SWORD GROUP

FY2022 FINANCIAL PRESENTATION

9 March 2023

SWORD
UPGRADE *YOUR* BUSINESS

Organisation

Organisation | Management Team

Phil Norgate
M&A Advisor

CEO

Dave Bruce

Dieter Rogiers

Jacques Mottard

COO

| SCOTLAND | TEXAS | UK | US | LUXEMBOURG | GREECE | SPAIN | TIPIK | MIDDLE EAST & INDIA | CANADA & SWITZERLAND | SWITZERLAND |

| Greg Anderson | Phil Brading | Kevin Moreton | Craig Swinburn | Michel Bonvoisin | Gregory Carayannis | Michael De Groeve | Gökçe Kalayci | Nasser Hammoud | Guillaume Mottard | Olivier Perrotey |

CFO

Lalitha Balakrishnan
India

Laurence Blanc
Consolidation

Philippe Blanche
BeNeLux, Greece & Spain

Frédéric Goosse
Group CFO

Stéphanie Desmaris
Head of Communication

Becky Marsland
Middle East

Olga Slamenkaite
UK & US

Patrick Zbinden
Switzerland

Offer

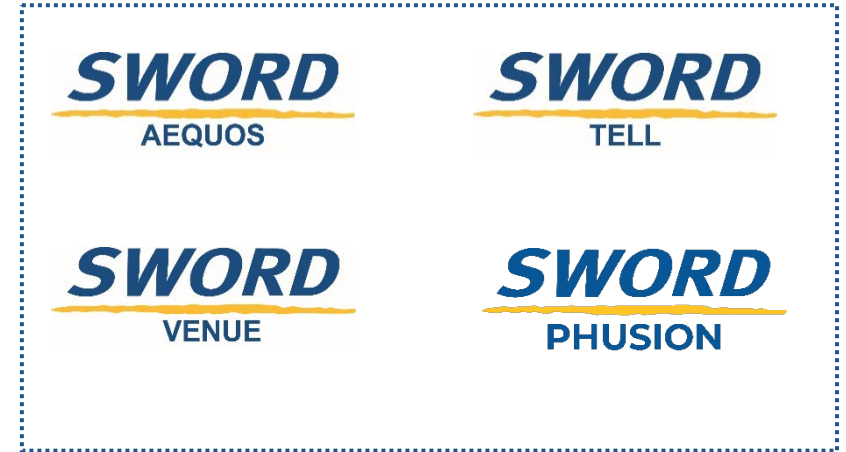# Group's Offer | Software Components & IT Services

SERVICES
Creating Value through technology & improvement

- Application Development
- Data & Analytics
- Content Services
- AI & Automation
- Infrastructure & Modern Workplace
- Enterprise Service Management
- Communication & Collaboration
- Managed Cloud Services

SOFTWARE COMPONENTS
Adding Value through innovative software components solutions

- SWORD AEQUOS
- SWORD TELL
- SWORD VENUE
- SWORD PHUSION

SWORD
UPGRADE *YOUR BUSINESS*

DIGITAL PERFORMANCE

Skills & expertise, to accelerate your digital transformation

DATA OPTIMISATION

Making Data Work Smarter

- Health
- Luxury Industry
- Aerospace & Defence
- Sport
- Energy
- Finance
- Transportation
- Government
- International Orgs
- Construction

Challenges

Challenges

Outlook & Strategy

- Outperformance ⇨ **+15%$^{++}$**

- BP 2023-2024 ⇨ **Reassessment towards 2026**

- **Booster**

- Sustainability ⇨ Strategy | **Artificial intelligence**

UK | US

UK | US Performance

"Strong performance delivering better data-driven decisions to the Energy, Finance & Public sectors"

2022	Actual	Budget
Revenue (€m)	100.2	98.0
EBITDA Margin (%)	14.2%	13.5%

2023	Budget	Growth
Revenue (€m)	118.0	+18.0%
EBITDA Margin (%)	14.2%	+18.0%

2022 Achievements

- Strong organic growth [i] (+20%)
- New clients
- ISO 9001 & 27001 quality accreditation
- Growth in the Finance sector
- Microsoft Advanced specialisation for analytics

[i] at constant exchange rate

2023 Growth Relays

- Development of Neom project
- Greater penetration of the renewables market
- Additional micro acquisitions
- Increased sales focus in the US
- Continue to refine our service offerings

Client Growth

moneycorp · SEASALT CORNWALL · TotalEnergies · NEOM نيوم · SSE · POLICE DIGITAL SERVICE / VIDEO ENABLED POLICING · dana PETROLEUM · FCA FINANCIAL CONDUCT AUTHORITY · NEO ENERGY · ITHACA ENERGY

Business Case
UK | US

Our core capabilities

SERVICES & SOLUTIONS

PLATFORM

NETWORKING

SECURITY

INFRASTRUCTURE

BUSINESS APPS

DATA

GOVERNANCE

QUALITY

INSIGHT

APPS

DIGITILISATION

WAYS OF WORKING

DESIGN   **IMPLEMENT**   **SUPPORT**

OUTCOMES

Cost   Productivity   Risk   Compliance   Engagement

SWORD
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Technology Development Partner
Video Enabled Policing

POLICE DIGITAL SERVICE

VIDEO ENABLED POLICING

Sword brings benefits to UK Policing -1-

Video Enabled Policing (VEP) is transforming how police officers conduct interviews and provide witness evidence in court. Supported by existing investments in technology, officers and staff will be empowered to adopt new, improved ways of working.

Business Benefits
- Benefits are currently and conservatively estimated at a national level at **£62.2 million per annum**,
- Enables officers and staff to **better plan and manage time** through technology and **avoid unnecessary travel** to and from courtrooms or police premises,
- These capabilities will also enable forces to leverage a **significant return on their investment** in infrastructure and productivity tools, provided through **Microsoft 365**.

" The Police Witness Coordination (PWC) solution will support our police witness care units as well as forces more broadly. It will help us to fulfil our obligations under the Victims Code of Practice & the Witness Charter by automating the witness warning of police officers and staff called to give evidence. Our witness care units are dealing with increased caseloads since the COVID-19 pandemic, automating this function will afford our witness care teams more time to support civilian victims and witnesses. In addition, the real time nature of the warnings and de-warnings will release operational officers and staff from court in a more timely manner allowing them to return to their duties. "
DCC Emma Barnett - NPCC Victims and Witnesses Portfolio lead

Strategic Sector Vision

Our mission for Policing is to help build **transformed services** and liberate Police Officer time through the use of **intuitive, sustainable, and data-driven digital capabilities**

Sword brings benefits to UK Policing -2-

Sword as the Technology Development Partner, assisted the police in delivering its vision for digital capabilities by developing **Microsoft Power Platform** and **Azure** solutions in two critical areas:

PACE Interview Coordination

- Custody officers currently manage **legal**, **interpreter**, and **appropriate adult** attendance at interviews on a manual basis
- This absorbs a **huge amount of time**, and **increases footfall** in the custody area, which substantially **elevates risk and costs**
- Sword have developed a solution to:
    - **Alleviate the burden** of administration
    - **Remove costs** associated with interpreter travel
    - **Reduce risk** by ensuring that all parties arrive at the right time to reduce presence in custody
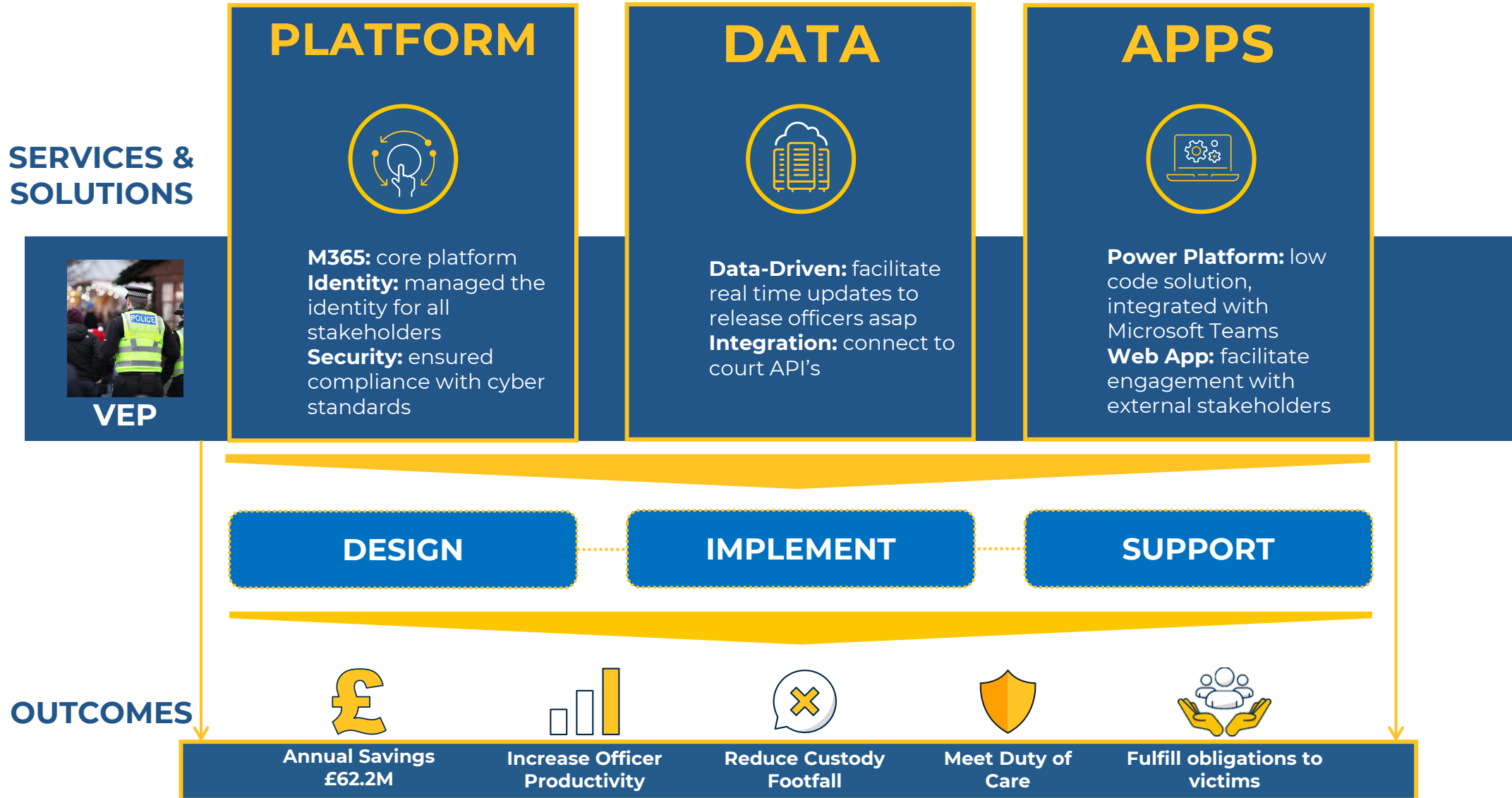
Police Witness Coordination

- Police Officers attend court to give evidence as a witness, a **manual** and **error-prone** process
- Officers often hear **too late** that they are not required, or receive **inaccurate trial information**, putting prosecutions at risk
- Sword have developed a solution to:
    - **Release time for supporting victims** by improving the effectiveness of police witness coordination
    - **Reduce wasted time and trial risks** for Officer-supported trials
    - **Enable effective resourcing** by giving managers direct sight of Officer availability
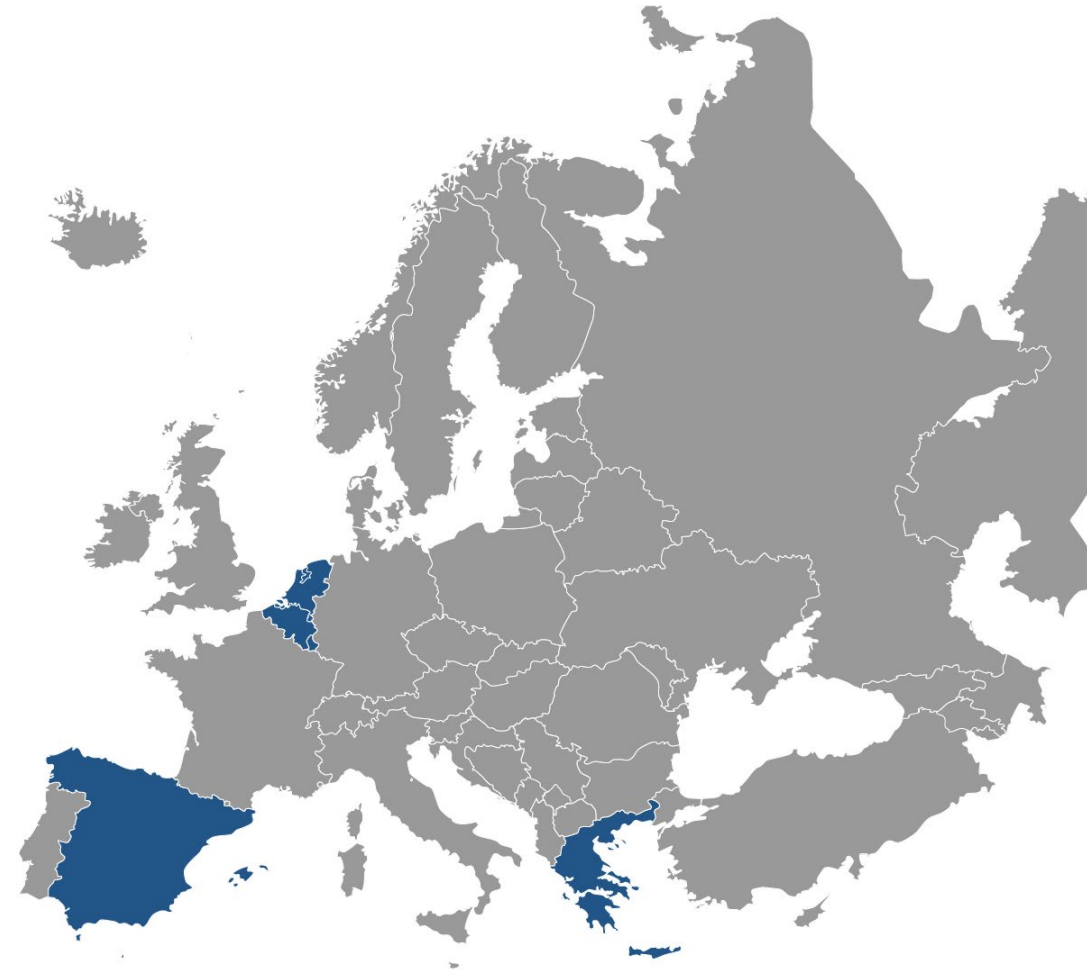
Key Facts

- Sword Group were appointed as technology delivery partner, starting work in January 2022,
- VEP has established the first direct policing system interface to His Majesty's Courts and Tribunals Service's (HMCTS) Common Platform,
- The Team engaged with all 43 forces (in England and Wales). 22 forces have so far confirmed their intention to adopt the two VEP solutions.

Technology Development Partner | Aligning our Capabilities to the VEP Programme

SERVICES & SOLUTIONS

VEP

PLATFORM

M365: core platform
Identity: managed the identity for all stakeholders
Security: ensured compliance with cyber standards

DATA

Data-Driven: facilitate real time updates to release officers asap
Integration: connect to court API's

APPS

Power Platform: low code solution, integrated with Microsoft Teams
Web App: facilitate engagement with external stakeholders

DESIGN ⋯ **IMPLEMENT** ⋯ **SUPPORT**

OUTCOMES

Annual Savings £62.2M

Increase Officer Productivity

Reduce Custody Footfall

Meet Duty of Care

Fulfill obligations to victims

BeNeLux | Greece | Spain | EU

BeNeLux | Greece | Spain | EU Performance

"Becoming an important EU IT player engaged in some of the largest EC contracts, contributing to the security, border control, Customs Union & fair taxation in the EU"

2022	Actual	Budget
Revenue (€m)	84.4	69.2
EBITDA Margin (%)	9.1%	8.3%

2023	Budget	Growth [i]
Revenue (€m)	90.8	+15.0%
EBITDA Margin (%)	9.1%	+15.0%

[i] TIPIK excluded

2022 Achievements

- Recurring revenue >80%
- >€220 million revenue in Backlog
- Won important EU contracts with high visibility (e.g. ETIAS for EU border management)
- Expanded our customer base in Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Ireland, Italy, Malta, Netherlands, Poland, Portugal, Switzerland

2023 Growth Relays

Nearshore GREECE | SPAIN
- >45% growth in revenue (*2022: ~ €20m*)
- >50% total employment
- Sword Greece: fastest growing IT company (revenue & employees)

Tipik by Sword
- Appointment new Managing Director
- Strengthened the commercial teams
- Expanded nearshore operation in GR

Client Growth

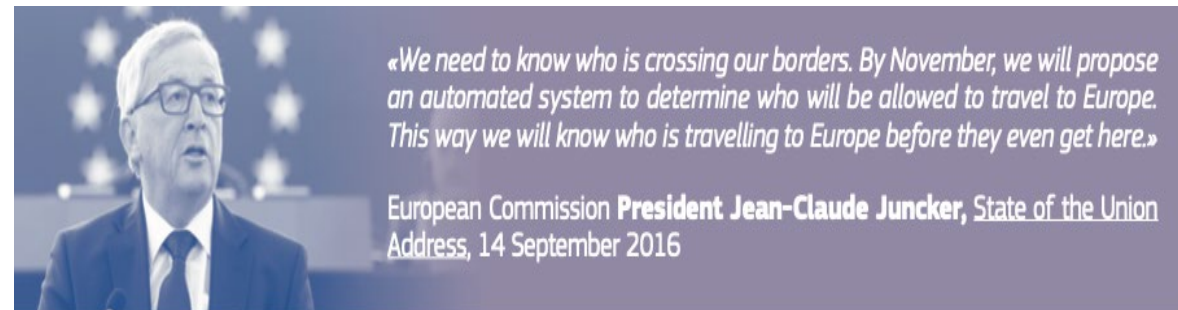# Business Case BeNeLux | Greece | Spain | UE

Framework Contractor
ETIAS & IOP

SWORD
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eu-LISA

eu-LISA | Large scale IT systems

Customer: eu-LISA (European Union Agency for the Operational Management of Large-Scale IT systems in the area of Freedom, Security and Justice)

«We need to know who is crossing our borders. By November, we will propose an automated system to determine who will be allowed to travel to Europe. This way we will know who is travelling to Europe before they even get here.»

European Commission **President Jean-Claude Juncker**, State of the Union Address, 14 September 2016

ETIAS
Reinforces EU internal security with **pre-travel screening** of visa-exempt visitors for security and migration risks.

ECRIS-TCN
Facilitates the **electronic exchange of criminal record** information between the Member States on non-EU nationals.

Eurodac
Digitalised fingerprint database that manages European asylum applications and helps detect, investigate and prevent terrorism.

SIS
Ensures Europe's internal security, supporting the **exchange of information** on missing people and stolen objects in the Schengen Area.

VIS
Optimises **visa data exchange** between Schengen states and helps prevent visa shopping and irregular migration.

e-CODEX
COMING 2023
Facilitates **cross-border access to justice** for citizens, businesses and legal professionals all over Europe.

Six systems under the operational responsibility of eu-LISA. Sword is providing services to **ETIAS** and the **Interoperability framework**.

Primary **CONCERNS** for the EU and **eu-LISA**

- Making Europe a safer place to live, work and visit
- Guarantee Freedom, Security and Justice
- Improve Border Control & Border Management
- Reinforce fight against Crime & Terrorism

Main **OBJECTIVES** of **eu-LISA**

- **Transformation of the IT landscape** of the European Union
- Achieving **interoperability for a Safer Europe**
- Support the Member States towards freedom, security and justice

# eu-LISA | ETIAS Project

ETIAS Project

- European Travel Information and Authorisation System
- Health and security screening to check if applicant meets entry requirements
- Visa exempt third-country nationals will apply for valid authorisation before crossing Schengen borders

Sword's role in ETIAS

- Development of a pre-travel assessment system for non-VISA-requiring visitors
- Key contributor in the development of the ETIAS Project

The Benefits

- ETIAS will reduce procedures and border-crossing times
- Strengthen border management
- Help prevent irregular migration
- Fortify the fight against terrorism and organised crime
- Save travellers' time

HOW WILL THE ETIAS SYSTEM WORK?
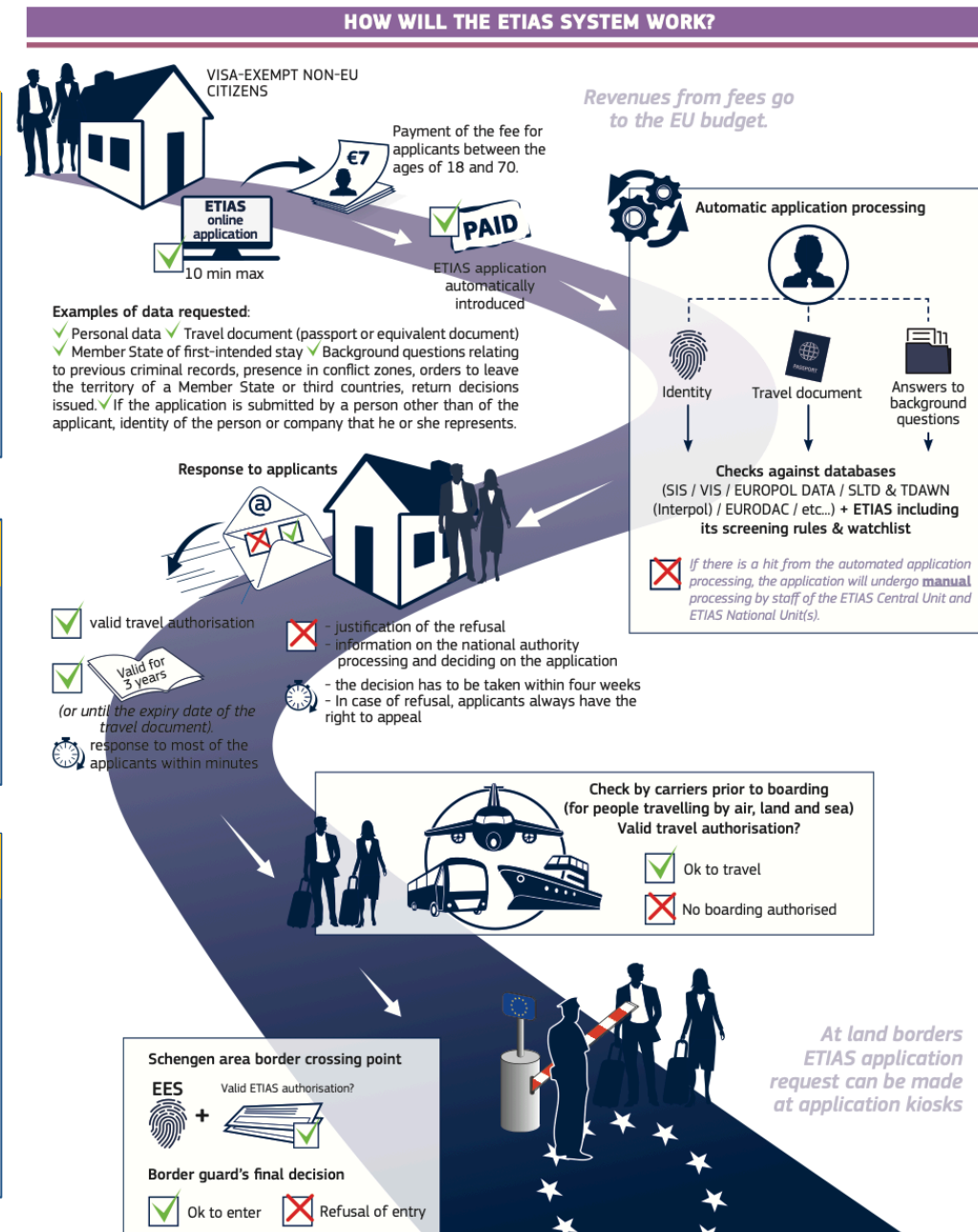
eu-LISA | INTEROPERABILITY Project

IOP Project

- Europe's border security and migration relies upon large Europe-wide IT systems
- Getting these systems to work together is essential to strengthen security in EU
- Make sure that authorities can access data when it is needed
- Guarantee that data-protection requirements are met

"Authorities have, for the first time, access to a single database of biographical and biometric information of non-EU citizens."
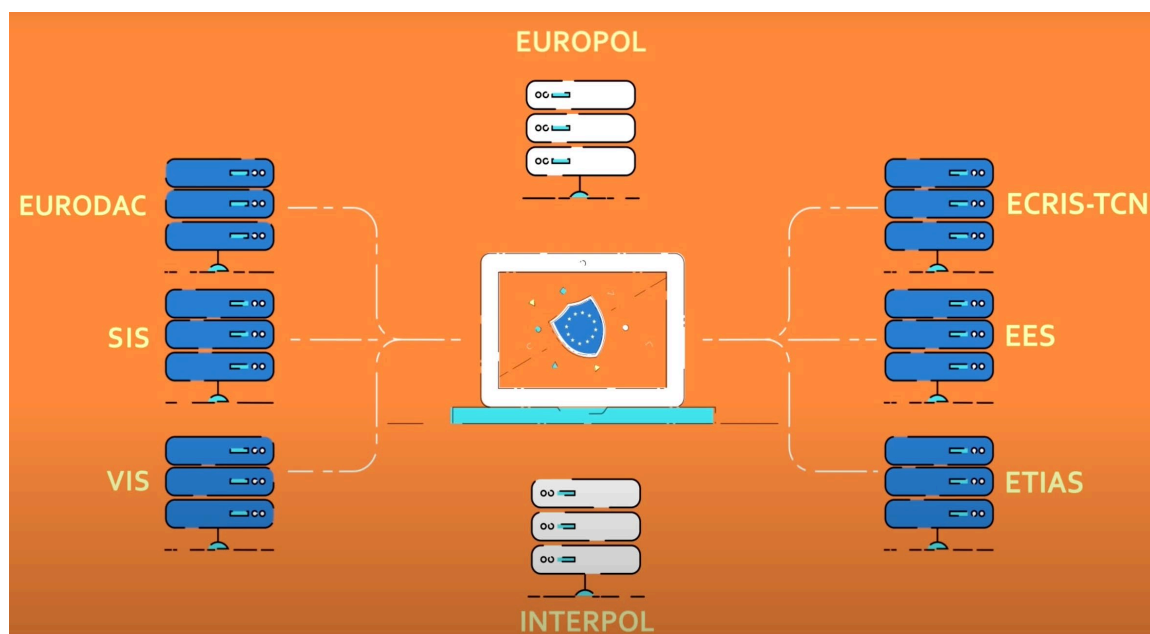

Sword's role in the IOP

- Development of technical interfaces to create interoperability between IT systems
- Introduction of a European Search Portal with consistent fast and easy access
- Creation of a Common Identity Repository
- Key contributor in the development of the Interoperability framework

ETIAS & IOP Key facts

- A team of 56+ highly-skilled & certified IT professionals
- All team members have EU SECRET security clearance
- Projected projects revenue: €12.0m
- Projects with 20%+ profit margin

56
Team members
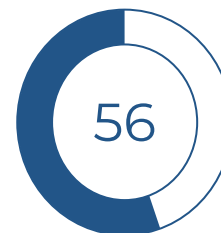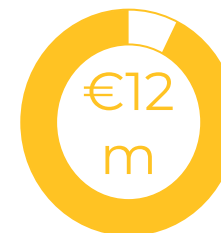
€12 m
Projected revenue

20 %
Profit Margin

Challenges

- Highly complex & visible projects -> NO tolerance for mistakes
- Functional, Architectural & Technical challenges
- Extreme security requirements and biometrics
- Multiple integrations with critical systems
- Advanced technology skillset was required

Our successes

- Team ramp-up and technology upskilling
- Methodologies: highly adaptive and flexible teams & full Agile way of working
- Customer satisfaction: **satisfaction rate: >90%**
- Additional work assigned and consultation on strategic decisions
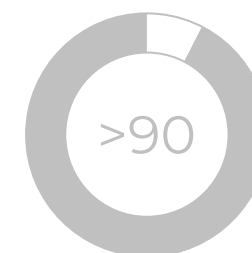
>90
% Satisfaction rate

Switzerland | Canada Offshore | Middle East

Switzerland - Canada | Offshore - Middle East

"keeping our leadership position in French speaking Switzerland and becoming a key actor in the Middle East"

2022	Actual	Budget
Revenue (€m)	81.2	76.6
EBITDA Margin (%)	13.7%	12.5%

2023	Budget	Growth
Revenue (€m)	97.4	+20.0%
EBITDA Margin (%)	13.0%	+14.0%

2022 Achievements

- #1 IT Services company in French speaking Switzerland

- Success of our nearshore strategy with both Cyprus and Lebanon

- Success of our Indian platform

2023 Growth Relays

- Follow our current Swiss clients to Spain

- Follow some UN IT department to Spain

- Breaking into KSA

Client Growth

Figures

At a Glance

IDENTITY
Successful, Growing, Financially Secure and Listed
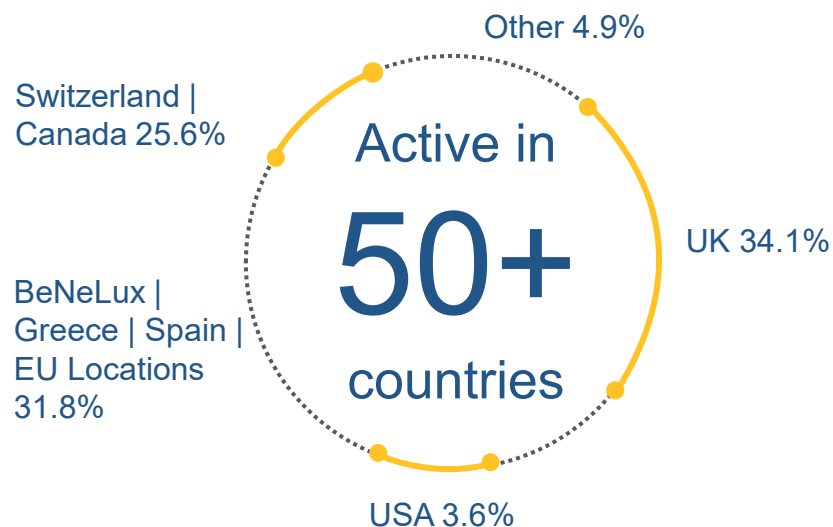
International Group founded in **2000**

1000+ customers in over **50** countries

3 offshore | nearshore support centres

FY2022 Performance
GRC included

€272.3m Consolidated Revenue

€35.1m | 12.9% EBITDA

FY2022 Performance
GRC excluded

€265.7m Consolidated Revenue

€33.1m | 12.5% EBITDA

FY2023 Performance (e)

€306m Consolidated Revenue

€36.7m | 12.0% EBITDA

FY2022
Consolidated Revenue by Region

Other 4.9%

Switzerland | Canada 25.6%

BeNeLux | Greece | Spain | EU Locations 31.8%

Active in **50+** countries

UK 34.1%

USA 3.6%

FY2022
Consolidated Revenue by Market

Health, Telco, Other 12.4%

Bank, Insurance, Finance 12.5%

2,700+ domain experts

Government 42.0%

Manufacturing, Energy, Utilities 33.1%

Synthesis

	2018	**2019**	**2020**	**2021**	**2022**	
Revenue €m	194.3	213.2	212.5	214.6	272.3	265.7 [i]
% Current EBITDA	14.0%	13.4%	13.9%	13.6%	12.9%	12.5% [i]
% Organic Growth [ii]	+18.3%	+20.7%	+9.2%	+21.5%	+26.3%	
Staff at 01/01/xxxx	2,030	2,067	2,337	1,902	2,329	
Staff at 31/12/xxx	2,067	2,337	1,902	2,329	2,723	
Total recruitment (gross amount)	320	480	360	506	707	
Disposals	Apak (€30m)		France (€60m)		GRC (€20m)	
Acquisitions		DataCo (€5.5m)		AiM (€18m)	Ping (€12m)	

The "YEARS" header spans the five year columns (2018–2022).

[i] GRC excluded - [ii] On a like-for-like basis and at constant exchange rates

FY2022 | Key Figures

+28.5%
Organic Growth
on a like-for-like basis

+26.3%
at constant exchange rates

FY2022

€272.3m
Consolidated
Revenue

€265.7m
GRC excluded

12.9%
EBITDA margin

12.5%
GRC excluded

FY2022 | Breakdown - 1 -

€m (*)	Group Consolidated	Software	IT Services
Consolidated Revenue	**272.3**	6.5	265.7
Consolidated EBITDA	**35.1**	2.0	33.1
EBITDA Margin	**12.9%**	31.2%	12.5%
Organic Growth at constant perimeter	**N/A**	N/A	+28.5%
Organic Growth at constant perimeter & constant exchange rate	**N/A**	N/A	+26.3%

(*) Percentages and amounts are calculated from figures in €k.

FY2022 | Breakdown - 2 -

€m (*)	FY2022		
	Revenue	**EBITDA Margin**	**Organic Growth** (i)
Governance Risk & Compliance	6.5	31.2%	N/A
SOFTWARE	**6.5**	**31.2%**	**N/A**
BeNeLux | Greece | Spain | EU	84.4	9.1%	+35.3%
Switzerland | Canada	68.0	10.9%	+26.3%
UK | US	100.2	14.2%	+20.2%
Offshore Global Services Centers | Middle East	13.2	28.2%	+18.0%
IT Services	**265.7**	**12.5%**	**+26.3%**
TOTAL	**272.3**	**12.9%**	**N/A**

(i) Organic Growth at constant perimeter and constant exchange rates.
(*) Percentages and amounts are calculated from figures in €k.

FY2022 | Breakdown - 3 -

€m (*)

	Q4 Organic Growth (i)	Q3 Organic Growth (i)	Q2 Organic Growth (i)	Q1 Organic Growth (i)
Governance Risk & Comp.	-	-	-	+11.4%
SOFTWARE	**-**	**-**	**-**	**+11.1%**
BeNeLux | Greece | Spain | EU	+36.8%	+27.8%	+41.4%	+35.5%
Switzerland | Canada	+27.5%	+31.5%	+22.5%	+24.1%
UK | US	+19.5%	+30.2%	+15.4%	+15.7%
Offshore Global Services Centers | Middle East	+6.4%	+18.5%	+37.9%	+14.8%
IT Services	**+26.4%**	**+28.9%**	**+26.1%**	**+23.8%**
TOTAL	**-**	**-**	**-**	**+12.6%**

(i) Organic Growth at constant perimeter and constant exchange rates.
(*) Percentages are calculated from figures in €k.

FY2022 | Adjusted PnL

With no impact of share deal and amortization of backlog acquisition

€m	2021	€ 2022
Revenue	**214.6**	**272.3**
Current EBITDA	**29.3	13.6%**	**35.1	12.9%**
Current EBIT	24.1	11.2%	29.8	11.0%
Non Current Costs	3.4	(90.4)
Financial Costs	(1.0)	1.6
Corporate Tax	3.7	2.4
Net Profit after corporate tax	**18.0**	**116.2**

FY2022 Balance Sheet | Non-Current Assets

€k	31.12.2021	31.12.2022
ASSETS		
NON-CURRENT ASSETS		
Goodwill	66,503	71,618
Other intangible assets	19,032	7,384
Property, plant & equipment	3,171	4,649
Assets related to the right of use	7,860	12,340
Financial assets at fair value through other comprehensive income	3,011	-
Financial instruments	-	278
Deferred tax assets	743	655
Other assets	743	765
TOTAL NON-CURRENT ASSETS	**101,063**	**97,689**

- Net increase due to the Ping acquisition & the sale of GRC
- Decrease mainly due to the sale of GRC

- Increase due to renewal of leases + new offices

- Sale of investment in Coexya (formerly Sword France)

FY2022 Balance Sheet | Current Assets

€k	31.12.2021	31.12.2022
ASSETS		
CURRENT ASSETS		
Trade and other receivables	32,415	32,173
Work in progress	21,727	35,627
Current tax assets	664	855
Other assets	10,760	14,951
Cash and cash equivalents	55,295	57,138
Prepaid expenses	3,752	6,133
TOTAL CURRENT ASSETS	**124,613**	**146,877**
TOTAL ASSETS	**225,676**	**244,566**

- Increase due to revenue growth and new EU projects

- Increase due to consideration receivable after the sale of GRC

FY2022 Balance Sheet | Financial Debt

€k	31.12.2021	31.12.2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital	9,545	9,545
Share premiums	70,676	70,676
Reserves	8,181	9,210
Retained earnings	4,510	11,376
TOTAL EQUITY - GROUP SHARE	92,912	100,807
Non-controlling interests (minority interests)	1,416	737
TOTAL EQUITY	**94,328**	**101,544**
NON-CURRENT LIABILITIES		
Lease obligations	6,220	9,734
Other financial debts	-	18,000
Provisions for retirement benefits	222	228
Other provisions	337	13
Deferred tax liabilities	1,634	1,700
Other liabilities	48,882	32,488
TOTAL NON-CURRENT LIABILITIES	**57,295**	**62,163**
CURRENT LIABILITIES		
Lease obligations	2,784	3,033
Other financial debts	278	467
Other provisions	749	343
Trade and other payables	24,963	24,583
Current tax liabilities	932	1,2011
Other liabilities	30,794	35,587
Prepaid services	13,553	15,685
TOTAL CURRENT LIABILITIES	74,053	80,859
TOTAL LIABILITIES	**131,348**	**143,022**
TOTAL EQUITY AND LIABILITIES	**225,676**	**244,566**

- Increase due to renewal of leases + new offices
- Credit line

- Decrease due to the reclassification of share deals payments from long term to short term

- Decrease due to the payment of share deals and increase due to consideration payable for Ping acquisition

FY2022 Cash Flow | Extract

€m	31.12.2021	31.12.2022
NET CASH FLOWS FROM OPERATING ACTIVITIES	17.3	14.7
NET CASH FLOWS (ALLOCATED TO) / FROM INVESTMENT ACTIVITIES	(18.7)	98.8
NET CASH FLOWS ALLOCATED TO FINANCING ACTIVITIES	(51.1)	(111.3)
Net change in cash and cash equivalents	**(52.5)**	**2.2**
Effect of currency variation	(1.7)	0.5
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE PERIOD	**55.0**	**56.7**

2022 | Net Cash Position [i]

📟 31/12/2022
Net Cash Position: €38.7m | €50.0m

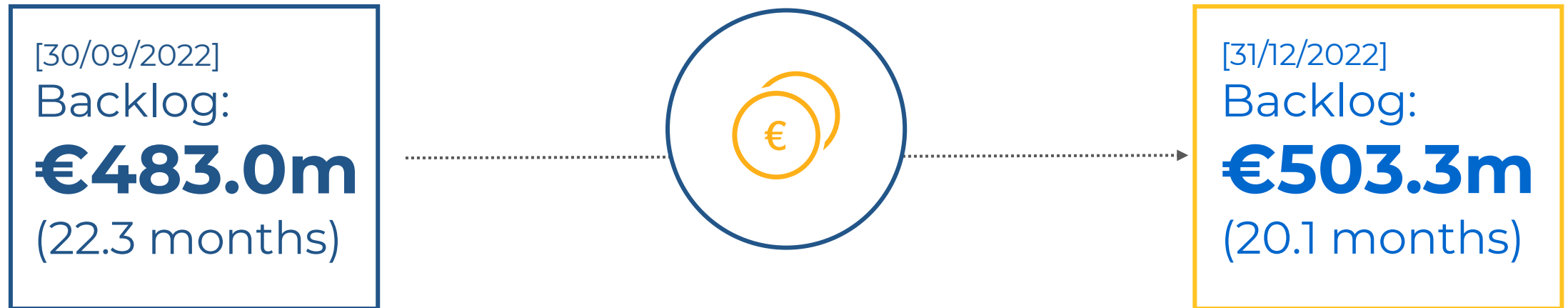with the additional payment of the GRC made by TA Associates, which arrived on 04/01/2023

📟 30/09/2022
Net Cash Position : €21.8m

(i) excluding IFRS standards

2022 | Backlog

[30/09/2022]
Backlog:
€483.0m
(22.3 months)

€

[31/12/2022]
Backlog:
€503.3m
(20.1 months)

FY2022 | Staff

2,723 (i)	1,958	396	364	5
Total	**Onshore**	**Nearshore**	**Offshore**	**Holding**
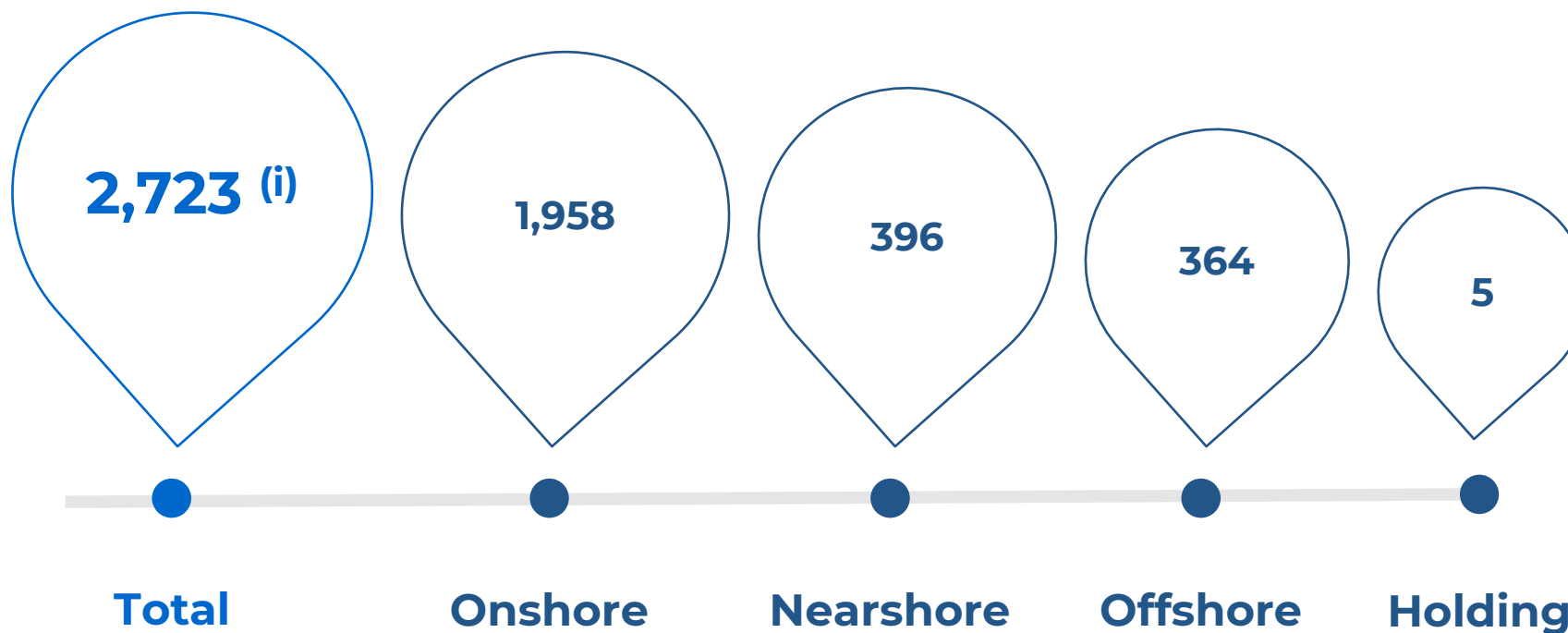
(i) Including 511 freelancers

2022 Turnover | **9.9%**

Sword Group's Share

Share return | c. +23% per year ⇨ €1.7 dividend proposed by the Board

0%

2018 Total Share Return (TSR)
01/01: €33.84 - 31/12: €29.00
Dividend paid in 2018: €4.8

-21.6%
CAC MID&SMALL

+22%

2019 Total Share Return (TSR)
01/01: €29.00 - 31/12: €34.10
Dividend paid in 2019: €1.2

+19.0%
CAC MID&SMALL

-1%

2020 Total Share Return (TSR)
01/01: €34.10 - 31/12: €31.35
Dividend paid in 2020: €2.4

+1.2%
CAC MID&SMALL

+55%

2021 Total Share Return (TSR)
01/01: €31.35 - 31/12: €43.65
2020 Additional Dividend paid in 2021: €4.8

+16.0%
CAC MID&SMALL

+13%

2022 Total Share Return (TSR)
01/01: €43.65 - 31/12: €39.4
2021 Dividend paid in 2022: €10.0

-19.6%
CAC MID&SMALL

2018   2019   2020   2021   2022

+21%   +24%   +46%   +19%   +29%

2017   2016   2015   2014   2013

Financial Key Dates

Financial Calendar
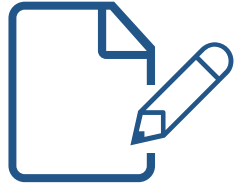
PUBLICATIONS

- **26/04/2023**
2023 | Q1 Results

- **20/07/2023**
2023 | Q2 Results

- **25/10/2023**
2023 | Q3 Results

- **25/01/2024**
2023 | Q4 Results

- **06/03/2024**
2023 | FY Results

MEETINGS

- **07/09/2023**
SFAF Meeting |
H1 2023 Results

- **07/03/2024**
SFAF Meeting |
FY2023 Results

- **29/04/2024**
Annual
Shareholders
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