months' volume weighted average price.

The transaction consideration of €2.0 billion in Enterprise Value, reflects an offer price of €49 per share, or Equity Value of €1.5 billion for 100% of outstanding share capital, and accounts for AKKA's net financial debt as of end June 2021[7]. The agreed purchase price represents an EV/EBITDA multiple of 10.6x 2022e[8].

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[5] ODIRNANE.
[6] 26 July 2021 was the last trading day prior to the announcement of the Bidder's intention to launch the Bid on 28 July 2021.
[5] Excluding the ODIRNANE, equity accounted under IFRS (€175 mn, first call in 2025).
[8] Multiple based on consensus estimates.

## CANCELLATION OF PROFIT SHARES

During the Extraordinary General Meeting of Shareholders held on Wednesday 22nd December 2021, shareholders approved all the proposed resolutions, including the cancellation of the 7,927,487 profit shares issued by the Company and the removal from the Company's Articles of Association of all references to (holders of) profit shares as condition precedent of the closing of the share transfer agreement between two subsidiaries of Adecco Group AG and certain shareholders of the Company on July 27, 2021. The decision of the general meeting took effect immediately after the above-mentioned closing.

## CHANGES TO CORPORATE GOVERNANCE

A highly experienced, joint leadership team has been appointed for AKKA & Modis, supported by an integration office that will introduce a new operating model and craft future customer offerings. Management will run the new business through four geographically orientated segments: North America, North Europe, South Europe, and APAC, reporting into Jan Gupta, President of AKKA Group Executive Committee. Nathalie Bühnemann, currently Chief Financial Officer of AKKA, will be Head of Finance and Procurement of the new combined business.

As previously announced, Mr Mauro Ricci will be a Special Advisor to the CEO of the Adecco Group and Mr Jean-Franck Ricci will Chair AKKA & Modis' newly created Customer Advisory Board.

In addition, Dominique Cerutti is appointed as Senior Advisor to Jan Gupta and the new business unit. Dominique Cerutti was Chair and Chief Executive Officer of Altran from 2015 to 2020, including the first eight months following its acquisition by Capgemini. His strong track record in developing digital engineering businesses and leading successful transformation and integration efforts will be a key asset to support our leadership in the integration of AKKA and Modis.

Following the closing of the acquisition of a controlling stake in AKKA Technologies by the Adecco Group, Mr Mauro Ricci, Mr Jean-Franck Ricci, Mr Xavier Le Clef and Mr Alain Tisserand resigned from AKKA's Board of Directors.

The Board of Directors has decided to co-opt Mr Jan Gupta, Mr Coram Williams, Mrs Gordana Landen and Mrs Véronique Rodoni, all representants of The Adecco Group, to replace the resigning board members for the remaining period of their mandate, i.e. until the Annual General Meeting to be held in June 2022. Mr Jan Gupta has been appointed Chairman of AKKA Board of Directors.

**APPENDIX TO THE PRESS RELEASE – Announcement required by rules on related party transactions**

1. The Board of Directors decided on 23 February 2022 to approve the following agreements between the Company (or its subsidiaries) and The Adecco Group AG ("**Adecco**") and its subsidiaries:

- (i) Intercompany Loan Agreement between Modis International AG, as 'Lender', and the Company, as 'Borrower';
- (ii) Cash Pooling Agreement between Adecco Liquidity Services AG, as 'Pool Leader', and the Company, as the 'Participating Company';
- (iii) Cash Pool Agreement between Adecco Liquidity Services AG, as 'Pool Leader', and AKKA Finance SRL, as the 'Participating Company';
- (iv) Trademark License Agreement between Adecco, as 'Licensee', and the Company, as 'Licensor';
- (v) Trademark License Agreement between Adecco, as 'Licensor', and the Company, as 'Licensee'; and
- (vi) Synergies Allocation and Cooperation Agreement between Adecco and the Company.

Prior to this approval, the Company applied the procedure set out in Article 7:97 of the Companies and Associations Code (the "**Code**"), which concerns related party transactions. Indeed, following the completion (closing) of the transaction referred to in the press release of today (the "**Closing**"), Adecco and its relevant subsidiaries are related parties of the Company within the meaning of the above-mentioned article of the Code. This procedure involves, among other requirements, the issuance of a reasoned opinion by a committee of independent directors of the Company and an assessment by the statutory auditor.

The main features of the agreements have been summarised under sections 2 and 3 below. The conclusions of the opinion of the committee of independent directors and the assessment by the statutory auditor have been included under section 4 below.

2. The Company will cancel and prepay the bulk of its existing financial indebtedness, due *inter alia* to the change of control triggered by the Closing. In that context, Adecco has, via its subsidiary Modis International AG, entered into an **Intercompany loan agreement** (referred to in item 1.(i) above) with the Company immediately following Closing to provide it with sufficient liquidity and to allow the Company to cancel and prepay part of its existing debt. The Intercompany Loan Agreement is entered into on arm's length terms and allows the Company to make drawdowns for a period from the date of the Intercompany Loan Agreement up to and including 31 December 2022 for an aggregate amount not exceeding EUR 800,000,000. Each loan made under the Intercompany Loan Agreement will have an interest rate of 1.167% per annum, a term of two years with the ability to extend for renewable terms of two years and the possibility to prepay with five days prior notice.

To further ensure that the Company has access to the necessary liquidity in the context of its cash management, Adecco also allowed the Company and certain of its subsidiaries to participate in its existing cash pooling arrangements with Société Générale. Accordingly, Adecco Liquidity Services AG has allowed the Company and AKKA Finance SRL to enter into **cash pooling agreements** (referred to under items 1.(ii) and

(iii) above) under the same arms' length terms and conditions as other Adecco pool participants in various jurisdictions (namely in France, Germany, US, UK, Belgium).

The Board of Directors has authorised the Company and AKKA Finance SRL to enter into these agreements in due course.

3. In addition, the Company has decided to enter into the following agreements with Adecco in relation to the cooperation between the Company, on the one hand, and Adecco and its relevant subsidiaries, on the other hand:

**(i) Trademark License Agreements**

Two reciprocal agreements have been entered into between the Company and Adecco immediately following Closing, referred to under items 1.(iv) and (v) above. Their purpose is to cross-license between the parties on a non-exclusive basis the other party's trademarks in the specific territory covered by the licenses and to define the rights and obligations of the parties in this regard.

These agreements include the following obligations for each licensee:

(a) to exclusively use the licensed trademarks for (a) HR services and solutions, (b) IT, engineering and tech consulting, (c) talent services and training purposes as well as (d) in accordance with the graphic guidelines (to be) determined by each licensor;

(b) subject to limited exceptions, to not sublicence the rights and the obligations granted under these agreements without the licensor's prior consent;

(c) to not register the licensed trademarks in its own name or in the name of any third party;

(d) they also include the licensor's obligation to attend to maintain the trademarks (including their timely registration renewals).

In addition, the Board of Directors of the Company has allowed Adecco to apply for, and use a trademark that incorporates one or more part(s) of the word "AKKA". If Adecco applies for and uses such a trademark, no payment will be due by Adecco to the Company in relation to the application and use of that specific trademark.

As regards payment terms, the licensee is due to pay a fee equal to 2.5% of its net sales as made with or under the licensed trademark.

**(ii) Synergies Allocation and Cooperation Agreement**

It is intended that the Synergies Allocation and Cooperation Agreement referred to under item 1.(vi) above will organise allocation of costs and cooperation between the Company and Adecco as from Closing.

This agreement includes in particular the following obligations for the parties:

(i) information sharing (as necessary to carry out their obligations under the agreement, to enable the integration of the Company and its subsidiaries in the Adecco group and in view of the reporting obligations within the Adecco group);

(ii) reallocation (through reinvoicing) of cost savings obtained further to the synergies generated, to ensure their fair share between the parties;

(iii) conversely, sharing between the parties of costs incurred in relation to the creation of the above synergies;

(iv) synergies under (ii) and (iii) include (a) pre-determined synergies such as employees, real estate/facilities management and IT and systems related synergies and (b) other non-pre-determined synergies, subject to approval by AKKA's board of directors; and

(v) cooperation between the parties when executing projects for their clients in order to increase their revenues and market share and ensure a fair allocation of the created value (this covers joint-commercial opportunities, including, in certain cases, via the conclusion of teaming or sub-contracting agreements).

The Synergies Allocation and Cooperation Agreement will include, among others, a Sub-Contracting Agreement and a Teaming Agreement as annexes.

This agreement is due to end upon the earlier of (i) the completion of the possible purchase by Modis International AG of the remaining shares and convertible bonds of AKKA in the context of the reopening of its mandatory tender offer as a simplified squeeze-out pursuant to article 7:82, §1 of the Code and (ii) 30 September 2022.

4. The conclusions of the opinion of the committee of independent directors are as follows:

"*Based on the above considerations and having reviewed the terms and conditions of the Agreements, the Committee is unanimously of the opinion that the Agreements are in the best interests of the Company and its shareholders, taking into account the Company's strategy and the benefits to be derived from entering into the Agreements*. ".

The Board of Directors followed the Committee's opinion and adopted the decisions referred to in this announcement.

The statutory auditor's assessment of the committee's opinion and of the minutes of the board meeting is as follows:

"*Based on our review, performed in accordance with the ISRE 2410 norm "Limited review of interim financial information by the entity's independent auditor" and the applicable standards of the "Institut des Réviseurs d'Entreprises", nothing has come to our attention that causes us to believe that the financial and accounting data contained in the minutes of the Board of Directors meeting of 23 February 2022 and in the report of the committee of independent directors in accordance with article 7:97 of the Companies and Associations Code would contain material inconsistencies with the information available to us in the course of our engagement. However, we do not express an opinion on the value of the transaction or on the appropriateness of the Board of Directors' decision*".

PRESS RELEASE

**Upcoming events:**

FY 2021 results: Thursday, 10th March 2022

*In case of discrepancies between the French and English versions of the press release, only the English version shall be deemed valid.*

**About AKKA**

AKKA is a European leader in engineering consulting and R&D services. Our comprehensive portfolio of digital solutions combined with our expertise in engineering, uniquely positions us to support our clients by leveraging the power of connected data to accelerate innovation and drive the future of smart industry. AKKA accompanies leading industry players across a wide range of sectors throughout the life cycle of their products with cutting edge digital technologies (AI, ADAS, IoT, Big Data, robotics, embedded computing, machine learning, etc.) to help them rethink their products and business processes. Founded in 1984, AKKA has a strong entrepreneurial culture and a wide global footprint. Our 20,000 employees around the world are all passionate about technology and share the AKKA values of respect, courage and ambition. The Group recorded revenues of €1.5 billion in 2020. AKKA Technologies (AKA) is listed on Euronext Paris and Brussels – segment A – ISIN code: FR0004180537.
For more information, please visit: https://www.akka-technologies.com/

**About Modis**

In the converging world of IT and engineering, Modis pioneers Smart Industry by delivering cross-industry expertise in technology and digital engineering consulting, tech talent services and up- and re-skilling through its Tech Academy. Modis has a global presence with 30,000+ consultants and around 10,000 customers in over 20 countries, focused on digital transformation, cognitive technologies (e.g., AI, data analytics), cloud and data security, smart ecosystem (e.g., digital twin), and industry 4.0 across high-growth Smart Industry sectors. Modis' key sectors include Automotive & Transportation, Environmental & Energy, Software, Internet & Communication, Financial Services, and Industrial Manufacturing. Modis has a balanced footprint across North America, Europe, and APAC, including strong positions in Japan and Australia. With passion for technology and talent, Modis drives innovation and enables digital transformation for a smart and sustainable tomorrow. Modis is a Global Business Unit of the Adecco Group.

**About the Adecco Group**

The Adecco Group is the world's leading talent advisory and solutions company. We believe in making the future work for everyone, and every day enable more than 3.5 million careers. We skill, develop and hire talent in around 60 countries, enabling organisations to embrace the future of work. As a Fortune Global 500 company, we lead by example, creating shared value that fuels economies and builds better societies. Our culture of inclusivity, entrepreneurship and teamwork empowers our 33,000 employees. The Group is headquartered in Zurich, Switzerland (ISIN: CH0012138605) and listed on the SIX Swiss Exchange (ADEN).

PRESS RELEASE

**Further information to the holders of AKKA securities**

The Adecco Group intends to file a formal notification of the Mandatory Tender Offer, which shall include a draft offer document, with the FSMA (the Belgian supervisory market authority) in the next few days (in accordance with article 5 of the Belgian Takeover Decree of 27 April 2007). The Board of Directors of AKKA Technologies will examine the offer document and will further explain its position towards the Mandatory Tender Offer in a Board memorandum of response. The offer document and the Board memorandum of response will be made available to the AKKA Technologies security holders on the websites of AKKA Technologies and the Adecco Group.

**Disclaimer**

This press release does not constitute or form a part of an offer or solicitation to acquire, purchase, subscribe for, sell or exchange the securities of AKKA Technologies in any jurisdiction.

The public tender offer will and can only be made on the basis of an offer document that will be approved by the FSMA. No steps will be taken to enable a public tender offer in any jurisdiction other than in Belgium and France. Any securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended, or with any securities regulatory authority of any state of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from registration thereunder. There may be no public offering of securities in the United States.

Neither this press release nor any other information relating to the matters contained herein may be published, broadcasted, disseminated or distributed, directly or indirectly, in any jurisdiction where a registration, qualification or any other legal or regulatory obligation or restriction is in force or would be with regard to the content hereof or thereof, including the United States of America, its territories and possessions. Any failure to comply with these restrictions may constitute a violation of the financial laws and regulations of such jurisdiction. Therefore, persons located in countries where this press release is published, broadcasted or distributed must inform themselves about and comply with such restrictions. Akka Technologies and its affiliated persons explicitly decline any liability for any failure of any person to comply with these restrictions.

**Important notice about forward-looking information**

Information in this press release may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to AKKA as of the date of this release, and we assume no duty to update any such forward-looking statements. The forward-looking statements in this release are not guarantees of future performance and actual results could differ materially from our current expectations. Numerous factors could cause or contribute to such differences. Factors that could affect the company's forward-looking statements include, among other things: global GDP trends and the demand for temporary work; the impact of the global outbreak of novel coronavirus disease (Covid-19); changes in regulation of temporary work; intense competition in the markets in which the company operates; integration of acquired companies; changes in the company's ability to attract and retain qualified internal and external personnel or clients; the potential impact of disruptions related to IT; any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

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