



EXCLUSIVE NETWORKS – THIRD QUARTER 2023 FINANCIAL UPDATE

**Solid third quarter 2023 at €1,228 m
up 13% at constant currency and up 9% reported,
led by the strong performance realised in EMEA
Full year outlook confirmed**

SUSTAINED GROWTH

- Gross Sales up 9% reported and up 13% at constant currency to €1,228 m
- Continued trend towards demand normalisation
- YTD growth up 16% reported and up 19% at constant currency
- FY-23 outlook confirmed

M&A FOCUS

- Strategic acquisition to reinforce our capabilities in Southern Europe under the Ignition brand
- A clear focus on innovative and disruptive technologies to complement our unique value proposition

BOULOGNE-BILLANCOURT – November 7th, 2023, at 07:00 A.M. CET

Exclusive Networks (Euronext Paris: EXN), a global leader in cybersecurity, today announces its Gross Sales and IFRS Revenue for the third quarter ended September 30, 2023. Management will hold a conference call at 9:00 am (CET) today, available via webcast (<https://ir.exclusive-networks.com/>). A replay will be available.

Jesper Trolle, Chief Executive Officer, commented:

“ Exclusive Networks, as a leader in cybersecurity, is moving towards its mission of creating a safer world. In the third quarter, we made solid progress with gross sales growth of 9% reported, 13% at constant currency, in line with our expectations.

We delivered double-digit growth in our largest region (EMEA), despite a challenging macroeconomic environment and low visibility which has seen sales cycles lengthen and return to normalised levels since the end of 2022. We have a consistent solid pipeline with no project cancellation.

After several years of organic growth, our strong balance sheet and excellent cash generation enable us to make the acquisition of Ingecom to broaden and deepen our offering and support our long-term growth strategy.

This strategic acquisition will enable us to expand our capabilities in innovative and disruptive technologies to complement and scale our offering of emerging and fast-growing cybersecurity solutions in our markets.

Our current momentum of double-digit growth year to date, coupled with a strategic acquisition, underpins our confidence in meeting our 2023 guidance.”



Q3 2023 FINANCIAL PERFORMANCE HIGHLIGHTS

Net vendors retention rate¹ were at 122% on a rolling 12-month basis at Q3-23 (vs 128% in Q3-22) with **Net customers retention rates**¹ at 121% on a rolling 12-month basis at Q3-23 (vs 129% in Q3-22), supported by the sustained demand for our vendors' solutions and the continued engagement of our channel partners.

Q3 2023 Gross sales

in € million	Q3 2022	Q3 2023	Variation	
			Reported	Constant Currency*
EMEA	857	973	+14%	+16%
AMERICAS	155	157	+1%	+9%
APAC	115	99	-14%	-5%
GROUP	1,127	1,228	+9%	+13%

* Variation at constant currency is computed using the third quarter of 2022 rates applied to the third quarter of 2023 Gross sales. The USD, GBP and PLN evolved as follows; 1EUR: 1.084 USD; 1EUR: 0.871 GBP, 1EUR: 4.584 PLN respectively for Q3 2023 and 1EUR: 1.065 USD, 1EUR: 0.847 GBP, 1EUR: 4.670 PLN respectively for Q3 2022.

Gross sales were €1,228 million, an increase of 9% year over year on a reported basis, 13% at constant currency. Most of this reported growth (5%) was driven by business with existing vendors in their current geographies. The remainder of the growth was mostly due to vendor expansion (3%). Vendor expansion is a combination of vendors entering into new geographies (2%) and new vendor relationships (1%). Finally, the contribution of our recent acquisition Ingecom, supported our growth for 1%.

EMEA (79% of total quarterly Gross sales): Gross sales rose to €973 million, an increase of €116 million or +14% reported. The region achieved another quarter of strong growth and benefitted from a solid momentum resulting from the quality of vendor portfolio across all countries.

AMERICAS (13% of total quarterly Gross sales): Gross sales were €157 million, up +1% reported or +9% at constant currency. The region faced a high basis of comparison in Q3-22 when the region recorded a sharp growth. In a context of demand normalisation and dollar fluctuation in Q3, the region managed to maintain a positive trend during the quarter, supported by the progressive ramp up of new vendors.

APAC (8% of total quarterly Gross sales): Gross sales retreated by 14% reported at €99 million. The trend is improving quarter on quarter and the initiatives implemented locally allowed the region to progressively improve the trend compared to the previous quarter.

Q3 2023 IFRS Revenue

in € million	Q3 2022	Q3 2023	Variation	
			Reported	Constant Currency*
EMEA	630	760	+21%	+24%
AMERICAS	89	109	+22%	+32%
APAC	89	79	-11%	-3%
GROUP	809	948	+17%	+22%

* Variation at constant currency is computed using the third quarter of 2022 rates applied to the third quarter of 2023 revenue.

IFRS Revenue takes into account the recognition of the sales of support and maintenance on a Net Margin basis as per IFRS as Exclusive Networks is not the primary obligor for these solutions. IFRS Revenue reached €948 million, up 17% on a reported basis, in line with Gross sales evolution.

¹ Defined as reported rolling 12 months Gross sales generated in year N from vendors/customers active in year N-1 divided by reported rolling 12 months Gross Sales from the same vendors/customers in year N-1.



KEY EVENTS

Exclusive Networks, completed the acquisition of 70% of Ingecom, a Spanish value-added distributor, specialized in cybersecurity and cyber intelligence solutions for emerging and disruptive technologies to accelerate Ignition Technology expansion in Southern Europe.

This additional development of Ignition Technology will create further value for Exclusive Networks by continuing to strengthen our dual offering both to established and emerging innovative vendors and help them to transition from challenger to future segment leader.

On **3rd October 2023**, Exclusive Networks announced the appointment of Andrew Assad as SVP APAC. Andrew has tremendous experience in driving innovation and adding value across channels. Over the past 18 years he has successfully held a number of increasingly senior positions at Arrows ECS, culminating in his role as Managing Director for Australia-New Zealand.

2023 OUTLOOK

In an environment still challenged by macroeconomic volatility, we remain confident in meeting our FY 2023 guidance:

- **Gross sales** above €5,150 million
- **Net margin** in the range of €450 million to €465 million
- **Adj. EBIT** in the range of €172 million to €178 million, expected to reach the upper end of the range
- **Adj. Operating FCF** above 80% of Adj. EBITDA

CONFERENCE CALL

Jesper Trolle, Chief Executive Officer and Nathalie Bühnemann, Chief Financial Officer, will present the Third Quarter 2023 performance during a conference call in English to be held on November 7th, 2023, 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

- **FY 2023 Financial Results: 29th February, 2024.**
- **Q1 2024 Gross sales and Revenue Release: 30th April, 2024.**
- **2024 Annual General Meeting: 6th June, 2024.**



APPENDICES

9 months of 2023 Gross Sales

in € million	9 months of 2022	9 months of 2023	Variation	
			Reported	Constant Currency*
EMEA	2,385	2,795	+17%	+20%
AMERICAS	355	455	+28%	+31%
APAC	334	310	-7%	-3%
GROUP	3,074	3,560	+16%	+19%

* Variation at constant currency is computed using the 9 months of 2022 rates applied to the 9 months of 2023 Gross Sales. The USD, GBP and PLN evolved as follows; 1EUR: 1.084 USD; 1EUR: 0.871 GBP, 1EUR: 4.584 PLN respectively for the 9 months of 2023 and 1EUR: 1.065 USD, 1EUR: 0.847 GBP, 1EUR: 4.670 PLN respectively for the 9 months of 2022.

9 months of 2023 IFRS Revenue

in € million	9 months of 2022	9 months of 2023	Variation	
			Reported	Constant Currency*
EMEA	1,793	2,153	+20%	+23%
AMERICAS	232	330	+42%	+45%
APAC	257	242	-6%	-2%
GROUP	2,282	2,724	+19%	+22%

** Variation at constant currency is computed using 9 months of 2022 rates applied to 9 months of 2023 revenue.

Gross sales to revenue reconciliation

in € million	Q3-22	9 months of 2022	Q3-23	9 months of 2023
Gross sales	1,127	3,074	1,228	3,560
Agent vs principal (mainly vendors' support) – IFRS 15	(318)	(792)	(280)	(835)
Revenue	809	2,282	948	2,724

EXCLUSIVE NETWORKS CONTACTS

Investors & Analysts

Hacene Boumendjel
Head of Investor Relations
ir@exclusive-networks.com

Media

FTI Consulting
Emily Oliver / Tom Blundell
+33 (0)1 47 03 68 65
exclusivenetworks@fticonsulting.com



About Exclusive Networks

Exclusive Networks (EXN) is a global cybersecurity specialist that provides partners and end-customers with a wide range of services and product portfolios via proven routes to market. With offices in over 45 countries and the ability to serve customers in over 170 countries, we combine a local perspective with the scale and delivery of a single global organisation.

Our best-in-class vendor portfolio is carefully curated with all leading industry players. Our services range from managed security to specialist technical accreditation and training and capitalize on rapidly evolving technologies and changing business models. For more information visit www.exclusive-networks.com.

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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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