

A photograph of a modern conference room. In the foreground, there are rows of white and light blue upholstered chairs. In the background, a stage is set up with a large projector screen displaying the text "PARIS TROCADÉRO". On the stage, there are three armchairs (two light blue, one yellow) and a small round table with a water bottle and glasses. A podium is visible on the left side of the stage. The room has a dark ceiling with several spotlights.

SWORD GROUP H1 2023 PRESENTATION

7 September 2023

Introduction
Organisation
Offer
UK | US
BeNeLux | Greece | Spain | UE
Switzerland | Canada
Offshore | Middle East
Figures
Group's Share
Financial Key Dates



Introduction



Solid Fundamentals

- Above-target growth
- The Group maintains its budgeted profitability with a higher organic growth rate

Reasons for our Outperformance

- A competent, efficient Team
- A policy of boosters/accelerators that is beginning to bear fruit

A future under Construction

- An emerging new generation
- Proven methods
- A business plan is currently being drawn up, forecasting revenue of €450m by 2027 based on €280m in 2023

Organisation



Organisation | Management Team



Phil Norgate
M&A Advisor

CEO



Dave Bruce



Dieter Rogiers

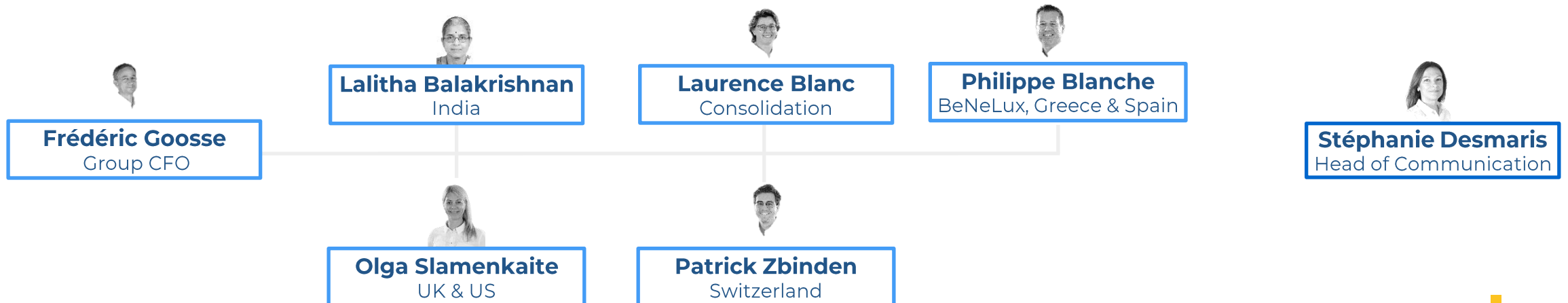


Jacques Mottard

COO



CFO



Offer



Group's Offer | Software Components & IT Services

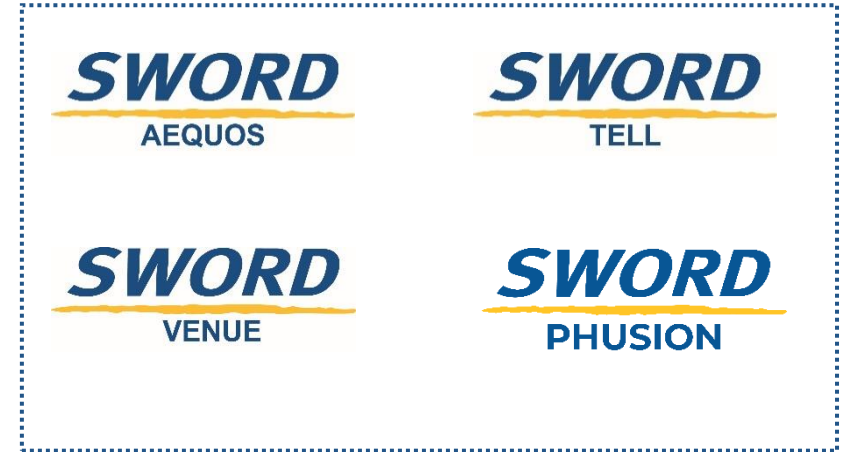
SERVICES

Creating Value through technology & improvement



SOFTWARE COMPONENTS

Adding Value through innovative software components solutions



DIGITAL PERFORMANCE

Skills & expertise, to accelerate your digital transformation



DATA OPTIMISATION

Making Data Work Smarter



UK | US



UK / US | Performance

Platform | Data | Apps

“Strong performance delivering +33% organic growth in S1 2023 against same period last year”

	S1 2023	S1 2022
Revenue (€m) AAA excluded	44.3	33.8
EBITDA (€m)	6.7	6.8
Growth on a like for like basis	+33.0%	-

2023 Achievements

- Strong organic growth ⁽ⁱ⁾ (+33%)
- New clients
- Retention of Strategic clients
- Development of leadership team
- Growth of acquisitions (Ping)
- Growth in energy renewables

⁽ⁱ⁾ On a like for like basis and at constant exchange rate

2024 Growth Relays

- Greater penetration in the public sector
- Development of Digital Engineering business (Phusion)
- Development of Neom project
- Growth in renewables market
- Additional micro acquisitions

2024 Priorities

- Value & develop our people
- Protect & enhance our existing work
- Develop growth opportunities
- Encourage agility
- Operational rigor

Making a Real Difference

Platform | Data | Apps

Our work directly impacts society in the UK and beyond



Helping to provide energy security and the energy transition



Ensuring NHS patients receive the right care and attention



Making it easier to access services from local councils



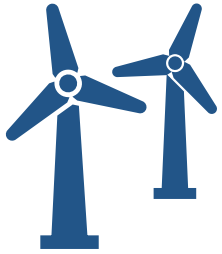
Enabling Police Officers to spend more time on the beat



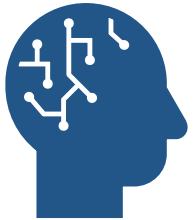
Increasing the resilience of financial services

Spotlight on some Key Areas of Expertise

Platform | Data | Apps



Renewable Energy



A.I.

Renewable Energy | Our expanded Energy Market

Supporting our clients on drive to net zero

RENEWABLES



- Onshore and offshore wind
- Hydro
- Solar
- Geothermal

Actively supporting SSE, UK's leading supplier of renewable energy.

Traditional E&P customers are already expanding their portfolios, investing heavily in operational partnerships to appease investors.

UTILITIES



- Water
- Electricity
- Gas

Supporting national critical infrastructure to become more resilient.

Heavy regulation, talent shortages and dispersed assets and infrastructure restrict market access versus more centralised services.

THERMAL AND NUCLEAR



- Nuclear
- Gas-fired Power Stations
- Hydrogen

Plays a major part in the drive to Net-Zero, providing energy security, but there is a challenge to decarbonise and deliver at the right price point.

Relies on a cost-effective natural gas supply.

CARBON CAPTURE AND STORAGE



- Capture
- Transmission
- Storage

The legislative challenges have lessened, but there are still big technical barriers to overcome before this becomes viable at scale.

The domain and core demands closely align with our E&P experience.

Artificial Intelligence

Commercialising our capabilities



DEVELOPMENT CAPACITY

Accelerating development with
GenAI provides additional
capacity to achieve more

Increase Revenue

Fixed Price Projects
~20% Faster Delivery



DIGITAL PROCESSES

Task and process automation
reduces operational costs

Reduce Costs

Consultancy/Projects
Gain Share Model



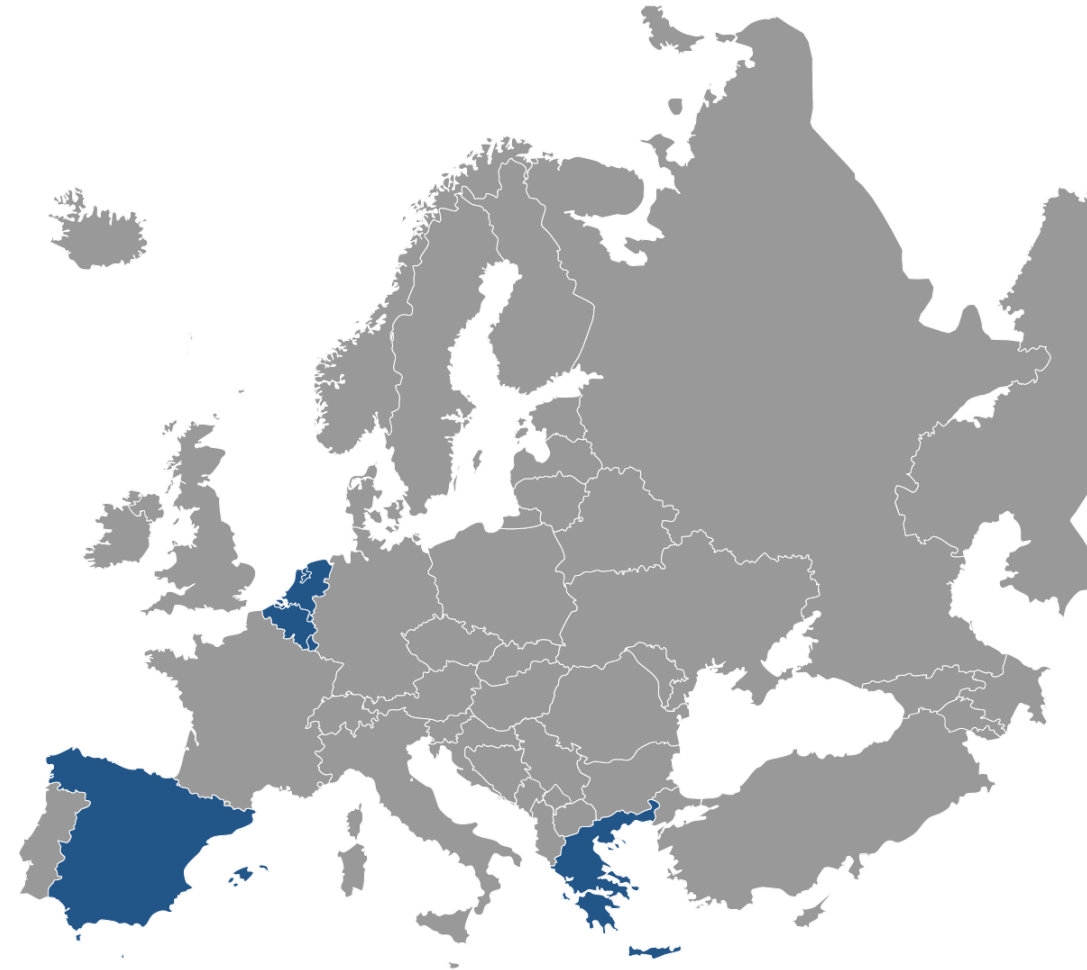
WAYS OF WORKING

Augmented AI and automation
increase productivity by shifting
people away from managing
mundane tasks

Increase Productivity

Consultancy
Time & Materials

BeNeLux | Greece | Spain | EU



BeNeLux | Greece | Spain | Tipik | EU Performance

“Strong performance delivering +24.6% organic growth in S1 2023 compared to same period last year”

	S1 2023	S1 2022
Revenue (€M)	49.7	39.9
EBITDA (€M)	4.5	3.7
Growth	+24.6%	

2023 Achievements

- Strong YTD organic growth (+24.6%)
- Recurring revenues > 80%
- €220 million revenue in Backlog
- > 450 employees Nearshore; > 900 employees in total
- Sword in Top 10 Leading IT Employers in Greece
- Sword is Top 5 ICT Partner of the EI

2024 Growth Relays

- New contracts in EUROCONTROL and EUROPEAN INVESTMENT FUND
- Intellectual Property (IP) business is growing fast
- Increasing penetration in Greek public & private market (gaming, lottery, telco, etc.)
- Strengthened commercial teams in Tipik, attacking multi-year digital content, communication and events organisation contracts in EI

2024 Priorities

- Enhance the Intellectual Property (IP) business
- Leverage Sword's position as a key player in the SECURITY & BORDER Control EU systems and in CUSTOMS EU Systems
- Operational excellence
- Capitalise new opportunities
- Retention of high-margin contracts
- New initiatives on Artificial Intelligence

Our strategy for Strong Organic Growth

MULTI-MILLION & MULTI-YEAR CONTRACTS

- European Institutions Framework Contracts' are multi-million contracts
- The average duration of EI framework contracts is between 4 and 8 years
- The multi-year overlap increases the Annual Recurring Revenue

LOYAL CUSTOMERS

- The retention of some customer is >15 years
- No fall-out of existing EI Framework Contracts since > 9 years
- Increasing cross-selling and upselling revenue opportunities in existing accounts
- Smaller customers evolve into large key accounts (> 2 million / year)
- The trend of margin expansion is positive

BID CAPACITY

- The “engine” of our organic growth
- Number of target contracts and sizes/values annually increases
- Backlog is maintained >€200 million for the last 6 years
- Coordinating internal transformations

Spotlight on some Key Areas of Expertise



CUSTOMS

- 20+ years of experience in DG TAXUD (Customs)
- Involved in development of almost all central Customs applications
- Currently designing DG TAXUD's strategy for the next EU Customs reform



IP

- Working with the EPO, EUIPO, WIPO and National Patent Offices
- Extensive expertise in the Intellectual Property business activities



SECURITY & BORDER CONTROL

- Sword is involved in the development of the European Travel Information System (**ETIAS**) and with the implementation of the **INTEROPERABILITY** framework for all large-scale IT systems of eu-LISA.



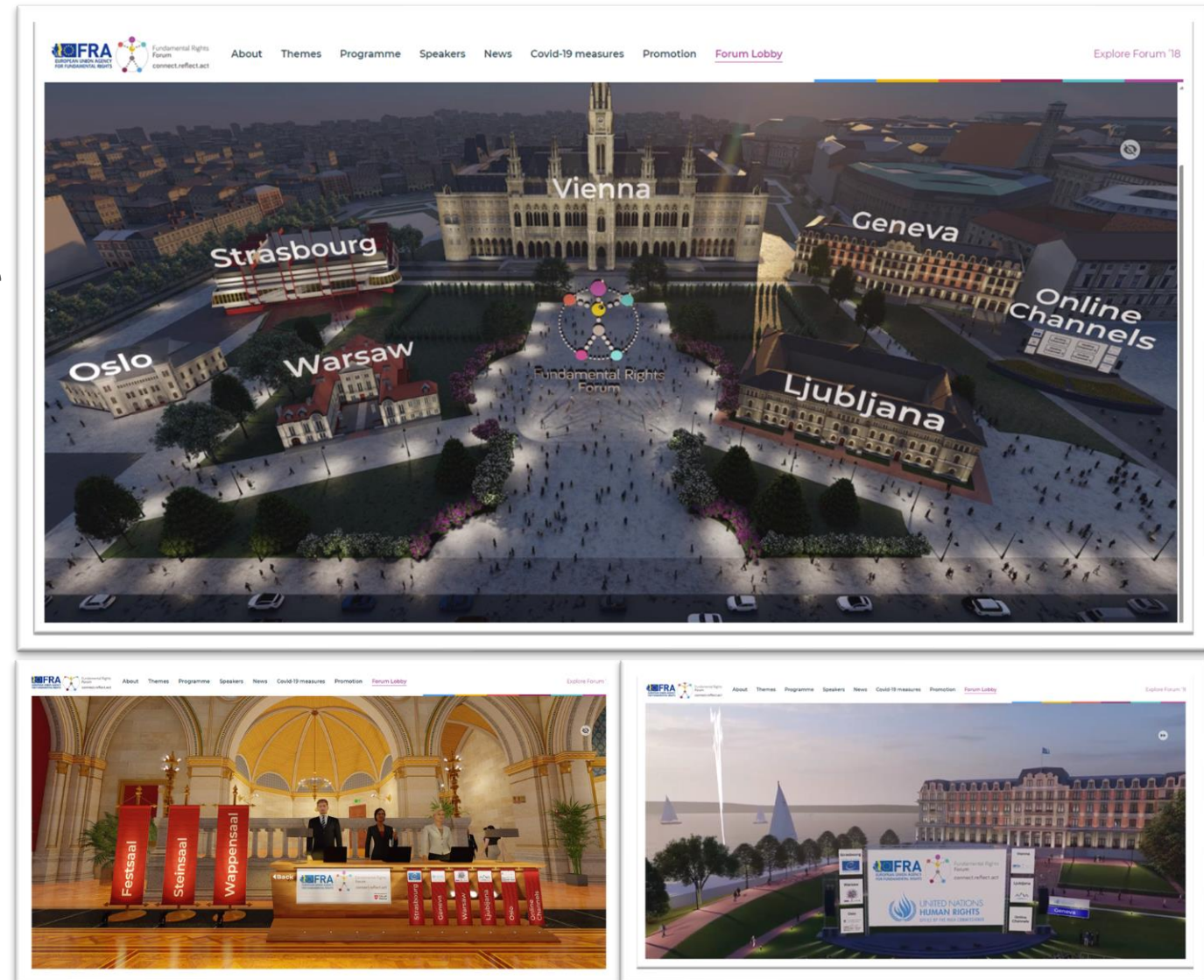
Tipik in one sentence

Tipik is a leading European **communications agency** delivering **end-to-end online and offline communication services** and products to public sector organisations most notably the **EU institutions**

Virtual Meets Physical | EU Fundamental Rights Forum

A milestone in EU **Digital** communications:

- One of the first **hybrid** events for the EU
- Connected 6 EU capitals through a **virtual platform**.
- Organised <140 sessions over two days
- **Streamed** through 12 parallel channels
- Today embedded in TIPIK's **U-event Platform**
- <2000 participants & 500 speakers



Switzerland | Canada



Switzerland / Canada | Performance

Business & IT transformation | Data | Managed Services

“Top 2 IT consulting & services company in French-speaking part of Switzerland with strong international positioning”

	S1 2023	S1 2022
Revenue (€m)	38.0	32.6
EBITDA (€m)	3.9	3.2
Growth	+16.6%	-

2023 Achievements

- New MSA and long-term referencing*
- #1 IT services supplier to international organizations
- Consolidation of our positioning in luxury industry
- Growth in *Green IT* sector

(*) 3 to 5 years master agreements signed

2024 Growth Relays

- Global IT-outsourcing (managed services)
- Growth in international organizations (UN, Sport)
- Breaking into German-speaking Switzerland
- Development of products

2024 Priorities

- Employer value propositions: Expertise development & Human-centric management
- Stronger integration of local & offshore teams
- Maintain reputation in delivering high quality Managed Services

Making a Real Difference

Business & IT transformation | Data | Managed Services

We are a true strategic partner...



Managing settlement for international aviation (IATA)



Designing new Trademark registration system (WIPO)



Ensuring safe and efficient European systems for Transit (SGS)



Implementing ESG portfolio mgt solutions (Private Banking)



Maintaining states' social security systems (Cantons Vaud, Genève)

Focus on International Organisations

Business & IT transformation | Data | Managed Services

1 Direct access to all International Organisations...



⇒ Sword holds 5-Year long term and frame agreements

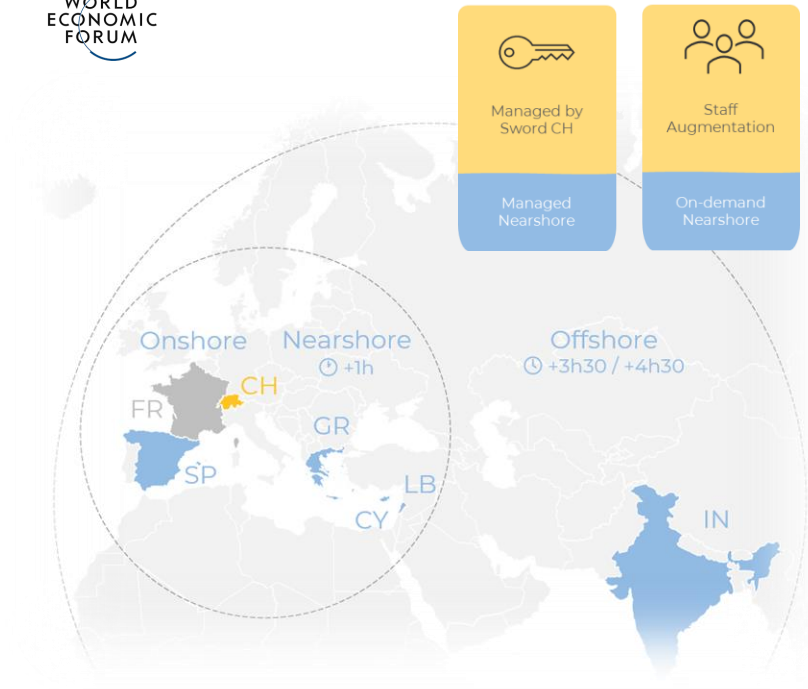
2 mobilising our local & offshores resources...

⇒ Efficient "chain of command" to win bids, manage production and monitor quality

3 to deliver full range of IT services.



⇒ Flexible IT-outsourcing services with mutualised teams to maximize value



Offshore | Middle East



Offshore / Middle East | Performance

Reach 5 Continents

“Strong performance delivering +22.6% organic growth in S1 2023 against same period last year”

	S1 2023	S1 2022
Revenue (€m)	7.6	6.2
EBITDA (€m)	2.3	1.4
Growth	+22.6%	-

2023 Achievements

- Strong organic growth (+22.6%)
- Strong profitability (30%)
- New clients (Confused.com -UK
Dubai Municipality, ABU Dhabi
School of Government, WIPO-
ABC-Switzerland, EuroControl-
Belgium)
- Growth in International
Organisations
- Partner of the Year for **goeasy**
Canada

2024 Growth Relays

- Greater penetration in the public
sector in UAE
- Growth of Offshore Services in the
Canadian & UK Market
- New Service Offering (AWS, Low
Code, Smart Cities)
- Micro acquisition in UAE or Cyprus

2024 Priorities

- Retain & develop our strategic
clients
- Value & develop our people
- Improve Offshore production
quality
- Acquire new Long Term &
recurrent accounts

Main Projects in S1 2023

Supporting our clients in their Digital Transformation journey

Government Abu DHABI



- Powered AI ChatBot Platform

The project aims to onboard a chatbot platform to extend the employee/talent support to different channels like WhatsApp.

This chatbot service will decrease the administrative efforts being spent to support the talents and ADGE employees.

Municipalities Dubai



- Building Permits Management App

Creating a user-friendly & feature-rich mobile App that caters to the needs of Dubai Municipality target audience, in order to manage the building permits and all issues related to the relationship between the Municipality & the habitants.

Unites Nations UNICEF



- Conflict of Interest and Financial Disclosure System

The project aims to prevent and mitigate conflicts of interest between the interests of staff members with that of the organization.

It is being used by over 1,600 global staff members.

Shipping & Logistics CMA CGM



- Retrofit Tool: Carbon Emission Reduction Initiative

In order to reduce the Carbon Emission of the shipping industry, as per the International Maritime Organization regulations, Retrofit tool is used to manage the retrofits projects of the owned vessels: such as changing some technical parts of the vessel or adding equipment.

Offshore | Middle East: Assets

Track record of 25+ years serving international Large Clients

Profit Center:
75% Direct Clients
25% Sword Inter-BUs

>80% of Recurrent Revenue

High Profitability



Figures



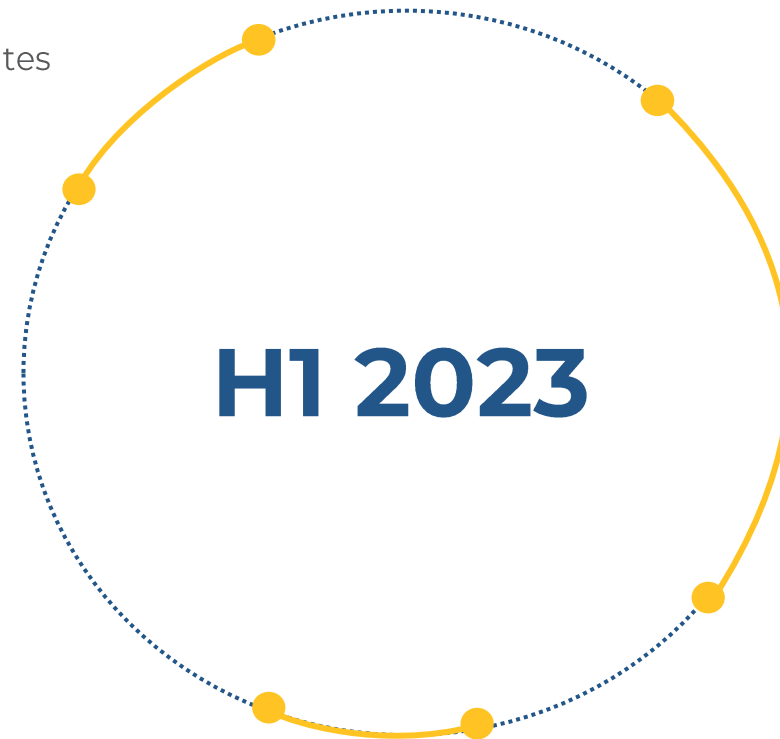
2023 | Budget

New guidance after the sale of AAA and without AAA:

- 2023 Revenue: €280m
- 2023 EBITDA margin: 12.5%
- 2023 Organic Growth: c.20%

H1 2023 | Key Figures

+24.3%
Organic Growth at constant
perimeter
and constant exchange rates



€146.1m
Consolidated
Revenue
€139.6m
AAA excluded

12.2%
EBITDA margin
12.5%
AAA excluded

H1 2023 | Consolidated Breakdown

€m	H1 2023 (*)		
	Revenue	EBITDA Margin	Organic Growth (i)
BeNeLux Greece Spain EU Locations	49.7	9.1%	+24.6%
Switzerland Canada	38.0	10.2%	+16.6%
UK US	50.8	14.0%	+33.0% (ii)
Offshore Global Services Centers Middle East	7.6	30.3%	+22.6%
TOTAL	146.1	12.2%	-
TOTAL AAA excluded	139.6	12.5%	+24.3%

(i) Organic Growth at constant perimeter and constant exchange rates.

(ii) AAA excluded

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

H1 2023 | Adjusted PnL (i)

(i) With no impact of amortization of backlog acquisition

€m	H1 2023
Revenue	146.1
Current EBITDA	17.8 12.2%
Current EBIT (i)	15.1 10.3%
Non Current Costs	2.9
Financial Costs	(4.1)
Corporate Tax	2.1
Net Profit after corporate tax (i)	14.2

H1 2023 Balance Sheet | Non-Current Assets

€k	31.12.2022	30.06.2023
ASSETS		
NON-CURRENT ASSETS		
Goodwill	71,227	68,666
Other intangible assets	7,905	7,490
Property, plant & equipment	4,649	4,804
Assets related to the right of use	12,340	12,053
Investments in associates	-	490
Financial instruments	278	328
Deferred tax assets	655	56
Other assets	765	683
TOTAL NON-CURRENT ASSETS	97,819	94,570

- Net decrease due to the sale of AAA

H1 2023 Balance Sheet | Current Assets

€k	31.12.2022	30.06.2023
ASSETS		
CURRENT ASSETS		
Trade and other receivables	32,173	31,128
Work in progress	35,627	54,109
Current tax assets	855	833
Other assets	14,951	12,691
Cash and cash equivalents	57,138	52,462
Prepaid expenses	6,133	8,049
TOTAL CURRENT ASSETS	146,877	159,272
TOTAL ASSETS	244,696	253,842

- Increase due to revenue growth and new EU projects

H1 2023 Balance Sheet | Financial Debt

€k	31.12.2022	30.06.2023
EQUITY AND LIABILITIES		
EQUITY		
Share capital	9,545	9,545
Share premiums	70,676	70,676
Reserves	9,210	10,071
Retained earnings	11,376	7,817
TOTAL EQUITY - GROUP SHARE	100,807	98,109
Non-controlling interests (minority interests)	737	1,146
TOTAL EQUITY	101,544	99,255
NON-CURRENT LIABILITIES		
Lease obligations	9,734	9,225
Other financial debts	18,000	37,000
Provisions for retirement benefits	228	230
Other provisions	13	-
Deferred tax liabilities	1,830	1,651
Other liabilities	32,488	24,110
TOTAL NON-CURRENT LIABILITIES	62,293	72,216
CURRENT LIABILITIES		
Lease obligations	3,033	3,260
Other financial debts	467	166
Other provisions	343	304
Trade and other payables	24,583	22,498
Current tax liabilities	1,211	1,515
Other liabilities	35,587	27,485
Prepaid services	15,685	27,143
TOTAL CURRENT LIABILITIES	80,859	82,371
TOTAL LIABILITIES	143,152	154,587
TOTAL EQUITY AND LIABILITIES	244,696	253,842

- 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
- Increase due to revenue growth and new EU projects

2023 | Net Cash Position (i)



30/06/2023

Net Cash Position: €15.3m (ii)



31/12/2022

Net Cash Position : €38.7m

(i) Net cash position, excluding IFRS

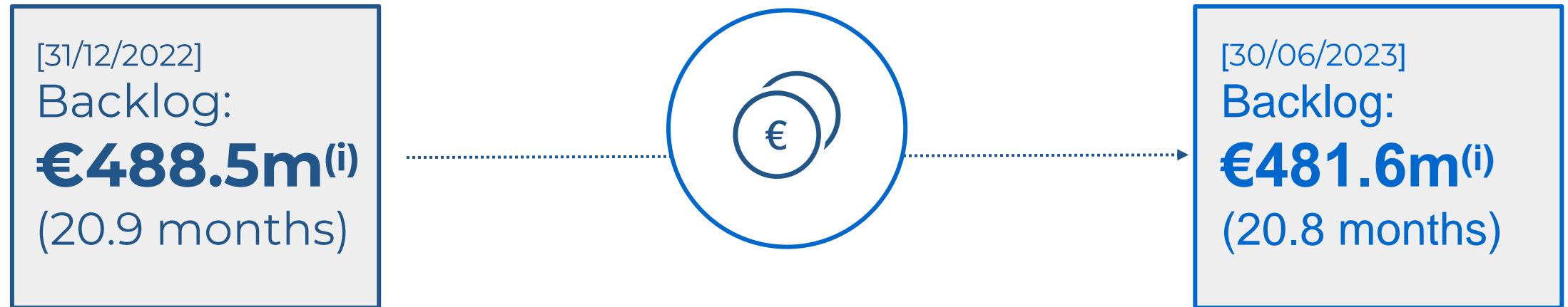
(ii) Dividends: €16.2m

2023 | Net Cash Position Details (i)

	€m	
	H1 2022	H1 2023
As of 31/12	+55.0	+38.7
Operational cash: normative flow	+10.0	+10.0
Change in WCR due to growth	-13.1	-8.6
Balance GRC (Disposal + GRC Share deals)	+6.6	+11.4
Dividends	-16.2	-16.2
Other share deals during the period	-14.4	-11.9
Acquisitions + M&A fees	-16.3	-6.5
Investments	-5.2	-1.6
As of 30/06	+22.6	+15.3

(i) Net cash position, excluding IFRS

H1 2023 | Backlog - AAA excluded



(i) AAA excluded

H1 2023 Top 10 | Clients

Company	Location
British Petroleum	UK US
DG for Justice	BeNeLux
DG for Taxation and Customs Union	BeNeLux
Etat de Vaud	Switzerland
European Parliament	BeNeLux
European Patent Office	BeNeLux
Harbour Energy	UK
Richemont	Switzerland
Serica Energy	UK
UBP	Switzerland



The **first 10** clients represent **31.8%** of the **H12023** Consolidated Revenue



The **first client** represents **8.4%** of the **H12023** Consolidated Revenue

Staff | Details

Staff on 01/01/2023 (with AAA)	2,723
New comers	+466
AAA	-245
Leavers	-139
Staff on 30/06/2023 (without AAA)	2,805
Staff Turnover	9.9%

Staff breakdown on 30/06/2023

Total	2,805	Including freelancers
NDBS	252	Including Holding
DBS	1,934	
DBS freelancers	619	Including subcontractors

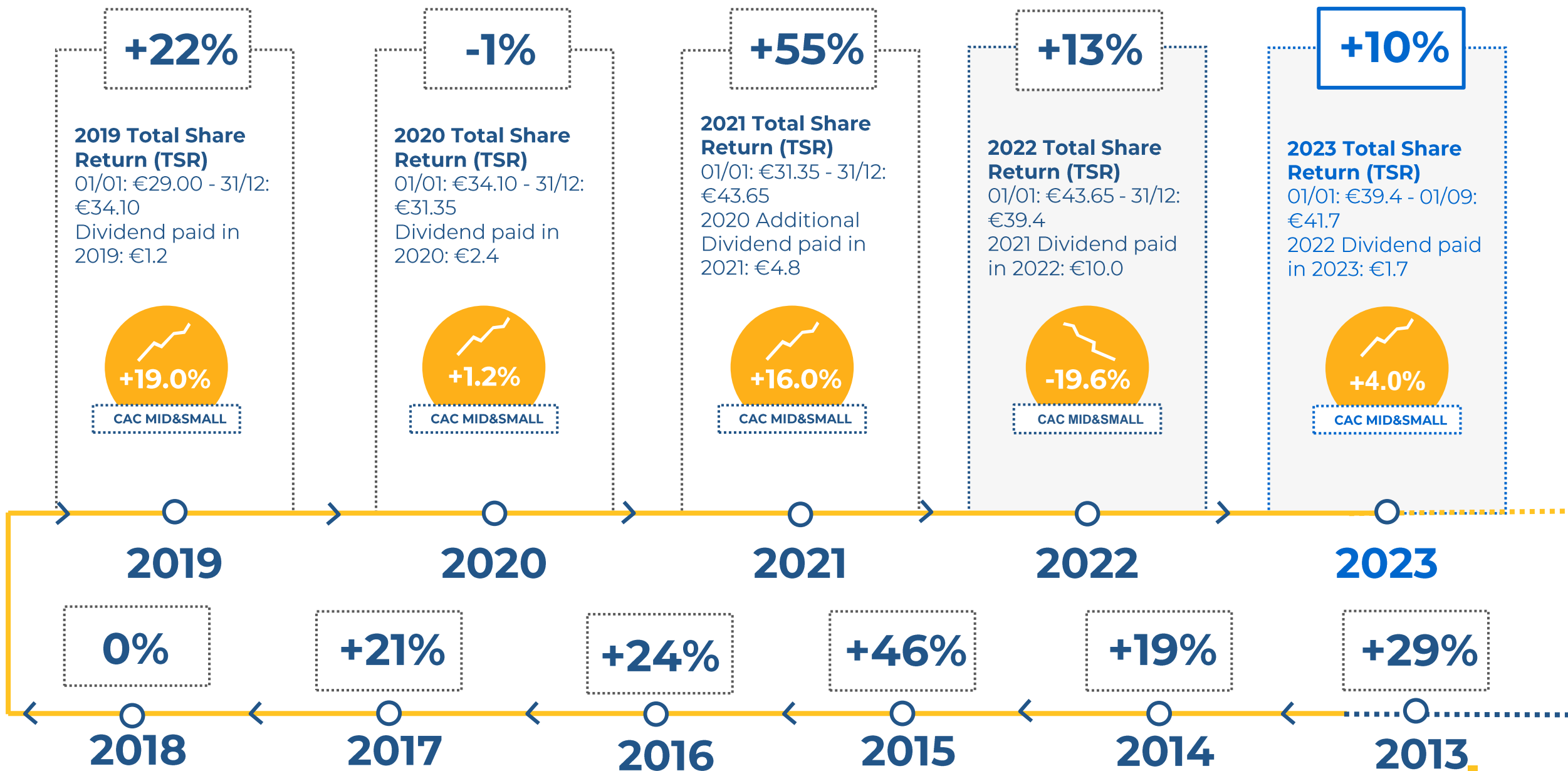
Growth Accelerators

- **Artificial Intelligence:** increased profitability on fixed-price projects, making our offers more attractive
- Use the **know-how acquired from International Organisations** such as the EU to boost our activities with the United Nations WW and sports organisations
- **Saudi opportunities**
 - ➔ underpinned by our share deals

Sword Group's Share



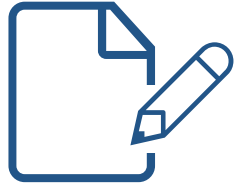
Share return | c. +22% per year



Agenda



Financial Calendar



PUBLICATIONS

- **25/10/2023**
2023 | Q3 Results
 - **25/01/2024**
2023 | Q4 Results
 - **06/03/2024**
2023 | FY Results
-



MEETINGS

- **07/03/2024**
SFAF Meeting |
FY2023 Results
 - **29/04/2024**
Annual
Shareholders
Meeting | 2023
-

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