



## EXCLUSIVE NETWORKS – SECOND QUARTER 2022 FINANCIAL UPDATE

### **Record quarterly Gross Sales, up 43% vs. Q2-21 at €1,027 million**

- **Continued growth driven by market positioning and structural market drivers**
- **External factors contributed to the growth this quarter**
- **Consistent growth in all geographies**
- **Bookings growth outstripping Gross Sales growth**

**BOULOGNE-BILLANCOURT – August 2, 2022, at 7:00 A.M. CET** - Exclusive Networks (Euronext Paris: EXN) today announces its Gross Sales and IFRS Revenue for the second quarter of 2022.

**Jesper Trolle, Chief Executive Officer**, said: “I am delighted that Exclusive Networks achieved Gross Sales above 1 billion this quarter. This record performance reflects our unique positioning in the cybersecurity ecosystem and the strong structural growth drivers in the market. External factors such as a strengthening of the US dollar and better than anticipated delivery rates from our core suppliers also contributed to the growth. I want to thank our teams around the world for their hard work and dedication to our mission.

The superior execution of our value-added model and services as well as the deep and longstanding relationships we have been building over the past decades with the leading and most promising cybersecurity vendors in the world bear fruits as we consistently outperform the high growth cyber market. Growth has been fueled this quarter by all of the main core cybersecurity segments, as well as by our newest segments such as Cloud Security and DevSecOps, both delivering sharp growth and validating our strategy to accelerate opportunities in these segments through the acquisition of Nuaware. These segments have experienced triple-digit growth rates and have an outstanding growth potential.

Spending on cybersecurity remains an increasing priority for companies and public institutions of all sizes. We see this in response to greater awareness of cyber threats, sophistication of surface attacks and geopolitical tensions. We are confident that our prominent position in the cybersecurity ecosystem and robust forward indicators, with bookings growth ahead of gross sales growth bode well for the future. We are the Global specialist leader in the cybersecurity market and ideally positioned to benefit from the market’s continued dynamism and growth in coming quarters.”



## Q2 2022 FINANCIAL PERFORMANCE HIGHLIGHTS

### Q2 2022 Gross Sales

in € million	Q2 2021*	Q2 2022*	Variation	
			Reported	Constant Currency**
EMEA	557.8	797.8	43.0%	42.7%
APAC	90.0	122.7	36.3%	25.3%
AMERICAS	73.0	106.7	46.1%	30.0%
<b>GROUP</b>	<b>720.8</b>	<b>1,027.1</b>	<b>42.5%</b>	<b>39.3%</b>

\*Gross Sales restated after Intercompany elimination, detail in appendix.

\*\* Variation at constant currency is computed using the second quarter of 2021 rates applied to the second quarter of 2022 Gross Sales. The USD, GBP and PLN evolved as follows; 1EUR: 1.094 USD; 1EUR: 0.842 GBP, 1EUR: 4.633PLN respectively for Q2 2022 and 1EUR: 1.206 USD, 1EUR: 0.868 GBP, 1EUR: 4.537 PLN respectively for Q2 2021.

### Q2 2022 IFRS Revenue\*

in € million	Q2 2021	Q2 2022	Variation	
			Reported	Constant Currency**
EMEA	436.2	595.6	36.5%	36.7%
APAC	64.8	92.5	42.8%	31.3%
AMERICAS	46.6	73.6	57.7%	39.1%
<b>GROUP</b>	<b>547.7</b>	<b>761.7</b>	<b>39.1%</b>	<b>36.3%</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 second quarter of 2021 rates applied to the second quarter of 2022 revenue.

Gross Sales were €1,027.1 million, an increase of 42.5% year over year on a reported basis, 39.3% at constant currency.

The 42.5% Gross Sales growth in the second quarter of 2022 was largely attributable (77%) to growth from existing vendors. We also benefited from expanding with our vendors into new global regions as well as new vendors relationships (11%). The acquisitions of Ignition Technology and Networks Unlimited also supported our growth (12%).

Vendors renewal rates<sup>1</sup> for the second quarter of 2022 were up 135% (vs 110% in the second quarter of 2021) with customers renewal rates<sup>1</sup> at 133% (vs 106% in the second quarter of 2021), supported by increasing demand for our vendors' solutions and the continued engagement of our channel partners.

The business performance in the second quarter of 2022 further demonstrates that the unique positioning of the company delivers ongoing strong business momentum with new vendors and geographical expansion, consistently outperforming its fast growing market.

<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 REGION

### EMEA (78% of total quarterly gross sales):

Q2-22 Gross Sales were €797.8 million, an increase of €240 million or +43.0% year over year. EMEA, which remains the core region of the Group, continued its momentum from the previous quarter, with growth in all countries. There was particularly strong growth in the UK and in Germany where we saw an acceleration of the developments in the Enterprise market and an increasing share of large deals, through System Integrator partners.

Order intake continued its strong momentum and local teams continued to work closely with vendors to support them in navigating recent supply chain issues and ensure they could deliver the necessary cybersecurity solutions.

The business expansion continued with the addition of Tenable, the world's first Cyber Exposure platform, to the pan EMEA region portfolio.

The pipeline in large enterprise opportunities across all EMEA countries provides a solid foundation for the future.

### APAC (12% of total quarterly gross sales):

Gross Sales were €122.7 million, representing growth of +36.3% year over year. APAC returned in the second quarter to a positive growth trend supported by the contribution of an increased number of large deals in Singapore and in the Philippines. Booking momentum remains positive.

### AMERICAS (10% of total quarterly gross sales):

Gross Sales were €106.7 million, a significant +46.1% increase year over year. The robust performance in the region was fueled by the high demand for cybersecurity solutions of key vendors, the onboarding of more Juniper partners and the sustained enterprise momentum, notably with the signature of large deals. The backlog continues to grow as order intake remains strong.

## Half Year 2022 Gross Sales

in € million	H1 2021*	H1 2022	Variation	
			Reported	Constant Currency**
EMEA	1,130.8	1,528.0	35.1%	34.6%
APAC	193.4	219.3	13.4%	6.2%
AMERICAS	130.9	200.1	52.9%	39.0%
<b>GROUP</b>	<b>1,455.1</b>	<b>1,947.4</b>	<b>33.8%</b>	<b>31.2%</b>

\*Gross Sales restated after Intercompany elimination, detail in appendix.

\*\* Variation at constant currency is computed using the first half of 2021 rates applied to the first half of 2022 Gross Sales. The USD, GBP and PLN evolved as follows; 1EUR: 1.094 USD; 1EUR: 0.842 GBP, 1EUR: 4.633PLN respectively for H1 2022 and 1EUR: 1.206 USD, 1EUR: 0.868 GBP, 1EUR: 4.537 PLN respectively for H1 2021.



## Half Year 2022 IFRS Revenue\*

in € million	H1 2021	H1 2022	Variation	
			Reported	Constant Currency**
EMEA	861.0	1,162.3	35.0%	34.9%
APAC	150.3	168.2	11.9%	4.7%
AMERICAS	94.6	143.2	51.4%	37.2%
<b>GROUP</b>	<b>1,105.9</b>	<b>1,473.7</b>	<b>33.3%</b>	<b>31.0%</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 half year 2021 rates applied to half year 2022 revenue.

## OUTLOOK

On the basis of the information currently available, the Group maintains its guidance for the full year of 2022.



## APPENDIX

### Changes in Gross Sales reporting methodology

Up to Q1 2022 Gross Sales publication, Exclusive Networks Gross Sales KPI was defined as follows:

*“Gross Sales represent revenue recognized by the Group on a gross basis for each revenue stream (i.e. Solutions and Support/Maintenance) and before intra and inter segment intercompany eliminations. Net of returns, discount and rebates”.*

Historically, the business model of Exclusive Networks was such that each entity within the Group was managing its own buy-and-sell activities, resulting into intra and inter segment sales non-significant at Group level (47m€ in 2021 i.e. 1.4% of gross sales, 25m€ in 2020) and not distorting the perception of the Group's financial performance. However, these intra and inter segment sales are expected to increase in the future due to (i) the implementation of a new operating model to support some vendors' growth within EMEA, with some inventory to be held in one European country for the whole EMEA area; (ii) the growth pattern of the Company.

Considering the above-described evolutions, the Group decided to exclude the intra and inter segment sales from its Gross Sales KPI in FY2022 to improve the relevance and reliability of its Gross Sales indicator to the market. Effective Q2 2022 Gross Sales publication, the Gross Sales indicator will be defined as follows:

*“Gross Sales represent revenue from third parties recognized by the Group on a gross basis for each revenue stream. Net of returns, discount and rebates. »*

For comparability purposes, historical figures have been restated according to the new definition. A reconciliation of both metrics for 2021 and 2022 is provided in the tables below:

#### Gross Sales Published before intercompany elimination:

<i>in € million</i>	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22
EMEA	585.3	567.9	608.3	817.9	2,579.5	742.3	828.4
APAC	103.5	89.8	103.0	98.0	394.3	96.6	122.7
AMERICAS	57.8	73.0	93.6	122.3	346.7	93.4	106.7
<b>GROUP</b>	<b>746.7</b>	<b>730.7</b>	<b>804.9</b>	<b>1,038.2</b>	<b>3,320.4</b>	<b>932.4</b>	<b>1,057.9</b>

#### Gross Sales retreated after intercompany elimination:

<i>in € million</i>	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22
EMEA	573.0	557.8	597.0	804.4	2,532.3	730.3	797.8
APAC	103.4	90.0	103.1	98.0	394.5	96.6	122.7
AMERICAS	57.8	73.0	93.5	122.3	346.7	93.4	106.7
<b>GROUP</b>	<b>734.2</b>	<b>720.8</b>	<b>793.6</b>	<b>1,024.8</b>	<b>3,273.4</b>	<b>920.3</b>	<b>1,027.1</b>



## CONFERENCE CALL

Jesper Trolle, Chief Executive Officer and Pierre Boccon-Liaudet, Chief Financial Officer, will present the Second Quarter 2022 performance during a conference call in English to be held today August 2, 2022, at 9:00 am (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

- **H1 2022 Financial Results:** September 14, 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 46 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 22,000 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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