



## EXCLUSIVE NETWORKS – FIRST QUARTER 2022 FINANCIAL UPDATE

### First Quarter 2022 Reported Gross Sales at €932 million up 24.9% year over year

- Strong start to the year with growth accelerating from 2021
- Highest quarterly year-on-year growth over the last three years
- Growing significantly faster than the market in all the top six cybersecurity segments<sup>1</sup>
- Confirmation of 2022 Gross Sales and profitability outlook

**BOULOGNE-BILLANCOURT – May 9, 2022, at 6:00 P.M. CET** - Exclusive Networks (Euronext Paris: EXN) today announced its Gross Sales and IFRS Revenue for the first quarter of 2022.

**Jesper Trolle, Chief Executive Officer**, declared: “Following a very strong performance in 2021, we accelerated our growth in the first quarter of 2022, with the highest quarterly year-on-year growth over the last three years and growing significantly faster than the market in all the top six cybersecurity segments<sup>1</sup>.”

The cybersecurity market grows in importance with widening risk awareness from end-users, geopolitical tensions, further generalization of hybrid working and continued deployment of digital business processes in the cloud all driving the acceleration in the demand for cybersecurity solutions. This is prompting many small and large companies to increase their cybersecurity spending plans for 2022 and being more careful on what will protect them best. Our portfolio of leading cybersecurity vendors and our unique value-added model based on expertise and proximity with vendors and resellers have allowed us to keep capitalizing on the strong market growth.

The outstanding performance seen at the beginning of 2022 was the result of both our growth strategy, our successful investments in 2021, notably through vendor expansion and M&A, and our increasingly prominent position at the very center of the cybersecurity ecosystem. In the first quarter of 2022, we signed over 400 new resellers bringing the total to over 21,000, we expanded 4 of our vendors into new geographies and added 2 net new vendors to our portfolio to reach a total of 262, further expanding our share within our addressable market. Also, we continued to deliver outstanding growth in our cloud-based business which represented in the first quarter of 2022 28% of our total Gross Sales and X-OD saw a 9-fold increase year over year in the number of transactions through the platform.

This performance was delivered despite continuous disruptions and delays across supply chains worldwide originating mainly from the chipset shortage issues and the lock-down of some regions in China. But the very strong demand was more powerful than these hurdles and our backlog remained historically high. It is also thanks to the dedication of our teams, our unique understanding of and reactivity to our customer needs, as well as our strong relationships with our vendors.

The very strong growth delivered in the first quarter 2022 and the exciting growth opportunities we have in front of us, gives us good confidence in the performance of the business going forward.”

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<sup>1</sup> Including Endpoint Security, Network Security, Web & Email Security, Data Security, Vulnerability & Security Analytics, and Identity Access Management

**Q1 2022 FINANCIAL PERFORMANCE HIGHLIGHTS****Q1 2022 Gross Sales**

in € million	Q1 2021	Q1 2022	Variation	
			Reported	Constant Currency*
EMEA	585.3	742.3	+26.8%	+26.1%
APAC	103.5	96.6	-6.7%	-10.6%
AMERICAS	57.8	93.4	+61.6%	+50.4%
<b>GROUP</b>	<b>746.7</b>	<b>932.4</b>	<b>+24.9%</b>	<b>+22.9%</b>

\* Variation at constant currency is computed using the first quarter of 2021 rates applied to the first quarter of 2022 Gross Sales. The USD, GBP and PLN evolved as follows; 1EUR: 1.123 USD; 1EUR: 0.836 GBP, 1EUR: 4.618 PLN respectively for Q1 2022 and 1EUR: 1.206 USD, 1EUR: 0.875 GBP, 1EUR: 4.543 PLN respectively for Q1 2021.

**Q1 2022 IFRS Revenue\***

in € million	Q1 2021	Q1 2022	Variation	
			Reported	Constant Currency**
EMEA	424.7	566.8	+33.4%	+33.0%
APAC	85.6	75.7	-11.6%	-15.4%
AMERICAS	47.9	69.6	+45.4%	+35.4%
<b>GROUP</b>	<b>558.2</b>	<b>712.1</b>	<b>+27.6%</b>	<b>+25.8%</b>

\* As per IFRS 15 and the revenue recognition definitions, for Support & Maintenance sales, Exclusive Networks is considered as an agent, so the associated Net Margin is recognized as Revenue. For the sales of licenses, hardware and other services, Exclusive Networks is considered as a principal so Sales and cost of goods sold are recognized separately reflecting buy and sale.

\*\* Variation at constant currency is computed using the first quarter of 2021 rates applied to the first quarter of 2022 revenue.

Gross Sales were €932.4 million, an increase of 24.9% year over year on a reported basis, +22.9% at constant currency. The business experienced a historical high start of year thanks to a very strong demand, some deliveries were pushed forward due to product shortage issues in the same range as in the fourth quarter and at the end, our backlog remained high at the end of March, in line with the trend at the end of last year. The 24.9% Gross Sales growth in the first quarter of 2022 was 53% attributable to the growth of existing vendors, a strong 29% to vendor expansion (expansion of existing vendors into new geographies and new vendors), and 18% to the acquisitions of Ignition Technology and Networks Unlimited.

Vendors renewal rates<sup>1</sup> for the first quarter of 2022 came in at 119% (vs 111% in the first quarter of 2021) and customers renewal rates<sup>1</sup> came in at 116% (vs 104% in the first quarter of 2021), supported by the increasing demand for our vendors' solutions and the continued engagement of our channel partners.

The business performance in the first quarter of 2022 further demonstrates how we keep growing and expanding with new vendors and into new geographies, and it proves the strong resilience of our business and our capacity to thrive despite supply chain challenges.

<sup>1</sup> Defined as Gross Sales generated in year N from vendors/customers active in year N-1 divided by Gross Sales from the same vendors/customers in year N-1



## OPERATIONS BY THEATRE

**EMEA:** Gross Sales were €742.3 million, an increase of €156 million or +26.8% year over year. EMEA continued to represent 80% of the activity of the Group. Our EMEA growth was supported by our prominent positions in all the markets of the region and the solid performance of our recent acquisitions, Ignition Technology and Networks Unlimited, which both show excellent growth. Our close relationships with both our vendors and our customers have enabled us to outperform the year over year growth seen in the past quarters and to successfully navigate geopolitical tensions in the region and the supply chains issues across Europe.

**APAC:** Gross Sales were €96.6 million, representing a normalized growth of +3.8% year over year once excluded last year's €11m one-off deal in the Public Sector in Australia. Including this deal in the first quarter of 2021, Gross Sales were down 6.7%. The main drivers contributing to APAC's growth, lower than other regions, were the more significant impact of product shortages and the more restrictive anti-COVID measures. We continued to see positive bookings momentum in APAC and remain confident about the performance in 2022.

**AMERICAS:** Gross Sales were €93.4 million, a significant +61.6% increase year over year and the fourth quarter of proof of our recent acceleration strategy in this region. Growth was supported by the strong performance with the historical vendors and by the contribution of new vendors signed in the Americas region.

## OUTLOOK

The first quarter of 2022 showed an acceleration of the good momentum already observed in the second half of 2021. We expect this strong demand for cybersecurity solutions to continue in 2022 despite the industry-wide supply chain issues and to keep capitalizing on our exposure to the leading vendors and our central position in the ecosystem.

Consequently, we confirm our outlook for 2022.

## SIGNIFICANT EVENTS SINCE 31 March 2022

The 2021 Universal Registration Document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) on April 27, 2022, under the number R.22-O12.



## CONFERENCE CALL

Jesper Trolle, Chief Executive Officer and Pierre Boccon-Liaudet, Chief Financial Officer, will present the Q1 2022 performance during a conference call in English to be held today May 9, 2022, at 6:00pm (18:00 CET).

You can follow the conference call live via webcast at the following link: <https://ir.exclusive-networks.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 <https://ir.exclusive-networks.com/>

Regulated information related to this press release and presentation is available on <https://ir.exclusive-networks.com/>

## PROVISIONAL CALENDAR

- **Annual General Meeting:** June 21, 2022
- **Q2 Financial update (Gross Sales and Revenue):** August 2, 2022
- **H1 2022 Financial Results:** September 15, 2022
- **Q3 Financial update (Gross Sales and Revenue):** November 9, 2022

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## 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, telecom companies 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 value added resellers, system integrators, telecom companies and managed service providers, 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 benefitting 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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