



EXCLUSIVE NETWORKS – FULL YEAR 2021 FINANCIAL RESULTS

Full Year Reported Gross Sales at €3.3 billion up 15.1%⁽¹⁾ year over year
Full Year Adjusted EBITA €119.2 million up 10.0%⁽¹⁾ year over year
Full Year Adjusted Net Income €72.6 million up 85.1% year over year

- **Successful execution against the strategy as outlined at IPO**
- **Delivered on 2021 sales growth and earnings and upgrading 2022 outlook**
- **Strongly positioned to capitalise on the growth opportunities in the cybersecurity market**
- **Proposed dividend: €0.20 per share payable in cash**

BOULOGNE-BILLANCOURT - March 30 2022, at 07:00 A.M. CET - Exclusive Networks (Euronext Paris: EXN) today announced its financial results for the full year ended December 31, 2021, which release has been approved by the Board of Directors on 29 March 2022.

Jesper Trolle, Chief Executive Officer, commented: “We are pleased to present strong results for 2021 and deliver on the strategy we presented at the time of our IPO. We successfully delivered on growth and profitability targets and demonstrated our operational excellence, successfully navigating market challenges. Our unique positioning at the centre of the ecosystem and the compelling demand for cybersecurity solutions drove this strong performance in 2021 and reinforces our confidence in our strategy and outlook for the future.

2021 was a milestone year for the Group, as it transitioned from a private into a listed company after its successful IPO on Euronext Paris in September 2021.

We have many exciting growth opportunities and continue to take advantage of our strong market position and cybersecurity demand globally. In 2021, we signed more than 1,250 new resellers (growth of 7%) and expanded with existing vendors into 21 new countries, increasing the number of end customers that we service through our channels by 4,000 to a total of 110,000. Also, we added 22 new vendors into our portfolio, which include fast-growing cloud-native software companies like Diamanti, Hashicorp, Salt Security and Sonatype. At the same time, we continued to use M&A to accelerate our growth through the successful acquisitions of Ignition Technology and Networks Unlimited.

The cybersecurity market is now more prominent than ever as the environment becomes more complex. New legislation, remote working, geopolitics and an increasing adoption of cloud contribute to an acceleration of the growth of the cybersecurity market, and Exclusive Networks is uniquely positioned to capitalise from the structural growth in the market by being the key player at the centre of the highly fragmented and increasingly complex cybersecurity ecosystem.

Whilst as a business we have no staff or offices in Russia and have not been affected by any direct exposure to local market disruption, our first priority is the safety of our people closer to the conflict (Poland, Romania, Hungary, Slovakia...) and welfare of all who are impacted by this crisis.

In this ever-changing world, one thing remains clear and simple: our partners constantly rely on our strengths which are our global footprint, our speed to market, our deep network of vendors and resellers and our deep cybersecurity expertise. Our teams are fully dedicated to these challenges and a big thank you to all of them.”

⁽¹⁾ Including Veracomp in 2020. Veracomp acquired on December 30, 2020 but considered as if acquired on January 1, 2020 for comparison purposes.



FY 2021 GROUP FINANCIAL PERFORMANCE

Gross Sales and Adjusted profitability metrics are using non-GAAP measures. Revenue and Net Margin are reported in IFRS format. Full results as per IFRS are presented in the Appendix along with the reconciliation detailing the differences with non-GAAP measures. Please refer to the glossary at the end of the press release for further explanations.

€ in millions	2020 Reported	2021 Reported *	Var. in % incl Veracomp	Var. in % Reported
Gross Sales	2 564	3 320	15,1%	29,5% **
Revenue	1 892	2 483	16,1%	31,3% ***
Net Margin	257,3	319,9	9,2%	24,3%
Adj EBITA	95,2	119,2	10,0%	25,3%
<i>% Net Margin</i>	37,0%	37,3%		
Adj. Net Income	39,2	72,6	n.a	85,1%

* Extracted from unaudited 2021 accounts

** +30.4% at constant currency

*** +32.3% at constant currency

Gross Sales were €3.3 billion, an increase of 29.5% year over year on a reported basis and up 15.1% including Veracomp in 2020. This growth was 73% attributable to existing vendors, 13% to vendor expansion and 15% to acquisitions. All our top 10 vendors contributed to the growth. From the resellers side, we saw strong demand from the Enterprise market. Geographically, executing on our strategy, we delivered growth in all three regions. The supply issues experienced during 2021 contributed to building up a strong backlog for 2022. This strengthens our confidence in our outlook for 2022 and beyond

Revenue as reported in the Consolidated Financial Statements takes into account the recognition of the sales of support and maintenance on a Net Margin basis as per IFRS as we are not the primary obligor for these solutions. Revenue grew in line with Gross Sales.

Net Margin reached €320 million in 2021, an increase of 9.2% compared to 2020 (including Veracomp). The mix of sales evolved over the last six months of 2021 with an increasing portion of large deals and the accelerated growth in the Americas. Net Margin as a percentage of Gross Sales was 9.6%, driven by mix effect, while we benefited from operational efficiency from the larger deals and from the operating leverage, notably in the Americas. This can be seen in the expansion of the Adj. EBITA margin, up to 37.3%. Exclusive Networks continues to assess every new deal based on its marginal Adj. EBITA contribution.

Adjusted EBITA was €119.2 million, up 10.0% year over year including Veracomp in 2020 and up 25.3% on a reported basis.

Adjusted Net Income was €72.6 million, an increase up 85.1% year over year on a Reported basis.



FY 2021 PERFORMANCE BY SEGMENT

€ in millions	2020 Reported	2021 Reported *	Var. in % Reported
EMEA			
Gross Sales	1,931.5	2,579.5	33.5%
Adj.EBITA	94.6	117.5	24.2%
APAC			
Gross Sales	362.8	394.3	8.7%
Adj.EBITA	16.8	18.7	11.7%
Americas			
Gross Sales	269.5	346.7	28.6%
Adj.EBITA	5.4	8.5	56.3%
Corporate			
Adj.EBITA	(21.7)	(25.6)	18.2%
Total			
Gross Sales	2,563.9	3,320.4	29.5%
Adj.EBITA	95.2	119.2	25.3%

* Unaudited Accounts. The 2021 financial statements are currently being audited.

EMEA: Gross Sales at €2,579.5 million, up 14.5% vs 2020 (including Veracomp as if acquired since January 2020). In EMEA, we saw an acceleration of the developments in the Enterprise market and an increasing share of large deals. The mix effect along with the product shortage issues at the end of the year impacted the conversion from Gross Sales to Adjusted EBITA. Additionally, operating expenses included a €1 million investment in Poland as part of the integration of Veracomp.

APAC: Gross Sales reached €394.3 million, up 8.7% vs 2020. The region experienced the greatest adverse impact from COVID-19 in 2020 and still in 2021. However, APAC benefited from a robust operational leverage through strong growth of services in 2021.

AMERICAS: Gross Sales were €346.7 million, up 28.6% vs 2020. Despite a less fragmented market, the Americas experienced strong demand for the 2-tier model. The growth was very strong with historical vendors and further accelerated by the onboarding of new vendors. Combined with an already scaled local platform, the region benefited from the full delivery of its operating leverage to reach an Adjusted EBITA of €8.5 million with a record growth of +56.3%.

CORPORATE: Operating expenses at Corporate reflect the investments made to structure the long-term strategy of the group, design and launch initiatives to support and structure countries and regional developments and, also, to consolidated and monitor the Group's performance.



FY 2021 CASH FLOW, FINANCING AND SHAREHOLDERS' RETURN

Operating Free Cash Flow Before Tax was €56.5 million in 2021, a 64.4% normalized cash conversion from Adjusted EBITDA, down €80.0 million from last year. This was mainly driven by one-off items from 2020 COVID measures (€56m) as well as a higher working capital following the growth in activity (€20m) and some inventory build-up as part of our strategy to adapt to the global shortage of products and components (€4m).

Leverage: Exclusive Networks' Financial Gross Debt as at December 31, 2021, was €521.3 million, with Cash & Cash Equivalents standing at €129.8 million and Net Debt at €391.5 million. This resulted in a leverage ratio of Net Debt over Adjusted EBITDA after Leases of 3.1x, impacted by non-recurring items at year-end closing which were reversed in early January 2022. We continue to target a leverage ratio below 2.5x.

Shareholders' Return. At the Annual Shareholders' Meeting on June 21, 2022, Exclusive Networks' Board of Directors will propose a dividend of €0.20 per share (€18.3 million) in cash in respect of the 2021 fiscal year. The Group is committed to providing an attractive and steady shareholder return, in line with its value creation expectations resulting from the implementation of its growth strategy. The Group's attractive shareholder return policy includes, but is not limited to, a dividend payment in the range of 25% of its Annual Adjusted Net Income. The structure of the distribution policy might be adjusted should growth opportunities to complement organic growth arise, or should other mechanisms to return value to shareholders be assessed as being more compelling

OUTLOOK

	2021	2022
Gross Sales <u>incl. M&A</u>	€3,320m	▶ Above €3,800m
Net Margin	€319.9m	▶ €362 - €368m
Adj. EBITA <i>% of Net Margin</i>	€119.2m 37.3%	▶ €133 - €138m
Operating FCF Before Tax	€56.5m	▶ 80% of Adj. EBITDA



APPENDIX

2021 CONSOLIDATED P&L

in € million	31-Dec-2020	31-Dec-2021*
Revenue	1,891.7	2,483.4
Cost of purchased goods and services	(1,630.9)	(2,158.1)
freight on sales	(3.5)	(5.5)
Net Margin	257.3	319.9
Personnel costs	(119.9)	(153.4)
Other operating costs	(39.1)	(43.0)
Depreciation and amortization	(63.1)	(68.7)
Recurring Operating Profit	35.3	54.8
Non-recurring operating income & expenses	(5.6)	(3.9)
Operating Profit	29.8	50.9
Finance debt costs	(34.2)	(28.0)
Interest on lease liabilities	(0.7)	(0.6)
Other financial income and expenses	(3.8)	(10.2)
Net Financial Income/Expense	(38.7)	(38.8)
Profit/(loss) before income tax	(8.9)	12.1
Income tax	11.7	(24.6)
Profit/(loss) for the period	2.7	(12.5)
Profit/(loss) attributable to:		
-Owners of the parent company	2.2	(13.5)
-Non-controlling interests	0.6	1.0
Earnings per share attributable to parent company (in €):		
-Basic earning per share	(0.05)	(0.15)
-Diluted earning per share	(0.05)	(0.14)

* Unaudited Accounts. The 2021 financial statements are currently being audited.



2021 BALANCE SHEET

in € million	31-Dec-2020	31-Dec-2021*
Goodwill	288.6	313.7
Other Intangible Assets	1,166.9	1,154.3
Property, Plant and Equipment	5.9	7.3
Right-of-use Assets	22.0	19.3
Non-Current Financial Assets	25.3	34.5
Deferred tax Assets	12.7	11.1
Total Non-Current Assets	1,521.4	1,540.3
Trade Receivables and Other Receivables	863.6	959.8
Inventories	113.5	149.5
Current Financial Assets	13.7	9.9
Cash and Cash Equivalent	163.2	129.8
Total Current Assets	1,154.0	1,249.0
Total Assets	2,675.4	2,789.3
Equity	686.3	932.4
Non Controlling Interests	1.3	2.1
Total Equity	687.6	934.5
Non-Current Financial Liabilities	706.5	485.5
Non-Current Lease Liabilities	15.2	12.4
Non-Current Provisions	3.3	3.6
Other Non-Current Provisions	0.0	4.6
Deferred Tax Liabilities	278.9	294.5
Total Non-Current Liabilities	1,003.9	800.5
Trade Payables and Other Liabilities	869.7	950.2
Current Financial Liabilities	94.5	89.6
Current Lease Liabilities	7.3	7.3
Current Provisions	1.5	1.5
Current Derivatives Liabilities	5.7	0.0
Current tax Liabilities	5.3	5.7
Total Current Liabilities	983.9	1,054.4
Total Equity and Liabilities	2,675.4	2,789.3

* Unaudited Accounts. The 2021 financial statements are currently being audited.



RECONCILIATION IFRS TO NON-GAAP ACCOUNTS

ADJUSTED EBITA TO IFRS OPERATING PROFIT

In €m	2020	2021*
Adj. EBITA	95.2	119.2
Amortisation of Intangible Assets	-53.9	-56.7
Non-recurring Operating Income & Expenses (IFRS)	-5.6	-3.9
Non-recurring Non-GAAP items	-5.9	-7.7
Operating Profit	29.8	50.9

IFRS NET INCOME TO ADJUSTED NET INCOME

In €m	2020	2021*
Net Income	2.7	-12.5
Amortisation of Intangible Assets	53.9	56.7
Non-recurring items and Tax impact	8.6	22.5
<i>Non-recurring Operating Income & Expenses (IFRS)</i>	5.6	3.9
<i>Non-recurring Non-GAAP items</i>	5.9	7.7
<i>Tax impact (best estimate)</i>	-2.9	-0.2
<i>Non-recurring Financial expenses</i>	0.0	11.2
Deferred Tax	-26.0	5.8
Adjusted Net Income	39.2	72.6

* Unaudited Accounts. The 2021 financial statements are currently being audited.

Amortisation of Intangible Assets (note 5.6 in Exclusive Networks SA Consolidated Financial Statements) mainly relates to amortisation of vendor relationship created at the acquisition of Exclusive France Holding Group by Exclusive Networks SA (previously Exclusive Everest HoldCo S.A.S.) on June 4, 2018. The increase in amortisation is mostly driven by the scope-in effect in relation with acquisitions. A charge in IFRS, adjusted in non-GAAP.

Non-recurring Operating Income & Expenses (IFRS) (note 5.6 in Exclusive Networks SA Consolidated Financial Statements) include mainly acquisitions related costs (for example due diligence costs for the acquisitions of Ignition Technology and Networks Unlimited) and some IPO one-off costs not qualified to be allocated to the share premium of the IPO.

Non-recurring non-GAAP items is an adjustment to the IFRS accounts to exclude exceptional one-off costs considered as exceptional and material enough to distort the view on the financial performance. It includes ERP implementations costs, share-based payments and Long-Term Incentive Plans, restructuring costs and one-time termination cost of key managers.

Non-recurring financial expenses include a €11.2 million expenses resulting from the derecognition of unamortised set-up fees incurred at commencement of the former senior bank debt which has been fully reimbursement in the context of the IPO on September 27, 2021



CONFERENCE CALL

Jesper Trolle, Chief Executive Officer and Pierre Boccon-Liaudet, Chief Financial Officer, will host a conference call at 09:00 a.m. (CET) today to present the FY 2021 results followed by Q&A. Please note the call will be in English.

You can follow the conference call live via webcast at the following link: www.exclusive-networks-ir.com. A replay will also be available for a period of one year.

All documents relating to this publication will be placed online on the Exclusive Networks Investor Relations website at www.exclusive-networks-ir.com

Regulated information related to this press release and presentation is available on www.exclusive-networks-ir.com

PROVISIONAL CALENDAR

- **Q1 2022 Financial update (Gross Sales and Revenue):** 9 May 2022
- **Annual General Meeting:** 21 June 2022
- **H1 2022 Financial Results:** 31 August 2022

EXCLUSIVE NETWORKS CONTACTS

Investors & Analysts

Hacene BOUMENDJEL

Head of Investor Relations

ir@exclusive-networks.com

Media

Hadas HUGHES

VP, Global Marketing & Comms

Communications_Global@exclusive-networks.com

FTI Consulting

Emily Oliver/Christina Zinck

+33 (0)1 47 03 68 18

exclusivenetworks@fticonsulting.com



GLOSSARY

		Definition	Segments	Reporting
Topline	(K) Gross Sales	<ul style="list-style-type: none"> Gross Sales represent revenue recognized by the Group on a gross basis for each revenue stream and before intra and inter segment intercompany eliminations Net of returns, discount and rebates 	EMEA, APAC, Americas	Quarterly
	(I) Revenue	<ul style="list-style-type: none"> IFRS revenue Support & Maintenance margin accounted for revenue Net of returns, discount and rebates 	EMEA, APAC, Americas	Quarterly
Profitability	(I) Net margin	<ul style="list-style-type: none"> Revenue less costs of purchased goods and services and freight on sales 	Group	Half-Yearly
	(K) Adj. EBITA	<ul style="list-style-type: none"> Recurring operating profit before amortisation of intangible assets, adjusted for certain costs that do not impact the day to day operations (these include implementation costs for finance and operations group management systems, restructuring costs and one-time costs) 	EMEA, APAC, Americas, Corporate	Half-Yearly
Cash Flow	(K) Adj. Net Income	<ul style="list-style-type: none"> Net income adjusted for amortisation of intangible assets, costs that do not impact the day to day operations, other operating expenses / income (post tax at effective tax rate) and deferred taxes 	Group	Half-Yearly
	Free Cash Flow metrics	<ul style="list-style-type: none"> Operating free cash flow before tax: for cash conversion Operating free cash flow (after tax, excl. M&A) Free cash flow (incl. M&A) 	Group	Half-Yearly
	(I) IFRS Metrics	(K) Non-GAAP KPIs		



About Exclusive Networks

Exclusive Networks is a leading global specialist in innovative cybersecurity technologies, providing services to accelerate the sale of cybersecurity disruptive and digital infrastructure technologies on a global scale. Exclusive Networks helps cybersecurity vendors scale their businesses globally, and offering channel partners (such as value-added resellers, system integrators, telcos and managed service providers) expertise, disruptive technologies and services to fit the needs of their corporate customers. Exclusive Networks also works with several vendors offering solutions in specific sub-segments beyond cyber.

Exclusive Networks excels by combining global scale with local execution. With offices in 43 countries and the ability to service customers across five continents, Exclusive Networks, headquartered in France, offers a “global scale, local sale” model. This model enhances performance in local operations by providing both global and local support. This approach has enabled Exclusive Networks to (i) develop one of the world's broadest portfolios of cybersecurity solutions from over 260 leading vendors and (ii) develop a worldwide customer base, consisting of over 21,000 VARs, SIs, Telcos and MSPs, indirectly serving more than 110,000 end-customers. Over the period from 2018 to 2021, Exclusive Networks engaged in business in more than 170 countries.

Exclusive Networks’ approach enables vendors to adopt a simple and agile go-to-market model in relation to their cybersecurity and digital infrastructure solutions, while benefiting from Exclusive Networks’ local expertise and market knowledge in each jurisdiction where it operates. Exclusive Networks’ scale is equally important to its customers as their own end-users may be located in multiple regions of the world. In addition, Exclusive Networks helps its customers through its expertise in vendor selection as cybersecurity and digital infrastructure solutions become ever more complicated and keep evolving in the face of increasing cybersecurity threats.

DISCLAIMER

This press release may contain forward-looking statements. Such statements may include projections, estimates, assumptions, statements regarding plans, objectives, intentions and/or expectations with respect to future financial results, events, operations and services and product development, as well as statements, regarding future performance or events. Forward-looking statements are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates”, “plans”, “projects”, “may”, “would” “should” or the negatives of these terms and similar expressions. Although Exclusive Network’s management currently believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking statements are subject to various risks and uncertainties (including, without limitation, risks identified in Exclusive Networks’ Registration Document available on Exclusive Networks’ website), because they relate to future events and depend on future circumstances that may or may not occur and may be different from those anticipated, many of which are difficult to predict and generally beyond the control of Exclusive Networks. Actual results and developments may differ materially from those expressed in, implied by or projected by forward-looking statements. Forward-looking statements are not intended to and do not give any assurances or comfort as to future events or results. Other than as required by applicable law, Exclusive Networks does not undertake any obligation to update or revise any forward-looking statement.

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