Annual Report 2023

Delivering
digital excellence.

Content

Chairman's letter to shareholders 4
CEO letter to shareholders 6
Our purpose 9
2023 highlights 10

Our business

2023 facts and figures 12
Overview 13
Industry environment 18
Vision 2026 19

Financial review

Introduction 22
Results review 23
Alternative performance measures 26

Non-Financial Report (NFR)

CEO letter 30
ESG at SoftwareOne 31
Double materiality matrix 34
Our ESG strategy 36
Our ESG progress 40
Our climate commitment 48
Our social responsibility 57
Our corporate governance 74

Corporate governance report

Introduction 83
Group structure and shareholders 84
Capital structure 85
Board of Directors 86
Executive Board 105
Shareholders' participation rights 110
Changes of control and defense measures 113
Black-out periods 115
Information policy 117

Compensation report

Letter to shareholders 119
Compensation policy and principles 121
Compensation governance 122
Board of Directors compensation 126
Executive Board compensation 129
External mandates 137
Report of the statutory auditor 139

Consolidated financial statements

Consolidated income statement 142
Consolidated statement of comprehensive income 143
Consolidated balance sheet 144
Consolidated statement of cash flows 146
Consolidated statement of changes in equity 147
Notes to the consolidated financial statements 148
Report of the statutory auditor 203

Parent company statutory financial statements

Balance sheet 208
Income statement 209
Notes to the statutory financial statements 210
Appropriation of available earnings 215
Report of the statutory auditor 216

Appendix

GRI index 220
Information for shareholders 224
Imprint 225

Cautionary statement regarding forward-looking and non-IFRS information

This document may contain certain forward-looking statements relating to SoftwareOne Holding AG (the 'Company') and each of its subsidiaries and affiliates (jointly referred to as 'SoftwareOne' or the 'group') and its future business, development and economic performance. Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to force majeure, competitive pressures, legislative and regulatory developments, global, macroeconomic and political trends, the group's ability to attract and retain the employees that are necessary to generate revenues and to manage its businesses, fluctuations in currency exchange rates and general financial market conditions, changes in accounting standards or policies, delay or inability in obtaining approvals from authorities, technical developments, litigation or adverse publicity and news coverage, each of which could cause actual development and results to differ materially from the statements made in this document. SoftwareOne assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

Certain financial data included in this document consists of non-IFRS or adjusted financial measures. These non-IFRS or adjusted financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS or adjusted financial measures and ratios included herein. In addition, certain financial information contained herein has not been audited, confirmed, or otherwise covered by a report by independent accountants and, as such, actual data could vary, possibly significantly, from the data set forth herein.

Chairman's letter to shareholders

The Board is unanimous in its confidence in SoftwareOne's strategic direction and leadership. Together with the Executive Board, we remain focused on capitalising on the fast-growing opportunities in cloud, data & AI and sharpening execution to deliver superior returns.

Adam Warby, Chairman of the Board of Directors

Dear shareholders,
As I reflect on the year that has passed, I am writing to you under circumstances that, while challenging, have been met with resilience and strategic focus by SoftwareOne. The performance of SoftwareOne in 2023 speaks to the strength of our business model and the diligent efforts of our team amidst a complex economic landscape.

Returns to shareholders
In 2023, SoftwareOne continued to demonstrate solid growth and financial discipline. Revenue increased by 8.0% YoY in constant currency to CHF 1,010.9 million. Adjusted EBITDA corresponded to CHF 245.2 million, with a margin of 24.3%.

In light of this solid performance and SoftwareOne's robust balance sheet, the Board of Directors (BoD) will propose to shareholders a dividend of CHF 0.36 per share for 2023 at our upcoming Annual General Meeting (AGM), representing a payout ratio of 50.5% of adjusted profit for the year. The proposed dividend for 2023 marks a consistent approach to shareholder returns, building on the previous year's dividend of CHF 0.35 per share. This is the fourth consecutive dividend increase since our IPO in late 2019.

Strategic review
The past twelve months at SoftwareOne have not only seen financial growth, but also increased external interest in the company. This attention from potential investors acknowledges the progress the company has made and the intrinsic value of SoftwareOne. To ensure we are taking the best path forward when met with this interest, we initiated a strategic review in July.

After a thorough and comprehensive process, backed by an independent fairness opinion, we concluded that the non-binding value indication of CHF 18.80 per share from Bain Capital provided neither sufficient certainty nor adequately reflected the fundamental value of SoftwareOne.

The BoD is unanimous in its confidence in SoftwareOne's strategic direction and leadership. Together with the Executive Board, we remain focused on capitalising on the fast-growing opportunities in cloud, data & AI and sharpening execution to deliver superior returns.

Leadership enhancements and strategic priorities

SoftwareOne's leadership team was significantly enhanced this year. CEO Brian Duffy's track record, including a proven ability to drive innovation, growth and customer success, and Rohit Nagarajan's focus on customer-centric growth are critical to ensure SoftwareOne's comprehensive software & cloud solutions offering stays at the forefront of our industry. Their roles are integral to driving the "Lead" area of Vision 2026, helping clients access the cloud, maximise ROI of their investments, boost workforce productivity, as well as fast-track data & AI adoption.

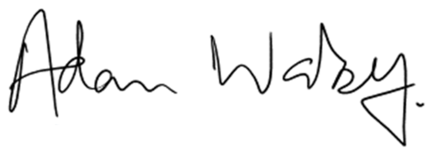
I consider these appointments pivotal to executing the updated strategy and achieving Vision 2026 and firmly believe that today's management is ideally positioned to implement its ambitious plans.

Looking ahead: advancing Vision 2026

As SoftwareOne moves forward, the BoD, together with the Executive Board, remains focused on delivering on the promises of Vision 2026. The company's financial performance and strategic direction are set to strengthen SoftwareOne's position in the market and create value for all stakeholders.

On behalf of the BoD, I extend my gratitude to the SoftwareOne team for their unwavering dedication, to our clients for their continued trust, and to you, the shareholders, for your steadfast support. I look forward to engaging with as many of you as possible at the upcoming AGM and to the exciting opportunities that lie ahead for SoftwareOne.

Yours sincerely,



Adam Warby
Chairman of the Board of Directors

CEO letter to shareholders

Vision 2026, which we presented at our Capital Markets Day in February 2024, represents a comprehensive roadmap designed to leverage our market position and drive revenue growth acceleration, margin expansion, and cash generation.

Brian Duffy, CEO

Dear shareholders,
The past year has been one of transformation for SoftwareOne, setting the stage for the ambitious journey that lies ahead. When I joined as CEO in May 2023, I found a company that is uniquely positioned to benefit from the ongoing transition to the cloud and the broad adoption of data & AI. These are among the megatrends that are going to shape how organisations across the world operate for years to come.

Amid this shift, and against a backdrop of an economic landscape marked by continued uncertainty in 2023, we demonstrated the robustness and adaptability of our business model and remained focused on delivering for our clients. SoftwareOne achieved solid financial results in 2023 and, by over-delivering on our operational excellence programme, laid the foundation for a new chapter of growth.

Vision 2026 – a new chapter of growth
Vision 2026, which we presented at our Capital Markets Day in February 2024, represents a comprehensive roadmap designed to leverage our market position and drive revenue growth acceleration, margin expansion, and cash generation. Based on this updated strategy, we will continue to leverage our “lead” offering in software & cloud to deliver value-added services to our clients. We will complement this leading position by expanding in selected high-growth segments serving mid-market clients, including application modernisation and data & AI. We will also sharpen our execution through a transformed go-to-market approach, supported by a new client segmentation model, portfolio innovation, delivery excellence and talent management.

SoftwareOne’s serviceable addressable market (SAM) is projected to grow at a 17% CAGR until 2026, and we are poised to seize the opportunities this offers. We will deepen partnerships with hyperscalers, drive the global rollout of Microsoft Copilot, capitalise on data & AI, and execute a focused ISV strategy. Importantly, we will also leverage the full power of our Marketplace platform, which includes Client Portal, our digital self-serve one-stop-shop.

Driven by SoftwareOne’s world-class leadership team and our colleagues worldwide, we will execute on these growth priorities as we enter our next chapter of growth, to achieve our financial targets by 2026:

- Mid-teens revenue growth
- An adjusted EBITDA margin approaching 28%
- A dividend pay-out ratio of 30 to 50% of adjusted profit

Driving operational excellence

As we work to continue growing profitably, SoftwareOne's operational excellence programme remains a key pillar of our strategy. During 2023, we substantially exceeded our cost savings target, realising CHF 47 million in savings against a full-year target of CHF 15 million. As we continue to refine our operations, we have set an increased target of CHF 70 million in annualised savings for 2024, reflecting our ongoing commitment to operational agility and financial discipline.

These cost savings have been instrumental in supporting our profitability and will continue freeing up resources to reinvest in key strategic areas. Our operational excellence programme has contributed to a stronger and more resilient organisation, positioning us better to capitalise on the changing market dynamics and growth opportunities.

Right team to deliver on our strategy

As we demonstrated at our Capital Markets Day, we have the right leadership team and talent ecosystem in place to deliver on SoftwareOne's strategic objectives. This goes beyond the Executive Board – more than 9,300 people work diligently to support our clients as they navigate the complexities of today's fast-evolving technology environment.

Our people are our most valuable resource, particularly our highly qualified experts. Our talent development leverages initiatives ranging from our apprenticeships and our Academy programme, to the 34,000 hours we invested in further training our thousands of experts in 2023. We will continue to build on our exceptional talent base by focusing on continuously upskilling all our employees, ensuring that we can meet the business needs of our clients.

We have the right leadership team and talent ecosystem in place to deliver on SoftwareOne's strategic objectives. This goes beyond the Executive Board – more than 9,300 people work diligently to support our clients as they navigate the complexities of today's fast-evolving technology environment.

Brian Duffy, CEO

ESG commitment

Last year, we embarked on our ESG journey by publishing our inaugural report, outlining our ambitious goals for 2030. This year, I am delighted to present our Non-Financial Report as an integral part of our Annual Report, emphasising how ESG has become ingrained in the DNA of SoftwareOne. Our unwavering commitment remains steadfast: reducing our carbon footprint, assisting clients in emissions reduction, fostering an inclusive and diverse culture, supporting communities in their digital journeys, and advancing our corporate governance to the highest standard.

Outlook for 2024
Organisations worldwide are expected to maintain their focus on digital transformation, which continues to be a priority despite the uncertain macroeconomic environment. As we execute against the strategy we presented in February 2024, we continue our journey to higher growth, targeting:

- Revenue growth in the range of 8-10% year-over-year in constant currency;
- An adjusted EBITDA margin between 24.5 and 25.5% of revenue;
- A dividend payout ratio of 30-50% of adjusted profit for the year.

This transition year will set up SoftwareOne for sustainable, attractive shareholder returns, driven by profitable growth.

As the team at SoftwareOne works to achieve these targets, I would like to thank our dedicated employees, our valued clients, our strategic partners, and you, our shareholders, for your enduring trust, unwavering support, and continued investment in SoftwareOne. Your commitment fuels our journey towards Vision 2026, and together, we will achieve new heights in the years to come.

Yours sincerely,

Brian Duffy
CEO

software one purpose

Opening up a world of extraordinary opportunities

We started bold because we believed: that technology has the power to break down barriers, augment capabilities, and open access to the global economy. To get there, you must believe in the people and places that can make it happen. For more than 20 years, we have invested heart in clients, partners, and new capabilities in regions where opportunities inspire us to reach.

With humility, resourcefulness, and a deep understanding of what we are solving and who we are solving for, we deliver the solutions that are right for each client, bringing globally high standards everywhere we go. We link experience to possibility, connect people to one another, and generate cycles of investment, development, and local impact that fuel resilience far into the future.

We open a world of opportunity — one locality, one technology, one person at a time. We are SoftwareOne, for all our clients, partners and the communities we engage in, we open up a world of extraordinary opportunities fueled by technology.

2023 highlights

January

New brand identity and market positioning launched to reflect SoftwareOne's transformation into a leading global software and cloud solutions provider

March

SoftwareOne announces FY 2022 results, delivering 14% YoY growth with adjusted EBITDA margin above 25%

April

Brain Duffy appointed as Chief Executive Officer and member of the Executive Board as of May 2023

May

Shareholders elected Adam Warby as new Chairman of the Board of Directors

SoftwareOne delivers solid start in Q1 2023 and reiterates full-year guidance

June

SoftwareOne confirms that it has received an indicative, unsolicited and non-binding offer from Bain Capital for the acquisition of 100% of the company (CHF 18.50 per share). The BoD rejects such offer

July

SoftwareOne confirms that it has received a second indicative, unsolicited and non-binding offer from Bain Capital for the acquisition of 100% of the Company (CHF 19.50-20.50 per share), subject to various conditions

SoftwareOne Board of Directors rejects revised offer from Bain Capital and initiates strategic review

August

SoftwareOne delivers solid results in H1 2023 and reiterates full-year guidance

First ESG report published, with commitment to reach net zero for scope 1 & 2 emissions by 2030

September

SoftwareOne named a Leader in the 2023 Gartner® Magic Quadrant™ for Software Asset Management Managed services for the fourth year in a row

October

Sonia Caso appointed as Regional President Latin America

November

SoftwareOne commits to science-based targets

SoftwareOne revises full-year revenue growth guidance to high single-digit, with unchanged adjusted EBITDA margin target of 24-25%; mid-term guidance maintained

January 2024

Acquisition of Novis Euforia, a Spanish SAP and cloud services provider

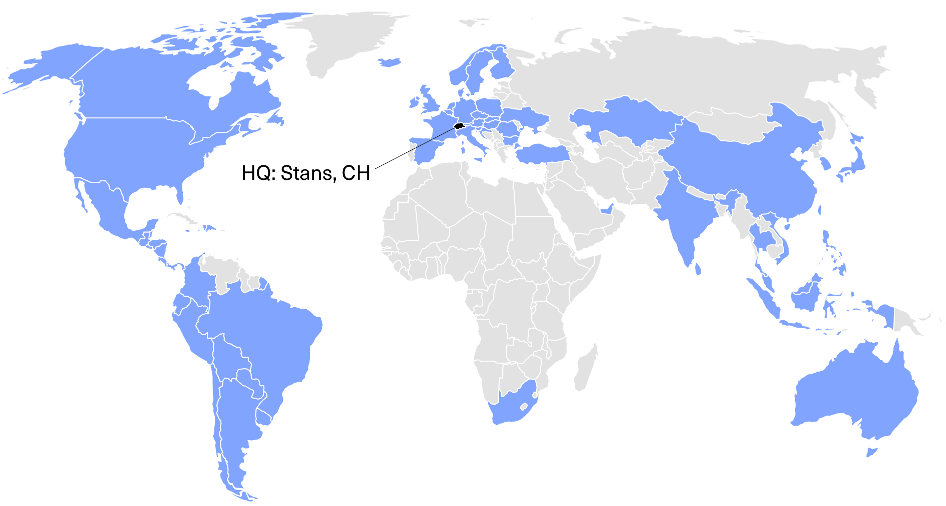
Rohit Nagarajan appointed as Chief Revenue Officer and member of the Executive Board as of January 2024

SoftwareOne announces the conclusion of its strategic review launched in July 2023, and that SoftwareOne will remain a standalone public company

Our business

2023 facts and figures

Global presence to serve our large client base



65,000+
clients worldwide

60+
countries

7,500
software vendor relationships

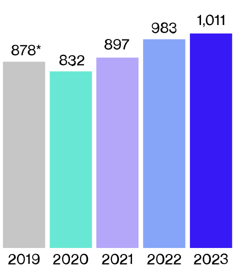
~ 9,300
FTEs

2030
net zero ambition[1]

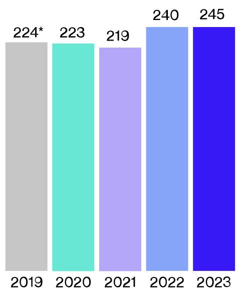
1) Scope 1 & 2

Key figures over time

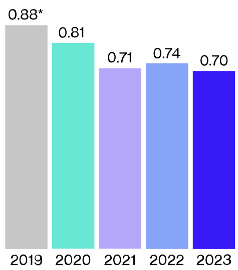
Revenue
CHFm



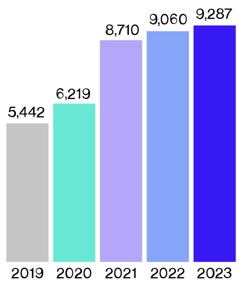
Adjusted EBITDA
CHFm



Adjusted EPS
CHF



Employees (FTEs)
year-end



* Includes Comparex (acquired on 1 February 2019) for full 12-month period

SoftwareOne at a glance

Unparalleled global presence

Large client base with cross-sell opportunity

World-class advisory capabilities

Customer insights

Diverse, qualified talent base

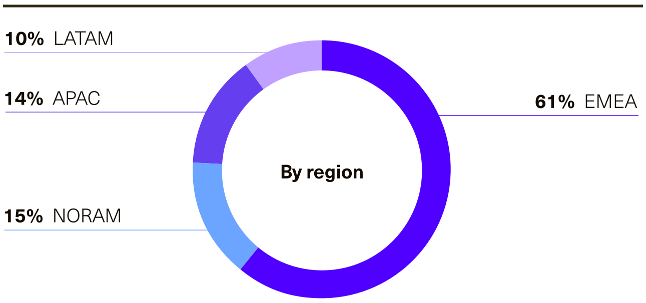
Overview

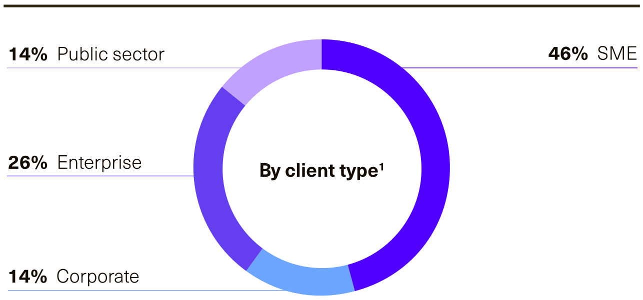
SoftwareOne is a leading global software and cloud solutions provider that stands at the forefront of digital transformation, offering a comprehensive suite of services that help our clients navigate the complexities of cloud, as well as data & AI. As a global provider, we are dedicated to modernising our clients' applications through integrated solutions that not only facilitate cloud migration and management across multi-cloud and hybrid systems, but also harness the power of data and AI to drive tangible business outcomes.

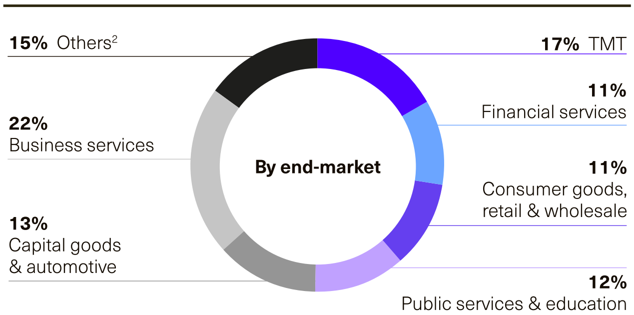
With ~9,300 employees across over 60 countries, SoftwareOne has one of the broadest footprints in the industry. Our operating model is built to leverage our global scale with centrally delivered 24/7 customer service, while maintaining strong client relationships as a result of our local presence. We serve over 65,000 clients worldwide[1)], including large enterprises, corporates, small and medium-sized enterprises (SMEs) and public sector organisations, across a range of end-markets.

1) Based on unique customer billing codes

Diversified across regions, clients and end-markets
Based on 2023 revenues





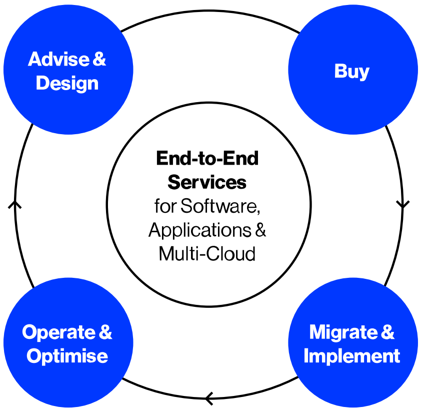


1) Breakdown based on customer revenue based on information sourced from HG Insights, CapIQ databases and desk research. Large enterprises (>5bn USD), Corporate (1bn to 5bn USD), SME (<1bn USB)
2) Others include logistics & transportation, energy & natural resources and chemicals & pharma

We offer our diversified client base an end-to-end value proposition to help them navigate complex options and implement the best IT solutions for their needs. Taking a vendor-agnostic approach and through our newly introduced revenue-based segmentation, we support clients with defining their technology strategy, followed by software sourcing (buy). We also help clients efficiently migrate applications and critical workloads to their chosen cloud destination. Finally, we manage and optimise their IT estate to ensure complete transparency, manage risk and control costs.

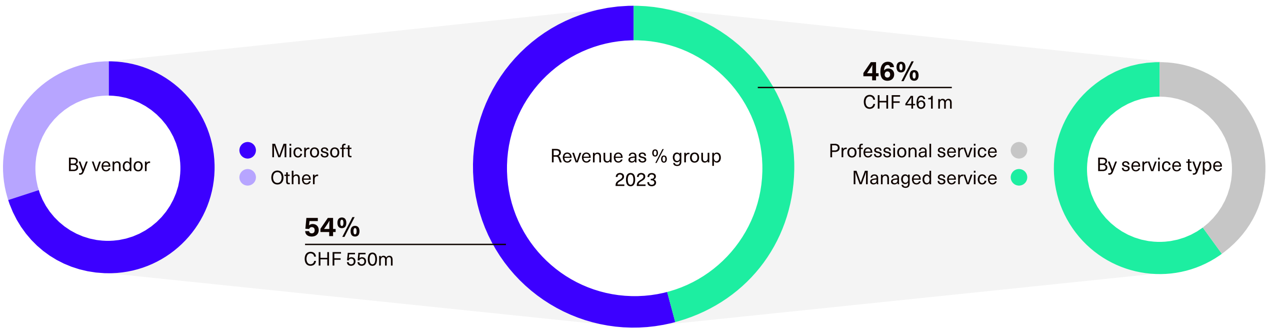
In this way, we empower our clients to defend their business models, transform and position themselves as leaders through enhanced customer and employee experiences, improved agility, and increased resilience.

Unique end-to-end client value proposition



Our integrated suite of solutions is optimised into two highly synergistic business lines: Software & Cloud Marketplace and Software & Cloud Services, which accounted for 54% and 46% of revenue, respectively, in 2023. The two business lines were brought closer together in 2023, under one single leadership to promote an outcomes-based approach for clients.

Two synergistic business lines



Software & Cloud Marketplace: Our clients benefit from fast, expert-led access to an extensive software and cloud catalogue with vendor partnerships. These include the largest hyperscalers such as Microsoft Azure, Amazon Web Services (AWS) and Google Cloud Platform (GCP), as well as leading software brands such as Adobe, Citrix, Oracle, Red Hat, Vmware, Sophos, Splunk and Veeam.

Our longstanding partnership with Microsoft, spanning over 30 years, has positioned us as one of Microsoft's largest channel partners and Azure's largest partner globally.

Software & Cloud Services: Our services cover the full spectrum of end-to-end cloud-native services and digital solutions including cloud infrastructure services, application services, SAP services, digital workplace, IT portfolio management, and software sourcing services. We are at the forefront of FinOps (cloud financial management) as a board member of the FinOps Foundation, and we ensure that security is an integral part of our offerings.

As a certified FinOps Service Provider, SoftwareOne currently has a growing team of approximately 200 FinOps Certified Practitioners, who work agnostically with a range of FinOps-certified platforms, helping clients achieve the transparency and governance needed to tackle rising variable and opaque cloud spend.

SoftwareOne Marketplace platform: an integrated client-vendor portal

The SoftwareOne Marketplace platform is a comprehensive digital marketplace that serves as a central hub for facilitating transactions between a network of over 7,500 software vendors and 65,000 global clients. This two-sided platform is the result of merging the previous client and vendor portals, creating a streamlined environment that supports efficient interaction between multiple stakeholders.

The Marketplace platform provides a consolidated view for IT and management, including a dashboard for monitoring software consumption and expenditure. The platform is designed for seamless integration and flexibility and is supported by a community of developers and system integrators. At its core, it is designed to act as a driver of digital transformation, improving operational efficiency by enabling organisations to effortlessly procure, manage and optimise software assets.

The Marketplace platform generated over CHF 500 million gross sales in 2023, with 17,000 clients enabled and 30,000 subscriptions managed.

In 2024, we plan to expand the platform with the launch of a self-service vendor portal, the availability of new self-service transactions in the Client portal, as well as shifting more of SoftwareOne's operations onto the platform to streamline efficiency and drive growth.

Case study: Embracing Copilot for Microsoft 365 for tomorrow's high-performance workplace

In the pursuit of a high-performance workplace, Advanced Assembly Materials International Ltd (AAMI), a semiconductor leader, embraced Workplace AI. Focused on innovation, AAMI began with solutions such as ChatGPT before progressing to Copilot for Microsoft 365 with help from SoftwareOne.

Challenge

AAMI faced the challenge of adapting to the dynamic demands of the semiconductor industry. Seeking to enhance responsiveness and efficiency in an era dominated by AI, IoT, 5G, and smart cities, CEO SC Ho recognised the need for a technological overhaul. The task was not only to adopt new tools but to revolutionise the mindset of AAMI's workforce.

Solution

To thrive in the evolving landscape, AAMI strategically implemented Copilot for Microsoft 365, a digital practice management tool, in collaboration with SoftwareOne. Ho aimed to break away from traditional office habits, promoting the use of cloud storage over personal drives. Copilot for M365 was seen not just as an automation tool, but as a catalyst for cultural transformation, challenging employees to embrace a new way of working and sharing information. SoftwareOne's Copilot Advisory Service played a crucial role in guiding AAMI through a successful deployment, emphasising the comprehensive use of OneDrive to modernise the digital office and maximise Copilot's potential.

Outcome

The integration of Copilot for Microsoft 365 marked a significant leap for AAMI. By adopting a customer-centric approach and SoftwareOne's recommendations, AAMI improved the value of its M365 environment, enhanced its security posture, and optimised Copilot for M365 functionality. This successful integration not only elevated AAMI's position in a fast-paced industry but also served as a testament to their commitment to embracing change and driving innovation.

The successful integration of Copilot for Microsoft 365 is a big step forward in AAMI's ongoing efforts to be the best and most flexible in the fast-paced semiconductor industry. SoftwareOne's role in this journey was pivotal, with their recommendations enhancing the value of AAMI's Microsoft 365 environment.

SC Ho, CEO, AAMI

aam INTERNATIONAL

Case study: Like a breath of fresh air, ACCO drives data analysis with AWS and SoftwareOne

Learn how ACCO Engineered Systems, a prominent Mechanical Contractor in the US, transformed its data management through AWS and SoftwareOne, establishing a centralised approach. This laid the groundwork for seamless predictive analytics, aiming to enhance service quality for its customers.

Challenge

Despite ACCO's rich history of leveraging data, its rapid threefold growth in seven years led to highly decentralised data. ACCO sought to consolidate and secure this data to enhance analysis and provide innovative services. The challenge included working with diverse systems, legacy tools, and unstructured data, requiring a solution that could scale.

Solution

ACCO turned to Amazon Web Services (AWS). AWS provided an integrated platform for diverse applications, while SoftwareOne leveraged its Migration Acceleration Program (MAP) to establish the AWS data lake using core AWS Lake Formation tools. Amazon QuickSight facilitated data analysis, and AWS Glue enabled predictive analytics for HVAC system concerns. Internally, ACCO collaborated with SoftwareOne and undertook a well-architected review, ensuring secure, reliable, and cost-optimised AWS Cloud applications. This comprehensive approach addressed skill set gaps, fostering successful data consolidation.

Outcome

The consolidated data, structured and unstructured, is now centralised, allowing flexible querying without traditional limitations. ACCO utilises the Amazon S3-based data lake for sales and marketing, enabling competitive project bids. Looking ahead, ACCO plans to employ the data lake for predictive maintenance, raising the bar for customer service in the dynamic Mechanical Contractor industry. This transformation ensures ACCO's commitment to delivering the highest quality service with efficiency and innovation.

Within a year of working with SoftwareOne and Amazon Web Services, we brought ACCO Engineered Systems to the cutting edge of data governance and analysis.

Gabe Cortina, Director of Data and Field Services, ACCO Engineered Systems

acco engineered systems

Industry environment

Today technology is central to organisations' strategies and business models, driving a global trend towards cloud-based digital transformation. According to Gartner (November 2023), public cloud services spend is expected to grow 20% YoY in 2024, reaching USD 1.1 billion by 2027. Meanwhile, the demand for AI & data analytics is increasing rapidly, driving additional software & cloud spend and services.

Yet, organisations are challenged by increasing costs and the complexity of managing software purchases, hybrid and multi-cloud setups and cyber-security concerns. As a result, they turn to established experts like us at SoftwareOne, as they lack the internal resources to address these challenges.

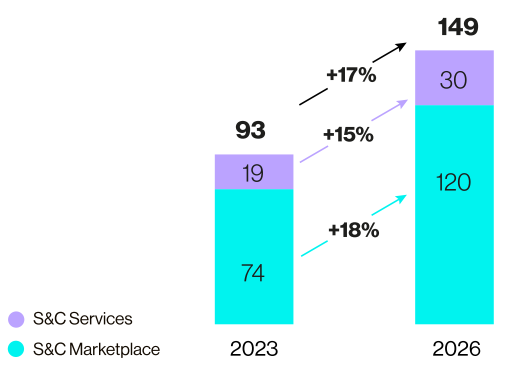
At the same time, vendors require partners to help them access a dispersed audience of small to medium-sized clients, support them in adopting their purchased technology and consume cloud resources. As a global software and cloud solution provider, we have the client base and customer insights to deliver solutions to these challenges, making us a partner of choice for vendors of all sizes.

Fast-growing addressable market

The convergence of client challenges and vendor needs point to large, fast-growing markets for us. The combined Serviceable Addressable Market (SAM) is expected to grow at 17% CAGR to USD 149 billion by 2026. While the S&C Marketplace Total Addressable Market (TAM) is growing by 9%, our SoftwareOne Client portal unlocks a larger market opportunity, accelerating our SAM growth from 9% to 15%.

SoftwareOne SAM – Marketplace and Services[1]

Market size (USD bn), CAGR (%)

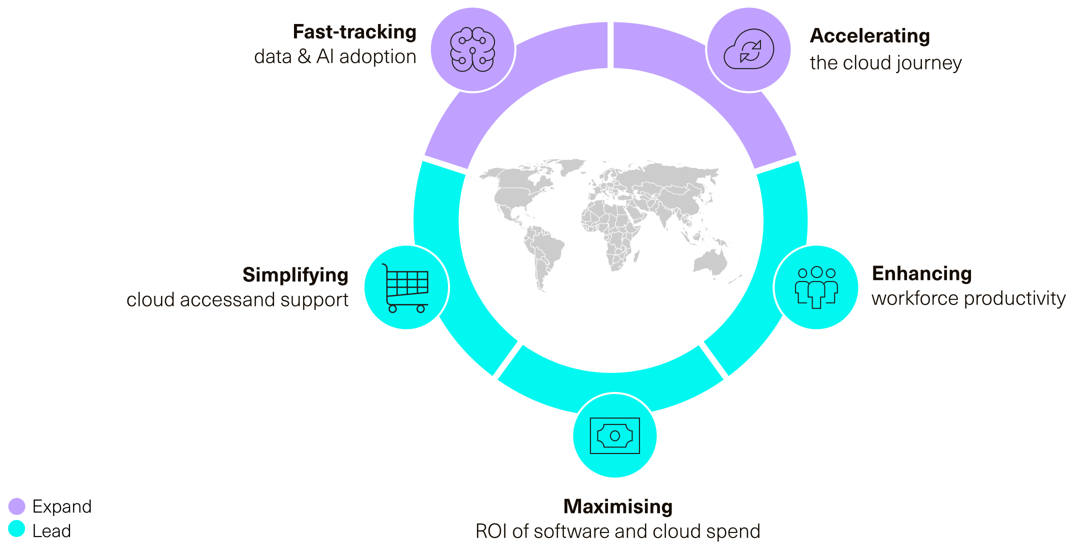


Source: IDC, BCG analysis
1) Marketplace based on total addressable spend less not serviceable and direct spend and a reseller margin;
Services filtered for offerings, customer segments and geographical presence where SoftwareOne competes today

Vision 2026

With Vision 2026, we are set to enter a new chapter of sustainable growth and value creation, focusing on a value proposition that integrates software and services, delivering on five key growth opportunities and sharpening its execution. Our commitment is to elevate our “lead” offerings, ensuring clients have seamless cloud access, maximise the return on investment (ROI) on their software spend, and boost workforce productivity across customer segments. At the same time, we will “expand” into selected high-growth areas such as application modernisation and data & AI, specifically serving mid-market clients.

Value proposition and Vision 2026



Strategic growth priorities

To drive revenue acceleration, we will capitalise on the strong momentum in our serviceable addressable market (SAM) and deliver on five key growth opportunities:

- **Deepen partnerships with hyperscalers** – we are a trusted partner to hyperscalers, with expert certifications across Microsoft, AWS and Google. We will deepen these relationships by driving higher consumption through integrated solutions
- **Drive global Copilot roll-out** – we estimate a mid-term revenue opportunity of c. CHF 100 million and are already seeing strong traction around our first-to-market Copilot offering
- **Capitalise on data & AI** – with our extensive capabilities, Intelligence Fabric offering and partnerships with market leaders, we are well-positioned to capitalise on the fast-growing data & AI market
- **Execute on focused Independent Software Vendor (ISV) strategy** – by focusing on the largest vendors with dedicated global and regional teams, we will capture the large opportunity and drive results in other ISVs
- **Leverage Marketplace portal** – the Marketplace portal offers a compelling value proposition for both vendors and clients as a self-serve one-stop-shop

Sharpened execution

As part of its updated strategy, we will focus on sharpening execution through a transformed go-to-market approach. Specifically, we will implement a new client segmentation and coverage model and drive commercial excellence, including pricing realisation. Together with continuous portfolio innovation, delivery excellence and talent management, we will deliver best-in-class business outcomes for clients and performance.

01 Transformed go-to-market

- Commercial excellence with fully integrated salesforce
- Global alliances with hyperscalers and top ISVs
- AI-powered cross-sell / up-sell
- Optimised segmentation and coverage design

02 Portfolio innovation

- Standardised and modularised service offerings
- Outcome-oriented solutions adapted to client needs
- Expand our addressable market through Marketplace platform

03 Delivery excellence

- Competitive global footprint coupled with strong local presence for seamless delivery
- Standardised and customised delivery platforms

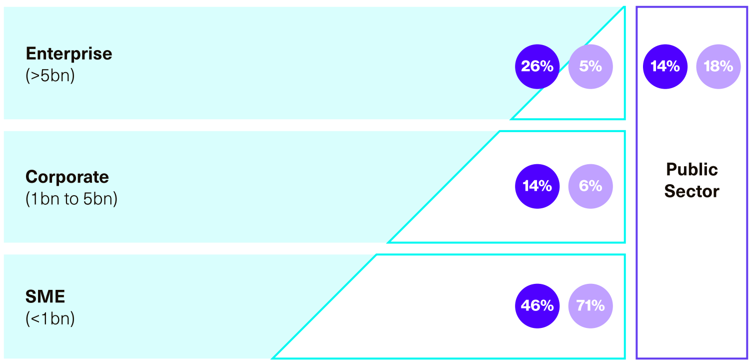
04 Talent ecosystem

- Global, diverse and highly qualified talent base
- Continuous upskilling to meet future business needs

A key element of the transformed GTM approach will be a differentiated coverage model, ranging from “high touch” to “low touch” depending on client size in order to drive cost-effective, yet scalable revenue growth.

Differentiated client coverage model by segment

Revenue-based segmentation (USD)



Share of revenues
Share of customers

New financial targets

With Vision 2026, we set new financial targets reflecting a transitional period in 2024, followed by an acceleration of growth and margin expansion by 2026.

2024 outlook and Vision 2026 targets

	Outlook 2024	Vision 2026
Revenue growth (YoY ccy)	8-10%	Mid-teens
Adjusted EBITDA margin	24.5-25.5%	Approaching 28%
Dividend policy	30-50% adjusted profit	30-50% adjusted profit

Financial review

Introduction

The financial results of SoftwareOne are reported in accordance with IFRS Accounting Standards.

In addition, the company presents an adjusted profit and loss statement, which excludes items and related tax impacts that are not indicative of the underlying performance of the business nor its future growth potential. This set of data reflects the company's internal approach to analysing the results.

At the end of this section, SoftwareOne provides a reconciliation from IFRS reported to adjusted profit and loss statement, an overview of adjustments made and definitions of non-IFRS financial measures.

Results review

Group revenue grew 8.0% YoY and 2.9% YoY in constant (ccy) and reported currency, respectively, to CHF 1,010.9 million in 2023, compared to CHF 982.8 million in the prior year period.

The strengthening of the CHF versus several major currencies, including the EUR, USD and GBP led to a negative FX translation impact of over five percentage points on revenue.

Key figures

in CHF million	FY 2023	FY 2022	% Δ Rep	% Δ at CCY	Q4 2023	Q4 2022	% Δ Rep	% Δ at CCY
Software & Cloud Marketplace	549.7	545.3	0.8%	5.6%	152.2	151.2	0.6%	5.6%
Software & Cloud Services[1]	461.2	437.4	5.4%	11.0%	118.5	114.6	3.4%	7.9%
Revenue total	**1,010.9**	**982.8**	**2.9%**	**8.0%**	**270.7**	**265.8**	**1.8%**	**6.6%**
Delivery costs	–347.6	–346.3	0.4%	5.3%	–84.0	–86.5	–2.9%	0.3%
Contribution margin	**663.3**	**636.4**	**4.2%**	**9.4%**	**186.7**	**179.3**	**4.1%**	**9.6%**
SG&A	–418.1	–396.0	5.6%	11.2%	–101.1	–101.6	–0.5%	5.9%
Adj. EBITDA	**245.2**	**240.4**	**2.0%**	**6.5%**	**85.6**	**77.7**	**10.2%**	**14.4%**
Adj. EBITDA margin (% gross revenue)	24.3%	24.5%	(0.2)pp	–	31.6%	29.2%	2.4pp	–
Adj. EPS (diluted)	0.70	0.74	–4.9%	–	–	–	–	–
IFRS reported								
Net cash from operating activities	77.3	91.1	–15.1%	–	–	–	–	–
Net debt / (cash)	–186.3	–317.5	–	–	–	–	–	–
Net working capital (after factoring)	–160.9	–158.3	–	–	–	–	–	–
Headcount (in FTEs at year-end)	**9,287**	**9,060**	**2.5%**	**–**	**–**	**–**	**–**	**–**

1) FY 2022 revenue for Software & Cloud Services restated as a result of implementation of the IFRS IC agenda decision on IFRS 15, with further contracts identified which should have been accounted for on an agent basis

Solid growth in key markets

By region, EMEA delivered a solid year, with revenue up 7.6% YoY ccy to CHF 609.8 million, driven by a robust performance in DACH. In Q4 2023, the UK and Southern Europe continued to show strong momentum.

Revenue in NORAM was CHF 149.1 million in 2023, with constant currency growth broadly flat on the back of more cautious spending by clients.

APAC sustained strong revenue growth, up 24.6% YoY ccy to CHF 144.3 million in 2023, on the back of excellent results across the region. Revenue in Q4 2023 was up 32.8% YoY ccy, driven by over 50% YoY ccy revenue growth in Software & Cloud Services as a result of new contract wins.

Revenue in LATAM was CHF 99.7 million, up 0.2% YoY ccy in 2023 due to muted performance across key markets. Performance stabilised in Q4 2023 with revenue growth of 4.4% YoY ccy, on the back of new leadership appointed for the region, Mexico and Colombia during Q4 2023.

Continued growth momentum across business lines

Software & Cloud Marketplace

Revenue in Software & Cloud Marketplace grew 5.6% YoY ccy to CHF 549.7 million in 2023, compared to CHF 545.3 million in the prior year.

Gross billings in the Microsoft business amounted to USD 18.3 billion in 2023, up 9% compared to 2022. In Q4 2023, billings were USD 3.4 billion, up 7% YoY.

Revenue growth in the Microsoft business continued to accelerate in Q4 2023, offsetting lower growth in other ISVs.

Contribution margin grew to CHF 477.8 million in 2023, with the margin increasing to 86.9% of revenue.

Adjusted EBITDA was CHF 282.4 million in 2023, up 2.2% YoY ccy compared to CHF 289.1 million in the prior year.

Software & Cloud Services

Software & Cloud Services delivered revenue growth of 11.0% YoY ccy to CHF 461.2 million in 2023, up from CHF 437.4 million in the prior year, driven by Cloud Services, Digital Workplace and Software Sourcing & Portfolio Management, partially offset by the phasing out of legacy services.

Focus on cross-selling continued with 73% of LTM (to 31 December 2023) revenue generated by c. 15.9k clients purchasing both software and services, up from 15.1k a year ago.

Revenue in xSimples (including AzureSimple, 365 Simple and AWS) was up 12.2% and 14.6% YoY ccy in Q4 and 2023, respectively.

Contribution margin increased to CHF 185.6 million in 2023, driving the margin to 40.2% of revenue, up from 37.8% in the prior year as a result of strong progress in optimising the delivery network.

Adjusted EBITDA was CHF 28.1 million in 2023, compared to CHF 13.6 million in the prior year period. The margin improved to 6.1% compared to 3.1% in the prior year, driven by a strong contribution margin and operating leverage as the business continues to scale.

Focus on profitable growth

Group adjusted EBITDA was CHF 245.2 million in 2023, up 6.5% YoY ccy. Adjusted EBITDA margin was 24.3%, down by 0.2pp YoY, with the normalisation of marketing and travel costs post-Covid and co-marketing investments in the prior year period offsetting an improved contribution margin.

Adjusted profit for the period was CHF 109.6 million in 2023, representing a decrease of (4.7)% YoY in reported currency, compared to CHF 115.0 million in the prior year.

IFRS reported profit for the period increased to CHF 21.4 million in 2023, compared to CHF (58.3) million in the prior year period. The improvement was primarily driven by lower expenses relating to integration and M&A, as well as the impact from the exit from Russia and the financial loss relating to the company's shareholding in Crayon, both of which impacted the prior year period.

For a reconciliation of IFRS reported profit to adjusted profit for the year, see alternative performance measures.

Driving operational excellence

In 2023, the company achieved CHF 47 million of cost savings through its operational excellence programme against a target of CHF 15 million, driven by re-balancing of sales resources and AI-driven cross-selling initiatives, optimisation of the services delivery network and transitioning resources to shared service centres. On an annualised basis, the cost savings in 2023 corresponded to CHF 63 million.

With the programme delivering ahead of plan, the annualised cost savings target has been updated to CHF 70 million in 2024, compared to the original target of CHF 50 million.

The restructuring expenses relating to the programme were CHF 39.3 million in 2023, exceeding the expected CHF 25 million due to the increased scope of implementation. An additional CHF 10 million of restructuring expenses are expected in 2024.

Strong liquidity and unlevered balance sheet

Net working capital (after factoring) decreased to CHF (160.9) million, compared to CHF (158.3) million in the prior year. Net cash from operating activities was CHF 77.3 million in 2023, broadly in line with the prior year period.

Capital expenditure totalled CHF 57.2 million, including investments in the SoftwareOne Client Portal, compared to CHF 47.3 million in the prior year period.

The net debt/(cash)[1] position was CHF (186.3) million as of 31 December 2023, compared to CHF (317.5) million as of 31 December 2022.

1) Based on new net debt/(cash) definition introduced at H1 2023, equal to bank overdrafts plus other current and non-current financial liabilities less cash and cash equivalents and financial assets

New financial targets

With Vision 2026, SoftwareOne sets new financial targets reflecting a transitional period in 2024, followed by an acceleration of growth and margin expansion by 2026.

	Outlook 2024	Vision 2026
Revenue growth (YoY ccy)	8-10%	Mid-teens
Adjusted EBITDA margin	24.5-25.5%	Approaching 28%
Dividend policy	30-50% adjusted profit	30-50% adjusted profit

Alternative performance measures

SoftwareOne has defined a set of non-IFRS, or alternative, financial measures, which reflect the company's internal approach to analysing its performance and which are also disclosed externally. These measures allow key decision makers at SoftwareOne to manage the company and make investment decisions. The company believes that such measures are also frequently used by external stakeholders such as sell-side research analysts, investors, and other interested parties to evaluate peers in the same industry.

Results overview

Link to full overview of SoftwareOne's consolidated financial statements

Profit & loss summary

	Reported		Adjusted			
in CHF million	2023	2022	2023	2022	% Δ	% Δ at CCY
Revenue from Software & Cloud Marketplace	**549.8**	**538.4**	**549.7**	**545.3**	**0.8%**	**5.6%**
Revenue from Software & Cloud Services	**461.5**	**437.4**	**461.2**	**437.4**	**5.4%**	**11.0%**
Total revenue	**1,011.3**	**975.8**	**1,010.9**	**982.8**	**2.9%**	**8.0%**
Delivery costs	–	–	–347.6	–346.3	0.4%	5.3%
Contribution margin	**–**	**–**	**663.3**	**636.4**	**4.2%**	**9.4%**
SG&A	–	–	–418.1	–396.0	5.6%	11.2%
EBITDA	**161.7**	**136.9**	**245.2**	**240.4**	**2.0%**	**6.5%**
Depreciation, amortisation and impairment 1)	–65.9	–58.6	–65.9	–58.6	12.6%	–
EBIT	**95.8**	**78.4**	**179.3**	**181.9**	**–1.4%**	**–**
Net financial items	–33.3	–92.4	–24.4	–14.7	66.0%	–
Earnings before tax	**62.5**	**–14.0**	**154.9**	**167.2**	**–7.4%**	**–**
Income tax expense	–41.0	–44.3	–45.3	–52.2	–13.2%	–
Profit for the year	**21.4**	**–58.3**	**109.6**	**115.0**	**–4.7%**	**–**
EBITDA margin (% revenue)	**16.0%**	**14.0%**	**24.3%**	**24.5%**	**(0.2)pp**	**–**
EPS (diluted)	**0.14**	**–0.38**	**0.70**	**0.74**	**–4.9%**	**–**

1) Includes PPA amortisation (including impairments, if applicable) of CHF 14.5 million and CHF 15.9 million in 2023 and 2022, respectively

Reconciliation – IFRS reported to Adjusted profit

in CHF million	2023	2022
IFRS reported profit for the period	**21.4**	**–58.3**
Impact of change in revenue recognition of Microsoft Enterprise Agreements	–0.2	6.6
Share-based compensation	–	4.3
Integration expenses, M&A and earn-out expenses	23.1	44.3
Russia related-loss	–0.3	35.2
Restructuring expenses	39.3	13.1
Discontinuation of MTWO vertical	5.7	–
Other non-recurring items	15.9	–
Total revenue and operating expense adjustments	**83.5**	**103.5**
Depreciation / (appreciation) of Crayon and impact of adjustments on financial result	**8.9**	**77.7**
Tax impact of adjustments	**–4.3**	**–7.9**
Adjusted profit for the year	**109.6**	**115.0**

Source: Management view

Non-IFRS financial measures and group key performance indicators (KPIs)
The group presents non-IFRS financial measures used by management to monitor the company's performance, which may be helpful for external stakeholders in evaluating SoftwareOne's financial results compared to industry peers. They include the following:

Adjusted EBITDA is defined as the underlying earnings before net financial items, tax, depreciation, and amortisation, adjusted for items affecting comparability in operating expenses.

Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue.

Adjusted profit for the period is defined as the (loss)/profit for the period, adjusted for items impacting comparability in operating expenses and net finance income/(expenses) as well as the related tax impact.

Contribution margin is defined as total revenue net of third-party service delivery costs and directly attributable internal delivery costs.

Free cash flow is defined as the group net cash generated from/ (used in) operating activities, plus net cash from/ (used in) investing activities, minus net cash from acquisition of businesses (net of cash acquired), sale of subsidiary (net of cash disposed) and proceeds from sale of financial assets.

Growth at constant currencies is defined as the change between two periods presented on a constant currency basis for comparability purposes and to assess the group's underlying performance. Period profit and loss figures are translated from the subsidiaries' respective local currencies into Swiss francs at the applicable average exchange rate of the prior year period. This calculation is based on the underlying management accounts.

Net debt / (cash) [1] comprises group bank overdrafts, other current and non-current financial liabilities less cash and cash equivalents and current financial assets.

Net working capital is defined as the group's trade receivables, current other receivables, prepayments and contract assets minus trade payables, current other payables and accrued expenses and contract liabilities.

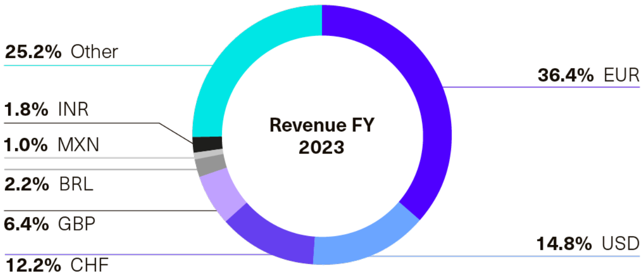
1) Based on new net debt/(cash) definition introduced at H1 2023

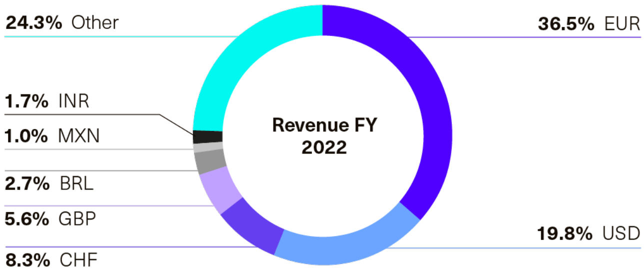
Exchange rates

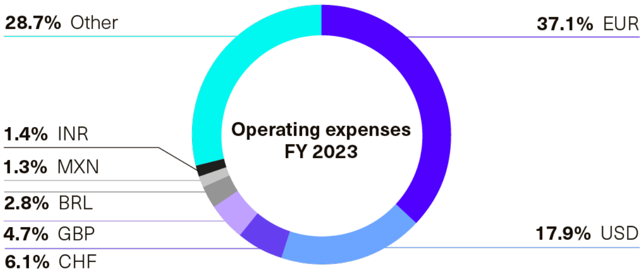
The table below shows the development of the Swiss franc, SoftwareOne's reporting currency, against major currencies. In addition, the charts provide an overview of the currency breakdowns, including currencies which had the biggest impact on revenues and operating expenses during 2023. Related calculations are based on underlying management accounts and may slightly differ from exchange rates shown in the Consolidated financial statements.

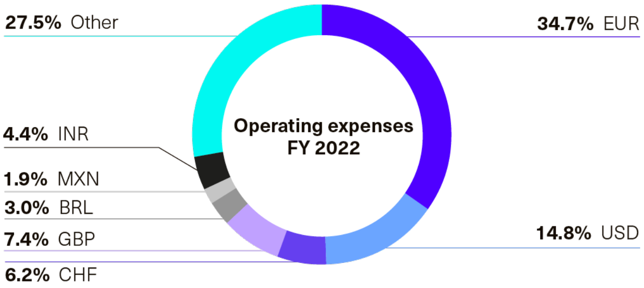
CHF to LCY	2023	2022	% change
EUR	1.03	1.00	3.5%
USD	1.11	1.05	6.2%
CHF	1.00	1.00	0.0%
GBP	0.90	0.85	5.6%
BRL	5.59	5.40	3.4%
MXN	19.76	21.15	–6.6%
INR	92.25	82.21	12.2%

FX exposure









Source: based on management accounts

Non-Financial Report (NFR) 2023

Driving
sustainable impact.

softwareone

A letter from our CEO

ESG has become ingrained in the DNA of SoftwareOne.

Brian Duffy, CEO

In a time that is both exciting and alarming for our planet, people, and communities, Environmental, Social & Governance (ESG) issues have never been more important to SoftwareOne. The unprecedented risks of climate change, geo-political turmoil, and our evolving responsibilities towards our employees, partners, and clients create a dynamic backdrop. However, amidst these challenges, there are also opportunities; the positive effects of new legislation and innovations, as well as our stakeholders' enthusiasm and engagement in these crucial topics, fill me with confidence that SoftwareOne can continue to make a tangible impact for the better.

Last year, we embarked on our ESG journey by publishing our inaugural report, outlining our ambitious goals for 2030. This year, I am delighted to present our Non-Financial Report as an integral part of our Annual Report, emphasising how ESG has become ingrained in the DNA of SoftwareOne. Our commitment is unwavering: reducing our carbon footprint, assisting our clients in reducing their emissions, fostering an inclusive and diverse culture, supporting communities in their digital journeys, and advancing our corporate governance to the highest standard. As non-financial reporting and ESG is a priority at SoftwareOne, we are preparing to fulfil the non-financial reporting requirements that will be in force for the full-year reporting 2024 and beyond. We also cover in this report the new Swiss Ordinance 964 on non-financial reporting which is currently in force.

This year marks a significant evolution in our approach as we introduced a double materiality assessment. We now examine not only the financial impact that ESG has on SoftwareOne, but also how we can impact the external landscape. This additional dimension has empowered us to strengthen our strategy for addressing risks and capitalising on opportunities that lie ahead. Our global and local committees, regional teams, and dedicated colleagues have actively contributed to our ESG journey, sharing expertise, engaging with charities, participating in campaigns, and enhancing their involvement in training initiatives. I invite you to explore our spotlight stories for inspiring examples.

While as a software and cloud solutions provider, our direct impact might be perceived as limited, we have chosen to redefine our role. Through our innovative Cloud Sustainability programme, we empower clients to reach their ESG targets, and with our SoftwareOne Impact programme, we collaborate with key partners to provide software and cloud solutions to charity and non-profit organisations. In doing so, we strive to set an example that aligns with the positive change we envision for the world.

Thank you for joining us on this journey of progress, collaboration, and sustainable innovation. Together, we are shaping a future where responsible business practices are not just a goal, but an inherent part of who we are.

Yours sincerely,

Brian Duffy

ESG at SoftwareOne

Our business model

SoftwareOne is a leading global software and cloud solutions provider that stands at the forefront of digital transformation, offering a comprehensive suite of services that help our clients navigate the complexities of cloud, as well as data & AI.

We offer our clients an end-to-end value proposition to help them navigate complex options and optimise two highly synergistic business lines: Software & Cloud Marketplace and Software & Cloud Services.

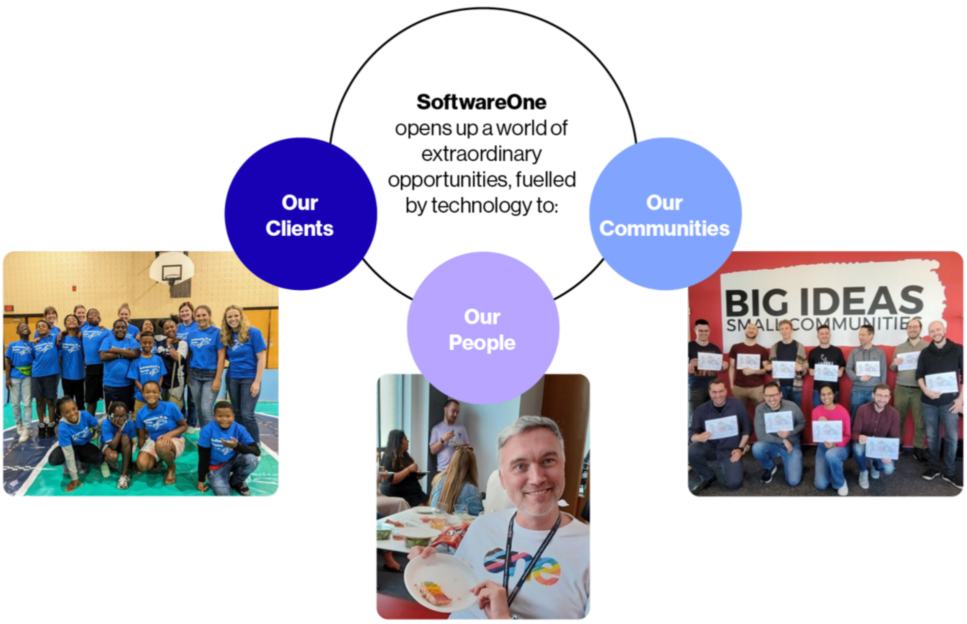
We serve over 65,000 clients worldwide, including large enterprises, corporates, small and medium-sized enterprises (SMEs) and public sector organisations, across a range of end markets. The primary markets we serve include financial services, consumer goods, retail & wholesale, public services & education, capital goods and automotive business services and TMT (technology, media and telecommunications). More details about SoftwareOne's business model can be found in section Our business overview.

SoftwareOne collaborates with software developers, industry partners, and community stakeholders to enhance our engagement across our value chain. This includes participating in community projects and engaging in partnerships that align with our company's commitment to responsible business practices.

Our purpose

At SoftwareOne, we believe that technology has the power to break down barriers, augment capabilities and open access to the global economy. To get there, you must believe in the people and the places that can make it happen. For more than 20 years, we have invested our hearts in clients, partners, and new capabilities in regions where opportunities inspire us to reach.

We open a world of opportunity — one locality, one technology, one person at a time. We are SoftwareOne, for all our clients, partners and the communities we engage in, **we open up a world of extraordinary opportunities, fuelled by technology.**



Our ESG programme aspires to transform our company, lessen our impact on the environment and support the people around us, whilst enhancing our ethics as an organisation.

2023 facts and figures

1bn
revenue in CHF

9,287
employees

2,000+
trees planted in 2023 around the world

60+
countries

64.3% men

34.2% women

1.5% other

8,559.5
of CO_2 emissions across Scope 1 and 2 in t

0.92 of CO_2 emissions per employee in t

3,618,578
Energy consumption in kWh

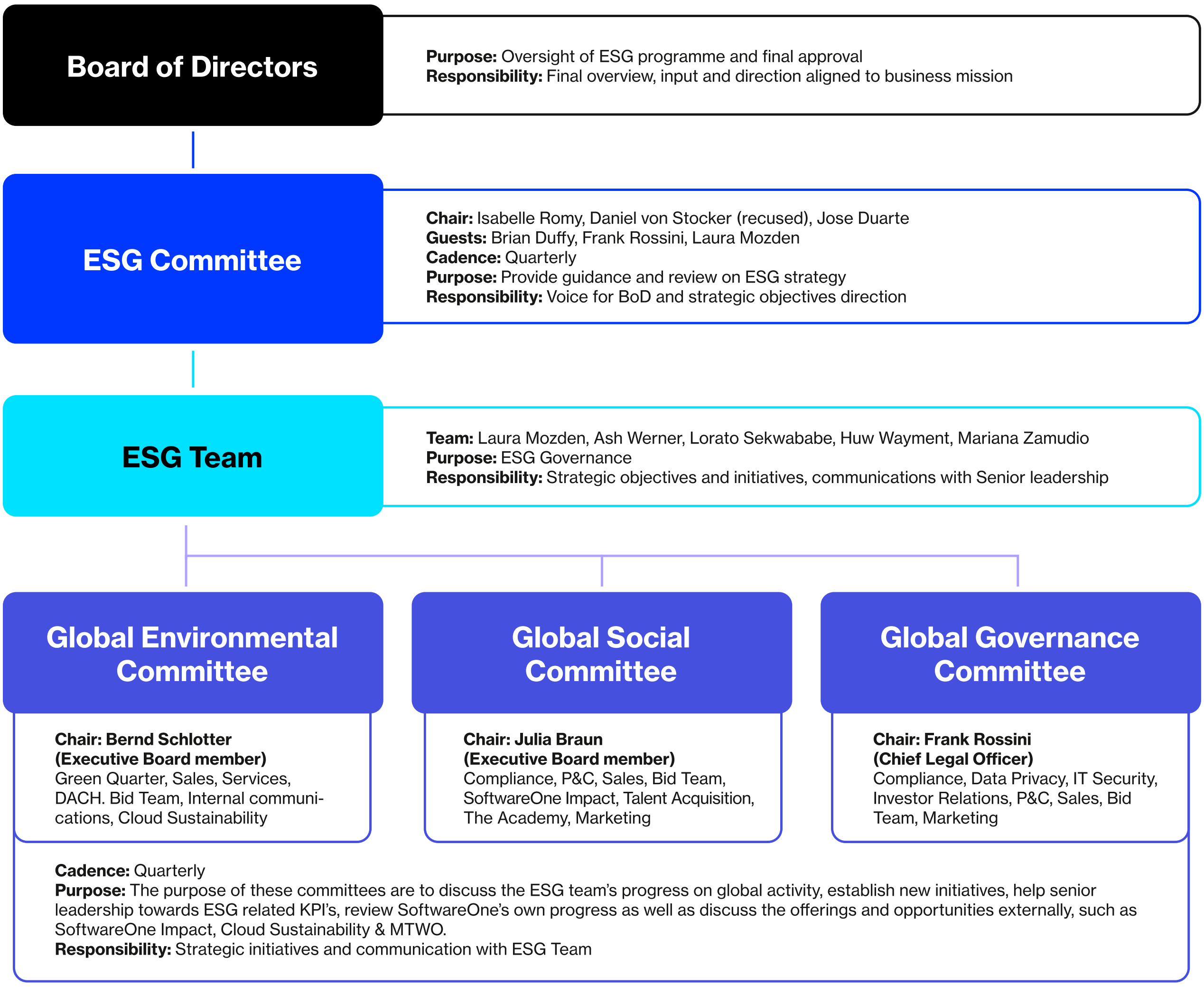
389.6
Energy intensity in kWh/FTE

87,000+
CHF donated

1,227
causes supported

Our ESG structure and framework

From the start, SoftwareOne's ESG programme established a clear governance framework and structure, emphasising the support and integration from the Board of Directors and global committees across all Environmental, Social and Governance topics.



The highest body overseeing our ESG programme is the ESG Committee, a sub-committee of the Board of Directors, who regularly engage with our shareholders. This committee exercises its oversight function through quarterly meetings, sharing input on the management of our ESG impacts, as well as overseeing, reviewing, and approving our reporting and material topics. The members of the ESG committee provide approval for the selection of the chairs of each committee across ESG, communicating with them about the management of their committees and providing feedback.

Our Executive Board also exercise their oversight of the programme through quarterly meetings, providing overall input and reliance for escalation of any critical concerns regarding our programme. At this executive level Frank Rossini, Chief Legal Officer, is responsible for the ESG programme.

Further to the creation of the ESG Committee, the Nominations & Compensation Committee and Audit Committee charters include provisions regarding the ESG programme including senior leadership KPIs and risks oversight. This framework includes a focus on how to embed ESG topics into all areas of the business and enhances the transparency of our programmes in internal and external communications. It allows us to integrate ESG risks into the Enterprise Risk Management function and develop a global strategy whilst enhancing and supporting local activity.

Double materiality assessment

Our process

In 2023 SoftwareOne conducted a double materiality assessment. This is a comprehensive process to evaluate and disclose ESG issues that are likely to materially affect our business (financial) and those areas that our business may materially affect (impact).

Datamaran is the leader in Smart ESG, enabling companies to identify and prioritise issues material to their operations, deepen their teams' ESG knowledge, monitor risks and opportunities in real-time and authentically own their ESG strategy in-house.

Datamaran

Using Datamaran, we produced a materiality assessment driven by both our inhouse ESG perspective, internal stakeholder priorities and AI based technology. This technology combines publicly available information including relevant ESG regulations and news, benchmarking SoftwareOne against our peers and surveys from our investors and employees, to create an accurate and reliable materiality assessment. Our double materiality assessment serves as a crucial foundation for shaping our ESG programme. It enables us to prioritise action that not only mitigates risks and complies with regulations but also aligns with our stakeholder's expectations and contributes positively to our overall impact.

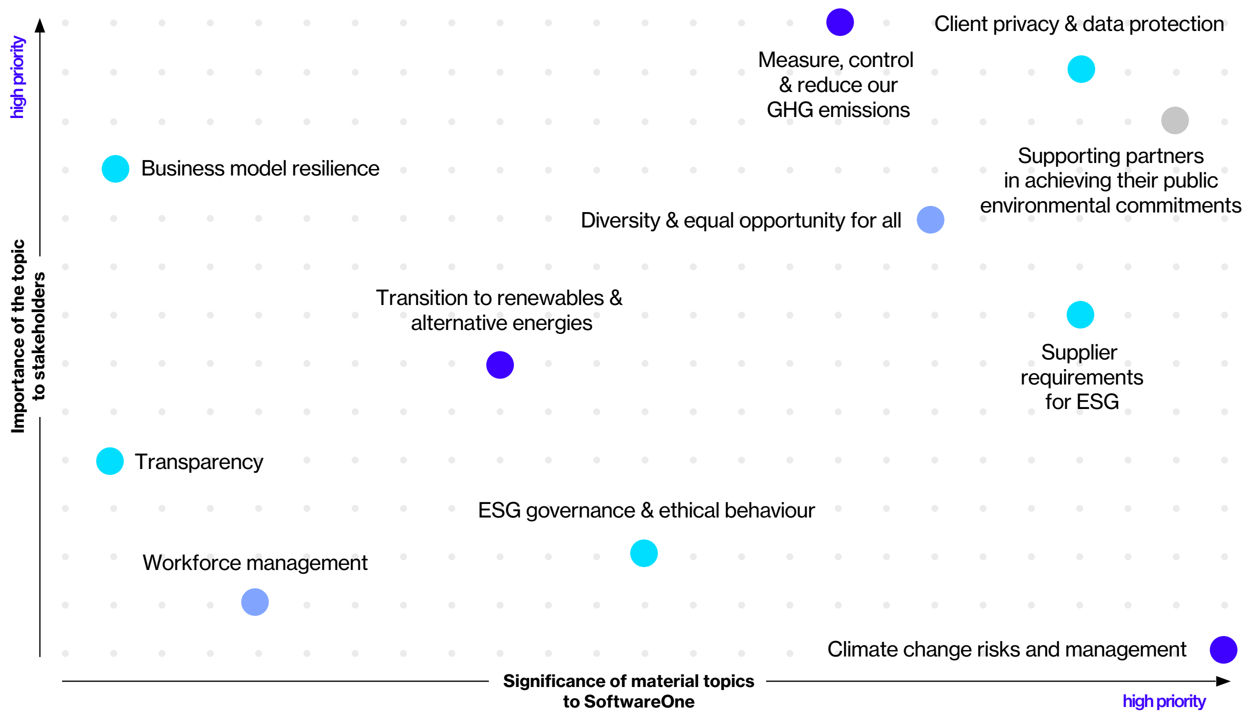
We align every step of our journey to the priorities and passions of our employees, clients, investors, and other stakeholders, not only to ensure that their needs are met, but also to drive further engagement in our ESG programme.

Our double materiality assessment process included the following steps:

- Defining the scope of the assessment, using in-house knowledge and expertise to identify key aspects of sustainability relevant to SoftwareOne.
- Aligning this scope to external frameworks such as the UN Sustainable Development Goals, Task Force for Climate Related Financial Disclosures and sub-topics relating to the upcoming EU directive Corporate Sustainability Reporting Directive.
- Benchmarking our organisation against the technical materiality requirements of our peers through Datamaran's benchmark analysis system.
- Defining our issue mapping used in previous materiality analyses and internal stakeholder surveys. These are the ESG topics included in the assessment based on those which are most material to SoftwareOne.
- Surveying additional key stakeholders, including Finance, People & Culture, Sales & Bid teams and the ESG Committee members to understand their perception of the impact of specific ESG issues. These surveys include questions based on both external (outside-in view) and internal (inside-out view) perspectives.
- Datamaran correlates this data to create a materiality matrix which maps the impact of each topic to SoftwareOne.

Material topics were mapped to the business priorities, mission and strategy of SoftwareOne:

Materiality matrix



ESG material topics and description:		Double materiality assessment results:
Climate responsible		
Measure, control & reduce our GHG emissions: Calculating our carbon footprint and efforts to reduce emissions	▲	Upward movement due to increase in stakeholder importance and significance to SoftwareOne
Transition to renewables & alternative energies: Transitioning from predominantly fossil-based energy consumption to renewable and alternative energy sources		New topic
Climate change risks and management: Risks and opportunities presented by climate change and the transition to a low-carbon economy and adaptation and resilience measures	▲	Upward movement due to increase in stakeholder importance and significance to SoftwareOne
Cutting downstream emissions		
Supporting partners in achieving their public environmental commitments: Launching Cloud Sustainability	▲	Upward movement due to increase in stakeholder importance and significant to SoftwareOne
Inclusive, diverse & caring for our people		
Diversity & equal opportunity for all: Developing our global diversity, equity, inclusion & belonging (DEIB) strategy	▼	Downward movement due to decrease in stakeholder importance
Workforce management: Focusing on recruitment, retention and development practices		New topic
Training & education: Expanding and encouraging the development of The Academy	▼	Downward movement – no longer in top quadrant. Due to the success of The Academy, the importance of topic has dropped significantly for our stakeholders but remains a priority to SoftwareOne's ESG strategy
Ethical & compliant corporate governance		
Client privacy & data protection: Focusing on how to protect both our clients and our own data		Remains a high priority for stakeholders and SoftwareOne
ESG governance & ethical behaviour: Continuing to improve our corporate governance and ethical culture	▼	Downward movement due to decrease in stakeholder importance
Supplier requirements for ESG: Partnering with our supply chain for greater impact	▲	Upward movement due to increase in stakeholder importance
Transparency: Continuing to report and disclose ESG data, strategy and policies to our clients and stakeholders		New topic
Business model resilience: Identifying ESG risks and opportunities and embedding ESG into our overall business operations		New topic

Our ESG strategy

UN Sustainable Development Goals (SDGs)

We have aligned our ESG programme with the broader sustainability agenda set out by the United Nations. From the seventeen goals, we have identified these seven as being most closely aligned to SoftwareOne. These goals help shape our strategy and ambitions.

Our ESG strategy is centred around five core commitments:

Being climate responsible

SoftwareOne's environmental strategy is primarily focused on implementing effective carbon reduction and emission avoidance practices within our operations whilst continuing to measure our carbon footprint each year. Using our 2022 carbon footprint as a baseline, we developed and implemented a clear emissions reduction strategy and roadmap to net zero[1] for Scope 1 and 2. All leaders in SoftwareOne will set climate-related KPIs from 2024 onwards to ensure we meet our reduction targets. As SoftwareOne is a software and cloud solutions provider, we offer purely services and cloud solutions to our clients and do not manufacture products from raw materials. Therefore, our environmental programme is focused on our greenhouse gas emissions and waste reduction targets and activities related to our business. Our programme does not include any other environmental areas that are not relevant to the nature of our business, such as biodiversity and water, due to our lack of infrastructure directly negatively affecting those areas.

We aim to reduce emissions associated with Scope 1 and 2 activities by transitioning to renewable energy to power our offices where possible, switching company vehicles to Electric Vehicles (EVs) and enforcing recycling practices in our offices. Our objective for Scope 3 is directed at reducing business travel and emissions associated with employee commuting as explained in more detail in Climate commitment.

I see my role as chair of the Environmental Committee as an incredible opportunity to support our passionate SWO team to create positive change. The programme isn't about labelling ourselves as "green" but rather putting in place tangible actions to reduce our global carbon footprint. We see SoftwareOne as one part of the larger fight against climate change where we are not only focused on our own actions but also on helping our customers achieve their carbon reduction goals.

Bernd Schlotter,
President Software & Cloud and Environmental Committee Chair

1) Net zero: to reduce greenhouse gas emissions and ensure any ongoing emissions are balanced by removals.

Cutting downstream emissions

We take appropriate action to support our clients with their ESG journey by helping them reduce their carbon footprint in the cloud. The objective of our Cloud Sustainability programme is to provide clients with accurate and specific emissions data for their cloud solutions and provide high-level advice on the complexities of cloud emissions. The goal of these services is to advance emissions measurement and compliance as explained in more detail in Cloud Sustainability.

Promoting an inclusive and diverse culture

Achieving gender and ethnic diversity in the tech industry is challenging. In 2023, women represented just 26.7% of the industry employee base, and only 6% of all tech industry new hires come from ethnic minorities.

As a global software company, spanning many locations across different geographies, it is vital that in line with our core values, we create a positive and welcoming environment for all employees. In 2022 we developed our Diversity, Equity, Inclusion and Belonging (DEIB) strategy which focuses on attracting and retaining diverse talent. We have been focusing on gender diversity and in 2023, 34% of our general workforce and 33% of our leaders are female, which is higher than the industry standard. Understanding the diversity and intersectionality of our workforce is a priority, hence the importance of our annual DEIB survey, which provides data and helps build our action plan to increase diversity. By working closely with Talent Acquisition and People & Culture teams in the implementation of our DEIB strategy, we remain committed to growing our diversity levels at SoftwareOne for the future.

We carefully consider how we support our employees with an attractive work-life balance, generous benefits and learning and development opportunities. We expanded Mosaic, our diversity employee resource groups, to all our regions and many local teams got involved in international events such as Pride, International Women's Day and Black History Month. Find more details in Social responsibility.

It is a pleasure and honour for me to chair the Social Committee at SoftwareOne. Having lived and worked in different industries, cultures, and regions, I have learned that supporting diversity and inclusion not only promotes equal opportunities, innovation, and creativity, but is also a smart business decision. I support many D&I initiatives such as the Academy programme to bring young mothers back to work, providing transportation to female shift workers, and many other activities. We ensure that D&I remains at the forefront of our priorities – this is my commitment to all Swomies[1].

Julia Braun, Chief Human Resources Officer and Social Committee Chair

1) Swomies: SoftwareOne employees

Supporting direct positive digital transformation of NPOs and local communities

At SoftwareOne, not only is it important to focus on our employees' wellbeing but also on the positive impact that our services and products can have on the wider community. As such, our programme focuses on engaging positively with organisations such as charities and non-profits.

Our objective is to empower non-profit organisations (NPOs) around the world to reach their goals and scale through technology. We leverage our core competencies as a services and software & cloud company to help NPOs gain access and learn how to deploy and use tools they need to be successful. We also work with our extensive partner network including Microsoft, AWS, Google and TechSoup to expand our capabilities and generate new opportunities for non-profits. Find more details in Supporting direct positive digital transformation of NPOs and local communities.

Furthering our corporate governance

SoftwareOne continues to strive above and beyond expectations. As our global reach has expanded, so too have our opportunities to prevent unethical behaviour and promote compliance. The structuring of our business, with centralised procurement and checks on pricing and tight controls on delivery and services, has lowered the risk of exposure to bribery and corruption. Due to our compliance programme and given the complex nature of the SoftwareOne offerings and our reliance on a highly skilled workforce, the risk of human rights violations is equally diminished. As such, our compliance teams are collaborating to review, remediate and tackle any areas of risk in our due diligence programmes. In 2024, our compliance teams, along with our cybersecurity, data privacy and legal teams will continue to refine our programmes, initiatives, mitigations, and controls as explained in more detail in Governance.

I am honoured to chair the Governance Committee at SoftwareOne, with our growing ESG programme being embedded into our core business practices, as well as our legal and compliance environment. A key aim of an ESG programme should be to further instil integrity into core business practices. With an already excellent compliance programme, I am confident our ESG programme will further our capability to act with integrity across all business practices and be a more ethical business.

Frank Rossini, Chief Legal Officer and Governance Committee Chair

Our ESG progress

Our ambitions

2023 was an important year for the ESG team at SoftwareOne. With the increase in new regulations, increased interest from our clients and partners and the ongoing changes to our environmental and social landscape, we recognise the part played by SoftwareOne in this bigger picture.

Outlined in this report is a clear update on our current approach, targets, and initiatives. In addition, our aim is to provide further transparency on the way we evaluate these targets, risks, and mitigations.

Our 2030 ambitions

	Progress	Ambitions 2030
Our climate commitment	Developed our carbon reduction strategy based on our 2022 carbon footprint data. Our 2023 footprint can be found in this report.	Net zero for Scope 1 &2. Primarily reducing the carbon footprint for which we are responsible
	In 2023 our Cloud Sustainability programme was offered to clients. Clients were onboarded to the cloud sustainability programme.	Help customers reduce their carbon footprint with accurate data in all cloud application services
Our social responsibility	We completed our first diversity survey, improved our hiring process, and learning and development practices and expanded Mosaic – our employee resource groups.	Globally recognised Employer of Choice of Diversity by 2030
	A partnership with TechSoup set us up to accelerate our capabilities to offer services at scale for non-profits everywhere.	>3000 Nonprofit organisations (NPO) or communities with digital services
Our corporate governance	Recorded a 7% increase in completion rates for our Code of Conduct and Anti-Harassment training. Experienced a 29.73% increase in total disclosures on the disclosure platform. Maintained a stable flow of cases on our integrity line, reflecting consistency with the previous year's figures. As part of our Third-Party Due Diligence process we sent ESG-related questionnaires to 638 suppliers in 2023.	Training on Code of Conduct mandatory for all employees, with a targeted completion rate of 90% Fostering awareness and promoting our speak-up culture to increase reported issues year on year Obtain over 1,000 fully completed supplier ESG risk assessments Improve internal tools for data protection

Risks and opportunities

Our process

In 2023, our ESG risk assessment process became more robust to further integrate both external stakeholder perspectives and our own internal insights. By leveraging our own expert knowledge of the intricacies of our business operations, we identified and analysed risks that are material to SoftwareOne, ensuring a comprehensive understanding of the potential business, financial, reputational, and physical impacts. As we are not currently legally required to conduct the full analysis on this topic, we followed the recommended guidelines as a guiding principle set forth by the Task Force on Climate-related Financial Disclosures (TCFD), a framework that emphasises transparency and consistency in reporting climate-related risks and opportunities.

Combining these multiple sources of information enabled us to create a comprehensive list of risks and opportunities. These aligned directly to relevant internal stakeholders (such as our Enterprise Risk Management team, Legal, Internal Audit and Senior Leaders) to proactively address and mitigate challenges accordingly and capitalise on opportunities. These enhanced our resilience and sustainability in the dynamic landscape of environmental, social, and governance considerations.

Management oversight and engagement

All our upcoming and current risks are reviewed by our dedicated Environmental, Social and Governance committees, including those sponsored by our Executive Board members, our ESG Board of Directors Sub-committee and more specialised business leaders, such as Finance and People & Culture. This has allowed us to create a two-way approach to upcoming risks and opportunities within the business and fully embed ESG into every area of the business.

2023 ESG risk assessment

Based on our double materiality analysis outlined above, we analysed our risks in terms of the likelihood and identified both the impact we have on our stakeholders and the financial impact these areas have on our business. For more information on our mitigation efforts, action plans, metrics and targets please use the links under "more information".

Environmental

Climate change presents a host of risks to software and cloud solutions providers and society alike. Material long-term environmental risks to SoftwareOne, to our employees and our facilities have been identified via our ESG risk assessment. These risks are periodically reviewed and shared by the ESG team along with ongoing actions, mitigations, and areas of potential concern for SoftwareOne's business operations.

ISSUE AND DESCRIPTION	RISK PROBABILITY	STRATEGIES AND MITIGATION
MEASURE, CONTROL & REDUCE OUR GHG EMISSIONS: This issue refers to managing climate-related risks and opportunities from actual or potential physical and transition impacts. It also includes the direct and indirect emissions of greenhouse gases (GHGs) and emission reduction targets to limit our contribution to global warming.	**Medium** Some high stakeholder impacts if we are unable to measure and reduce our footprint in the long term with medium financial impact on our business such as legal fines and increased operational expenses. The likelihood of this is low due to our current processes and current carbon reduction strategy.	Our commitment to measuring, avoiding and reducing our emissions is outlined in our Global Environmental Policy. In 2024 we are launching our Carbon Reduction Think Tanks, designed to support our senior country managers with their specific carbon reduction targets through training, localised strategies and policy enforcement. More information can be found in carbon reduction strategy.
SUPPORTING PARTNERS IN ACHIEVING THEIR PUBLIC ENVIRONMENTAL COMMITMENTS: This issue refers to Launching Cloud Sustainability and helping our clients measure and reduce their own carbon footprint.	**Low** Some medium stakeholder impacts if we fail to assist in their own commitments, with low financial impact on our business with the potential of lost revenue opportunities. The likelihood of this is low due to the current number of stakeholders requiring this and our proactive approach to support via Cloud Sustainability and embedded engagement with our Bid and Sales teams to remain responsive to upcoming customer requirements.	Our Cloud Sustainability offering is one of the key contributors in supporting how our customers measure and reduce their own carbon footprint. In 2023, SoftwareOne took the opportunity to host workshops with clients to demonstrate how Cloud Sustainability can improve efficiency and support their carbon reduction goals. More information can be found in Cloud Sustainability.
TRANSITION TO RENEWABLES & ALTERNATIVE ENERGIES AND SUSTAINABLE OFFICES & RENEWABLE ENERGY: This issue refers to the transition from a predominantly fossil-based energy production system and consumption to renewable and alternative energy sources, including policies, goals, accounting instruments and technologies that facilitate that transition and support strategies for greener offices.	**Medium** Some high stakeholder and financial impacts if we are unable to keep up with new regulations on renewable energy use and environmental impact. The likelihood of this is low due to the nature of our business (i.e. not manufacturing) and our strategy in place focusing on Green Offices.	Our global carbon reduction strategy maps our roadmap to net zero for Scope 1 and 2. Our ambition to reduce our energy consumption, switch to renewable energy sources and create sustainable offices is outlined in our global carbon reduction strategy, specifically as part of our Green Office Initiative. Our 2022 carbon data gap analysis provided data regarding company cars, renewable energy usage and waste disposal. More information can be found in green offices.
ENHANCED EMISSIONS-REPORTING OBLIGATIONS: This issue refers to the ability to keep up to date with all regulations about reporting our emissions	**Medium** Some low stakeholder impacts if we fail to report our emissions data for them, however some medium financial impacts due to legal and operational costs. The likelihood of this impacting us is medium due to the ever-changing landscape of ESG reporting legislation but as this report demonstrates we can report on our Scope 1, 2 & 3 emissions.	Our global carbon footprint is reported annually in the ESG section of our Annual Report. Keeping up with all local, regional, and global changes in emission reporting legislation, for example CO 964b, CSRD, will always be a challenge. The ESG team engages with local legal and finance leads to discuss upcoming regulation and its impact on SoftwareOne. Further to this, our Environmental committee includes local and regional representatives from multiple areas of the business, including legal, compliance, sales, and marketing to discuss and take appropriate action when new climate requests and emission reporting legislation comes into effect. We continuously seek advice from experts in the sustainability reporting and legislation field as well as engage with our (Global Reporting Initiative) GRI advisors. SoftwareOne has reported to GRI since 2022 and plans to submit our targets to the Science Based Target initiative (SBTi) in 2024. These independent bodies help us to monitor our ratings and measure our performance. More information can be found in carbon emissions.

ISSUE AND DESCRIPTION	RISK PROBABILITY	STRATEGIES AND MITIGATION
CHANGING CUSTOMER BEHAVIOUR: This issue refers to the potential changes in customer behaviours that are impacted by climate change	**Medium** Some medium stakeholder and financial impacts if we fail to recognise and respond to our clients' changing environmental needs and they are forced to migrate to our competitors. The likelihood of this impacting us is medium due to the ever-changing landscape of client needs, but we remain proactive in our approach to supporting their needs via Cloud Sustainability and embedded engagement with our Bid and Sales teams to remain responsive to upcoming customer requirements.	Recognising the demand from our customers to measure and reduce their carbon footprint, cloud sustainability was developed and launched in 2023. The ESG team work closely with our sales, RFP and bid teams to ensure we meet clients' climate action expectations and address environmental contract clauses. To support in this, SoftwareOne reports through specialist bodies Carbon Disclosure Project (CDP) and EcoVadis. More information can be found in Cloud Sustainability.
INCREASED STAKEHOLDER CONCERN OR NEGATIVE STAKEHOLDER FEEDBACK: This issue refers to the potential increased concerns that stakeholders have over SoftwareOne's ability to respond to climate change	**Medium** Some medium stakeholder and financial impacts if we fail to respond to climate change due to reputational and environmental damage resulting in decreased demand and potential workforce management challenges. The likelihood of this impacting us is low due to continued commitment to positively impacting climate change and our ambitious but realistic targets.	According to our materiality assessment for 2023, stakeholder concern was not a high priority. This indicated that stakeholders are confident in our approach to ESG matters. To mitigate any additional concerns our global environmental policy communicates to all employees what is expected of them and our internal communication campaign shares regular updates on ESG success, projects and events. In addition, in 2024, all employees will have access to our Carbon Reduction Handbook, providing them with tangible actions to contribute towards SoftwareOne's climate ambitions. The ESG team hosts regular drop-in calls as a transparent approach to our ESG programme. In these sessions we discuss our Environmental programme and upcoming initiatives with employees. Our ambition is to increase employee engagement in these communication campaigns year on year. More information can be found in our climate commitment.
CHANGES IN PRECIPITATION PATTERNS AND EXTREME VARIABILITY IN WEATHER PATTERNS: This issue refers to the acute physical risks that extreme weather may have on our business	**Low** Some low stakeholder and financial impacts if we are unable to respond to the effects that extreme weather has on our business. These are low due to the nature of our business (i.e. not manufacturing, working from home practices and rented offices). The likelihood of this impacting us is low due to our continued monitoring and global environmental policy.	With our operations in over 60 countries, we recognise that changes in weather patterns will affect certain regions more than others. We operate in sveral developing countries and ensure that local health and safety measure are in place to protect and support our employees in the case of such events. Our global Environmental Policy and reduction plan play the biggest role in our efforts to reduce our carbon emissions and contribute less to global warming. The Environmental Committee, which meets quarterly, discusses our environmental programme progress and objectives. It is important to note, that given the nature of our business, changes in extreme weather patterns are a low risk for SoftwareOne. Most of our employees can work from home and all apart from two of our offices are rented which means there is very little impact on our business continuity. In the case of extreme weather conditions, managing employees' place of work is a simpler process. More information can be found in our climate commitment.
RISING MEAN TEMPERATURES: This issue refers to the chronic physical risks that rising temperatures in global warming may have on our business	**Low** Some low stakeholder and financial impacts if we are unable to respond to the effects that rising temperatures have on our business. These are low due to the nature of our business (i.e. not manufacturing, working from home practices and rented offices). The likelihood of this impacting us is low due to our continued monitoring and global environmental policy.	In 2022, we set our climate ambition to be net zero for Scope 1 and 2 as well as measure and reduce Scope 3 emissions related to business travel. Our double materiality assessment determined that rising mean temperatures pose a low risk to SoftwareOne based on the nature of our business, our continuous monitoring and enforcement of our Global Environmental Policy. More information can be found in our climate commitment.

Social

We understand that our commitment to our corporate social responsibility and dedication to creating an inclusive culture enhances not only our employee experience, by creating a sense of purpose and pride for the work we do, but also aims to catalyse thriving communities, ensuring our social commitment positively impacts the regions in which we operate.

Through our double materiality assessment, we identified the risks we face in failing to achieve our commitment to supporting NPOs through the SoftwareOne Impact programme and our local and global communities which are part of our SoftwareOne Gives Back programme.

ISSUE AND DESCRIPTION	RISK PROBABILITY	STRATEGIES AND MITIGATION
DIVERSITY & EQUAL OPPORTUNITY FOR ALL: This issue refers to developing our global Diversity, Equity, Inclusion & Belonging (DEIB) strategy.	**High** Some high stakeholder and financial impacts if we fail to prioritise the importance of a diverse workforce. These are high due to revenue impact with lack of varied perspectives and skills, as well as lack of inclusive workplace. The likelihood of this impacting us is medium due to our need to increase participation rates for our diversity surveys and training, however our current efforts are demonstrating an upward trend in diversity.	Failing to nurture a diverse workforce poses significant risks to our business and the wider community. In an industry where diversity remains a challenge, with the current industry average hovering around just 30% of women within organisations, the stakes are high. Research indicates that companies with more diverse teams outperform their less diverse counterparts, both financially and creatively. Moreover, a lack of diversity can lead to homogeneous thinking, stifl innovation and hinder our ability to adapt to an ever-evolving market.At SoftwareOne, we recognise the imperative of embracing diversity and inclusion not only as a moral obligation but also as a strategic advantage. Our ambition extends beyond industry benchmarks, as we aim to lead the charge in fostering a truly inclusive workplace. By prioritising diversity, equity, and inclusion in our DEIB strategy, we mitigate the risks associated with homogeneity while unlocking the full potential of our workforce and driving sustainable growth.In 2022 we launched our DEIB strategy that helped shape many policies and processes internally at SoftwareOne. This strategy has allowed us to not only mitigate the risks in this area, but also to take this as an opportunity to learn from our employees and their needs. This year we conducted our first DEIB survey, enabling us to listen to our employees, develop an action plan and take appropriate action based on their requirements and with collaboration with multiple departments. More information can be found in DEIB strategy.
WORKFORCE MANAGEMENT: This issue refers to the process of ensuring our workforce is functioning at its most productive levels and copes with organisational changes. It captures employee recruitment, retention and development practices.	**Low** Some low stakeholder and financial impacts if we fail to remain responsive to changes in recruitment processes. These are low due to the current positive perception of our productive workforce. The likelihood of this impacting us is low due to the success already in place from our innovative Talent Acquisition and People & Culture teams.	Every year our ESG team works directly with the Talent Acquisition (TA) team to build a diverse workforce by integrating ESG and diversity principles into our hiring practices, creating awareness and training hiring managers on the importance of a diverse workforce, as well as analysing the TA data to understand trends and gaps to develop actions that promote diversity. This collaborative approach ensures that the workforce reflects diverse perspectives, backgrounds, and experiences, fostering innovation and long-term success within SoftwareOne. We recognise our responsibility to ensure that any risks associated with a lack of workforce management are managed, mitigated and transformed into an opportunity to further our employee engagement. Our Talent Acquisition team has focused on developing processes around inclusive interview panels and has set the goal to train every person who interviews in SoftwareOne to assess candidates more effectively, reduce bias and avoid hiring mistakes. During 2023, 400 hiring leaders around the globe have been trained. The Talent Acquisition team, in collaboration with local offices and the ESG team, will continue to improve in this area with the clear goal to increase diversity, develop the skills of our employees and promote a sense of belonging. More information can be found in DEIB strategy.

ISSUE AND DESCRIPTION	RISK PROBABILITY	STRATEGIES AND MITIGATION
ACCESSIBILITY TO TECHNOLOGY FOR NPOS: This issue refers to continuing to expand our SoftwareOne Impact programme to ensure that we consistently give back to the communities that we are part of by focusing our commitment to NPOs.	**Medium** Some high stakeholder impacts if we fail to live up to our commitments to support NPOs. Some medium financial impacts if we lose this potential revenue stream. The likelihood of this impacting us is low due to the hard work and dedication of our SoftwareOne Impact team working directly with new and current NPO clients.	Our SoftwareOne Impact team focused on strengthening current partnerships and developing new ones to be able to deliver on our commitment to supporting NPOs on their technology journey. This was made possible by capitalising on the strong network the team has built over the years. Internally, SoftwareOne Impact grew its non-profit sales team by over 10 people and added customer success resources to help ensure clients are receiving fast and knowledgeable support. Two new services were launched in 2023 for small and mid-market non-profit customers, to help them take advantage of technology in a consumable way and prepare for the data and AI revolution. SoftwareOne Impact expanded their partnerships with Microsoft, Amazon and TechSoup Global network, and created new ones with Tech to the Rescue and Avange.Tech. We measure success through partnership retention and creation, which help us reach our goal of making technology accessible to NPOs and bringing new business to the company through SoftwareOne Impact services to the non-profit sector. More information can be found in SoftwareOne Impact.
GIVEBACK & STRENGTHENING LOCAL COMMUNITIES: This issue refers to supporting local & global communities through volunteer and donations efforts.	**Low** Some low stakeholder impacts if we do not engage with the local communities, given the lack of direct impact on them. Some medium financial impacts if relationship with local communities become strained or we lose talent due to lack of commitment. The likelihood of this impacting us is low due to our local and global efforts, including regular campaigns, global policy and one paid day a year to volunteer.	Strengthening our relationship with local communities and growing our giving back programme allows us to mitigate any risks related to employee engagement, employee turnover or operational continuity, as low as that risk might be. This year we launched our new SoftwareOne Gives Back platform. It is the first year that we can centralise both the opportunities and the data of our employees' incredible activities for donating and volunteering. Our target for our launch campaign was for 40% of our employees to start using the platform, and our goal for the coming years is to build events to encourage employees to use it and ensure adoption from local offices to support their CSR strategies. Additionally, we updated our global volunteering policy to include our new Gives Back programme. More information can be found in SoftwareOne Gives Back.

Governance

Beyond the risks involved in non-compliance, as an organisation, we will always strive towards the best ethical standards and business integrity. We recognise that with such high standards, there will always be risks both for our stakeholders and financially. As with every risk, there will be an opportunity for SoftwareOne to lead by example with our processes to address these areas proactively. As identified in our ESG double materiality assessment, we recognise the following material risks to our business relating to corporate governance. Additionally, we established a comprehensive third-party risk management process, focusing on high-risk partners that encompasses onboarding, assessments, risk mitigation, and monitoring processes. As part of our commitment, all employees underwent anti-corruption and bribery training, included within our annual mandatory Code of Conduct training.

ISSUE AND DESCRIPTION	RISK PROBABILITY	STRATEGIES AND MITIGATION
CUSTOMER PRIVACY & DATA PROTECTION: This issue refers to the aspect of information technology that deals with the protection of private corporate information, critical information systems and networks from security breaches. Focusing on how to protect both our clients and our own data	**High** Some high stakeholder and financial impacts if we fail to address these issues in our business model or face continuous data threats. The likelihood of this impacting us will always remain a medium given the changing landscape of data privacy legislation and trends (e.g. AI). However our team is continuing to remain proactive in addressing these with processes and policies.	Since the processing of personal (business) data is partly required in the provision of our services, there may be a customer data protection risk. Ensuring robust safeguards, compliance with regulations, and transparent communication about our approach are important components of our risk management program. Our dedicated data protection and cyber security teams are continuously focusing on new ways to prevent and respond to threats or new trends in this area. For example, this year we launched our internal AI policy to help educate our employees in the sensitivity of data when it comes to using AI. We are continuing to ensure that our policies and processes, both for our employees and clients is up to date, tracking the data (for example data breaches) and focusing on KPIs such as tracking our incident response time and data subject requests. More information can be found in data protection and privacy.
BUSINESS MODEL RESILIENCE: This issue refers to identifying and incorporating risks and opportunities connected to social, environmental, and economic challenges into our business model planning. It focuses on how SoftwareOne responds and adapts to these changes to carry on our activity, grow and create value for shareholders and society in the long-term including the topic of human rights, as outlined in Art 964a CO.	**Medium** Some medium stakeholder and financial impacts if we fail to develop resilience to sudden disruptions to operations (e.g. political conflict or pandemics). These are medium given our perceived previous record. The likelihood of this impacting us will always be medium given the unpredictable nature of these events. However, our risk and business operation teams are consistently reviewing and improving our internal processes.	It is vital that our organisation continues to be proactive and responsive to external changes in our world. Over the past few years marked with political unrest, environmental challenges and the continued fallout from COVID-19, SoftwareOne has remained diligent in how we approach these often-sensitive topics. For example, we have adapted and enabled our employees to work remotely whilst continuing to provide physical spaces for in-person collaboration. We believe that this hybrid approach supports our people with the flexibility the world has come to expect without losing an important social aspect of the workplace and support to be gained through in-person interactions. We therefore have a robust approach to our IT, security and access which support different workplace needs, and continue to develop our communication strategies to ensure a clear chain of command to respond to any future challenges in a volatile world. More information can be found in our corporate governance.
SUPPLIER REQUIREMENTS FOR ESG: This issue refers to the partnership we have with our supply chain for greater impact.	**Medium** Some low stakeholder impacts if we fail to keep up with these requirements. This is due to the current requirements remaining low in the short term. Some medium financial impacts due to the potential operational disruptions and lost revenue if we fail, when requested to ensure that we adhere to these requirements. The likelihood of this impacting us will continue to be high whilst the ongoing supply chain legislation on ESG topics continues to change.	Given the ongoing shifts in regulations and pressure on customers to review their supply chain, we recognise the importance of our role in their supply chain to respond to ESG assessments. The risk that we may fail to keep up with such demands allows us the opportunity to proactively focus on our commitment to our suppliers. This commitment has and always will be a key area within our business. We acknowlege the importance of these relationships, not only to support with our own ESG ambitions, but also to assist with theirs too. This year our third-party due diligence process took another leap forward, including new ESG related questions and follow up processes. Not only are we evaluating our own suppliers but we have created more processes to ensure more transparency with our clients and suppliers on the diversity and carbon footprint of those in our supply chain. We will be using our new due diligence tool, Integrity Next, to measure and track the success of these questionnaires. More information can be found in third-party due diligence.

ISSUE AND DESCRIPTION	RISK PROBABILITY	STRATEGIES AND MITIGATION
TRANSPARENCY: This issue refers to the comprehensive management of corporate communication through the systematic recording, reporting, transmission of information and analysis of corporate developments, performance and management.	**Low** Some low stakeholder and financial impacts if we fail to remain transparent in our ESG practices.Our stakeholders have already placed their trust in us.The likelihood of this impacting us will always be medium due to the changing landscape in reporting requirements and our current commitment to annual reporting.	Creating a transparent approach to our ESG programme is key to our approach. Not only are we continuing to communicate externally on our progress but we also ensure that our employees remain educated through innovative ways and we keep our entire organisation informed and engaged. For example, in 2023 we launched regular employee global drop-in sessions to discuss our ESG programme and upcoming initiatives. Our ambition is to improve participation in these communication campaigns year on year. More information can be found in our corporate governance.
ESG GOVERNANCE & ETHICAL BEHAVIOUR: This issue refers to continuing to improve our corporate governance and ethical culture including the topic of anti-corruption & bribery, as outlined in Art 964a CO..	**Medium** Some low stakeholder impacts if our business is unable to continue to enforce ethical behaviour. Some medium financial impacts will always be in place due to risks of regulatory and legal implications. The likelihood of this impacting us will always be medium due to the consistent pressure to align our ESG practices to the changing regulatory environment.	As always, our commitment to integrity and ethical behaviour is a core value at SoftwareOne. As outlined in our Code of Conduct, we set high standards and expectations of our employees to always act ethically. A lapse in governance and adherence to these ethical standards poses a significant risk, potentially escalating the susceptibility to bribery and corruption within our organization. To ensure that these standards are met, our compliance team rolls out annual training and communication campaigns on a variety of topics including basic business decisions, anti-corruption and anti-harassment. By ensuring all employees are educated on these critical topics, we aim to fortify our governance framework and minimize the risk of unethical behavior. The consistent year-over-year improvement in training completion rates reflects our ongoing dedication to upholding the highest standards of integrity and ethical conduct across SoftwareOne. More information can be found in our corporate governance.
ENHANCED LOCAL, REGIONAL, AND GLOBAL LEGAL ESG OBLIGATIONS: This issue refers to the ability to keep up to date with new or enhanced regulations about ESG including the topic of human rights, as outlined in Art 964a CO.	**Medium** Some low stakeholder and financial impacts if we fail to keep up with local, regional, and global legal obligations. This is due to the potential legal and operational costs; however these are currently low but due to increase over time as SoftwareOne qualifies for more legislation over time. The likelihood of this impacting us will always be high due to the speed in the changing landscape of international and local legislation.	With our operations in over 60 countries, keeping abreast of all local, regional and global changes in legislation will always be a challenge. However, this year, in light of such changing rapidly regulations, the ESG team are engaging with local legal and finance leads consistently to discuss upcoming regulation and their impact on SoftwareOne, both regarding our own practices and those of our supply chain. Further to this, our ESG committees include local and regional representatives from multiple areas of the business, including legal, compliance, sales and marketing to help discuss human rights and take appropriate action when new legislation comes into effect. More information can be found in our corporate governance.

Our climate commitment

Our climate commitment

Environmental matters and greenhouse gas emissions

Our goals and policies

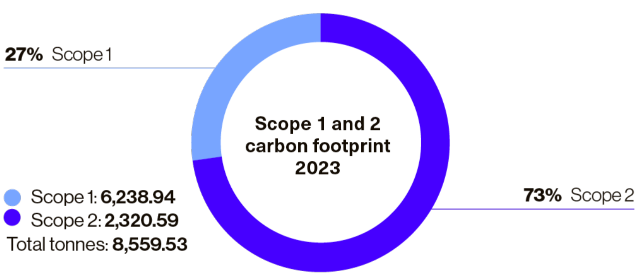
Our ambition to reach net zero for Scope 1 and 2 by 2030 continues to drive our programme forward. This goal allows us to focus our programme on initiatives for which our business is directly responsible.

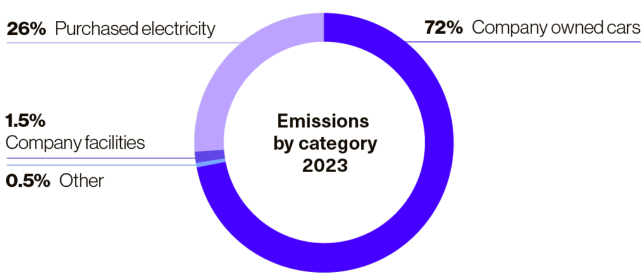
We recognise our responsibility regarding Scope 3 and our carbon footprint for business travel. This year we have implemented new tools and policies to help monitor and govern how and when less carbon-intensive travel options must be selected. SoftwareOne, together with its partners, is responsible for creating a more sustainable market, with solutions that will require minimal raw materials. Although it is not within our direct responsibility, we acknowledge that data centres in our industry generate a high amount of carbon emissions.

This year was pivotal for our carbon reduction strategy as our CEO, Brian Duffy, formally signed SoftwareOne's commitment to the Science Based Targets initiative (SBTi). This important step forward will allow us to align our strategies to the industry-recognised approach and propel our commitment forward.

Carbon footprint

In 2023, we continued our carbon data collection, started in 2022, and calculated our 2023 carbon footprint. Our ongoing carbon data collection during 2023 helped SoftwareOne to develop our carbon data strategy aimed at achieving our 2030 ambitions.





In 2023, SoftwareOne saw a decrease in our Scope 1 and 2 carbon emissions. Reductions in our footprint could be attributed to multiple office closures in during the year. We aim to improve our data collection methodology and emission accuracy each year and as our calculations are still largely spend-based, we recognise that inaccuracies may occur. We also want to note the limitations we faced when using our third-party carbon platform such as lack of global emission factors and limitations around spend-based data calculations.

Our process

Our Environmental Data Experts based in each of our subsidiaries gathered information on their activity and spend-based data from their country. This data is collated and verified by our third-party carbon footprint platform, Diligent, which bases its calculations on a wide range of UK emissions factors.

Our global carbon footprint data collection programme could not have been completed without the hard work of our volunteers from each country. Here are some quotes from our amazing volunteers:

I am proud to be part of a company that not only drives professional growth, but also embraces environmental responsibility and focuses on reducing our carbon footprint. Being part of SoftwareOne's environmental programme is a commitment to excellence, innovation and a greener tomorrow for all.

Eduardo Restrepo, Director, Software and Cloud Services, Colombia

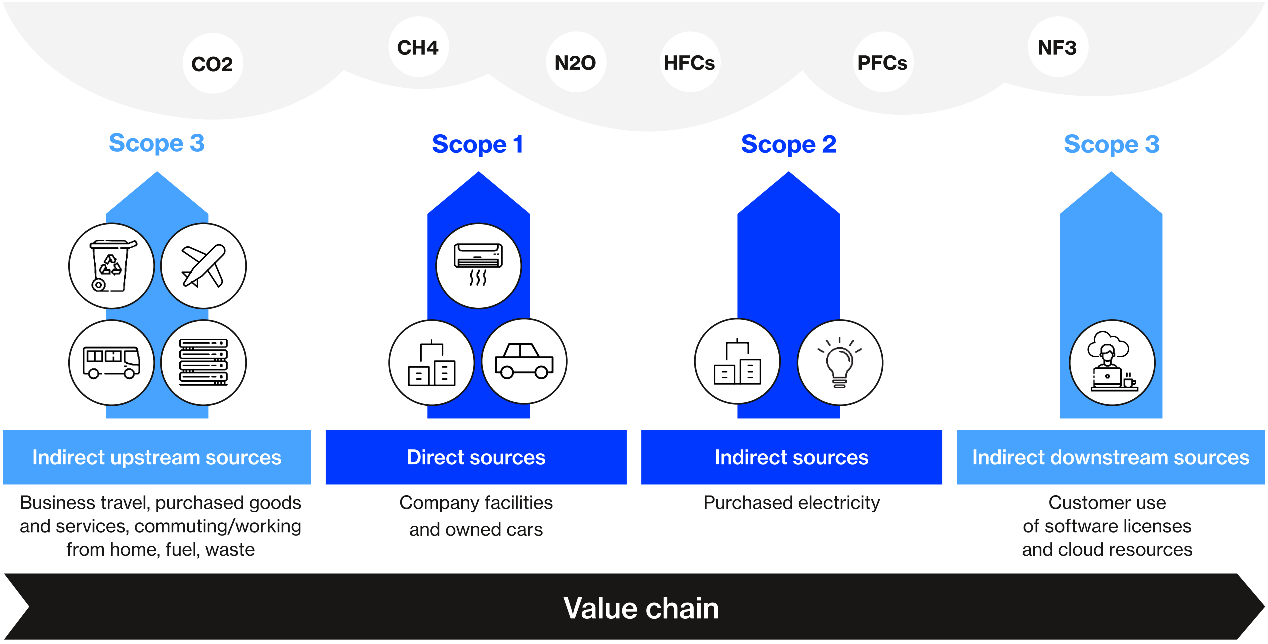
We help identify how environmentally sustainable we are and where our areas for improvement lie. Through the environmental programme, SoftwareOne contributes to a better and more future-proof world.

Jill Tran Kernekamp, Facility coordinator, Netherlands

Emissions across our value chain

In 2023, we mapped out our value chain to gain valuable insight into our operations and identify areas of improvement as part of our overall strategic planning and double materiality assessment. Value chain mapping helps us to identify potential vulnerabilities in the supply chain or operational processes, allowing us to develop strategies to mitigate risks and enhance resilience. Our supply chain involves establishing partnerships with software developers and vendors to source software licenses. Sustainable practices are considered when selecting vendors with strong ESG initiatives.

Due to the nature of our business, we do not transport and distribute finished goods and we do not manufacture goods from raw materials or produce hazardous waste. The graphic below shows the distribution of our emissions across our value chain.



Overview of the Green House Gas Protocol scopes and emissions across our value chain

Our Scope 1 and 2 emissions come from activities related to our office spaces, energy consumption and company-owned cars. However, much like many other software companies, our Scope 3 emissions are much larger than our Scope 1 and 2 emissions and occur in the indirect upstream and downstream value chain emissions.

Downstream entities include end-users who purchase and utilise the software licenses. SoftwareOne engages with customers to provide support services, manage license renewals, and facilitate upgrades. Activities downstream involve cutting downstream emissions by supporting our partners in achieving their public environmental commitments. These emissions are calculated from spend-based data and are therefore difficult to measure and cannot be directly influenced by SoftwareOne.

Business travel and our employees' commuting habits contribute to our upstream Scope 3 emissions and are addressed in our carbon reduction strategy. We aim to continue improving our data collection processes until activity-based data can be used and our carbon footprint is as accurate as possible.

In 2023, the ESG team conducted a gap analysis survey to collect data on outstanding information that can help us strengthen our reduction strategy. This survey was sent out to our environmental data experts and aimed to provide more granularity in our data for each country. Through this gap analysis, we gained a better understanding of the number and type of company cars offered to our employees, the number of offices already using renewable energy sources and the types of waste management practices in place in our offices. This data helps shape and strengthen our Green Office initiative as we identify where improvements are needed to reduce the impact of our offices.

Carbon reduction strategy

Our 2030 climate ambition is focused on implementing effective carbon reduction and emission avoidance practices. This includes our objectives to continue measuring our impact and reducing the carbon footprint of our business activities while using our unique expertise to help our clients manage their own environmental impact. Progress towards our climate ambition is measured by our annual carbon emission calculation and carbon footprint reporting. We aim to reduce our emissions across Scope 1 and 2 by 12.5% year on year and improve our carbon emission data collection to be based on activity data rather than spend-based data.

While these global policies are in place to standardise activities and create consistency through all SoftwareOne subsidiaries, our carbon reduction strategy takes a localised approach; allowing each country to focus on carbon reduction initiatives that directly align with where their emission data demonstrates is the highest. Using our 2022 baseline footprint, the top emitting countries will receive specific KPIs that drive carbon reduction in areas that are relevant to them in 2024. Country leaders are supported by the centralised committee and budget to ensure they have the necessary resources and know-how to reduce their carbon footprint in their country. Many local initiatives within our company have already had measured success.

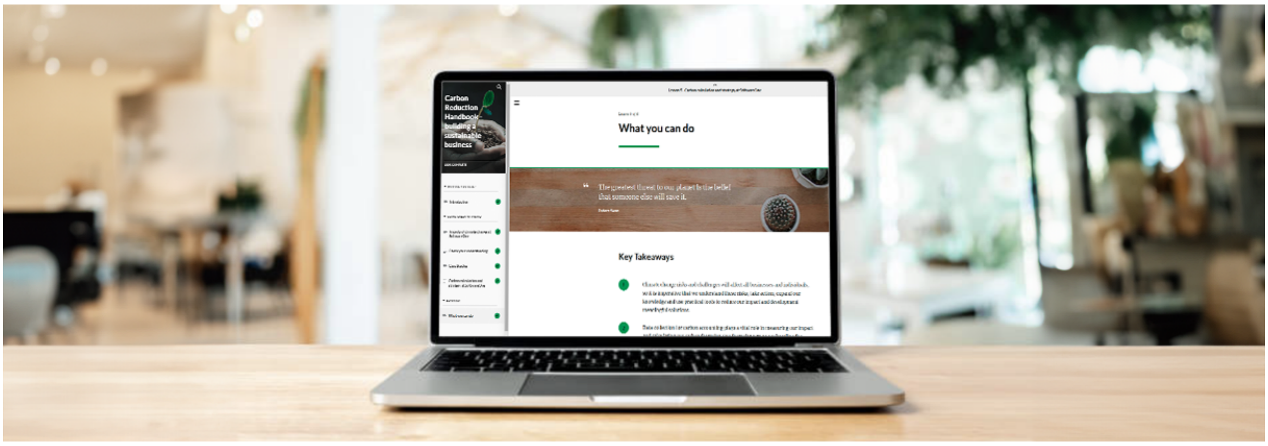
In 2023, this strategy began to take shape and focused on improving data collection methodology and accuracy, as well as emphasising education on carbon reduction initiatives and awareness around climate-related risks and opportunities.

Global Environmental Policy

We published our new global environmental policy in 2023 which covers a wide range of commitments which SoftwareOne and our employees adhere to every day. These commitments are embedded in the way we operate. They include being an environmentally responsible neighbour and identifying and complying with all existing legal environmental regulations and measuring our carbon footprint. In our offices, we uphold our Green Office Initiative and for our people, we commit to training employees in responsible environmental practices and actively encourage their involvement in environmental action.

Education and awareness

Part of our carbon reduction strategy for 2023 focused on improving education and awareness around climate issues and strategy. The ESG team developed an online learning course designed to empower employees and leaders with the knowledge and practical tools needed to make a positive impact within SoftwareOne and beyond. The course will be available to all employees in 2024 and will cover topics such as the science behind climate change, its global implications on businesses and, most importantly, actionable steps each employee can take to reduce their carbon footprint. These steps are categorised according to employee hierarchy to ensure leaders take greater responsibility for implementing reduction initiatives while supporting their teams to do the same and ultimately working towards achieving KPIs.



Carbon Reduction Handbook in use

For the first time, SoftwareOne celebrated Zero Emissions Day in September 2023. This was one of several events that formed part of our climate awareness initiative. The purpose of Zero Emissions Day is to recognise and accelerate our collective efforts towards achieving a sustainable and resilient future for our planet. SoftwareOne encouraged employees to reduce their carbon footprint as much as possible for one day by eating vegan throughout the day, planting trees, shopping at the local market and turning off the power for one hour. The Philippines team even participated in a car-free 5km journey and volunteered to clean up their beaches.

Our roadmap to net zero

Our roadmap to net zero focuses on four key areas including green offices, energy, fleet and business travel.

Green offices and transitioning to renewable energy

The emissions associated with energy used for heating, cooling and electricity in our offices account for 26% of our Scope 1 and 2 emissions. Within our office buildings, we strive to create sustainable and energy-efficient workplaces and, where possible, make use of renewable energy suppliers. In some instances, we have less control over energy suppliers such as in our rented buildings, but we encourage our subsidiaries to rent energy-efficient offices and we promote energy reduction initiatives such as LED and PIR1 lighting. As part of our transition to net zero for Scope 1 and 2 by 2030, offices will relocate to sustainable office buildings when lease terms come to an end and where feasible, change to renewable energy suppliers as soon as possible. At the same time, subsidiaries are encouraged to reduce their energy usage year on year.

Waste management and recycling within our offices form an important part of our Green Office initiative. Our office managers are encouraged to put measures in place to reduce the volume of waste generated through effective waste management and recycling practices. Our waste management commitments are set out in our Global Environmental Policy which all employees must adhere to. These commitments include minimising our waste through careful and efficient use of materials while reusing and recycling materials, and ensuring all offices have recycling bins/facilities available for employees and use recycled printer paper.

Fleet and commuting

Our fleet accounts for 74% of our Scope 1 and 2 emissions and reducing this number is an important priority for our carbon reduction strategy. We take a country-by-country approach to reducing our fleet-based emissions. Regional differences in infrastructure and resources across SoftwareOne demand an innovative, customised approach.

Germany and Spain are two subsidiaries with the largest fleet and they have taken actions to reduce this and replace petrol and diesel cars with hybrid cars and EVs. Spain has reduced their usage of diesel cars by 27% between 2022 and 2023 while increasing the number of EVs by 75% in 2023 compared to 2021. Germany's tax incentive for EVs promotes hybrid cars and EVs over petrol or diesel cars and is an incentive for employees to choose lower-emission vehicles. The tax rate of EVs was lowered to 0.25% of the gross list price per month.

To reduce our employees' commuting emissions, many countries already encourage low-emission travel such as cycling and use of public transport but in countries where employees need to travel by car, we have car sharing and EV schemes. In the last quarter of 2023, our UK subsidiary launched their EV Scheme in partnership with Octopus energy. The EV Scheme is an exciting addition as it aligns perfectly with SoftwareOne UK's focus on corporate and social responsibility. By incorporating the Electric Car Scheme to their benefits package, SoftwareOne UK has the opportunity to emphasize to current and future employees the importance of driving our environmental agenda. In the first three months, employees already saved 0.06 tco2e which is equivalent to the amount of carbon absorbed by 23 trees.

Business travel

SoftwareOne is a people-centric business and client meetings are an important part of building business relationships. Business travel accounts for a large proportion of our Scope 3 and remains an important part of our carbon reduction strategy. We encourage our employees to make mindful travel decisions by being aware of the emissions associated with their mode of travel and by selecting train travel over car where possible or choosing economy class over business class travel.

Our Global Travel Policy was published in 2023 and includes specific environmental statements to help reduce travel emissions and encourage our employees to make climate conscious travel decisions. Key points include:

- Employees are required to use the travel expense tool to select the most cost-effective and carbon-efficient arrangements.
- Employees must travel by train when the total journey is 400km or less, even if alternative, less carbon-efficient modes of transport are more cost-effective.
- Lower classes of service have lower emissions and should be considered first even if an upgrade is possible.
- Employees are encouraged to choose sustainable or eco-friendly accommodation options.
- Hybrid or electric vehicles will be prioritised when renting a car.
- Personal car use is encouraged when two or more employees are traveling to a location that can only be reached by car, for example via car-sharing.

By implementing perimeters such as these, we expect our business travel emissions will reduce year on year. This policy, together with our new global travel expense tool, will promote less and lower emission travel and provide more accurate travel data.

SBTi

The Science Based Target initiative (SBTi) is a globally recognised authority providing companies with a scientific and data driven pathway to reducing their greenhouse gas emissions.

SoftwareOne has committed to set near-term targets and is now listed on the SBTi website as well as their partners' website. Setting a science-based target involves establishing specific goals for reducing greenhouse gas (GHG) emissions for all three scopes in line with what the latest climate science indicates is necessary to prevent the most severe impacts of climate change.

We are developing our science-based targets in 2024 that will drive our emissions reduction strategy. We aim to be net zero for Scope 1 and 2 by 2030 and this ambition forms the foundation of our carbon reduction strategy. With the SBTi will come specific KPIs in carbon reduction for each country to achieve our overall target.

Cutting downstream emissions

Cloud Sustainability

Cloud Sustainability continues to be a focal point in our "Cutting Downstream Emissions" ambition which aims to support our clients' own sustainability and ESG journeys. This programme provides accurate and specific emission reduction strategies across the hyperscalers[1].

Cloud Sustainability provides our clients with the fundamentals of each cloud solution and application service, enabling them to reduce their Scope 3 emissions.

FinOps continues to provide organisations with a framework with which to achieve the most value from cloud investments, and Cloud Sustainability (as a natural result), reduces the environmental impact of digital technologies and operations. While FinOps enables clients to manage their software and cloud spend, Cloud Sustainability takes a broader approach by considering the environmental impact of software development and operations. Both FinOps and Cloud Sustainability aim to optimise the use of resources to reduce waste and increase efficiency. While FinOps focuses on cloud resource optimisation, Cloud Sustainability looks at resource optimisation across the entire software development and operations lifecycle. Today, organisations implementing an ESG programme benefit greatly from this well-established framework. SoftwareOne participates in Cloud Sustainability Special Interest Groups to drive innovative and effective processes.

Cloud Sustainability emphasises the use of energy-efficient technologies and practices in software development and operations. Not only does it demonstrate our deep-rooted commitment, but it sets a benchmark within our market for how downstream emissions can be reduced. With extensive resources at our disposal, we are making a significant contribution to our market sector. Cloud Sustainability demonstrates SoftwareOne's commitment to supporting our customers in achieving their own ESG goals.

At SoftwareOne we intend to implement Cloud Sustainability for our own purposes, by using the data provided by publishers to help calculate more accurate data on our own carbon footprint.

1) Hyperscalers are large cloud service providers, that can provide services such as computing and storage at enterprise scale. Eg. AWS and Microsoft

Spotlight story

Clearing the way for green energy

In order to supply southern Germany with green electricity from large wind farms in the north of the country in the future, underground extra-high voltage cables are being laid over hundreds of kilometres across the country. HIGHVOLT has developed an innovative monitoring system to continuously monitor the underground power transmission. It uses Azure cloud services to process large amounts of data in real-time, enabling faster and more accurate localisation of cable faults. In collaboration with SoftwareOne, a solution architecture was designed that also allows for the future integration of AI algorithms for predictive maintenance.

Together with SoftwareOne, we built HiMON® on cloud technology to get a highly scalable and flexible, but also secure solution.

Thomas Steiner, Executive Director Technology, HIGHVOLT Prüftechnik Dresden

HIGHVOLT is a partner of many transmission system operators in Germany and other countries and is one of the leading suppliers of measuring, testing and monitoring systems for power grids worldwide. The company supports the expansion of the high-performance extra-high voltage lines “SüdLink” and “SüdOstLink” in Germany, which are completely constructed as underground cables.

To solve the challenge of maintaining and locating faults on direct current lines up to 700 kilometres long, HIGHVOLT has developed a unique system called HiMON® in partnership with the German Technical University (TU) of Dresden. HiMON® uses special sensors to monitor the transmission quality of power cables during operations and can locate faults more precisely and quickly than by traditional methods. With the future use of AI, HiMON® should be able to predict cable faults, enabling predictive maintenance and preventing outages.

To be able to collect and analyse the accumulated data in real-time, the HiMON® monitoring solution required an appropriate software architecture. It was developed by SoftwareOne based on various Microsoft Azure services, such as Azure IoT and Azure Kubernetes Service.

Our social responsibility

Our social responsibility

Our people

As we continue to grow, attracting the best talent, empowering people to innovate and reinforcing our culture remain key to driving performance and maintaining a highly motivated workforce.

Our People and Culture team use three key pillars to drive our success:

Business partnering

Supporting strategy execution by partnering with the business to drive excellence across our talent pool

Operational excellence and tools

Leveraging global footprint and shared service centres to improve our processes through automation and tooling

Centre of excellence – talent, engagement and rewards

Best-in-class approach to talent, development, engagement and rewards through our centres of excellence

These key pillars allow us to drive operational excellence within all our people interactions, keep us true to our seven core values and help us focus on what truly matters to us: our people.

Our seven core values

Humble	Customer focused	Employee satisfaction	Speed	Passion	Integrity	Discipline
We never forget the importance of our clients and are always looking for ways to deliver more.	We are driven to exceed expectations and ensure a world class experience for all our clients, all over the world.	We love and support our colleagues because we know that happy, empowered colleagues lead to happy, empowered clients.	We believe that fast is better than slow but we will never compromise on quality.	We strive for excellence, go the extra mile for our clients and have fun in what we do.	We are consistent, honest and fair and always do what is right for our clients and their business.	In everything we do, we accept responsibility and deliver on all of our commitments.

Social issues

Our goals and policies

Aligning our practices to support local communities and prioritising a positive social impact is not only a moral imperative but also a strategic one. We are committed to supporting >3,000 NPOs on their journey to leverage technology to increase positive impact. Additionally, we promote a giving back culture through our corporate social responsibility programme, where our employees and the business give back to the causes and communities close to us.

We understand that our commitment to our corporate social responsibility and dedication to creating an inclusive culture enhances not only our employee experience, by creating a sense of purpose and pride for the work we do, but also aims to catalyse thriving communities, ensuring our social commitment positively impacts the regions in which we operate.

SoftwareOne Gives Back

In 2023 we partnered with Benevity to launch our own volunteering and donations platform which is available to all SoftwareOne employees. This platform has over two million NPOs and allows our employees to get involved in giving and volunteering opportunities to give back to our communities.

As part of the launch campaign, SoftwareOne gave every employee a kick-off fund of CHF 20 for them to make their first donations. During this period, we managed to:

Donate
+87,000
CHF

Reach
40%
participation in the kickoff seeding money

Support
1,227
causes worldwide

Our employees are passionate about the causes they support; below are some comments from some of the participants.

I have always been passionate about animal conservation and protecting the environment. I donated to Enviro Crime Solutions which is an organisation based in South Africa that works to stop poaching of Rhinos and other endangered species.

Ashleigh Werner, SoftwareOne employee

I donated to the Climate Change Organisation and the Marine Conservation Society. The options were endless, but the environment and the world around us has always been a passion of mine – I believe these organisations will be successful in contributing to preserving our environment and in turn help preserve our future!

Huw Wayment, SoftwareOne employee

SoftwareOne Gives Back reinforces our commitment to society and our workforce. Since the launch of this programme in October 2023, we have focused on donations, and 2024 holds many possibilities to create missions and events on the platform. We will measure the effectiveness of this programme through employee participation in the multiple events and campaigns organised throughout the year. Additionally, our corporate donations aligned with our DEIB strategy will be facilitated through the platform.

Supporting direct positive digital transformation of NPOs and local communities

SoftwareOne Impact partners with non-profit organisations (NPOs) and non-profit technology providers around the world to have a positive impact on society and our planet. We believe that we all benefit when NPOs, that are driving positive change, are successful. Technology is the key to helping them scale and achieve more. We empower NPOs to achieve their goals by offering an extensive portfolio of services and solutions and by leveraging key partnerships with organisations that have the resources to directly benefit the communities where we work and live.

In 2023, we built scale, partnerships, network, and competency. To ensure the effectiveness of our programme, we executed the initiatives that were launched in 2022 and expanded in other areas to establish greater reach, continuing to provide excellent experiences to many non-profit clients. Internally, we grew our non-profit sales team by over 10 people and added customer success resources to help ensure clients are receiving fast and knowledgeable support.

We launched two service ranges for non-profit customers, covering all major cloud platforms, based on the most pressing use cases brought to us by our non-profit customers. These include security, identity, data platform, business intelligence, volunteer management, disaster recovery, productivity and much more.

We launched the first non-profit services in Amazon Web Services (AWS) Marketplace, with Amazon Connect Quickstart for Nonprofit being the first. This programme is providing deployment services of Amazon's customer experience in a fixed engagement, designed to support a wide range of non-profit requirements ranging from critical response, to donor drives, to traditional customer support.

Our second AWS service, AWS DataLake Quickstart for Nonprofit, launched alongside SalesForce Cloud for Nonprofit, to collate essential non-profit data from CRM, ERP, SAAS platforms and other data sources into a single location, allows non-profits to better understand their wealth of data and to benefit from cloud scalability, analytics, and AI.

For Microsoft 365 and Azure, the Copilot Rapid Adoption Kit for Nonprofits was created to meet customer demand upon the launch of Microsoft 365 Copilot. A second service, Azure OpenAI for your Data Quickstart followed the launch of the Azure Private Preview to support organisations wanting to utilise Large Language and AI capabilities, without major upfront investment.

We developed our partnership with Tech to the Rescue, an organisation that connects non-profits needing tech assistance with companies providing the necessary skills and resources. We initiated a partnership with Avange.Tech, a technology services partner focused on the humanitarian and health sector – leveraging them as an extension to our delivery team to service even more clients.

SoftwareOne expanded our partnership with TechSoup Global network, to reach more non-profits with our services. This accelerates our ability to offer services at scale to NPOs everywhere. Together, TechSoup and SoftwareOne will offer civil society organisations access to SoftwareOne's core services offerings including Cloud Essentials for AWS and Microsoft Azure. Through this partnership, in 2023 we started working with NPOs in Denmark and Poland, and the rest of EMEA and the world will follow in 2024. This collaboration aims to simplify cloud management for non-profits, optimising efficiency and reducing operational costs while bridging the skills gap within organisations, and ensuring effective navigation of cloud environments.

We participated in and sponsored the annual Nethope Global Summit which was hosted in Munich Germany in October 2023. Nethope is a NPO that empowers global NGOs and mission-driven organisations by connecting them with technology partners to drive positive social impact. The summit brings together leaders and innovators in the non-profit and technology sectors to collaborate, share insights, and advance their collective mission of using technology for social good.

SoftwareOne employees at the Nethope Global Summit 2023

Third-party due diligence

Our ESG programme is about more than just our own actions. We are committed to ensuring that all those within our supply chain are held accountable and live up to the same ethical standards and ethos that we do.

Process and initial results

In 2023, we enhanced our third-party due diligence process with Integrity Next. This widely recognised platform allows our suppliers to complete a questionnaire that covers multiple topics such as environmental protection, energy management, data protection, anti-corruption, modern slavery, human rights (including child labour), conflict minerals, health & safety, conflicts of interest, diversity & inclusion, quality management and carbon footprint.

This assessment entails a risk-based selection process for our first-tier suppliers. This process identifies suppliers that pose the highest risk based on factors such as location and industry. The questionnaire provides a comprehensive assessment of the supplier's practices, policies, and controls, allowing for a consistent and objective evaluation of supplier risk.

By using this process, our business can effectively manage supplier risks, mitigate potential vulnerabilities, and ensure compliance with applicable regulations and industry standards. It allows us to analyse the results, whilst also using the integrated risk rating system within Integrity Next, to determine next steps such as follow up actions or site visits if necessary.

In 2023, our Tier 1 suppliers, some new and some current, were onboarded and processed through our due diligence assessment. Of these, over 7,900 suppliers were included in our process for an abstract risk analysis, with over 1,000 invited to additional assessments relating to multiple ESG related topics, including their environmental and social impacts.

German Supply Chain Act

Given the introduction of the German Supply Chain Act, our German team have been prioritising our German suppliers in this process. Germany, the US, Switzerland and the Netherlands are the main geographical markets for SoftwareOne and represent approximately 49% of our total revenue. Germany accounts for approximately 20% of global revenue. These suppliers were divided into categories A, B and C depending on their sales strength, with the priority placed on our main A and B suppliers. Our suppliers are subjected to a risk analysis at a later stage (sector and country-specific).

All 5,449 of our German suppliers were uploaded to the IntegrityNext portal and underwent a risk analysis based on country risk and industry risk. In the first campaign, we identified and interviewed 314 A and B suppliers, and in the second campaign, the high-risk category C suppliers were interviewed in mid-January 2024 and results were shared in the 2024 IntegrityNext report.

To further support our compliance with this regulation, our Integrity Line is open to external interested parties who can raise any concerns with respect to our supply chain. In addition, we have introduced the first publicly accessible telephone hotlines to encourage additional ways to contact SoftwareOne.

Code of Conduct for business partners

We mandate all our third parties to adhere to our Supplier Code of Conduct. This code contains topics such as labour standards, discrimination and harassment, human rights (including child labour), the environment, anti-corruption, and grievance procedures. This allows us to ensure that all our third parties, including suppliers, review and sign off on this document.

Supplier diversity at SoftwareOne

SoftwareOne is engaged in several initiatives to enhance our supplier diversity. We are passionate about ensuring that our supply chain includes minority and under represented groups. Enabling this supports both our suppliers and our customers in their own efforts to increase supplier diversity.

Customer software portfolio diversity

SoftwareOne is actively involved in a programme to assess and prioritise the impact of the software and services we manage on diverse certified suppliers.

The IT software products and services categories can be especially challenging from a supplier diversity perspective, and opportunities to directly attribute spend to diverse suppliers are inherently limited. Customer investment decisions in this category are primarily driven by technical and commercial priorities, making it more difficult to prioritise supplier diversity.

However, we are actively engaged in establishing a pilot programme to help our customers better address the challenges of supplier diversity in the Software & Services space. In the US, we have worked with leading supplier diversity partner, Supplier.io, to enhance reporting capabilities and support our clients' disclosure obligations.

As part of our third-party due diligence programme over the coming years, we will improve our understanding of the diversity landscape of our suppliers at a global level and focus on enabling greater investment opportunities in diverse suppliers, for SoftwareOne and our customers alike.

Employee matters

Our goals and policies

Promoting an equal and inclusive culture, as well as a workplace that allows individuals to be the best versions of themselves within SoftwareOne, is and always will be at the core of who we are.

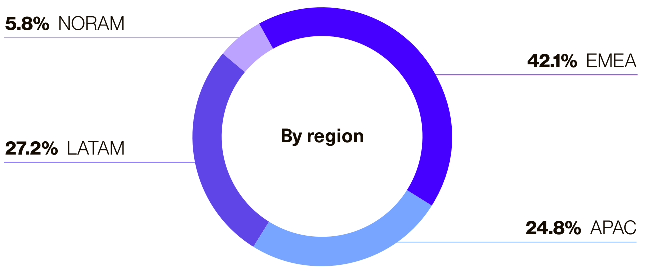
Our 2030 ambition to be an employer of choice for diversity continues to drive both our internal initiatives and external commitments. With the introduction of our new annual DEIB survey, it was imperative that we build a solid foundation of more data with our employees' perspectives. In addition, our overall DEIB strategy has taken further action to align with our talent acquisition and learning teams for more policies and processes to enable more diversity within our organisation.

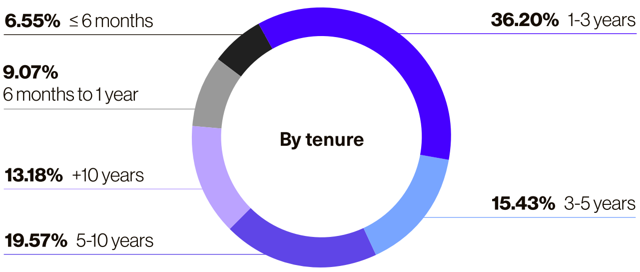
Diversity, equity, inclusion and belonging (DEIB)

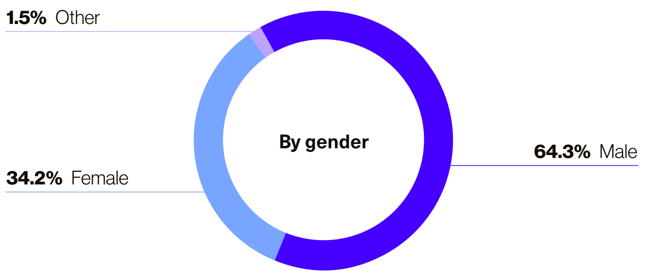
SoftwareOne prioritises and further develops our focus on DEIB by establishing an externally recognised global DEIB programme while continuing to support locally-developed initiatives.

In 2023, SoftwareOne grew to ~9,300 employees worldwide. We pride ourselves on our diversity, representing people of 60+ different nationalities, 30+ languages and a good representation of religious groups. By gender, the distribution is 64.3% men, 34.2% women and 1.5% other, and the average age is 37.

FTEs breakdown by region, by tenure and by gender
based on 2023 FTEs







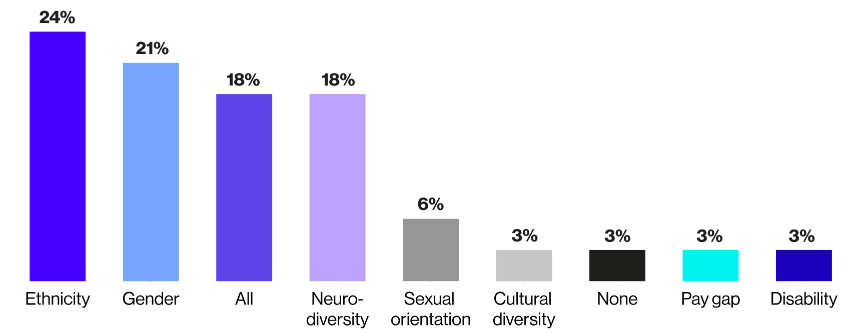
Our DEIB strategy guides our efforts and measures our impacts with global KPIs. We create a culture for our employees and stakeholders that welcomes everyone into a safe and inclusive environment and which empowers more creativity and innovation, leading to the best possible client focus and experience.

DEIB survey

It has been challenging to estimate the diversity profiles at SoftwareOne based on the limited data available to us so far. In 2023, we conducted a global cultural assessment and audit focused on understanding the demographics of our workforce, as well as their personal reflections on inclusion and their sense of belonging. We worked with a third party to ensure anonymity, to prioritise data integrity and trust. Overall, 18% of our employees participated in the survey, giving us valuable information, although not wholly representative of the company. The raw data and its analysis will serve as a baseline for our DEIB strategy for the coming years.

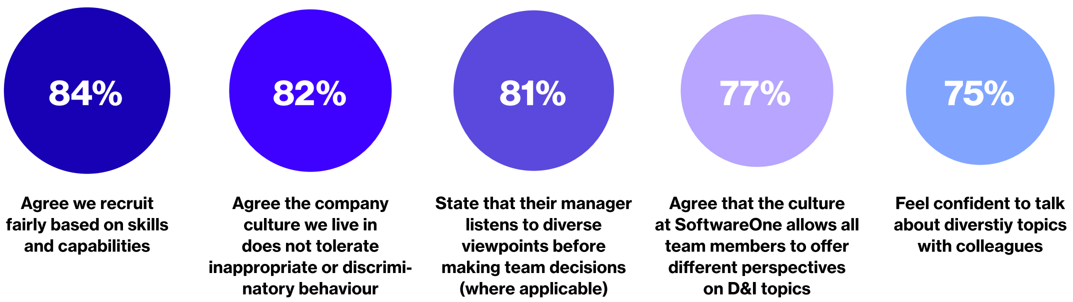
The graphic below shows the diversity-related topics that our employees most want SoftwareOne to focus on. As part of our DEIB D&I strategy for the next two years, our focus areas are Gender, LGBTQ+, Ethnicity and Neurodiversity, showcasing our effective alignment with our employee's priorities.

Employees diversity-related priorities



Reflection on inclusion

In general terms, our employees value our DEIB efforts, and the culture that we are building collectively. Below, we can find the top highest rated statements.



DEIB is a priority for SoftwareOne; in 2024 we will be undertaking a cultural assessment, to ensure that our future efforts are aligned with our employees' expectations to provide them with an inclusive and equitable place to work and grow. Our key performance indicator for the success of our survey is not only to increase results but also to critically increase the participation rate, aiming for 50% employee participation.

Women in senior leadership

Diverse representation is vital at all levels of an organisation. Part of SoftwareOne's target for the coming years is to increase the representation of historically marginalised communities throughout the business. In 2023 the representation of women in senior leadership at SoftwareOne stood at 37%.

We want to highlight the stories of three women who recently became senior leaders.

Julia, an Executive Board member, joined SoftwareOne in November 2022 to oversee the areas of human resources, leadership development, talent acquisition and management. With more than 20 years of experience across all aspects of human resources in global, people-centric organisations, Julia will drive the company's people strategy to ensure that it continues to attract, develop, and retain high-performing and diverse talent to fuel the growth journey.

I decided to work in the tech industry for several reasons. Firstly, it is a rapidly growing field with numerous job opportunities and enormous future business potential. Secondly, as a female leader, I bring diverse perspectives and ideas to the table, which can lead to more innovative and inclusive solutions. Working in tech allows women to be part of shaping the future through technological advancements, contributing to the development of society as a whole.

Julia Braun, Chief Human Resources Officer

Sonia joined SoftwareOne in 2014 and since then she has successfully managed and grown the Spanish business. She brings 20+ years of professional experience in the tech industry including senior leadership roles at Dell and Insight. She became a senior leader in October 2023, leading the entire LATAM business.

Talent wins games, but teamwork and intelligence win championships. I truly believe that teamwork has the incredible power to increase productivity, job satisfaction, and even each person's individual performance.

Sonia Caso, Regional President Latin America

Another step to strengthen our management team is the integration of Marketing and Susanna into the senior leadership team in October 2023. Susanna joined SoftwareOne in January 2021 and since then has worked to build up a modern Marketing function in the company. She has 20+ years of professional experience in the tech industry including CMO roles at Diligent, Presidio, and Cognizant's Digital Business division. A staunch LGBTQ ally, she is on the SoftwareOne Mosaic NORAM Board.

At heart, I'm a geek who believes that technology is the single most transformative force of our time. Since getting a double MBA in Marketing and Information Systems, I have been fortunate to ride this wave of change in the industry, both at start-ups and global category leaders. As a female leader and LGBTQ ally, I know how crucial it is to support nuanced perspectives and teams so we can contribute the most at SoftwareOne and beyond.

Susanna Parry-Hoey, Chief Marketing Officer

Mosaic: our employee resource groups

SoftwareOne is dedicated to cultivating a culture and company that is inclusive for everyone, enabling every Swomie to bring their true selves to work. Mosaics, SoftwareOne's regional Employee Resource Groups (ERGs), are dedicated to representing our workforce and the diverse communities and identities within SoftwareOne. The primary goal is to collaboratively contribute to creating a sense of community and belonging at SoftwareOne.

Mosaic was born in 2020 within NORAM and LATAM and in 2023 we expanded it to the rest of the regions, EMEA and APAC. Every regional Mosaic sets their own purpose and action plan aligned to the global DEIB strategy. Since the launch, Mosaic has amassed 31 members from EMEA, 12 from APAC, 21 from LATAM, and 7 from NORAM.

Some of the activities organised by some of our regional Mosaics are:

Mosaic LATAM – During the month of March, Mosaic LATAM focused on female empowerment, organising a series of events to highlight female representation in the workplace and providing a safe space to discuss gender inequalities. One of the events was an informal "tea time" conversation with two women in their fields, an Ambassador and a Permanent Secretary, where employees exchanged ideas and points of views in a casual and inviting environment.

Mosaic NORAM – In 2023, for Black History Month, Mosaic NORAM engaged in a month-long exploration of the acclaimed "1619" podcast. This in-depth exploration included live weekly syncs that allowed participants to engage in discussion about the subject with other employees. A capstone event, featuring Professor Norissa Williams allowed for an exploration of anti-blackness through storytelling. 71 Swomies participated in the exploration, and 105 Swomies attended the capstone event.

Pride at SoftwareOne

At SoftwareOne, we strongly believe in cultivating a culture that celebrates and embraces the unique qualities of everyone. We prioritise creating an environment where everyone feels not just accepted, but truly valued for their differences. For the first time in 2023, we celebrated Pride both on a global and local level. With initiatives focused on creating awareness, promoting constructive conversations and giving back to ensure everyone within SoftwareOne feels safe, comfortable, and accepted when being at work.

At SoftwareOne, we all play an important role in shaping our culture so that every Swomie feels: “This is where I belong.” I want all of you to feel valued and empowered to bring your authentic selves to work and focus fully on how you can use your knowledge, your skills, and your ideas to help each other and, most importantly, our clients. Only when we create a workplace that celebrates and respects differences, can we unlock the full potential of our team and achieve extraordinary results.

Brian Duffy, CEO SoftwareOne

UN Free and Equal Donation Campaign
We launched a donations campaign to support the UN Free and Equal (UNFE). 1,613 Swomies ordered their Pride t-shirts, and thanks to their participation, we were able to donate CHF 20,000 to the UNFE.

SoftwareOne employees during Pride Month

UN Human Rights is grateful to SoftwareOne and its employees for their contribution to the UN Free & Equal campaign. Thanks to your support, we are able to raise global awareness and advocate for equal rights and inclusion of LGBTIQ+ people.

Michael van Gelderen, Team Leader, LGBTI People, UN Human Rights (OHCHR)

ESG talk “We can all be allies” with Gina Battye
We had our first ESG talk “We can all be allies” with Gina Battye moderated by our CHRO Julia Braun, where we opened the conversation about allyship and inclusivity in the workplace. She gave us some good tips to apply in our day-to-day to make sure that we are all creating safe spaces to allow everyone to bring their true selves to work. 1,358 Swomies from around the world attended this ESG talk.

Stories of Pride

At SoftwareOne, we are proud of our multi-faceted base of Swomies worldwide. Every single one brings their unique background into the mix and enriches the SoftwareOne culture. For the second time, we invited our employees to share their stories of Pride, as an opportunity to share their journeys and create awareness. A big thank you to Katy Fant, Katie More and Jessica Bergman for participating and sharing their stories.

DEIB strategy

Our DEIB strategy supports our 2030 ambition of recognising SoftwareOne as a diverse employer, focusing on attracting diverse new talent and retaining our existing talent.

Attract

At SoftwareOne, as part of our DEIB efforts, we are prioritising increasing representation by cultivating a more diverse candidate pool. We're dedicated to attracting talent that not only mirrors the diversity of the global society we operate in but also embraces and celebrates the rich tapestry of backgrounds within our Swomies community worldwide. Through proactive initiatives, we aim to create an environment where every individual feels seen, valued, and empowered, fostering a workforce that authentically represents the vibrant diversity of our world.

Talent acquisition

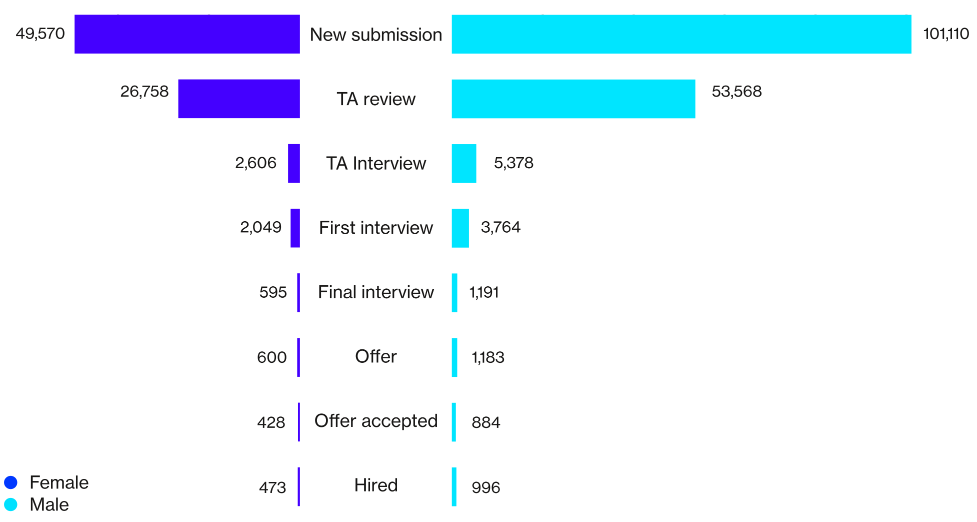
Numerous efforts have been made to ensure that our Talent Acquisition (TA) process is inclusive and fair to all communities. To ensure we are doing everything to attract candidates for suitable positions, we use online bias-checking tools to scan the language of our job adverts. We have also reviewed our hiring selection process, to ensure that our hiring leaders keep making fair and unbiased hiring decisions at SoftwareOne. Some of the actions taken are:

- **Inclusive interview panels:** we ensure every job hiring process has an inclusive interview panel to guarantee a balanced view and eliminate bias.
- **Assessment tools:** all our hiring processes involve market leading assessments such as Pymetrics and Criteria, to ensure the assessment process is non-discriminatory and that any subgroup differences are minimised.
- **Hiring manager interview training:** our vision is that every person who interviews within SoftwareOne has gone through our Global Interview Training programme; so far 400 hiring leaders around the globe have been trained. This training programme has been crafted to create a global interview standard that will enhance interviewers' skills, enabling us to assess candidates more effectively, reduce bias and avoid hiring mistakes. This training is an essential foundation for building and sustaining a global standard.

Our gender diversity metrics from 2022 to 2023 reveal a significant positive shift. Female applications surged by an impressive 247%, which positively impacted our gender balance through the entire talent hiring funnel resulting in a 110% rise in offers extended to female candidates.

Our attraction rate was 30% women versus 70% men in 2022, improving to 34% and 66% in 2023, respectively. However, we recognise specific business areas, such as Software & Cloud Marketplace, Sales, and Business IT currently fall below this benchmark. In light of this, our primary focus this year remains to attract a more diverse pool of candidates, ensuring a comprehensive and inclusive talent landscape across all sectors.

Talent acquisition statistics 2023



The improvements seen in 2023 were achieved through a variety of initiatives during the year. Our talent acquisition teams in different global regions have been working towards our goal of attracting a more diverse pool of candidates. Below are some of the regional initiatives set forth to help achieve this goal.

Region	Initiative	Description
APAC	HerRising Virtual Diversity Event	The APAC TA team participated in a virtual diversity event, HerRising, to establish brand presence in the D&I talent space. The day was spent building a robust talent pipeline for the Indian market in both tech and non-tech sectors, converting prospective candidates into open roles, and networking with passive candidates for future opportunities. SoftwareOne panellists were also able to represent SoftwareOne through Fireside Chats with exclusive diverse talent.
EMEA	PowerToFly Virtual Diversity Career Fair	In collaboration with our diversity partner, PowerToFly, the EMEA TA team participated in a virtual diversity career fair. SoftwareOne presented in the fields of technology and engineering, sales, marketing, business, finance, and HR and even offered guidance on upskilling and early careers. As a result of this event more than 3,600 registrants are now in the SoftwareOne talent pipeline.
LATAM	Women in Tech Celebration	The LATAM TA team has been committed to celebrating Women in Tech through a series of SoftwareOne employee weekly highlights on various social media channels. This included the Marketing Director, Head of Operations in Brazil, and Transformation Leader just to name a few.
	Chat & Learn Session with PowerToFly	One of LATAM's Senior Talent Acquisition Partners hosted a Chat & Learn session with our diversity partner, PowerToFly, on "Tips to Crush Your Next Interview". SoftwareOne received twice the number of RSVPs and attendees over PowerToFly's average attendance rates.
NORAM	Neurodiverse Apprenticeship Program	The NORAM TA team piloted a Neurodiverse Programme to hire apprentices into a 26-week programme. Through collaboration with partners the NC Autism Society and UNC TEACCH, SoftwareOne was able to successfully bring two individuals on board with the goal to expand this pilot into 2024. As a result of this pilot, the TA team created a neurodiverse hiring playbook and interview guide for hiring managers and was also able to offer online training modules geared at educating and celebrating the benefits of working alongside neurodiverse individuals.
	Latinos in Tech Virtual Career Fair	The NORAM TA team, along with Mosaic, participated in a Latinos in Tech (LiT) virtual career fair. SoftwareOne was one of 18 sponsor companies and was able to connect with over 400 visitors to our booth and now has a pipeline of more than 1,800 Latinos in tech for future opportunities.

Some of the plans we have for next year revolve around expanding our neurodiverse hiring pilot, developing a playbook for candidates with disabilities and offering a dedicated email address for accommodation requests throughout the hiring process.

SoftwareOne Academy: strengthening our future talent pipeline

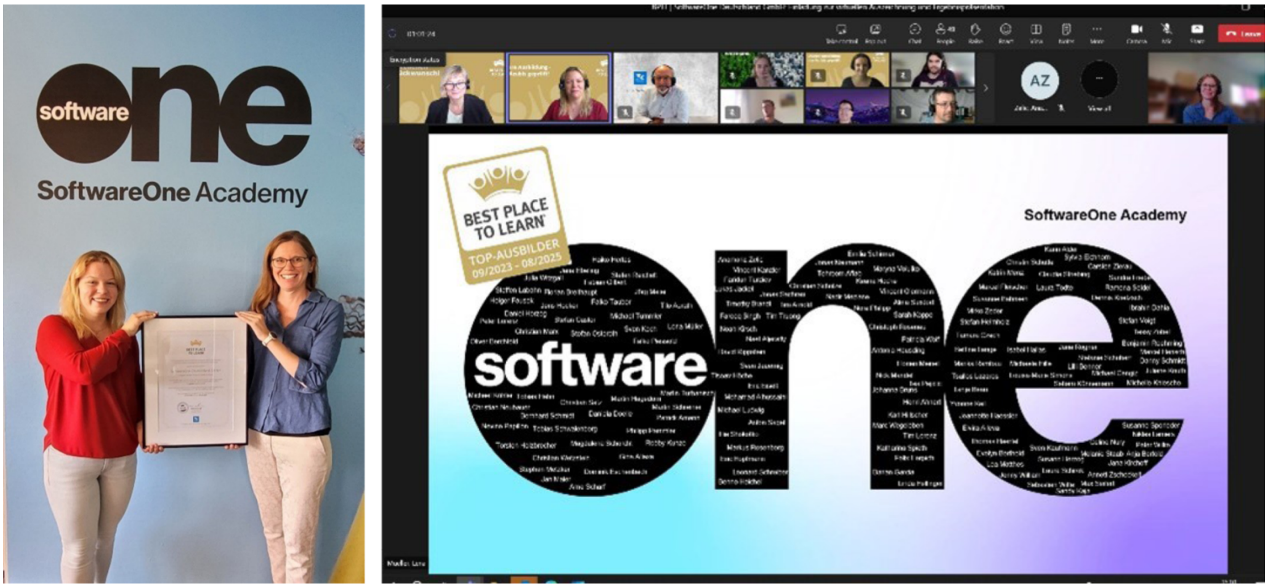
The Academy's mission is to source, recruit, train, support and aid the transition of young and career-changing individuals from local communities worldwide into SoftwareOne, starting from grassroots level. The programme offers careers in technology to individuals from both traditional and non-traditional educational backgrounds in partnership with universities, charities, educational institutes and government bodies. The learning provided is tailored to meet the specific needs of service lines, roles, functions, and geographic requirements. The curriculum covers technical, business, language, consulting, and soft skills to enable associates to succeed in our global professional services organisation.

Now in its fourth year, the SoftwareOne Academy exists in over 20 countries delivering over 25 curricula across Sales, Services, Business IT (BIT) and Global Services Delivery (GSDC) Operations. 72 cohorts have run in 32 cities with 514 learners either currently in the programme or transitioned to full-time employees at SoftwareOne, representing a 91% transition rate to business.

In 2023, the Academy won:

- "Best Onboarding Programme of the Year" at the L&D Summit and Awards in India.
- "People Development" at the Merit Awards in Barcelona.
- Finalist in the category of "Excellence in Graduation Recruitment and Development" from HR Excellence Awards 2023 APAC.
- Finalist at the Learning Technologies awards 2023 for Best use of blended learning.

The effectiveness of our programme secures our continued recognition by the EU Pact for Skills and the EU's European Alliance for Apprenticeships. This also supported the Academy in DACH to be the winner of the "Best Place to Learn, Germany" for our apprentice programmes.



SoftwareOne employees winning the "Best Place to Learn, Germany" award

In 2023, the Academy launched SOAR, our 12-week Returnship Programme, focused on supporting professionals who have taken a break from their careers and wish to return to work. This programme offers a unique blend of training and hands-on experience to support people in relaunching their careers. It is available in multiple countries, including Spain, India, Brazil, Colombia, and China.

The Academy continues to transition learners to permanent roles. There is an Alumni Group called Amplify, which aims to foster networking and collaboration beyond the Academy programme, helping our young people to continue developing themselves, build their careers and spheres of influence, and lean on each other through their progression.

Retain

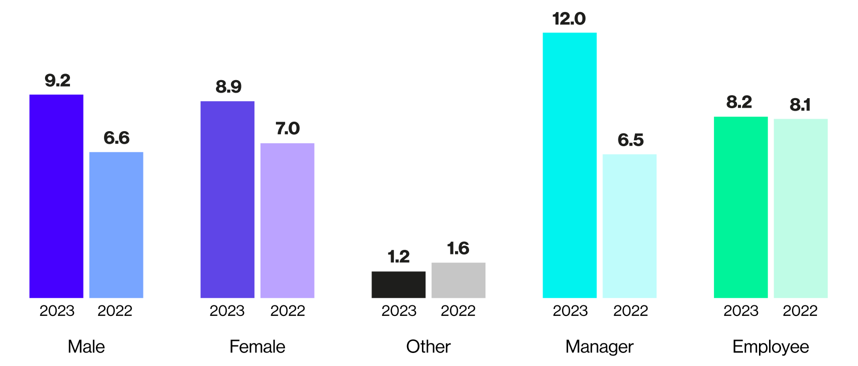
To retain our talent, SoftwareOne is implementing a strategy focused on learning and development, and employee engagement. This strategy is backed up with data, such as employee turnover rate, which allows us to understand our workforce and monitor and measure the performance of our initiatives.

We are prioritising educational programmes on DEIB topics and skills for both our leadership team and our employees, and we measure these programmes with KPIs like hours of training per employee and employee participation. Our company culture plays a crucial role in employee retention, which is why SoftwareOne is focusing on supporting employee networks through Mosaic and measuring its success with KPIs like employee engagement and events or activities organised by these groups.

Learning and development (L&D)

During 2023, the yearly training hours per capita was 8.75. The graphic below disaggregates this information by gender and employee category. If we compare the numbers with the 2022 period, the average training hours increased this year. The biggest increase was with managers, increasing from 6.5 training hours in 2022 to 12 hours in 2023. These numbers help us measure the effectiveness of our L&D strategy and initiatives.

Training hours for 2022-2023



The abovementioned positive trend is a result of the efforts put in place throughout the year. We integrated a new Learning Experience Platform, which allowed us to provide a space where employees could visit an all-encompassing location for their learning needs, be it technical, functional, leadership or personal development, reaching over 4,000 monthly users.

We also brought back in-person and hybrid sessions in some of our L&D offerings, in addition to the online offering that is still available. In our professional development space, we offered workshops including Radical Candor and Owning Your Career, delivering over 50 workshops to over 800 participants. For our leadership development, we launched the Experienced Leader Programme and Leading@SoftwareOne with equal numbers of leaders engaged in solutions specifically tailored to their needs. We also introduced the new leaders programme, for early-in-career leaders, in both DACH and EMEA, which will roll out globally in the coming months.

Along with these efforts, the L&D team at SoftwareOne was engaged in supporting local teams and newly acquired groups like Beniva in Canada, in the development of local offerings.

Remuneration policy

SoftwareOne's total rewards guiding principles are applicable to all compensation and benefit programmes offered within SoftwareOne and are rooted in our philosophy and objectives as an organisation. The guiding principles aim to ensure alignment with SoftwareOne's business strategy, provide motivation for our people, and to remain competitive within the markets in which we compete for talent. Reward programs are compared with our competitive peer company groups. SoftwareOne uses different comparator groups for the various businesses and markets in which we are active.

Tracking employee satisfaction

In early 2023, SoftwareOne ran its annual employee engagement survey. We are proud to have achieved a 73% response rate from our global headcount. Throughout 2023, we have took care to incorporate the feedback received and further build engagement across our organisation.

The four statements below that most of our employees "strongly agree" or "agree" with, are also a testament to SoftwareOne's culture and how much they enjoy being part of it and shaping it on a daily basis.

96%
I have a good working relationship with my coworkers

86%
I have confidence in my direct leader to make the best decisions for the company and its people

83%
I feel like I have the opportunity to apply my talents and expertise at work

81%
I feel comfortable speaking up if I see something that doesn't feel right

The next engagement survey will run in Q4 2024 and seeks to measure improvements in engagement, retention, performance, and employee satisfaction.

We are immensely pleased with the recognition received in APAC from the Employee Engagement of the Year award – "Business Management Excellence Awards 2023". This prestigious award serves to highlight the work of our People and Culture teams focusing on inspiration, inclusivity, and motivation for our people.

Developing our employees

In line with our commitment to fostering a culture of continuous improvement and employee development, where we can support the professional growth and success of our employees, SoftwareOne provides our employees with a robust performance review framework designed to aid them and their managers in regular performance and career development reviews. We introduced this framework in 2023; 100% of our sales employees undertook target-based reviews and 68% of our overall company employees undertook comprehensive reviews covering performance, development, and organisational goals.

Rewarding strong performance

SoftwareOne believes that strong performance deserves recognition and reward. We have a comprehensive employee rewards and recognition philosophy which focuses on target achievement of individuals, teams, and the region they belong to, driven by our company strategy. Our bonuses are awarded to every individual in the organisation, truly driving the message that success comes from collaboration and teamwork.

To support a high-performance culture, SoftwareOne has established the President's Club, which celebrates the contribution of our employees with four-days of culture, relaxation, food, fun and party in some of the most iconic locations in the world. In 2023 we celebrated in Istanbul.

Whilst the President's Club is a fantastic recognition of the hard work of our highest performers, there is a social responsibility side to this programme. In 2023 our winners helped restore the natural beauty of the Black Sea and collaborated with bestselling author Jess French in the creation of a children's book on climate change. You can read more details on this in our Spotlight Story.

Spotlight stories

President's Club Volunteering 2023

This year's President's Club was held in Turkey and, as per tradition, our employees volunteered with TURMEPA, a local NGO working to protect the marine environment, collecting a total of 774kg of waste.

The winning team which collected a total of 137kg of waste received EUR 500 to donate to the charity of their choice, The Ocean Cleanup, using the SoftwareOne Gives Back platform.

The President's Club participants also collaborated with author Jess French to write a book to educate and inspire young minds on climate change. The main themes of the book include plastic pollution, how it can be recycled, and how technology can help keep areas clean. The book also focuses on the environmental problems caused by electronic waste and teaches children about the impact of devices such as smartphones and data centres on our planet.

Winning team of the beach cleaning challenge

National Education Operator - Poland

SoftwareOne Academy Capstone worked with Tech to the Rescue to identify a need with Ogólnopolski Operator Oświaty, National Education Operator in English, where they implemented a Virtual Counselling Centre (VCC) to better support their patients. The Academy team worked with speed, efficiency and creativity to understand the organisation's requirements and translate them into a final product with a lasting impact.

In the first stage, VCC offered active support for 3,100 children and their parents, currently provided with speech therapy and pedagogical/psychological support in kindergartens and schools run by the National Education Operator foundation.

From February to April 2023, during the pilot stage of the VCC, conducted by the National Education Operator Foundation, information reached 2.5 million people from the PARENTS target group. Almost 360,000 people showed interest and took part in activities. We estimate the potential interest and demand at approximately 14% of parents in Poland.

EIT Digital

EIT Digital embarked on a journey to amplify its digital capabilities and enhance support for its vital partners and students from over 30 countries. EIT Digital's internal IT resources were stretched thin, and they lacked a clear IT roadmap to navigate the complex world of technology. Recognising the critical importance of cloud technology, they sought the expertise of SoftwareOne.

A partnership was formed among EIT Digital, SoftwareOne, and the NGO-focused service provider, Avange.Tech. SoftwareOne became the Cloud Solution Provider (CSP) partner for M365 and Azure, providing valuable support and guidance on topics like Nonprofit Microsoft licensing offers, technical support of M365 and Azure, and connections to Microsoft's Tech for Social Impact team as required. Avange.Tech's highly skilled resources managed the migration of the critical Moodle platform to EIT Digital's Azure VM environment.

Through this collaboration, EIT Digital gained a solid foundation in the cloud, efficient IT management, and the ability to share knowledge with students and partners securely. This partnership exemplifies the power of innovation and collaboration to drive meaningful change and progress in the digital landscape.

Our Corporate Governance

Our corporate governance

Our goals and policies

Integrity has, and always will be, a core value at SoftwareOne. We continuously strive to protect and enable our employees to prioritise compliance and maintain an ethical work environment. As such, our 2030 governance ambitions span the full scope of our compliance and ethics environment with the exemption applied regarding conflict minerals and reporting on child labour due to the nature of our business and lack of manufacturing processes.

Code of Conduct

At SoftwareOne, we are guided by our Code of Conduct for Board Members and Employees and expect that our partners respect the Code of Conduct for Business Partners. As a useful resource, it is embedded with hyperlinks and references to online documents posted on the internet/intranet. We refreshed both of these Codes of Conducts in 2023 to incorporate the new corporate identity as well as make minor improvements. Additionally, we provide helpful guides that now assist all colleagues in their interpretation of the Code. Our employees are required to complete mandatory online training on the Code of Conduct on an annual basis, allowing us to measure their understanding and engagement. The training is deployed in different formats and includes metrics tracking completion.

Human rights

Our goals and policies

Our focus has, and always will be, ensuring that our employees, partners and clients are at the centre of who we are. Given the nature of our business, our goals and policies on human rights have been focused on the impact we have on our supply chain.

Risks and opportunities

At SoftwareOne, our focus regarding human rights is on modern slavery in our supply chain. Given the nature of our business, other areas of human rights concerns are not relevant. For example, contamination of drinking water supplies, displacement of communities in the wake of new development projects, and concerns of child labour are not relevant to SoftwareOne given the fact that we are not a manufacturing organisation, nor do we impact communities with such associated risks. To determine this, we reviewed our software and cloud partners against the UN Global Compact Industry Specific Risk Factors and concluded that there are no significant cases relating to these areas. With every risk comes an opportunity for us to stay proactive in our approach to learning about the changing business and regulatory landscape.

Modern slavery

At SoftwareOne we are doing everything we can to prevent modern slavery in all its forms. Our objective is to ensure that no SoftwareOne employee or anyone in our supply chain is subject to such injustice. To enforce this commitment, we enforce measures such as training and communication on our Code of Conduct with a zero-tolerance policy, a modern slavery statement outlining steps taken to prevent slavery, a Supplier Code of Conduct, due diligence on suppliers, and regular employee training programmes. More information can be found in our Modern Slavery Statement.

Anti-corruption

Our goals and policies

SoftwareOne maintains a strict no-tolerance policy towards any form of extortion or bribery, including any improper payments or entertainment offers involving employees, office holders, clients, business partners, suppliers, or any other party. This commitment is further evidenced by our adherence to all relevant competition, antitrust, and export control laws, especially those aimed at preventing the misuse of software and technology for military purposes.

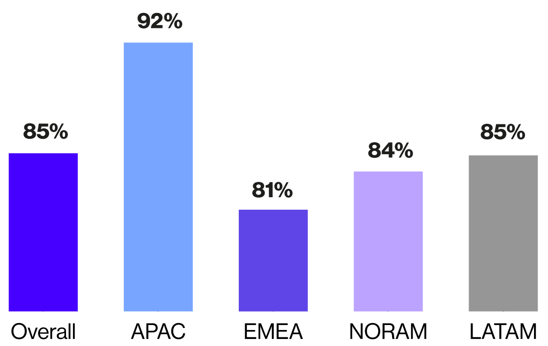
In previous years, further strengthening our Anti-Corruption and Bribery program, we implemented a detailed internal policy. This policy underlines our zero-tolerance approach in all business operations and plays a crucial role in our training roadmap. Complementing these efforts, we introduced a disclosure tool developed by Convercent, now part of OneTrust, to improve the management and reporting of disclosures.

Anti-corruption and Bribery Programme

In 2023, recognising the need for more robust tools that also satisfy the requirements of the German Supply Chain Act and the anticipated EU legislation, we upgraded our third-party risk management processes to a new tool. This will further enhance our oversight capabilities regarding not only anti-corruption but many other areas of corporate compliance, allowing us to future-proof our third-party due diligence and risk management efforts.

Alongside our intensified efforts in monitoring the compliance of our partners, the company is placing additional effort on enhancing the training of our people. SoftwareOne seeks to ensure that targeted training courses are made available to finance, sales, and procurement teams to raise their sensitivity and awareness in all matters relating to anti-bribery and corruption.

Training completed regarding anti-corruption policies and procedures 2023



We tolerate no form of extortion or bribery, including improper offers for payments or entertainment to or from our employees or organisations. We forbid bribery of office holders, clients, business partners, suppliers, or any other party, accepting improper payments from such persons or inciting these persons to such behaviour to achieve unfair advantages.

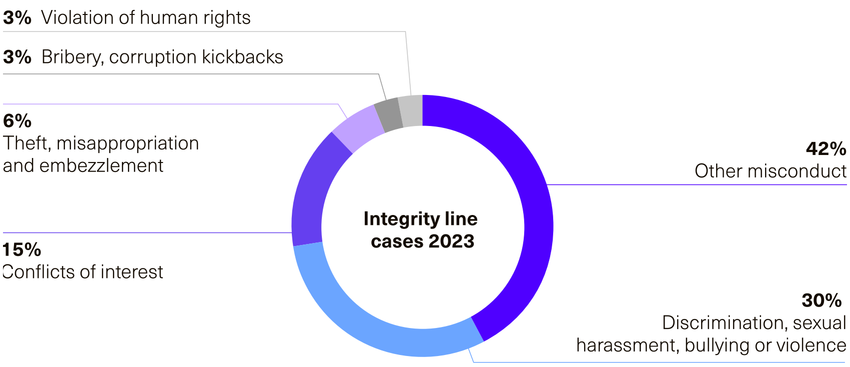
We are committed to complying with all applicable competition and antitrust laws and regulations. We also strive to comply with all applicable export control regulations to prevent the proliferation of software and/or technology that can be used for military purposes.

We expect our third parties to abide by all applicable laws and regulations and uphold values and principles that compare with our own. To ensure that this is the case, we have introduced a third-party risk management process that entails onboarding for new and existing business partners, with automated workflows for assessments, risk mitigations, reporting, monitoring, and offboarding. Our business partners, including suppliers, distributors, and contractors, will be successively evaluated and undergo a scrutiny process that covers aspects of Compliance, Data Privacy, Procurement and Security and will be rated accordingly. The rollout of this third-party risk management process commenced in 2022, first targeting third parties with higher risk ratings.

Integrity Line

Our Integrity Line is the internal reporting mechanism that allows employees and external third parties to confidentially and securely report incidents. The Integrity Line is operated via EQS, our third-party provider, to ensure anonymity and impartiality. Via the Integrity Line employees can report a wide range of issues, including bribery, corruption, discrimination, harassment, violence, conflict of interest, theft, and health and safety violations. It provides a comprehensive case management system, designed to facilitate the logging, tracking, and resolution of reported cases. This includes interview notes, disciplinary actions and case outcomes. The Integrity Line encourages a culture of openness and transparency within SoftwareOne and demonstrates our commitment to ethical behaviour and compliance with applicable laws and regulations.

A key objective of managing grievances is to learn from such cases and prevent the same from reoccurring. The focus is on remediation and conflict resolution, alongside preventing adverse media exposure, reputational damage and involvement in court cases. Remediation processes are tailored to the specifics of each case, involving pertinent departments as required, including, but not limited to, People and Culture for disciplinary measures and Finance Compliance to address procedural flaws. Escalation to the Board of Directors is also undertaken where appropriate. Crucially, our Code of Conduct and Compliance Reporting Policy embody the principle of non-retaliation, ensuring that individuals who report concerns in good faith are protected from any form of retaliation. Our remediation strategy includes developing new policies, sharing ad hoc learnings with business leaders, and incorporating real-life cases into our compliance training materials, reinforcing our commitment to continuous improvement and ethical business practices.



Conflicts of interest

Our employees and other SoftwareOne representatives must avoid conflicts of interest and, if unable to do so, must disclose conflicts internally for appropriate action to be taken to avert challenging situations or allegations of impropriety. These principles are set out in our Conflict of Interest Policy passed in 2022 which describes conflicting situations and the disclosure, recusal, and management processes. In 2023, we had 85 disclosures of conflicts of interest at SoftwareOne which were submitted via our new disclosure management tool covering outside opportunities, close personal relationships, gifts, donations, sponsorships, entertainment, intellectual property, and other potential situations of conflict.

Training roadmap

At SoftwareOne, our training programme demonstrates a lasting commitment to ethical compliance. Over the years, we have continuously evolved our roadmap to address compliance more meticulously, always aligning with the needs of our employees.

We refined our compliance training roadmap, initially in English only, to successively include Spanish and, in 2023, to also feature in German and Chinese. In the same year, we introduced Conflict of Interest and Anti-Harassment training, offered in all four languages. Targeted training already included many instruction sessions for our employees on how to best use third-party tools that detect risk and ensure overall compliance. The training has raised employee awareness on how to detect potential red flags affecting the company and our supply chain. This effort will be further expanded to involve all staff onboarding and managing existing suppliers and will be enhanced with targeted training that illustrates human rights violations, and cases of modern slavery. Additionally, as part of our due diligence process, we mandate all onboarding suppliers and entities involved in mergers and acquisitions to certify their non-involvement in these issues.

In 2024, we are embarking in the next phase of improvement, focusing on targeted training tailored to specific job roles and departments, designed to address areas of risk and compliance. As our programme evolves, we remain dedicated to developing more specialised training and activities specifically designed to address distinct compliance risks and behavioural concerns, ensuring our company stays at the forefront of ethical practice and compliance.

Data privacy and cybersecurity

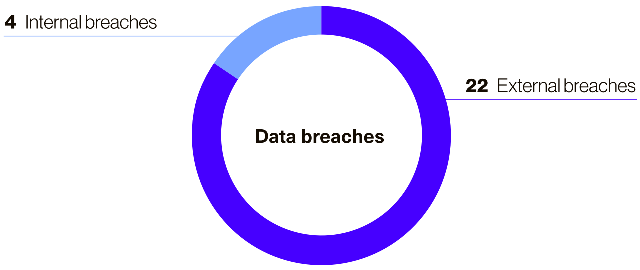
In Switzerland, the revised Federal Data Protection Act (revDSG) came into effect on 1st September 2023. The revDSG introduced significant changes to the existing data protection regulations. After a gap analysis between the already implemented GDPR requirements and the requirements of the revDSG, the new Swiss data protection law has been implemented at SoftwareOne.

As a result of business and legal requirements in the US Healthcare Sector and customer requirements for multiple safeguards to protect their sensitive personal and health information, HIPAA (Health Insurance Portability and Accountability Act) was successfully implemented at SoftwareOne for a subset of offerings with plans for expansion in the coming year. The HIPAA Progamme will help SoftwareOne improve the business in the healthcare industry, and ensure that the protected health information of customers is shared securely.

Additionally, data protection teams have implemented measures to protect data during its lifecycle. Extensive support was provided to the different teams for the handling of data privacy-related aspects and customised training sessions were held for the teams to enhance their understanding of data protection laws. Furthermore, internal and external data protection policies were reviewed and updated to keep them aligned with the latest data protection regulations. SoftwareOne provides annual data protection training to all relevant employees.

26 data breaches were reported to the data protection team and handled accordingly; most breaches were primarily caused by human errors that resulted in unauthorised access to personal data. The data protection team promptly investigated each incident, assessed the scope of the breach, and recommended the implementation of appropriate remediation measures to protect impacted individuals.

Data breaches in 2023



To ensure that personal data is obtained properly, kept securely and only used for the business purposes for which it was initially intended, our IT policies, namely the IT end-user policy and Data Protection Policies, guide our employees in compliance and have been updated in 2023 to the new standard.

Finally, 2023 saw the kick-off of important projects such as the evaluation of global tools from a data protection perspective.

Artificial Intelligence

As AI becomes more important for our customers and our work, we plan to implement an AI Governance structure internally in 2024. AI governance is a system of rules, processes, best practices and tools for ensuring that AI is used ethically and responsibly.

With AI, SoftwareOne will bring a fundamental shift in every customer environment and unlock a new era of productivity growth. On the other hand, AI will deeply change the work environment internally at SoftwareOne. As AI intersects with the products we sell and the tools we use, AI governance will help our employees and clients understand how to work with this new technology in the most compliant manner.

Acquisitions and Integrations

Launched in 2022, the Acquisitions and Integrations (A&I) team have continued their ESG due diligence process on prospective acquisition targets. As part of the process, the A&I team poses a series of questions to the targets regarding their ESG strategy and impact. The aim is to assess alignment between the target companies and our ESG programme in terms of integrity, strategy, and ambitions. Previously, such due diligence was primarily focused on our compliance and business ethics areas (such as anti-corruption and conflicts of interest). These additional questions gave us a full outline of the target companies' level of ESG maturity and strategy, and highlighted their best practices, allowing us to both take inspiration from their culture and, where necessary, to integrate our ethos, ESG values and ambitions into theirs.

In 2023, all targets that were deemed to be relevant for these questions were assessed and completed. The results of these questionnaires have allowed us to diligently follow up, engage and improve integration into our ESG programme.

Labour Standards

We support and respect the protection of internationally proclaimed human rights and ensure that we are not complicit in any human rights abuses. As a corporation, we will only hire people who are above the minimum legal age for employment and demand equal commitment on the part of our partners. We provide all employees with a safe work environment that respects their health and well-being. As far as any relevant laws allow, all our employees are free to form and join or not join trade unions or similar external representative organisations and to bargain collectively. We are subject to collective bargaining agreements or similar labour contracts in Brazil and Mexico. In other jurisdictions, including Spain, Austria, Italy, Sweden, Belgium and the Netherlands, a workers' council is in place. Forced, bonded or compulsory labour is not tolerated and employees are free to leave their employment after reasonable notice as required by national law or work contract.

Approach to tax

Our approach to tax, tax governance, control, and risk management:

SoftwareOne aims to comply with all relevant tax legislation applicable to the group, in a complete, accurate and timely fashion. Tax compliance obligations are fulfilled by qualified employees in cooperation with external advisors. The global tax compliance progress including deliverables and adherence to legal deadlines is monitored centrally with appropriate tools and checks in place. We constantly monitor new developments in tax regulations and, if necessary, introduce prompt measures to comply with these new regulations, if required with the support of our network of external tax experts.

SoftwareOne is committed to paying its fair share of taxes in the jurisdictions where it operates and therefore refrains from aggressive tax planning or tax structures. Furthermore, we have a process in place to detect potential tax risks concerning our group subsidiaries and to subsequently initiate measures to minimise and mitigate such risks. We are committed to maintaining open and collaborative relationships with governments and tax authorities worldwide. SoftwareOne does not condone any form of tax evasion or the facilitation of tax evasion.

Applied standards, certifications and Indices

The Business Concept CSR Excellence Awards 2023

The Business Concept covers all aspects of the business world and sees it important to pay attention to those who remain conscious of how their business can evolve and adapt to positively impact society and the environment. The CSR Excellence Awards recognise the firms and individuals who implement CSR concepts into their day-to-day operations. We are delighted to announce that SoftwareOne's Laura Mozden, Global Head of ESG, won "Best Software Solutions In-House ESG Specialist" for 2023.

EcoVadis rating 2023

Since 2019 SoftwareOne has participated in the EcoVadis assessment annually. This assessment evaluates SoftwareOne's sustainability performance in areas such as environment, labour and human rights, ethics, and sustainable procurement. In 2023 SoftwareOne was awarded a bronze medal in recognition of our sustainability achievement.

Carbon Disclosure Project (CDP)

CDP is a non-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. In 2023 SoftwareOne disclosed our environmental data and carbon emissions through CDP and received a C score for the Climate Change questionnaire. Through CDP we can benchmark our environmental performance against our industry peers, with an internationally recognised sustainability score and feedback against our climate targets. CDP enables companies to meet reporting rules in multiple regions. With CDP, SoftwareOne can fully align with the best-practice TCFD recommendations.

ISO Standards

SoftwareOne puts a strong emphasis on independent validation and assurance of our operational measures and standards of service delivery. We are committed to maintaining and evolving relevant ISO standards and other independently audited certifications across all aspects of ESG. To align our global product and services with the highest regional standards, our work is certified annually by TÜV Süd, and The American Institute of Certified Public Accountants (AICPA).

SoftwareOne's current certifications include:

- ISO 14001:2015 – Environmental Management
- ISO 27001:2013 – Information Security Management
- ISO/IEC 27017:2015 – Information Security Controls for Cloud Services
- SOC2 Type II report proved by AICPA
- SOC3 report provided by AICPA

The full list of SoftwareOne's current standards is available at ISO Certifications

Global Reporting Initiative (GRI)

Since 2022, SoftwareOne has reported to the Global Reporting Initiative (GRI) framework with reference. We aimed to improve our data sharing and work towards reporting to GRI in accordance.

Corporate Governance Report

software one

Introduction

The Corporate Governance structure at SoftwareOne Holding AG and SoftwareOne Group (collectively, SoftwareOne) is a solid basis from which the company is able to efficiently address changes and unexpected developments, benefitting from clear decision-making processes and effective management systems. These are designed to support the optimal functioning of the organisation and to ensure compliance with all laws and regulations. The company's Corporate Governance encourages SoftwareOne to continue striving for excellence and to persistently review best practices. The Corporate Governance framework of SoftwareOne follows the rules contained in the Directive Corporate Governance (DCG) of the SIX Swiss Exchange, the Swiss Code of Best Practice for Corporate Governance of économie suisse (Swiss Code), aligning with current market practices.

The Board of Directors (BoD) is responsible for the ultimate direction of the company and overall oversight and the Executive Board (EB) for managing operations. SoftwareOne's Corporate Governance principles and procedures are defined as follows:

- SoftwareOne's Articles of Incorporation (AoI), defining the legal and organisational framework
- SoftwareOne's Organisational Regulations (OrgR), defining the governance framework of SoftwareOne, including the responsibilities and authorities of the BoD, Chair, Lead Independent Director (LID), Board committees, the Chief Executive Officer (CEO) and other individual Executive Board (EB) members, as well as relevant reporting procedures
- SoftwareOne's charters of the Board committees on audit and on nomination and compensation, which outline the duties and responsibilities of each of these committees
- SoftwareOne's codes of conduct (CoCs), which outline the compliance framework and set out the basic ethical and legal principles and policies the company applies globally to employees and Board members as well as business partners. Reinforcing the effectiveness of the CoCs is the group-wide integrity line (softwareone.integrityline.org) that provides a secure reporting channel for suspected wrongdoings and for supply chain violations.

Group structure and shareholders

Operational group structure of SoftwareOne Holding AG

The operating business of SoftwareOne is conducted through SoftwareOne Holding AG's subsidiaries (operating legal entities). Detailed information on group companies is provided in Note 28 to the group financial statements. SoftwareOne Holding AG, the group's ultimate parent company, is incorporated and domiciled in Switzerland with registered offices at Riedenmatt 4, 6370 Stans. The company is listed on the SIX Swiss Exchange under the ticker symbol 'SWON' (Swiss security number: 49645150, International Security Identification Number 'ISIN': CH0496451508) and reports in accordance with the IFRS Accounting Standards.

As at 31 December 2023, SoftwareOne held 4,462,167shares (corresponding to 2.81% of the company's total share capital) in treasury. The market capitalisation of SoftwareOne as at 31 December 2023 amounted to CHF 2.5 billion.

The holding is organised into a two-tier structure with the BoD setting the strategic direction of SoftwareOne, appointing and overseeing key executives, approving major transactions and investments and ensuring proper financial reporting and controls. The structure of the BoD and the EB is discussed in more detail in sections Board of Directors and Executive Board. The operational management is delegated to the EB.

The group is organised into the two business lines Software & Cloud Marketplace and Software & Cloud Services, collectively Software & Cloud Solutions.

Shareholders

The disclosure notifications of significant shareholders and groups of shareholders holding 3% or more of the voting rights as at 31 December 2023:

Shareholder/group of shareholders	Shares held	% of voting rights
Dr. Daniel M. von Stockar- Scherer-Castell, Naxxar, Malta[1)]	17,517,529	11.05 %
B. Curti Holding AG[1),2)]	16,031,853	10.11 %
René Gilli, Emmetten, Switzerland[1)]	12,449,637	7.85 %
UBS Fund Management[3)]	8,022,013	5.06 %
Pictet Asset Management SA[4)]	7,482,094	4.85 %

1) Messrs Curti, von Stockar and Gilli have entered into a shareholder agreement and form a group for purposes of Swiss disclosure rules and regulations, controlling 29 % of voting rights, as per the information posted on SIX Exchange. The representative of this group of shareholders is Dr. Beat Curti, Erlenbach, Switzerland.
2) B. Curti Holding AG, Sarnen, Switzerland, is the direct shareholder of the shares which are indirectly controlled by Dr. Beat Alex Curti, Erlenbach, Switzerland.
3) Based on the disclosure notification published on 12 March 2022.
4) Based on the disclosure notification published on 25 July 2023.

Individual notifications that were published during the year under review are available on the SIX Exchange Regulation webpage.

Cross-shareholdings

As at the date of publication of this Annual Report, the company is not aware of cross-shareholdings exceeding 5% of the capital or voting rights.

Capital structure

Issued capital

The share capital of SoftwareOne Holding AG, registered in the commercial register of the canton of Nidwalden as at 31 December 2023, amounted to CHF 1,585,814.60, divided into 158,581,460 fully paid-in registered shares with a nominal value of CHF 0.01 each.

Each share carries one vote at the general meetings of SoftwareOne. The shares rank pari passu with each other in all respects, including entitlement to dividends, to a share in the liquidation proceeds in case of liquidation of the company and to pre-emptive rights.

An overview of SoftwareOne's share price information can be found here.

Conditional capital and capital band

As at 31 December 2023, the company has neither conditional share capital nor a capital band.

Changes in capital

As at 31 December 2023 and in the prior three years, the company had no changes in capital.

Duty to make an offer

Prior to SoftwareOne's listing on the SIX Swiss Exchange in October 2019, its shareholders decided to increase the mandatory offer threshold to make a public takeover offer pursuant to Art. 135 FMIA by way of an opting-up clause in its AoI from the standard 33⅓% to the level of 49% of the voting rights.

The opting-up provision is the result of the particular shareholder structure of SoftwareOne. It was primarily intended to limit the risk of unintentionally triggering a mandatory bid offer by a preexisting group of shareholders because of a corporate transaction.

Participation and dividend-right certificates

As at 31 December 2023, SoftwareOne has issued neither participation certificates nor profit sharing certificates.

Limitations on convertible bonds and options

As at 31 December 2023, neither SoftwareOne nor any of its subsidiaries have issued any bonds, convertible bonds, similar debt instruments or option rights that are convertible into equity securities of the company.

Board of Directors

Composition of the Board of Directors

The Nomination and Compensation Committee (NCC) strives to achieve a BoD composition with appropriate professional backgrounds and experience as well as diversity among the members of the BoD, including gender diversity and excluding age or tenure limitations.

During the reporting period, the following members formed part of the BoD. As at 31 December 2023, the BoD consisted of eight members.

Name	Nationality	Born	First elected	Significant shareholder	Education	Background
Adam Warby Chair[1]	British	1960	2021	No	Mechanical engineering	Founder and former CEO, Avanade
Daniel von Stockar[2]	Swiss	1961	2013	Yes	Economics	Entrepreneur, Founder SoftwareOne
Peter Kurer[3]	Swiss	1949	2013	No	Law	Former Chair of Sunrise and UBS
Marie-Pierre Rogers	Spanish	1960	2019	No	Business	Former Board Practice Leader, Spencer Stuart Switzerland
Timo Ihamuotila	Finnish	1966	2019	No	Economics and finance	CFO, ABB Ltd
José Alberto Duarte	Portuguese	1968	2019	No	Accounting, management, marketing	Former CEO, Infovista
Isabelle Romy	Swiss	1965	2021	No	Law	Attorney, University Professor
Jim Freeman	American	1972	2022	No	Computer science and literature	Former Chief Business and Product Officer, Zalando
Elizabeth Theophille[4]	British	1967	2023	No	Computer science and business administration	Former Chief Technology Transformation Officer, Novartis

1) Elected as Chair at the AGM on 4 May 2023.
2) Stepped down as Chair and member at the AGM on 4 May 2023.
3) Did not stand for re-election at the AGM on 4 May 2023.
4) Elected by the AGM held on 4 May 2023.

Individual Board members

Adam Warby
(Elected as Chair of the BoD by the AGM on 4 May 2023)

Role
(non-executive)
Chair of the Board of Directors and member of the Nomination and Compensation Committee

First elected
2021

Nationality
British

Professional experience and external appointments
Founder and retired CEO, Avanade, Inc. from 2008 to 2019. Various management roles at Microsoft, the most recent as General Manager Midwest in the US, from 1991 to 2000.

Currently Chair of Heidrick & Struggles International, Inc., member of the Board of Citation UK, a KKR portfolio company, board advisor to Devoteam as well as senior technology advisor to KKR.

Education
Bachelor of Science in Mechanical Engineering from Imperial College London.

Daniel von Stockar
(founding shareholder)
(Stepped down as Chair of the BoD at the AGM on 4 May 2023)

Role
(non-executive)
Chair of the Innovation Committee, member of the Nomination and Compensation Committee and member of the ad hoc ESG Committee

First elected
2013

Nationality
Swiss

Professional experience and external appointments
Owner and Chair of the Board of Directors of von Stockar Immobilien AG and member of the Board of Agilentia AG, Zurich.

Education
Master's degree in economics from the University of Zurich in 1990, and doctorate in 1995.

Marie-Pierre Rogers

Role
(non-executive)
Vice Chair and Chair of the Nomination and Compensation Committee

First elected
2019

Nationality
Spanish and Swiss

Professional experience and external appointments
Previously, executive career in Supply Chain and Transportation with DHL, FedEx and IATA, as well as in Technology & Operations at Citibank, CEO and member of the Board of CPGMarket.com from 2000 to 2006. Member of the Board La Virgen from 2014 to 2017. Advisor to AELER Technologies.

Former leader for Spencer Stuart's Swiss Board practice and EMEA Supply Chain and a member of the firm's global Industrial and Technology practices between 2011 and 2022.

Education
MBA from the University of Chicago Booth School of Business.

Timo Ihamuotila

Role
(non-executive)
Chair of the Audit Committee

First elected
2019

Nationality
Finnish

Professional experience and external appointments
Held various positions at Nokia Corporation and worked for Citibank plc. From April 2013 to April 2017, member of the Board of Uponor Corporation and Chair of the Audit Committee of Uponor Corporation. From 2011 to 2015, member of the Board of the Finland Chamber of Commerce.

Currently serving as Chief Financial Officer and member of the Group Executive Committee of ABB Ltd, Switzerland, and member of the Board of Oras Invest Oy.

Education
Master of Science in economics and a licentiate of science in finance from the Helsinki School of Economics.

José Alberto Duarte

Role
(non-executive)
Member of the Nomination and Compensation Committee and the ad hoc ESG Committee

First elected
2019

Nationality
Portuguese

Professional experience and external appointments
Extensive background in leading publicly listed and privately held global technology companies with a particular focus on high growth and transformation. Started his career at Unilever Portugal and Accenture (previously Andersen Consulting). Spent around 20 years working in various leadership positions at SAP, including President of Global Services, President EMEA and President Latin America. 10 years as CEO of Infovista, Infinitas Learning and Unit4 and non-executive director at Bureau Van Dijk, TechEdge, Infovista, Expereo and Gelato.

Currently serving as Chair of ProAlpha, member of the Board of hallo, Group B.V, and Chief Executive Officer at Green Upside Ventures, Lda

Education
Degree in accounting and management from the Instituto Superior de Contabilidade e Administração de Lisboa and post-graduate education in global leadership at INSEAD and sales and marketing at ISTE.

Isabelle Romy

Role
(non-executive)
Member of the Audit Committee and Chair of the ad hoc Board ESG Committee

First elected
2021

Nationality
Swiss

Professional experience and external appointments
Previously partner at two large law firms in Zurich. Member of the Board of Directors of UBS Group AG and of UBS AG (member of the audit committee and of the GNC) from 2012 to 2020. Member of the ethical commission at the EPFL from 1999 until 2007, deputy judge at the Swiss Federal Supreme Court from 2003 to 2008 and member of the Swiss Committee for UNICEF from 2015 to 2020.

Currently Partner at Kellerhals Carrard, Vice-Chairwoman of the Sanction Commission of SIX Swiss Exchange and Chairwoman of the Board of Central Real Estate Holding Ltd. and Rhystadt Ltd. as well as member of the Board of Directors of Banque Pictet & Cie SA.

Education
Law degree (lic. iur) and PhD in Law (Dr. iur) from the University of Lausanne, Switzerland and Professor at the University of Fribourg and the EPFL, Switzerland. Admitted to the Zurich Bar and member of the Zurich and Swiss Bar Association.

Jim Freeman

Role
(non-executive)
Member of the Audit Committee and member of the Innovation Committee

First elected
2022

Nationality
American

Professional experience and external appointments
Chief Technology Officer at MaxMedia from 2007 to 2009. From 2009 until 2016, held technology and business leadership roles at Amazon, including Vice President, Prime Video. SVP Engineering at Zalando in 2016. Returned to Amazon as Vice President, Alexa Communication in 2017. From 2018 until 2023, held various technology and business leadership roles at Zalando, including Chief Technology Officer and Chief Business & Product Officer. Currently serving as Senior Advisor to Permira Ltd., Algolia, and as Advisory Board member and Advisor to the CEO of Yoummday GmbH.

Education
Bachelor of Arts in Comparative Literature from the University of Georgia and a Bachelor of Science in Computer Science from the University of Illinois.

Elizabeth Theophille

Role
(non-executive)
Member of the Audit Committee and member of the Innovation Committee

First elected
2023

Nationality
British

Professional experience and external appointments
Former Chief Technology Transformation Officer and holder of various leadership roles at Novartis from 2016 to 2023. Group Chief Information Officer at Alcatel/Nokia from 2011 to 2016, Capgemini from 2009 to 2011 and BP International from 2005 to 2009. Currently CEO of EHT Consulting, and member of the Board of Directors of 8x8, Inc.

Education
Bachelor of Arts in Business Administration from International Management Centre, UK, and a Computer Science Degree from the Glasgow College of Commerce.

Peter Kurer
(former member)

(Peter Kurer was a member of the BoD until 4 May 2023, at which time he did not stand for re-election. Accordingly, information shown below is current as of 4 May 2023 only)

Role
(non-executive)
Lead Independent Director and member of the Nomination and Compensation Committee

First elected
2013

Nationality
Swiss

Professional experience and external appointments
From 1991 to 2001, Partner at Homburger, Zurich, Switzerland. From 2001 to 2008, General Counsel and member of the group Executive Board of UBS AG, Zurich, Switzerland, and from 2008 to 2009, Non-Executive Chair of the Board of Directors of UBS AG, Zurich, Switzerland. Chair of the Board of Directors of Swiss listed Sunrise Communications Group AG from 2016 to 2020. Currently non-executive Partner of BLR & Partners AG, Thalwil, Switzerland and non-executive Chair of the Board of Directors of Kein&Aber AG, Zurich, Switzerland.

From 2010 to 2019, Chair of the Advisory Board (which is not a supreme governing body) of Spencer Stuart & Associates B.V., Zurich Branch, Switzerland. Since 2012, member of the Swiss Advisory Board (also not a supreme governing body) of Accenture AG, Zurich, Switzerland.

Education
Law degree (lic. iur.) from the University of Zurich, a PhD in Law (Dr. iur.) from the University of Zurich and a Master of Law (LLM) from the University of Chicago.

External mandates

Availability and statutory provisions regarding external mandates

SoftwareOne's AoI provide that the company's BoD is composed of at least three and not more than 12 members, including the Chair of the BoD.

No member of the BoD may hold more than four additional mandates in listed companies and more than six mandates in non-listed companies.

Mandates within the meaning of this provision shall mean mandates of comparable functions at other companies with an economic purpose. Mandates in different legal entities under common control or owned by the same beneficial owner shall be deemed to constitute a single mandate.

The following mandates are not subject to these limitations:

1) Mandates in companies which are controlled by the company or which control the company;
2) Mandates held at the request of the company or companies it controls. No member of the BoD or of the EB may hold more than 10 such mandates;
3) Mandates in associations, charitable organisations, foundations, trusts and employee welfare foundations. No member of the BoD or of the EB may hold more than six such mandates.

All members of the BoD remained within the statutory maximum numbers of outside mandates in listed and non-listed companies and organisations. The following table shows the attendance at meetings as well as outside mandates of the members of the BoD:

					External mandates	
Name	Board meetings	Audit Committee meetings	Nomination and Compensation Committee meetings	Innovation Committee meetings [7]	listed [8]	non-listed [8]
Adam Warby[1]	8/8		5/6		1	3
Daniel von Stockar[2]	4/8		4/6[2]	1/2[2]	0	2
Peter Kurer[3]	3/8		4/6[3]		0	1
Marie-Pierre Rogers	8/8		6/6		0	0
Timo Ihamuotila	8/8	6/6			1	1
José Alberto Duarte	8/8	2/6[6]	2/6[7]		0	3
Isabelle Romy	7/8	6/6			0	2
Jim Freeman	8/8	6/6		2/2	0	3
Elizabeth Theophille[4][5]	4/8[4]	5/6[4]		2/2	0	2
Average meeting length	**6:00h**	**2:20h**	**3:00h**	**1:00h**		

1) Elected Chair of the BoD at the AGM on 4 May 2023.
2) Stepped down as Chair of the BoD at the AGM on 4 May 2023. Daniel von Stockar no longer participated in BoD activities following the unsolicited takeover approach by Bain Capital, Daniel von Stockar and other shareholders.
3) Did not stand for re-election at the AGM on 4 May 2023.
4) Elected at BoD member at the AGM on 4 May 2023.
5) Attendance as a guest in the meetings that preceded the election at the AGM. Elected by the AGM held on 4 May 2023.
6) Until AGM on 4 May 2023.
7) From AGM on 4 May 2023.
8) Maximum number allowed in listed companies is four, and is six for non-listed companies.

Compensation of the Board of Directors

The shareholders' meeting shall approve annually and separately the proposals of the BoD in relation to the maximum aggregate compensation of the BoD for the period until the next ordinary shareholders' meeting. The compensation of the members of the BoD consists of an annual base fee and an additional compensation awarded for duties pursued in BoD committees as Chair or ordinary members. In line with Art. 18 of SoftwareOne's AoI and to ensure the independence of the members of the BoD in executing their supervision duties, the compensation of the members of the BoD is in the form of a fixed amount (that is, no performance-related variable compensation component in place). Moreover, based on peer group and benchmarking as mentioned in the Compensation Report, it is in accordance with best market practice standards.

Effective from the 2020 AGM, the BoD's total compensation is paid out 60% in cash and 40% in SoftwareOne shares. The shares allocated as part of the members of the BoD's total compensation are blocked for a period of three years. Through the introduction of a share element, the long-term focus of the BoD in performing its duties is further strengthened and the interest further aligned with that of SoftwareOne's shareholders. More details on compensation and post-employment benefits of the BoD can be found in the Compensation Report.

The members of the BoD may only be granted loans and credits up to a maximum amount of CHF 1,000,000 at market-based conditions and in compliance with the applicable rules of abstention. No loans were granted to the BoD members and no loans are outstanding.

Social security related payments on behalf of the BoD are limited to legal requirements.

Rules in the articles of association regarding compensation

Reference is made to the AoI and the Compensation Report regarding the additional amount for the compensation of members of the EB appointed after the vote of the AGM on compensation as well as to loans, credits and pension benefits of Board members and members of the EB, which follow the rules in the AoI concerning the principles on performance-related compensation and on the allocation of equity securities, conversion and option rights.

Environmental, Social & Corporate Governance (ESG)

SoftwareOne launched an ESG initiative in 2021 to realise the BoD's ambitions for a sustainable future.

The ad hoc ESG Committee driving this initiative relies on the passion and commitment of the CEO, with the support of the ESG team.

Three employee-driven committees were created to focus on the vision, purpose, KPIs and strategy of the company's ESG ambitions, offering accountability and ensuring a people-centric approach to the ESG strategy. These committees comprise employees from all regions and from vastly diverse teams, helping the company reach SoftwareOne employees globally, on a "glocal" basis, and allowing it to gather input from as many different employees as possible.

Lead stakeholders of all departments are instructed to involve colleagues in the ESG processes to support and embed the objectives into the business strategy. With the BoD oversight, senior leadership has full integration, visibility, and accountability over the ESG programme.

The details are further contained in the Non-Financial Report (NFR) 2023 of the Annual Report.

Interaction with shareholders and stakeholders

A key mandate of the BoD is to build and maintain an ongoing dialogue with its shareholders and other stakeholders. Engagement discussions with investors and proxy advisors outside financial and strategy matters such as governance, compensation and corporate social responsibility are steered by the Chair of the BoD or the Chair of the Nomination and Compensation Committee, supported by the Chief Legal Officer and the Chief Human Resources Officer or the Head of Group Compensation and Rewards.

Specific Board activities during the reporting period

The BoD meets at least six times per year (four quarterly report meetings, a strategy off-site, and a medium-term planning and budgeting meeting) and meetings are held in person but can also be held via telephone or video conference or by other electronic media. In 2023, the BoD held eight ordinary and, in the first half of the year, two extraordinary meetings. In the second half of the year, the BoD held extraordinary meetings every two weeks. Of the eight ordinary BoD meetings, one was held by video conference. The strategy meeting, also held in person, includes cultural aspects, including how to drive cultural change to foster overall good corporate governance. Further focus is placed on company performance and integrity as well as on company strategy and how to best incorporate and supply technological advances to the company and its customers. In addition, a call with the BoD members is held to approve the motions of the Audit Committee (AC) for the year-end reporting.

During the 2023 financial year, eight ordinary meetings of the BoD were held, with an average duration of approximately 6:00 hours. The average attendance at BoD meetings in 2023 was approximately 98% (for individual attendances, see section Availability and External mandates).

In addition to the regular meeting agenda items, in 2023 the BoD specifically focused on topics such as:

- Company target setting and achievement;
- "Ignite, Focus, Accelerate" strategy;
- Comprehensive strategy review upon receipt of an unsolicited takeover approach (as described in more detail below);
- Strategy and five-year business plan;
- Customer trends and new technologies, including generative AI products;
- Global talent succession planning;
- BoD assessment;
- ESG strategies and projects;
- Audit Committee, Nomination and Compensation Committee as well as Innovation Committee matters;
- Engagement with institutional investors, board participants and review of feedback received;
- Starting in July 2023, upon receiving an unsolicited takeover approach by Bain Capital, the BoD engaged in a comprehensive strategic review, in which it evaluated various options for value creation with its legal and financial advisors. Following a comprehensive due diligence process, the BoD received one non-binding value indication of CHF 18.80 per share from Bain Capital. After carefully reviewing the proposal, with the support of independent valuation and expert advice, the BoD unanimously agreed that the non-binding value indication neither provided sufficient certainty nor adequately reflected the fundamental value of SoftwareOne, and was therefore not in the best interest of the company and all stakeholders.

Board of Directors' internal organisation

The legal foundation of the BoD's responsibilities is provided by Art. 716a of the Swiss Code of Obligations.

The BoD has a supervisory role and takes strategy, finance and personnel decisions in accordance with the law, the AoI and the OrgR. It also supports, advises, and encourages management. The overall guiding principle for the BoD is full accountability to all shareholders and stakeholders of SoftwareOne and a style marked by a culture of openness and mutual respect.

The BoD has delegated certain responsibilities, including the preparation and execution of resolutions, to three committees. In addition, it drives the dialogue on general business and lends its full support, as well as also delegating responsibilities to the ad hoc ESG Committee. The responsibility for the duties and powers assigned to these committees is retained by the BoD.

The BoD has established the following three standing committees:

- Audit Committee (AC);
- Nomination and Compensation Committee (NCC);
- Innovation Committee (IC).

Each standing committee consists of a Chair and at least two other members of the BoD. The NCC consists of four members which are elected annually by the General Meeting of shareholders. The AC consists of four independent members that were appointed by the BoD and the IC consists of three members that were also appointed by the BoD. The duties and authorities of the committees are set forth in the Audit Committee Charter, the Nomination and Compensation Committee Charter and the Innovation Committee Charter, respectively, as well as in SoftwareOne's OrgR. The committees' operating principles are aligned with and complementary to those applicable to the overall BoD.

BoD committees are structured non-redundantly and working topics are clearly assigned and handled by only one committee. The BoD Chair coordinates committee work in case of potential overlaps. All materials used in BoD committee meetings are made available to all BoD members, who are invited to contact the committee Chair, the BoD Chair, or the CEO with any clarifying questions (exceptions may apply to materials of the NCC).

The BoD has established the additional key positions of Vice-Chair and Lead Independent Director, whose duties and competencies are described in the sections Vice-Chair of the Board of Directors and Lead Independent Director of the OrgR. The functions of the Vice-Chair and the Lead Independent Director can be combined and performed by the same BoD member. The Vice-Chair or Independent Lead Director will chair the Board and any general meeting in the absence of the Chair. With the appointment of an independent Chair at the AGM in 2023, the position of the Lead Independent Director was no longer required.

Chair of the Board of Directors

The Chair is entrusted with leading and managing the BoD and is responsible for establishing an appropriate structure and governance system that enables the BoD to render its duties efficiently and in the best interests of the company. The Chair encourages alternative views and constructive dissent, leveraging individual insights of BoD members while keeping the focus on the agenda topics and driving aligned decision-making.

The Chair further represents the opinions and views of the BoD towards SoftwareOne's internal and external stakeholders. In exercising these duties, the Chair is guided by SoftwareOne's conflict of interest policies and, if needed, will be supported by the Lead Independent Director.

In cooperation with the CEO, the Chair ensures that information flows on all aspects of the company which are relevant for the meeting preparation. Deliberations and decision-making are made available to all members of the BoD. In case of an emergency, when immediate action is required to safeguard the interests of the company, and where a regular BoD resolution cannot be reasonably passed in due time, the Chair, together with the CEO or any other appropriate member of the BoD or the EB, has the power to make all decisions and actions which otherwise would be reserved for the BoD. If the Chair is absent, this entitlement falls to the Vice-Chair or the Lead Independent Director. The Chair shall promptly inform all members of the BoD of such decisions and actions and they shall be confirmed and properly recorded in the minutes at the next meeting of the BoD.

The power and duties of the BoD Chair are set out in section 3.8 of the OrgR.

Vice-Chair of the Board of Directors

The Lead Independent Director (LID) assumed the role of the Vice-Chair until the AGM in 2023. With the election of an independent Chair of the BoD, the BoD decided that the position of LID was no longer required.

If the Chair is temporarily unable or unavailable to exercise the function, the Vice-Chair either personally assumes the Chair's duties or delegates them within the BoD or to suitable company representatives.

The Vice-Chair has the right and duty to call meetings of the independent BoD members if they deem it necessary, especially when the independent decision-making process seems to be compromised. The Vice-Chair further acts as the point of contact for BoD members and investors if they have concerns with respect to the independent decision-making process.

The BoD further provides the independent BoD members under the lead of the Vice-Chair with financial resources to mandate external advice if this is deemed necessary by the Vice-Chair to foster independent decision-making of the BoD.

Moreover, the Vice-Chair supports the Chair in governance and strategy-related investor engagements. At the request of shareholders, the Vice-Chair would carry out these engagements without the Chair.

Lead Independent Director

The BoD assigns such powers and duties to the LID as it deems necessary (see section 3.10 of the OrgR). Until the AGM held on 4 May 2023, Peter Kurer was appointed as LID, who did not stand for re-election. Since that date, there has been no LID appointed.

Board of Directors' independence assessment

The BoD generally defines the independence of its members within the meaning of the provisions of the Swiss Code. Accordingly, all non-executive members of the BoD who have never been a member of the EB (of the company or any direct or indirect subsidiary of the company), or who were members thereof more than three years ago, and who have no or comparatively minor business relations with the company (or any direct or indirect subsidiary of the company), are considered independent. Consequently, all members of the BoD are non-executive and considered independent according to the Swiss Code.

The BoD is committed to ensuring an independent decision-making process and is aware that BoD members representing large shareholders, even if they are the company's founders who continue to contribute to its prosperous development, may be considered non-independent. Consequently, as long as one of the company's founders was the Chair of the BoD, a Lead Independent Director was appointed with far-reaching competencies, as well as independent Chairs to the Nomination and Compensation Committee and the Audit Committee. Through their casting votes, these two Chairs ensure the independent decision-making of both committees.

Independent decision-making/conflict management

The CEO, CFO and, as directed by the CEO, other EB members are required to attend meetings of the BoD to provide detailed information on the current state of the business and offer their views on strategic questions. EB members have no voting rights and will leave the room in case of discussions and/or decisions concerning the EB or their own position. A private meeting with BoD members will only be held before or at the end of each Board meeting. In 2023, a private meeting of the BoD members was held after every Board meeting.

In 2023, the CEO and the CFO participated in all eight (nine with the BoD call to approve the HY results) of the meetings of the BoD. The CEO informs the members of the BoD with regular updates about SoftwareOne's business performance and about material events affecting the company. During BoD meetings, each director may request and receive information from other directors, the CEO, the EB and other persons present on all affairs relating to SoftwareOne or its subsidiaries.

In each regular BoD meeting, the Chairpersons of the AC, the NCC, the IC and the ad hoc ESG Committee will provide the BoD with an update of the committees' work.

In case a member of the BoD requests information or, to the extent where it is necessary to perform their duties, examination of the business records outside of a meeting, such a request must be addressed to the Board Secretary and be approved by the Chair of the BoD. If the request concerns a potential conflict of interest for the Chair, it shall be addressed to the BoD for decision.

The BoD has the power to mandate external advisors if an outside view is deemed necessary for an independent decision-making of the BoD. Third parties (for example legal counsels, auditors or financial and other advisors) are admitted to BoD meetings on an exceptional basis if proposed by a BoD member or by the CEO or the Chief Legal Officer and approved by the Chair. In 2023, the BoD invited external experts to 19 of its meetings, the AC to six of its meetings and the NCC to one of its meetings. The IC did not invite external experts.

The agenda-setting for the BoD annual cycle and for individual meetings is the remit of the Chair. Meeting minutes reflect the deliberations and decisions taken by the BoD including, if requested, dissenting opinions of and votes cast by members of the BoD. The Board Secretary will make available to the members of the BoD a copy of the minutes once they have been signed. Members of the BoD may examine the minutes of any meeting at any time.

According to section 9 of the OrgR, each member of the BoD or the MB and any other executive body must conduct his/her personal and business/financial affairs in such a manner that conflicts with the interest of SoftwareOne are avoided. If there is the possibility of a conflict of interest, the person in question shall inform the Chair (or in case the conflict of interest is with the Chair, the Vice-Chair) in writing. The Chair (or in case the conflict of interest is with the Chair, the Vice-Chair) shall call for a decision by the BoD depending on the severity of the conflict. The BoD shall deliberate and decide in the absence of the person concerned. Daniel von Stockar no longer participated in board activities following the unsolicited takeover approach by Bain Capital and other shareholders, including himself, due to conflicting interests.

Board of Directors renewal and succession

The BoD must deliver its duties as a mutual decision-making body. Accordingly, the BoD must work as an efficient, effective, and aligned team. Succession planning and an active renewal process for the BoD is very relevant to the company. The requirements that prospective BoD candidates must meet in terms of knowledge and experience in various key areas and the industry are constantly changing and subject to increasingly higher demands.

The NCC regularly analyses the BoD's composition to confirm that its members' qualifications, skills, and experience correspond to the needs of the BoD, subject to an adequate Board size and well-balanced and diverse composition. A majority of the BoD members should be independent according to the criteria laid out in the section entitled "Board of Directors' independence assessment". Directors also need to show significant commitment, integrity, and competence in intercultural communication. Regarding its succession planning, the BoD aims to safeguard the stability of its composition while also renewing the BoD in a sensible way.

In line with the required skills and experience as detailed in the section "Board of Directors' skill and experience assessment", the NCC has developed a strategy to gradually develop the BoD composition to become more independent and proportionately reflect shareholdings. The BoD meets the gender representation requirements that demand a minimum 30% representation of each gender, which will be applicable by law from 1 January 2026.

Board of Directors' skill and experience assessment

To support the Board with its renewal and succession activities, the NCC established a skills and experience assessment that it conducts annually. The following competencies are considered the most relevant for SoftwareOne's Board:

- Experience in the technology, IT/data and cyber security, and procurement industries;
- Finance, audit, accounting;
- Capital markets transactions;

- CEO and other executive leadership (CFO, CRO or COO) experience in a publicly listed or non-public company;
- Leadership experience as Chair of a Board of Directors or Board of Directors' committee in a publicly listed or non-public company;
- Human resources management, including compensation;
- Leading business operations in a global and rapidly growing business;
- Governance, legal and compliance;
- Risk management and ESG;
- Artificial intelligence;
- Business and technology innovation.

The NCC reviews these competencies to confirm that the BoD continues to possess the most relevant experience and expertise to perform its duties, ensuring that the leadership of SoftwareOne has the relevant proficiency required for active involvement and supervision of an international listed company and applies these as guidelines when nominating new members.

The NCC updated its strategic skills matrix that focuses on aspects such as Board size, diversity, independence, nationality, committee representation and future skills needed to better understand the priorities for future Board recruitments. In terms of nationality, the Board agreed to preserve a good balance of 'Swissness', while seeking to move away from being chiefly Western European.

The **strategic skills matrix** reflecting the BoD composition as of December 2023 is as follows:

Current Board composition

BoD member		Nationality	CEO	Finance & Risk	M & A	HR	Technology	Innovation	Cybersecurity	Business Scalability	IT/Managed Services	Legal & Compliance	ESG	First Elected	# years since IPO
Adam Warby (M, 1960)	Chairman, Member NCC	GB	●		●		●	●		●	●			2021	2
Marie-Pierre Rogers (F, 1960)	Vicechair, Chair NCC	ES/CH	●			●	●						●	2019	4
Timo Ihamuotila (M, 1966)	Chair AC	FI		●	●		●							2019	4
Daniel von Stockar (M, 1961)	Co-Founder, Member NCC, Chair IC, Member ESGC	CH	●		●		●	●	●	●			●	2013	4
Isabelle Romy (F, 1965)	Member AC, Chair ESGC	CH		●	●							●	●	2021	2
José Duarte (M, 1968)	Member NCC, Member ESGC	PT	●		●		●	●	●	●	●		●	2019	4
Jim Freeman (M, 1972)	Member AC, Member IC	US					●	●	●	●	●			2022	1
Elizabeth Theophille (F, 1967)	Member AC, Member IC	GB					●	●	●		●			2023	<1

Board of Directors' performance assessment

The BoD, in collaboration with the NCC, carries out a regular evaluation of the BoD's and the BoD committees' performance as well as the work of the Chair. To this extent, the BoD is committed to an open, transparent, and critical boardroom culture, which forms the basis for this annual review of its own performance and effectiveness.

The assessment is intended to review the BoD's as well as the committees' composition, organisation and processes, the BoD's responsibilities governed by the OrgR and the committee charters. The committees shall further assess their accomplishments and evaluate their achievements subject to predetermined goals. The outcome of the evaluation will feed into the BoD's succession planning as described in the section "Board of Directors' skill and experience assessment."

Coordinated by the Vice-Chair, an internal assessment of the BoD was performed during the reporting year.

Board of Directors' training and education

Education is an important priority for SoftwareOne's BoD. Newly elected BoD members attend an onboarding programme tailored to their functions to gain a sound understanding of SoftwareOne's organisation, business, culture, and its environment. In addition to this induction programme for new members, refresher programmes are given to all Board members to update and enhance their knowledge of emerging business trends, risks, and legal framework. This is further intended to contribute to building a strong and effective culture in the BoD, which is an important pillar of its effectiveness.

Interaction of the Board of Directors with the Executive Board

In accordance with Art. 16 of the AoI and Art. 11.2 of the OrgR, the BoD has delegated the operational management of SoftwareOne and the group based on the OrgR entirely to the EB, within the limits permitted by and subject to the powers and duties remaining with the BoD pursuant to the OrgR.

The EB supports the BoD in fulfilling its duties and prepares proposals for consideration and decision-making by the BoD. These proposals are related to the following key group responsibilities: long-term strategy, business plan resilience, organisational structure, accounting principles, finance, capital markets, risk management including insurance, HR matters, corporate social responsibility, share capital and financing in general as well as for important strategic transactions. BoD resolutions shall result in appropriate feedback and unambiguous instructions to the CEO and other members of management.

The BoD supervises and monitors the performance of the EB through reporting and controlling processes. The CEO and other EB members regularly provide reports and updates to the BoD. These include information on key performance indicators and other relevant financial data, current and forward-looking risks and on developments in important markets, the industry and material events. The Chair of the BoD regularly meets with the CEO and other EB members outside of regular BoD meetings and individual BoD members will meet individual EB members with whom they are paired under a structured mentoring programme. SoftwareOne has an information and financial reporting system. The annual targets are reviewed by the EB in detail and are approved by the BoD. SoftwareOne has adopted and implemented a formal approach to risk management and control, described in more detail in the section Audit Committee.

The BoD remains entitled to resolve any matters which are not delegated to or reserved for the Annual General Meeting of shareholders or another executive body of the company by law, the AoI or the OrgR. Furthermore, the BoD may at any time on a case-by-case basis or according to a general reservation of powers provided in the OrgR, intervene in the tasks and powers of a subordinate EB and personally resolve the relevant matter.

Audit Committee

Key responsibilities and duties

The AC comprises at least three members of the BoD. As at 31 December 2023, the AC comprised four members. The members of the AC and the Chair are appointed annually by the BoD, which aims to appoint non-executive and independent (as defined in the Swiss Code) members of the BoD. The Chair of the AC must be an independent BoD member other than the Chair of the BoD. The members, including the Chair of the AC, should be experienced in financial and accounting matters. The term of office of the AC members ends at the closing of the next Annual General Meeting. Re-appointments are possible. The AC meets whenever required by the business, and at least four times per year.

The AC supports the BoD in the fulfilment of its duties as per Art. 716a CO in the areas of financial controls (supervision of internal and external auditing, monitoring of financial reporting), supervision of persons entrusted with the management of the group (assessing the effectiveness of internal and external control systems), risk management processes and oversight of key non-financial processes (corporate social responsibility and compliance). Its duties and responsibilities are set out in the AC Charter.

Audit Committee activities in the reporting period

In 2023, the AC held six meetings by video conference in February, May, June, August, November, and December, with an average duration of approximately 2:20 hours. The committee focused on several key areas, including but not limited to the activities described below. Specifically, the AC:

- Strategic review;
- Discussed the coverage of the group audit;
- Reviewed the risk map, including financing and forex risks, and internal and external audit plans;
- Reviewed the tax strategy and effective tax rate;
- Reviewed of treasury strategy, funding and capital structure;
- Reviewed the draft 2022 Annual Report and the draft 2023 Half-Year Report as well as the two draft quarterly trading updates in relation to the first and third quarter of 2023, respectively;
- Reviewed internal policies.

The AC sets the audit plan for a period of several years as well as the scope of the internal and external audits and approves the guidelines for the work of the Internal Audit department as well as for the company's compliance organisation. It reviews and approves the internal and external audit plans, changes to the plans, activities, scope, and budget as well as accounting policies. The AC approves the fees for the external auditors. The AC challenges the appropriateness of risk-based estimates and judgements as well as the methods used to account for unusual transactions. Furthermore, the AC defines the organisational structure of the Internal Audit function and sets and reviews the qualifications of the Internal Audit organisation as deemed appropriate. The AC may hold meetings with representatives of the internal and external auditors without the presence of management. Such meetings must take place at least once per year with the external auditor. In 2023, the AC held three meetings with the internal auditors and six meetings with the external auditors.

It is the AC's responsibility to assess the performance of the internal and external auditors as well as their cooperation with one another.

In consultation with management and the external and internal auditors, the AC discusses the integrity of SoftwareOne's financial reporting processes, management controls, compliance management and the functionality of internal controls, reviews significant financial risk exposures and the steps taken by management to monitor, control and report such exposures.

The Head of Internal Audit and the Chief Legal Officer have a direct reporting line to the AC in case of significant compliance issues with the potential for major financial or reputational damage, including issues concerning management. The AC has direct access to the Internal Audit department and may obtain all information required from it, including direct access to employees. The AC will ensure that it receives regular information from both the internal and the external auditors. The AC has the overriding supervision of internal and external auditing.

Interactions with the Executive Board

The AC regularly invites the CEO, the CFO, and other members of the EB or, subject to prior notification of the responsible member of the EB, members of the company's management or other key employees to its meetings, as deemed desirable or appropriate. Furthermore, upon invitation by the AC Chair or, in their absence, the member of the AC calling a meeting, other executive officers/employees of the company or its subsidiaries shall also participate in meetings of the AC on a consultative basis. Third parties may also be invited to participate in meetings of the AC on a consultative basis. In 2023, SoftwareOne's CFO participated in all six AC meetings.

Risk management

The BoD is responsible for overseeing SoftwareOne's risk management and internal control systems for which the BoD has mandated the AC. The AC monitors the strategic risk management processes and reviews the risk management framework against the company's risk management strategy, providing recommendations and appropriate mitigations. It further assesses the robustness of the company's risk management policies and processes related to the risk management strategy. These systems provide appropriate security against significant inaccuracies and material losses.

Risks are identified through a variety of methods, including a formal enterprise risk assessment. This assessment considers whether key (emerging) risks that could impact the achievement of SoftwareOne's strategic objectives are appropriately managed.

The assessment results are included in a risk register, which considers the gross risk (without mitigation measures) and the net risks (with and without mitigation measures including controls). An internal controls system is in place for financial risks, whereby control owners have to attest to the effectiveness of their controls and provide supporting evidence. The updated risk register is discussed and reviewed with the Audit Committee at least once per year.

Throughout the year, SoftwareOne continued to invest in its risk management approach. This included strengthening the second line function by appointing a new Head of Financial Internal Controls as well as a new Head of Internal Audit.

The company applies a three-line defence model to ensure effective risk management is in place.

First line:
- Leaders and staff who are responsible for identifying and managing risk as part of their accountability to achieve objectives.
- Effective internal controls on day-to-day processes.

Second line:
- Functions overseeing or specialising in compliance or risk management.
- Policies, frameworks, tools, techniques, and other support to enable effective risk and compliance management.

Third line:
- Internal audit function and the external auditors provide independent and objective assurances, and consulting services.
- Reports to Audit Committee with risk-based approach, evaluating the design and operating effectiveness of policies, procedures, and controls.
- Scope: enterprise-wide, including finance, operations, and technology.

Based on its risk management oversight activities, the AC makes proposals to the BoD regarding the company's corporate governance, compliance, and corporate responsibility framework. The AC also assesses the effectiveness of the internal control system related to key financial processes, forms a view on the situation concerning compliance with applicable standards and guidelines, and develops these further.

Embedded throughout the business, the group risk management function ensures an integrated approach to managing current and emerging threats. Risk management plays a key role in business strategy and planning discussions. At SoftwareOne, the group risk management function falls under the responsibility of the CFO.

Strategic risk management has identified key areas of risks that are constantly monitored by group risk management and the AC. The following key strategic risk categories have been identified:

Strategic business risks, e.g.:
- Economic crisis;
- Significant losses of the value chain in software & cloud;
- Slow innovation;
- Unsuccessful new service models;
- Slow multivendor model adoption;
- ESG risks, as reported by the ad hoc ESG Committee.

Operational risks, e.g.:
- IT security, including cyber and data;
- IT applications;
- Customer security breaches in cloud consumption;

- Operational excellence issues (scalable and efficient business model).

Financial risks, e.g.:
- Unhedged market risk;
- Accounts receivable risk;
- Currency fluctuation risk;
- Transfer pricing;
- Tax risks;
- Performance measurement and controlling.

Legal and compliance risks, e.g.:
- Non-conformity, illegal acts, internal or external fraud;
- Reputational risk;
- Professional liabilities with service business;
- Non-compliance with laws and regulations, including stock market regulations;
- Internal or external fraud.

Risk management is carried out by line management, controlled by the CFO under policies approved by the BoD and reviewed and supervised by the AC. Key risks are identified, evaluated, and managed in close co-operation with the group's operating units. The BoD provides written principles for overall risk management, as well as written policies covering specific areas within the risk categories.

The company's risk management system covers the processes of the entire application management of all local and global IT systems, and ensures a regular monitoring as well as update of its IT systems and processes to ensure reliability, business continuity and performance.

SoftwareOne is certified to international standards on systems management, including ISO 9001:2015 on quality management systems, ISO 14001:2015 on environmental management systems. and ISO/IEC 27017:2015 for Brazil and India on information security controls for cloud services.

Quality audits are an integral part of SoftwareOne's quality management system and cover the control of the established processes to fulfil all required regulatory industry standards.

The AC periodically monitors SoftwareOne's risk assessment and assesses the proposed risk mitigation measures proposed by the EB on at least an annual basis.

Audit of non-financial and ESG topics

A key non-financial risk for SoftwareOne is IT security. Therefore, the assessment of performance against an IT security framework is an important ongoing task for Internal Audit. To ensure that the appropriate specialists in Internal Audit can conduct their assessments according to the highest and most recent industry standards, SoftwareOne provides relevant training and resources required by Internal Audit.

A material component of an ESG programme was the definition of new targets and their validation against recognised reporting standards. These were published in the SoftwareOne ESG report in H2 2023, outlining SoftwareOne's ambitions and the targets to be used, as recognised reporting standards. The progress against agreed ESG targets will be regularly monitored by Internal Audit.

Nomination and Compensation Committee

Key responsibilities and duties

As at 31 December 2023, the NCC comprised four members. The members of the NCC are each elected annually and individually at the shareholders' meeting. Their term of office ends at the closing of the next ordinary shareholders' meeting and re-election is possible. The Chair of the NCC is appointed by the BoD. In any case the Chair of the NCC shall be an independent member of the BoD and there shall be an independent majority in the NCC (with the casting vote of the Chair).

If there are vacancies in the NCC, the BoD may appoint substitute members from among its members for a term of office extending until the closing of the next ordinary shareholders' meeting. The NCC meets whenever required by business, and at least three times per year.

The NCC has the powers and duties of the compensation committee as provided by Swiss law and in particular, the Ordinance against Excessive Compensation in Public Companies, as well as the powers and duties as provided in Art. 15 para. 5 of the AoI and the NCC Charter. The overall responsibility for the duties and powers assigned to the NCC shall remain with the BoD. The NCC shall regularly report to the BoD on its activities and submit the necessary proposals. Details of the compensation policies and principles can be found in the Compensation Report 2023.

Nomination and Compensation Committee activities in the reporting period

The NCC held six meetings in 2023, all but one by video conference. The average duration of these calls was approximately 3 hours. The committee focused on several key areas, including:

- Providing guidance on composition and succession planning of the BoD and the EB;
- Appointing a new CEO;
- A compensation framework including compensation levels and benchmark analysis for the EB and BoD;
- Preparing compensation decisions, including the setting of short-term incentive and long-term incentive targets, short-term incentive pay-outs, long-term incentive grants and salaries for EB members;
- Diversity review;
- EB succession planning;
- External mandates review.

The NCC's work on compensation-related matters is described in detail in the SoftwareOne Compensation Report.

Nomination and Compensation Committee interactions

The NCC shall regularly invite the CEO to its meetings and may invite other members of the EB or, subject to prior notification of the responsible member of the EB, members of the company's management, as it deems desirable and appropriate to fulfil its tasks responsibly.

The CEO or other members of the EB may not be present when the NCC reviews the compensation or other aspects of the employment of the relevant person. The Chair of the BoD or the NCC Chair is not present when the NCC reviews their compensation. In 2023, the CEO participated in five of the six meetings of the NCC. The NCC regularly consults the Chief Human Resources Officer to develop and recommend appropriate actions to the BoD.

In the process of evaluating SoftwareOne's performance against the pre-determined compensation-relevant performance metrics, the NCC generally interacts annually with the Chair of the AC to obtain the information on the relevant metrics.

To further develop the compensation system, namely the Short- and Long-Term Incentive schemes reviews, the NCC worked together with external service providers HCM Hostettler & Company (HCM), Mercer and Willis Towers Watson. These were the only business relationships and mandates of SoftwareOne with Mercer and HCM. Willis Towers Watson was mandated with a human resources project.

Innovation Committee

Key responsibilities and duties

As at 31 December 2023, the IC comprised three members. The members of the IC and the Chair are appointed annually by the BoD. Their term of office ends at the closing of the next ordinary shareholders' meeting and re-appointment is possible. The IC meets whenever required by business, and at least four times per year.

The IC supports the BoD in identifying and assessing existing and future trends and technologies, determining how these may affect the company's operations and whether they offer new business opportunities. The IC assists the BoD in matters relating to long-term transformational challenges, business development, innovation and plans as developed by the company. Its duties and responsibilities are set out in the IC Charter.

Innovation Committee activities in the reporting period

In 2023, this being the year of its creation at the AGM in May, the IC held two meetings in 2023, both by video conference. The average duration of these calls was approximately 1 hour. The committee focused on several key areas, including:

- Providing guidance on innovation, technology, and digital transformation;
- Promoting innovation initiatives that support business growth;
- Assessing the company's identification, research and integration of technology and innovation;
- Reviewing strategic vendor partnerships relating to technology innovation;
- Reviewing the company's risk posture and exposures relating to technology development;
- Overseeing the company's business continuity, contingency, and recovery plans for technology, systems and data.

Innovation Committee interactions

The IC shall regularly invite the CEO and the Chief Information Officer to its meetings and may invite other members of the EB and members of the company's management, as it deems desirable and appropriate to fulfil its tasks responsibly.

Furthermore, upon invitation by the IC Chair or, in their absence, the member of the IC calling a meeting, third parties may also be invited to participate in meetings of the IC on a consultative basis.

Executive Board

Composition of the Executive Board

The CEO and the other members of the EB are appointed and dismissed by the BoD. The BoD is supported by the NCC, which prepares all relevant decisions of the BoD in relation to the nomination of the CEO and the other members of the EB and submits proposals and recommendations to the BoD.

As at 31 December 2023, the EB was composed as follows:

Brian Duffy
(CEO as of May 2023)

Role
Chief Executive Officer

Joined SoftwareOne in
2023

Nationality
Irish

Professional experience and external appointments
Previously held various positions at SAP, most recently as President of Cloud and, prior to that, as President of Northern Europe.

Joined SoftwareOne in 2023 as Chief Executive Officer.

No external appointments.

Education
Master of Law from the University of Illinois, USA with a Bachelor of Laws from the University College Dublin.

Rodolfo J. Savitzky

Role
Chief Financial Officer

Joined SoftwareOne in
2022

Nationality
Mexican and Swiss

Professional experience and external appointments
Previously held various finance leadership positions at P&G, Novartis and Lonza in Europe and Latin America. Prior to joining SoftwareOne, served as CFO and member of the Group Executive Committee of Lonza from 2016 to 2021.

Currently also Member of the Board of Directors of EUROAPI S.A.

Education
Graduated from Monterey Institute of Technology in Industrial and Systems Engineering and holds an MBA in Finance and Economics from the University of Chicago Booth School of Business.

Bernd Schlotter

Role
President Software & Cloud

Joined SoftwareOne in
2021

Nationality
American

Professional experience and external appointments
Previously held various leadership positions in technology, IT services and consulting companies in the United States and Europe. Most recently served as Managing Director and Senior Partner at Boston Consulting Group's (BCG) Silicon Valley Office & Digital Center supporting clients in digital transformation from strategy to execution.

No external appointments.

Education
Graduated from the University of Stuttgart with a degree in Mechanical Engineering ("Diplom-Ingenieur") and an MBA from the University of California at Berkeley.

Julia Braun

Role
Chief Human Resources Officer

Joined SoftwareOne in
2022

Nationality
Austrian

Professional experience and external appointments
Previously held various global HR leadership positions in Switzerland and Austria. She served as HR executive at Tupperware Brands, as CHRO at Conzzeta and most recently as Director and Board Member at ISS Switzerland.

No external appointments.

Education
MAS/MSc in Human Resources & Organisational Development from PEF University Vienna and an Executive MBA from the Business School of Lausanne.

Dieter Schlosser
(Until May 2023)

Role
Chief Executive Officer

Joined SoftwareOne in
2012

Nationality
German

Professional experience and external appointments
Previously held several positions in the IT departments of large companies in the oil and gas, mining, automotive and pharmaceutical sectors.

Joined SoftwareOne in 2012 as Chief Operating Officer.

No external appointments.

Education
Degree in business management from Württembergische Verwaltungs- und Wirtschafts-Akademie e.V.

Neil Lomax
(Until October 2023)

Role
President of Sales

Joined SoftwareOne in
2008

Nationality
British

Professional experience and external appointments
Previously President of North America and a member of the group's Executive Board for worldwide sales strategy.

Joined SoftwareOne in 2008 and held several positions in sales and business development.

No external appointments.

Education
Cambridge Judge Business School with an executive education degree in business models for transformative & competitive advantage.

The following table provides an overview of SoftwareOne's EB:

Name	Nationality	Born	Function	Appointment	Education	External mandates listed	External mandates non-listed
Brian Duffy[1]	Irish	1980	Chief Executive Officer	2023	Law, LL.M.	0	0
Rodolfo J. Savitzky	Mexican, Swiss	1962	Chief Financial Officer	2022	Engineering, finance and economics, MBA	1	0
Bernd Schlotter	American	1964	President Software&Cloud	2021	Mechanical Engineering, MBA	0	0
Julia Braun	Austrian	1973	Chief Human Resources Officer	2022	Human Resources, MBA	0	0
Dieter Schlosser[2]	German	1966	Chief Executive Officer	2019	Business management	0	0
Neil Lomax[3]	British	1979	President of Sales	2019	Business administration	0	0

1) Since May 2023.
2) Until May 2023.
3) Until October 2023.

Management changes

SoftwareOne welcomed Brian Duffy as CEO in May 2023, who succeeded Dieter Schlosser. Brian has extensive experience from various leadership positions he held at SAP, notably as SAP President of Cloud and as President of Northern Europe. Brian will drive SoftwareOne's objective of helping clients unlock opportunities that are fuelled by technology.

Neil Lomax, who was Member of the EB and held various positions in sales and business development, including Regional President North America, left the company in October 2023.

Compensation of the Executive Board

The shareholders' meeting shall approve annually and separately the proposals of the BoD in relation to the maximum aggregate compensation of the EB for the next business year (see art. 19 of the AoI). More details on compensation and post-employment benefits of the EB can be found in the Compensation Report.

The members of the EB may only be granted loans and credits up to a maximum amount of CHF 1,000,000 at market-based conditions and in compliance with the applicable rules of abstention.

Responsibilities

The BoD has delegated the operational management of the company entirely to the CEO within the limits permitted by law and subject to the powers and duties remaining with the BoD pursuant to the OrgR.

Within the operational management delegated to the CEO pursuant to OrgR, the CEO is responsible for SoftwareOne's daily business operations and represents the company in these matters, all in accordance with the law, the AoI, the OrgR as well as the strategies, policies and guidelines set by the BoD. The CEO is responsible for the implementation of BoD resolutions and the supervision of all management levels at the company. The CEO acts as the head of the EB.

Within the EB, the CEO is the primary point of contact for the Chair and the other members of the BoD. The CEO represents and coordinates the positions of the EB vis-à-vis the BoD. In case of matters requiring approval by the BoD as a matter of law, the AoI or the OrgR, the CEO submits corresponding proposals to the BoD. The CEO provides information to the other members of the EB concerning the resolutions and suggestions of the BoD. The CEO ensures that resolutions are implemented and that suggestions are considered. The CEO represents the group, both internally and externally.

Statutory provisions regarding external mandates

According to Art. 21 of the AoI, no member of the EB may hold more than one mandate in a listed company and more than three mandates in non-listed companies. For a description of how SoftwareOne defines mandates and for transitional provisions of newly appointed EB members, please refer to the section Availability and statutory provisions regarding external mandates above.

Any mandate of a member of the EB in a legal entity outside of SoftwareOne shall be subject to prior approval by the BoD, or the NCC, where delegated.

All members of the EB remained within the statutory maximum number of outside mandates in listed and non-listed companies and organisations.

Management contracts

As at 31 December 2023, the company has not entered into any management contracts with third parties.

Composition of the EB

The EB meets the legal representation requirements as both genders are duly represented with at least 20% representation.

Shareholders’ participation rights

Annual General Meeting participation and voting rights restrictions

At the shareholders’ meeting, each share registered in the share register of SoftwareOne shall be entitled to one vote. For information on nominee registration, see section below.

Shareholders may personally represent their shares at the shareholders’ meeting or be represented by (i) a third person who does not need to be a shareholder by means of written proxy or (ii) by the independent proxy.

The BoD determines the requirements for proxies and instructions in accordance with the laws and regulations and may establish corresponding rules, which are discussed in this section.

Transferability, share register, nominee registration and registration limitations

SoftwareOne maintains a share register in which the owners, usufructuaries and nominees of registered shares are registered with name, address, and nationality (or in case of legal entities, the registered office). In relation to the company, only those shareholders, usufructuaries or nominees registered in the share register are recognised as shareholders, usufructuaries or nominees. The company only recognises one proxy per share.

Acquirers of shares, upon request and presentation of evidence of the transfer or establishment of the usufruct, are registered as shareholders with voting rights in the share register if they explicitly declare they hold the shares in their own name and for their own account, that there is no agreement on the redemption or return of corresponding shares and that they bear the economic risk associated with the shares.

Persons who do not expressly declare in the registration application that they hold the shares for their own account (nominees) shall, without further ado, be entered into the share register with voting rights up to a maximum of 3% of the total share capital outstanding. Above this threshold, nominees shall be registered as shareholders with voting rights, provided the respective nominees disclose the names, addresses, nationalities and shareholdings of the persons for which they hold 1% or more of the total share capital outstanding, provided there is compliance with notification duties pursuant to the FMIA.

The BoD is authorised to conclude agreements with nominees on their duties of notification and to grant exemptions from the regulation described in the paragraph above in individual cases.

SoftwareOne has the right to delete entries in the share register retroactively of the date of the entry, if the registration has been based on false information. It may give the relevant shareholder or nominee the opportunity to be heard in advance. The relevant shareholder or nominee is to be informed about the deletion without delay.

The BoD shall implement the necessary directions for maintaining the share register and it may issue corresponding regulations or guidelines. The BoD may delegate such tasks.

In the year under review, no exceptions were granted with respect to entry in the share register and no entries in the share register were deleted retroactively or otherwise.

Independent proxy

According to Art. 10 of the AoI, the shareholders' meeting annually elects an independent proxy. The independent proxy's term of office begins on the day of election and ends at the end of the following ordinary shareholders' meeting. Re-election is possible. If SoftwareOne does not have an independent proxy, the BoD shall appoint the independent proxy for the next shareholders' meeting.

Pursuant to the Ordinance against Excessive Compensation in listed companies and SoftwareOne's AoI, the Annual General Meeting of shareholders elects the independent proxy for a term ending at the conclusion of the next annual shareholders' meeting. Re-election is possible.

At SoftwareOne's AGM of shareholders held on 4 May 2023, Anwaltskanzlei Keller KLG, Zurich, Switzerland, was re-elected as the independent proxy for the term ending at the conclusion of the Annual General Meeting 2024.

Quorums required by the Articles of Incorporation

Except where the law or the AoI provide otherwise, the shareholders' meeting passes its resolutions and holds elections by the majority of the votes cast, excluding any abstentions, blank or invalid votes (see Art. 11 of the AoI).

A resolution of the shareholders' meeting passed by at least two thirds of the votes represented at the meeting and the majority of the nominal values of the shares represented at the meeting is required for:

(i) All resolutions according to Art. 704 of the Swiss Code of Obligations;

(ii) Resolutions regarding the release or cancellation of transfer restrictions of registered shares;

The Chair of the shareholders' meeting determines the voting procedure.

Convocation of the Annual General Meeting of shareholders

The notice of the shareholders' meetings shall be given by publication in the Swiss Official Gazette of Commerce (SOCG) at least 20 calendar days before the date of the meeting. The notice may also be sent by mail or e-mail to the shareholders, usufructuaries and nominees registered in the share register. The notice shall be issued by the BoD, or, if necessary, by the auditors.

The convocation notice shall include the agenda items and the proposals of the BoD as well as of the shareholders who have requested the convocation of a shareholders' meeting or who have requested that a specific item be put on the agenda.

Inclusion of items on the agenda

One or several shareholders that represent at least 3% of the share capital may also request to convene a shareholders' meeting. In this case, the BoD must convene the meeting within 30 days. Shareholders representing at least 0.5% of the share capital may request items to be put on the agenda, provided the request is made at least 45 calendar days prior to the general meeting concerned. Convocation requests and requests for inclusion of agenda items need to be submitted to the BoD in written form, indicating the agenda items and proposals (see Art. 8 of the AoI).

No resolutions may be passed on motions concerning agenda items that have not been duly announced, except for motions to convene an extraordinary shareholders' meeting, to initiate a special audit or to elect auditors upon a shareholders' request.

No prior notice is required to submit motions relating to items already on the agenda and to discuss matters on which no resolution is to be taken.

Entries in the share register

In the invitation to the shareholders' meeting, the BoD shall announce the record date for registration in the share register that is relevant with respect to the right to attend and vote (see Art. 5 of the AoI).

Changes of control and defence measures

Unvested deferred compensation may vest and employee participation plan rules may be amended upon a change of control of SoftwareOne, that is, if a new external shareholder acquires a major stake in SoftwareOne.

In accordance with Swiss law, the mandates and employment contracts of the members of the BoD and of the EB do not contain any provisions such as severance payments, notice periods of more than 12 months or additional pension fund contributions that would benefit them in a change of control situation.

The BoD or, to the extent it is delegated, the NCC, shall determine granting, vesting, exercising and/or forfeiting conditions. They may provide for a continuation, acceleration, or removal of vesting and/or exercising conditions, for payment or granting of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events, such as a change of control or termination of an employment or mandate agreement.

External audit

a. Mandate external audit

The AC supports the BoD in the nomination of the external auditors to be proposed to the Annual General Meeting for election or reelection. It assesses annually the external auditor's qualifications, effectiveness, past performance, and independence, especially related to any further consulting mandates. In connection with the appointment of the external auditor, the AC further approves the audit programme, the annual fees and annually reviews the fee budget and actual audit fees incurred.

b. External auditor

Since its incorporation in 2013, SoftwareOne's statutory external auditors have been Ernst & Young AG (CHE-491.907.686) ('EY'), Maagplatz 1, 8005 Zurich, Switzerland. The current auditor in charge is Mr Rico Fehr, who was appointed the lead auditor in 2023, in line with the Swiss Code of Obligations. To foster external auditor independence, the lead auditor must be replaced every seven years.

The external auditor is elected (or re-elected, as the case may be) at each Annual General Meeting of shareholders for a term of office until the completion of the following Annual General Meeting.

c. Auditing fees and additional fees

Auditing fees	CHF 1,945,000	90%
Additional fees (total)	CHF 220,000	10%
– Tax[1]	CHF 220,000	
Total fees	**CHF 2,165,000**	**100%**

1) Income tax compliance and transfer pricing.

d. Information instruments pertaining to the external audit

Responsibilities of the external auditor

The external auditor is independent and accountable to the AC, the BoD and, ultimately, to the shareholders.

Cooperation and flow of information between the auditor and the Audit Committee

The AC liaises closely with the external auditor. In general, the lead auditor participates in the AC meetings as an advisor. In 2023, the external auditors participated in all six meetings of the AC (all conducted via video conference). The external auditor provides the AC with regular updates on the audit work, open audit issues and the processing thereof, all audit-related issues as well as with reports on topics requested by the AC. The external auditor has a direct reporting line to the AC and may escalate potential audit issues directly to the Chair of the AC. At least once a year, the AC meets the external auditor without the presence of management.

The AC, together with the BoD, reviews and approves in advance the planned audit services as well as a cap on additional non-audit services provided by the external auditor. It discusses the results of annual audits with the external auditor, including reports on the financial statements, necessary changes to the audit plans and critical accounting issues. It also establishes guidelines for the internal and external audit with the goal of an optimal complementarity of all audit work as important pillars of the various lines of defence.

The external auditor shares with the AC its findings on the adequacy of the financial reporting process and the efficacy of the internal controls. It informs the AC about any differences of opinion between the external auditor and management encountered during the audits, or in connection with the preparation of the financial statements, findings regarding a potential malfunctioning of internal controls or differing views between the external and the internal auditor.

Evaluation of the external auditor

The AC is responsible for recommending an audit firm to the BoD for election at the Annual General Meeting of shareholders. In Switzerland, there is no general legal requirement providing for a periodic mandatory rotation of the external auditor company, but the lead audit person must change every seven years. In order to be able to recommend an audit firm for election by the shareholders and in line with good corporate governance, the AC thoroughly evaluates the credentials of the current external auditor annually and presents its findings to the BoD. EY has a proven record of professionalism and efficiency and fully meets the high standards of SoftwareOne.

Furthermore, the AC annually evaluates the performance of the external auditor.

External inquiries

At least once a year, the AC discusses with the external auditor any material issues, inquiries or investigations raised by governmental or professional authorities and steps taken to deal with any such issues.

Independence

At least once per year, the external auditor provides a formal written statement detailing all relationships with the company that might affect its independence. Any disclosed relationships or services that might interfere with the external auditor’s objectivity and independence are reviewed by the AC, which then recommends appropriate action to be taken by the BoD.

Performance

This assessment measures the external auditor’s performance against several criteria, including understanding of SoftwareOne’s business; technical knowledge and expertise; comprehensiveness of the audit plans; quality of the working relationship with management and clarity of communication. It is compiled from input of key people involved in the financial reporting process and the observations of the AC members.

Black-out periods

The SoftwareOne Internal Regulations against Insider Trading, which are published on the company's intranet, apply to all "Affected Persons" and "Insiders." The term "Affected Persons" includes the following:

- members of the Board of Directors;
- members of the Executive Board;
- assistants of members of the Board of Directors or the Executive management Team;
- other key employees;
- accounting, finance and controlling of the Group;
- employees of Group Companies involved in projects dealing with assignments that may lead to price sensitive information;
- external consultants.

"Insiders" are defined as all persons in possession of Insider Information, this being any confidential information which, if made public, would possibly have a significant effect on the price of the company's shares, any other securities, derivatives, or other financial instruments derived from such securities that are admitted for trading on a trading venue in Switzerland. The Chief Legal Officer maintains a list containing the names, dates of birth and addresses of all Insiders, as well as the date on which the relevant Insider became an Insider.

Information is considered and remains "non-public" Insider Information until released to the public by the company in compliance with applicable laws and regulations and the listing rules of the SIX Swiss Exchange (the "Listing Rules"), and until the market has had enough time to absorb and evaluate the information. The SoftwareOne Internal Regulations against Insider Trading specify that any person having knowledge of material information may not attempt to "beat the market" by trading simultaneously with or shortly after the official release of such information. The regulations set out that information is deemed absorbed and evaluated by the market by the time of close of markets on the trading day after the information has been publicly released (cooling-off period).

Insiders are prohibited from exploiting Insider Information and must always abstain from:

- trading in the Securities, that is the shares of the company, the shares of any listed Group Company and/or other traded securities to which the Insider Information relates. Trading comprises selling or buying directly or indirectly or in concertation with third parties or otherwise buying or disposing of or entering into any transaction (including any kind of equity linked or derivative transactions) having an economic effect similar to that of a sale or a purchase of Securities or other traded securities;
- encouraging or recommending to any other person, including family members, trustees, and consultants to trade in the Securities or other traded securities.

Insider Information will not be disclosed to any third party, except parties which require such information to carry out their contractual or statutory duties and which are bound by confidentiality agreements (e.g. third party advisors), as well as parties for whom the disclosure of Insider Information is a prerequisite for the entry into a contract (e.g. due diligence access in the context of a merger, acquisition or divestment), in which case such a party must enter into a confidentiality commitment, be informed of the potential price-sensitivity and cautioned not to exploit the information and provided that the company maintains a record of the information that has been disclosed.

As per the SoftwareOne Internal Regulations against Insider Trading neither the company nor any Affected Persons may deal in any Securities for their own account or the account of a related person, including an investment body, during the General Black-out periods, regardless of whether the company or Affected Person is in possession of Insider Information.

The General Black-out periods are:

- from 31 December until the lapse of one SIX trading day following the public release of the company's annual results;
- from 31 March until the lapse of one SIX trading day following the public release of the company's first quarter results;
- from 30 June until the lapse of one SIX trading day following the public release of the company's semi-annual results;
- from 30 September until the lapse of one SIX trading day following the public release of the company's third quarter results.

Affected Persons not involved in the preparation of the financial results and without access to the information are not subject to the general Black-out periods.

In addition, Special Black-out Periods, as defined in the Internal Regulations against Insider Trading, can be introduced at any time during which trading by persons subject to such Special Black-out Periods is not permitted, irrespective of whether such persons are in possession of Insider Information or not. Any person subject to an applicable Special Black-out Period must not deal in any Securities for their own account or the account of a related person.

All persons that were involved in the Strategic Review conducted by the BoD were subject to Special Black-out periods throughout the negotiation process.

Information policy

SoftwareOne releases its annual financial results and Annual Report in electronic form within three months of the 31 December balance sheet date. Results for the first half of each financial year are released within three months of the 30 June balance sheet date. The company also provides quarterly trading updates for the first and third quarters of each financial year, covering certain key financial metrics, in electronic form, within two months of 31 March and 30 September balance sheet dates, respectively. SoftwareOne's Annual Report, full-year and half-year results and quarterly trading updates are announced via media releases and media and investor conferences in person or via webcast.

Information and documents pertaining to media releases, media conferences, investor updates and presentations at analyst and investor conferences can be downloaded from the company's website at https://www.softwareone.com or obtained from the company upon request at SoftwareOne Holding AG, Investor Relations, Neue Winterthurerstrasse 82, 8304 Wallisellen, Switzerland (telephone number: +41 (0) 44 832 41 37 email: investor.relations@softwareone.com).

- Email distribution list (push system);
- Financial Reports;
- Corporate Calendar.

Compensation Report

Letter to shareholders

Dear shareholders,

I am pleased to present SoftwareOne's 2023 Compensation Report on behalf of the Nomination and Compensation Committee (NCC) and the Board of Directors (BoD). Our 2023 Compensation Report outlines SoftwareOne's overall compensation policy, principles, and compensation framework. It discloses the compensation awarded to members of both the BoD and the Executive Board (EB) throughout the 2023 financial year. It is compiled in accordance with the relevant sections of the Swiss Code of Obligations (Swiss CO), particularly Article 734 et seq., applicable to Swiss listed companies, the Directive on Information related to Corporate Governance of SIX Swiss Exchange, as well as the Swiss Code of Best Practice.

This fourth full financial year as a public company was characterised by the continuous development of our compensation framework and related disclosures. In line with prior years, the overarching objective remained centred on fostering long-term value creation through the alignment of the Executive Board's interests with SoftwareOne's shareholders, while acknowledging the need to retain talent within the highly competitive global technology sector.

During 2023, we focused on strengthening our EB, following an organisational refresh to enable us to achieve our ambitious goals. We were pleased to welcome our new CEO, Brian Duffy, in May 2023. We have also streamlined the EB organisation by redistributing certain tasks and responsibilities. For example, as of November 2023, we grouped the responsibilities for Software & Cloud Services and Software & Cloud Marketplace under Bernd Schlotter. To complement our new organisation, we are looking forward to welcoming Rohit Nagarajan in the newly created role of Chief Revenue Officer, responsible for leading SoftwareOne's global revenue operations, with a focus on driving sales and marketing excellence, ensuring a seamless customer experience while identifying strategic growth initiatives.

In light of the 2023 organisational updates and strategic realignments, we conducted our bi-annual market executive benchmark with a particular focus on geographical specificities and talent market dynamics. This benchmarking prompted an update of our peer group and revealed areas where alignment in both structure and compensation level needed adjustment. The updates were motivated by our commitment to reflect organisational changes in our processes and governance approaches, as well as a strategic shift towards recruiting talent externally. Additionally, they underscore our dedication to long-term, performance-based compensation. The changes mostly took effect during the second half of 2023. Similar updates were made under the Long-Term Incentive (LTI) plan, as already indicated in the outlook section of last year's compensation report. The LTI now focuses on relative TSR, revenue growth, as well as EBITDA margin, all measured over the three-year performance period. Furthermore, we have extended the reach of our clawback provisions to also include Short-Term Incentive (STI) awards and streamlined the triggering events of a clawback case.

Furthermore, we also conducted our bi-annual market review for the compensation of our Board of Directors. The benchmarking illustrated that our approach, level, and structure are generally in our targeted market range, hence no changes were made for the existing fees and committee structures besides the Vice Chair base fee, which was under the market average. At the same time, the Board of Directors decided to create two additional committees as of the AGM 2023: An Innovation Committee and an ESG Committee. The fees for these committees lie below those of the other committees and are explained in more detail in section Board of Directors compensation.

In preparing this Compensation Report, the NCC has prioritised its transparency, clarity, and accessibility. We have made specific improvements, particularly in how we describe our performance goals and ambitions, as well as actual performance achievements driving the variable compensation. This includes details of the first post-IPO LTI grant vested in 2023.

The NCC will continue to undertake regular assessments, reviews, and amendments to the compensation framework, to ensure SoftwareOne attracts the right talent while remaining aligned with the interests of all stakeholders and maintaining a high-performance culture.

2024 Annual General Meeting (AGM)

In line with the Swiss Code of Obligations and our Articles of Incorporation, we will ask our shareholders to cast a prospective and binding vote on the maximum aggregate amount of compensation for the BoD for their term of office from the 2024 AGM to the 2025 AGM and for EB members for the financial year 2025. In addition, we will ask our shareholders to endorse this 2023 Compensation Report in a consultative vote.

We look forward to receiving your support at the forthcoming AGM and thank you for your ongoing trust in SoftwareOne.

Sincerely,

Marie-Pierre Rogers
Chair of the Nomination and
Compensation Committee

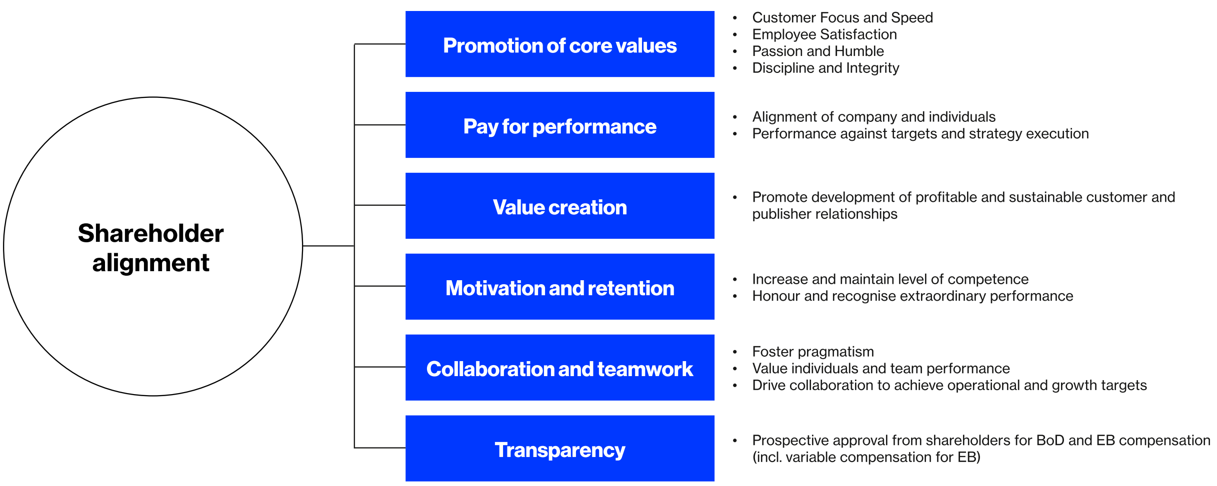
Our report at a glance

In line with previous years, the NCC sincerely appreciates the shareholders' feedback received on our compensation principles, approaches and design and is actively committed to engaging in a continuous improvement process. Based on these valuable inputs and taking into consideration general trends in Switzerland and globally, the NCC prioritised the following enhancements in this year's compensation report:

- **Benchmarking:** All information regarding benchmarking activities for both the Board of Directors and the Executive Board were grouped into one chapter and the level of detail regarding peer group composition, benchmarking process, and resulting adaptations to the compensation levels and structures was increased.
- **Short-Term Incentive (STI) plan:** Considering the recent organisational updates and strategic realignments, the metrics driving the STI were updated. This goes along with a more transparent disclosure and description of the underlying process to determine the appropriate ambition level of these metrics.
- **Long-Term Incentive (LTI) plan:** Similarly to the STI, the metrics under the LTI also underwent a thorough review aimed at alignment with our strategic priorities going forward. They were updated accordingly and, from now on, are measured over the full three-year performance period. Furthermore, the level of information provided regarding the target-setting approach was increased. Additionally, given the first vesting of our LTI since our listing in 2019, we included information regarding the actual underlying performance and resulting vesting outcomes in this report.

Compensation policy and principles

Our compensation policy focuses on aligning the interests of our senior leaders with those of our shareholders as well as on attracting, motivating, and retaining the best talent in a highly competitive global environment. Consequently, the compensation principles applied across SoftwareOne are geared towards the following:



Compensation governance

The compensation governance at SoftwareOne comprises three key bodies: the NCC which advises the BoD in terms of compensation-related matters, the BoD which ultimately approves the compensation-related matters, and the shareholders of SoftwareOne who vote on total compensation and the compensation report at the AGM.

The Articles of Incorporation, the Organisational Regulations and the NCC Charter outline and define the roles and responsibilities of these bodies. The Articles of Incorporation of SoftwareOne contain compensation governance provisions regarding:

- Approval (binding and prospective) of compensation by the shareholders at the AGM, Art. 7 and 19
- Powers and duties of the NCC, Art. 15
- General principles of compensation, Art. 18
- Additional amount for the EB, Art. 20

The general division of duties, responsibilities, and powers between these three key bodies of the compensation governance (NCC, BoD and AGM) are presented in the table below, in line with Art. 7 and Art. 19 of the Articles of Incorporation.

	CEO	NCC	BoD	AGM
Election of NCC members				A
Compensation strategy and guidelines		P	A	
Compensation principles (Articles of Incorporation)		P	A (subject to AGM approval)	A (binding vote, in case of changes)
Key terms of compensation frameworks for the BoD and EB		P	A	
Total compensation for the BoD		P	A (subject to AGM approval)	A (binding vote)
Total compensation for the EB		P	A (subject to AGM approval)	A (binding vote)
Individual total compensation for the CEO		P	A	
Individual total compensation for the other members of the EB	P	R	A	
Employment and termination agreements for the CEO		P	A	
Employment and termination agreements for other members of the EB	P	R	A	
Compensation Report		P	A	A (consultative)

A: Approve
P: Propose
R: Review

Role of the shareholders at the AGM

The BoD submits three separate compensation-related resolutions for shareholder approval at the AGM (Art. 7 and Art. 19):

- Vote I: Consultative vote for the Compensation Report of the previous financial year
- Vote II: Binding vote on the maximum aggregate amount of compensation of the BoD for the term of office from the current to the next AGM
- Vote III: Binding vote on the maximum aggregate amount of compensation of the EB for the following financial year

The graph below illustrates these compensation-related resolutions for shareholder approval at the 2024 AGM and illustrates their impact on the respective financial year:

Overview of say-on-pay votes at AGM 2024

Financial Year	2023				2024				2025				2026			
Quarter	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Compensation report vote (Consultative)	**2023** Compensation Report															
BoD vote (Binding)						Maximum aggregate amount for the term **AGM 2024 – AGM 2025**										
EB vote (Binding)									Maximum aggregate amount for **FY 2025**							

Role and activities of the Nomination and Compensation Committee

The NCC is composed of at least three members of the BoD (Art. 15) who are elected individually at the AGM by the shareholders on an annual basis pursuant to Swiss law and SoftwareOne's Articles of Incorporation. The NCC has the duties of supervision and governance of SoftwareOne's compensation frameworks and philosophy, compensation of the EB as well as the performance evaluation of EB members. The NCC regularly invites the CEO and may invite other members of the Executive Board or, subject to prior notification of the responsible member of the EB, members of the company's management to its meetings as it deems desirable or appropriate. However, the CEO or other members of the EB may not be present when the NCC reviews the compensation or other aspects of the employment of the respective person. The Chair of the Board or the Chair of the NCC may not be present when the NCC reviews the compensation of the respective person. The Chair of the NCC ensures that the BoD is kept informed in a timely and adequate manner during the term of office regarding the NCC's area of responsibility. Please refer to the Corporate Governance Report section for further details on NCC composition, duties, election and NCC members.

Information regarding external mandates for all Board and Executive Board members are provided later in this report. The Chair of the NCC convenes NCC meetings as often as required by SoftwareOne's business, but at least three times a year. During 2023, the NCC held seven meetings covering the following agenda items as illustrated in the table below:

	Agenda item during 2023	February	March	April	June	July	October
Compensation governance and policy	Preparation of AGM invitation including maximum amount of compensation for the BoD and EB	x	x				
	Review BoD composition and succession framework and assessment of BoD						x
	Review EB composition and succession framework				x		x
	Review of external Partners						x
BoD compensation framework	Review of BoD compensation levels and framework, including benchmarking analysis			x	x		
EB compensation framework	Review of EB compensation levels and framework, including benchmarking analysis			x	x	x	
	Review of STI performance and payouts for FY 2022 and target setting for FY 2023 for the EB	x	x				
	Target setting for LTI grant in FY 2023 for the EB	x	x				
	Review of LTI framework			x			
Communication	2022 Compensation and Governance Report	x					
	Analysis of compensation voting results at the AGM and review of proxy advisor reports				x		x

Two meetings took place in February. In addition, the NCC met in a separate session in August to review the LTI framework.

Regular compensation benchmarking for Executive Board and Board of Directors

To evaluate SoftwareOne's positioning in the market and overall competitiveness, the NCC regularly conducts market benchmarks to assess the compensation structure and level for both the BoD and the EB. The peer selection process is based on the company services and products, geographical relevance, size and scope.

Peer group and benchmarking

Information on peer company compensation is an important point of reference to assess the market competitiveness of the compensation awarded to members of the EB. The NCC believes that benchmarking against a consistent and relevant set of peer companies that are similar to SoftwareOne in scope, products and services offered and geographical presence, enables the company to set pay levels towards the middle of the respective market range. The peer group is adjusted in case the Company updates its strategic direction or business model. This reinforces the talent attraction, motivation and retention efforts needed to support the company's long-term success.

For the Executive Board, the NCC adopted a comprehensive approach to the peer group construction in March 2023, which led to the compilation of two complementary peer groups: a peer group of selected, size-comparable European technology companies[1], including a relevant number of Swiss companies, to reflect compensation traditions at our headquarter location, as well as a peer group of selected US companies[2] to better represent SoftwareOne's international footprint and talent pool.

The choice of the selected peer companies – compiled together with Willis Towers Watson - provides a good mix between the industries and geographies from which key talents are sourced. When setting the EB's pay levels, the NCC targeted a balanced view between both perspectives.

The resulting adaptations and alignments to compensation packages of the EB intended to bring the total compensation levels slightly above or at the median of the selected peers, thereby mainly focusing on long-term performance-based variable compensation elements.

The assessment of the competitiveness of the BoD compensation for non-executive BoD members in Switzerland was last assessed in 2023 through a benchmarking analysis conducted by Mercer targeting compensation levels as well as compensation structure and pay instruments. The selected peer group consists of 18 Swiss listed companies[3] of similar size concerning revenues, FTE, and market capitalisation, allowing for an adequate and representative comparison.

The benchmarking exercise showed that the compensation of the members of the Board of Directors was in line with general market practice, both in terms of level and structure. It was concluded that the current levels of compensation will be kept as such for the time being, except for a small adjustment for the Vice Chair as it was below market average level. At the same time, the Board of Directors decided to create two additional committees as of the AGM 2023: an Innovation Committee and an ESG Committee. The fees for these committees lie below those for the other committees as illustrated on section Board of Directors compensation.

[1] Amadeus IT Group, S.A., Atos SE, Bechtle AG, Cancom SE, Computacenter plc, Softcat plc, Software AG, Sopra Steria Group SA, The Sage Group plc, Temenos AG, Logitech International SA, ams-OSRAM AG, TeamViewer SE, Darktrace plc. Sinch AB
[2] Globant SA, Insight Enterprises, Inc., Thoughtworks Holding, Inc., Unisys Corporation, Endava plc, FTI Consulting, Inc., Gen Digital, Inc., ICF International, Inc., Rackspace Technology, Inc., TriNet Group, Inc.
[3] ALSO Holding AG, Arbonia AG, Aryzta AG, Bell Food Group AG, Comet Holding AG, Daetwyler Holding AG, dormakaba Holding AG, Galenica AG, Inficon Holding AG, Landis+Gyr Group AG, Logitech International SA, OC Oerlikon Corp AG, Orascom Development Holding AG, Phoenix Mecano AG, Rieter Holding AG, Stadler Rail AG, Sulzer AG, Temenos AG.

Board of Directors compensation

Elements of compensation

The compensation of the members of the BoD consists of an annual base fee and an additional compensation awarded for duties carried out in BoD committees as chairpersons or ordinary members. In line with Art. 18 of SoftwareOne's Articles of Incorporation and to ensure the independence of the members of the BoD in executing their supervision duties, the compensation of the members of the BoD does not include any variable performance-linked element and is paid out 60% in cash and 40% in SoftwareOne shares. The shares allocated as part of the members of the BoD's total compensation are blocked for a period of three years. Through the introduction of a share element in 2020, the long-term focus of the BoD in performing its duties is further strengthened and the interest further aligned with that of SoftwareOne's shareholders.

The following table illustrates the annual base fees for the BoD memberships and the additional compensation for duties in committees.

Audited Annual base fee for BoD membership for non-executive Directors in CHF		Annual committee fees							
		Audit Committee		Nomination and Compensation Committee		Innovation Committee		ESG Committee	
		Chairperson	Member	Chairperson	Member	Chairperson	Member	Chairperson	Member
Chairperson	400,000	Not entitled							
Vice Chairperson	180,000	40,000	20,000	40,000	20,000	20,000	10,000	20,000	10,000
Ordinary member	120,000	40,000	20,000	40,000	20,000	20,000	10,000	20,000	10,000

In line with best market practice standards, the members of the BoD do not receive lump-sum expenses but will be reimbursed for expenses at cost. There are no pension contribution payments made to any member of the BoD.

Compensation awarded to the Board of Directors in 2023

The following table outlines the total compensation awarded to the BoD in 2023.

Audited Members of the BoD in CHF	Board	Audit Committee	NCC	IC	ESGC	Settled in cash	Settled in shares (8)	Social security contributions (9)	Total compensation FY 2023	Total compensation FY 2022
Adam Warby (1)	Chairperson		Member			162,000	160,000	23,851	345,851	150,538
Marie-Pierre Rogers (2)	Vice Chairperson		Chairperson			120,000	96,000	16,491	232,491	171,960
José Alberto Duarte	Member		Member		Member	87,000	60,000	–	147,000	140,000
Timo Ihamuotila	Member	Chairperson				96,000	64,000	12,739	172,739	172,034
Isabelle Romy (3)	Member	Member			Chairperson	93,000	68,000	12,673	173,673	150,538
James Freeman	Member	Member		Chairperson (7)		89,252	63,000	–	152,252	81,802
Elizabeth Theopille	Member	Member		Member		45,000	60,000	8,228	113,228	–
Daniel von Stockar (4)	Member			Chairperson		143,333	–	11,039	154,372	428,678
Peter Kurer (5)	Vice Chairperson		Member			51,000	–	3,055	54,055	179,977
René Gilli (6)	Member									38,896
Jean-Pierre Saad (6)	Member									42,000
Total						**886,585**	**571,000**	**88,076**	**1,545,661**	**1,556,423**

1) Includes compensation for Chairperson of the BoD only. No additional fees paid for the role as member of the NCC.
2) Marie-Pierre Rogers received a one-time fee of CHF 20'000 for her extraordinary additional efforts for the NCC in 2022 and 2023.
3) Isabelle Romy received a one-time fee of CHF 10'000 for her extraordinary additional efforts for the ESGC in 2022 and 2023.
4) Daniel von Stockar stepped down from an active role as a member of the BoD end of June 2023, no shares awarded in 2023.
5) Peter Kurer retired from the BoD effective 4 May 2023, no shares awarded in 2023.
6) René Gilli and Jean-Pierre Saad retired from the BoD effective 5 May 2022, no shares awarded in 2022.
7) Member for 3 months and Chairperson for 9 months
8) Represents gross amounts settled in blocked shares prior to any deductions such as employee social security and income withholding tax for the fiscal year 2023. The number of blocked shares is determined by dividing each BoD member's individual share compensation amount (40% of annual fee) for one term of office by the closing price of SoftwareONE's share price on the allocation date rounded down. Residual amounts are paid in cash.
9) Employer-paid social security contributions.

In 2023 Marie-Pierre Rogers and Isabelle Romy received a one-time extraordinary fee for exceptional additional workload related to activities in relation to their roles in the NCC and the ESGC amounting to CHF 20'000 and CHF 10'000 respectively. Both payments are included in the table above and the relevant maximum amount of compensation for the Board of Directors for the respective period.

Approved versus awarded compensation to the BoD

At the 2022 AGM, shareholders approved a maximum aggregate compensation amount of CHF 1.65 million for the BoD for the compensation period from the 2022 AGM to the 2023 AGM. For this period the effective compensation amounted to CHF 1.56 million and is thus within the approved limits.

At the 2023 AGM, shareholders approved a maximum aggregate compensation amount of CHF 1.65 million for the BoD for the compensation period from the 2023 AGM to the 2024 AGM. As this compensation period is not yet complete, a conclusive assessment will be provided in the Compensation Report 2024.

Share ownership

The table below shows the shareholdings of the BoD as of 31 December 2023, including information for the 2022 financial year. This table includes available shares and blocked shares in connection with BoD compensation.

Audited Members of the BoD	Number of directly held shares [1]		Total shareholdings as of 31 December 2023	Total shareholdings as of 31 December 2022
	Available shares	Blocked shares [2]		
Daniel von Stockar	17,498,012	19,517	17,517,529	17,517,529
Adam Warby	4,000	17,773	21,773	10,830
Marie-Pierre Rogers	27,000	14,372	41,372	34,806
José Alberto Duarte	2,848	10,933	13,781	9,678
Timo Ihamuotila	23,255	12,183	35,438	31,061
Isabelle Romy	–	11,481	11,481	6,830
James Freeman	–	8,656	8,656	4,347
Elizabeth Theopille [3]	–	4,103	4,103	–
Peter Kurer [4]	303,088	8,294	311,382	311,382
René Gilli [5]	–	–	–	12,449,637
Jean-Pierre Saad [6]	–	–	–	5,331
Total	**17,858,203**	**107,312**	**17,965,515**	**30,381,431**

1) Ordinary registered shares of SoftwareOne Holding AG.
2) At grant, a restriction period of three years is applied.
3) Elizabeth Theopille joined the BoD effective 4 May 2023.
4) Peter Kurer retired from BoD effective 4 May 2023.
5) René Gilli retired from BoD effective 5 May 2022.
6) Jean-Pierre Saad retired from BoD effective 5 May 2022. Representatives of the share ownership in SoftwareOne of Westminster Bidco S.à r.l., Luxembourg, the Grand Duchy of Luxembourg, which is the direct shareholder of the shares indirectly and beneficially owned by funds advised by KKR, with its principal executive offices in New York, USA.

Executive Board compensation

Elements of compensation

The following section outlines SoftwareOne's compensation framework for 2023. It was amended after extensive review by the NCC and its external advisors following the IPO in 2019 and further refined thereafter. We are convinced that a continuous review of this framework by the NCC enables a proper fit to the corporate culture, goals, and strategic ambitions of SoftwareOne in an ongoing volatile environment.

The compensation framework for members of the EB consists of fixed and variable compensation elements. The fixed compensation element comprises a base salary as well as pension and other benefits (e.g. car allowances). The variable compensation element consists of a Short-Term Incentive (STI) plan and a Long-Term Incentive (LTI) plan. The payout or vesting of variable compensation elements is subject to performance including SoftwareOne share performance, financial and strategic successes, and ESG progress. The EB compensation elements are summarised in the following table:

	Fixed compensation elements		Variable compensation elements	
ELEMENTS OF COMPENSATION	Base salary	Pension and other benefits	Short-Term Incentive plan	Long-Term Incentive plan
Purpose	Attract, retain and reward the roles and responsibilities of respective functions	Participation in pension, insurance care plans and additional benefits in line with local market practice	Motivation and reward for annual objective achievements (company and individual goals)	Participation in the long-term success of SWO and alignment with shareholder interests
Performance period	–	–	One year	Three years
Performance measures	–	–	Revenue growth, EBITDA margin, ESG and strategic goals	Revenue growth, EBITDA margin and relative total shareholder return (TSR)
Payout range	–	–	0 to 200% of target STI	0.0 to 2.0 times number of granted performance share units (PSUs)
Payment	Cash	Contributions to pension and insurance plans Other benefits paid out in cash	Cash	Shares

Fixed compensation elements

Base salary

The base salary for members of the EB is typically paid in cash on a monthly basis unless local laws require otherwise. The base salary amount is defined according to market practice and the responsibility, experience, and achievements of each member.

Pension and other benefits

Pension benefits are provided through SoftwareOne's regular pension plan. As the EB members reside in different international locations, some EB members are employed under a foreign employment contract and receive benefits in line with current local market practice. In addition to pension coverage, other benefits such as health care plans, insurance, car allowances or equivalent contributions are also covered. These allowances are paid together with the EB members' base salary and are in line with the company policy in the local jurisdiction.

Furthermore, new members joining the EB may receive compensation for the loss of their remuneration or for financial disadvantages incurred as a result of changing their jobs. If applicable, such lost compensation is replaced on a like-for-like basis (i.e. no increase in replacement value) and reported in the compensation table for the relevant reporting period under "Other benefits".

Variable compensation elements

Short-Term Incentive (STI) plan

The STI rewards the overall company performance and the EB members' individual contribution to the success of SoftwareOne in line with the compensation principle of pay-for-performance. The plan is determined by the achievement of financial goals (weighted at 70%) and strategic goals (weighted at 30%). As of 2023, financial goals are determined on the basis of revenue growth and EBITDA margin. Strategic goals comprise objectives in the areas of ESG, including disclosure and reporting (e.g., Non-Financial Report, Carbon Disclosure Report), CO_2 reductions (e.g., travel-related), gender diversity (e.g., increase in female leadership representation, "Women Academy"), and succession planning (e.g., people review and succession planning for EEB) as well as strategic ambitions to drive business growth and operational excellence. The latter are determined for each EB member and address their individual functional duties and responsibilities.

The table below illustrates the details on the STI performance metrics in terms of definition, weighting, and payout range for the CEO and the other EB members:

Performance considerations	Weighting	Measurement level	Metric	Performance achievement
Financial goals	70%	Group success	Revenue[1] growth	0–200%
			EBITDA[2] margin	
Strategic goals	30%		ESG	
		Individual contribution	Strategic ambitions	

1) For the purposes of the STI, 'Revenue' is measured in constant currency and defined as gross sales of services and software deducted from the cost of purchasing software.
2) For the purposes of the STI, EBITDA margin means the adjusted EBITDA margin as disclosed in the Annual Report and 'EBITDA' being defined as earnings before interests, tax depreciations and amortisations.

At the end of the performance period, the NCC proposes and the BoD approves the financial performance achievements and ESG progress against the set group targets. EB members' individual contributions to SoftwareOne's success, as measured by the achievement of strategic goals, are initially evaluated by the CEO, reviewed by the NCC, and approved by the BoD, while the achievement of strategic objectives established for the CEO is evaluated by the NCC and approved by the BoD. Under specific circumstances, the BoD may apply discretion in interpreting the NCC's recommendation regarding the final STI payout.

Relevant performance achievements and the resulting STI payout factor for the financial year 2023 are reported in section STI 2023. The payout of the STI is made entirely in cash.

Long-Term Incentive (LTI) plan

SoftwareOne's compensation framework is completed by an equity-based element which was introduced in 2020. It offers executives and selected senior managers the opportunity to participate in the long-term success of the group. The goal of this plan is to provide eligible participants with attractive, market-aligned rewards to strengthen management's interest alignment with those of shareholders and to encourage sustainable long-term value creation for shareholders and the company.

At the beginning of each three-year performance period (i.e. at grant date), eligible participants are granted an individual number of performance share units (PSUs) derived by dividing the individual LTI award (in CHF) by the fair value at grant (in CHF). After the conclusion of the three-year performance period, the PSUs vest subject to performance and service conditions.

The performance condition is based on three metrics: revenue growth, EBITDA margin and relative total shareholder return (rTSR). The vesting range lies between 0.0 and 2.0 times the PSUs granted at the outset. While low performance in one performance metric can be balanced by a higher performance in another metric, the combined vesting multiple can never exceed 2.0. On the contrary, if performance of all metrics remains below the respective minimum performance thresholds, the resulting combined vesting multiple would be 0.0 and consequently no PSUs would vest.

LTI performance metrics	Revenue growth	EBITDA margin	Relative total shareholder return
Description	Average of SoftwareOne's annual revenue growth during the performance period.	Average of SoftwareOne's annual EBITDA margin during the performance period.	Total shareholder return (TSR) measured relative to the STOXX® Global 1800 Industry Technology Index
Weighting	40%	40%	20%
Performance period	Three consecutive years starting at 1st January of grant year		
Vesting range	0.0 - 2.0 times number of PSUs granted		

At the beginning of each performance period, the BoD determines the minimum, low threshold, target, high threshold and maximum for each LTI performance metric upon the NCCs recommendation. The latter is supported by the comprehensive evaluation process, which takes into account the current strategic performance aspirations and the general market situation. We deem absolute targets for the revenue growth and EBITDA margin metric to be commercially sensitive and confidential strategic information and hence disclose these on a relative basis to avoid unfair competitive disadvantage for SoftwareOne.

The overall vesting factor is the sum of the weighted vesting factor metrics and is determined at the end of the three-year performance period. The NCC proposes and the BoD approves the performance achievement of each metric against the targets originally set as well as the overall vesting factor.

In case of a change of control, the LTI plan will terminate with effect from the date of the change of control unless otherwise decided at the discretion of the BoD.

Risk-alignment under variable compensation plans: clawbacks and forfeitures

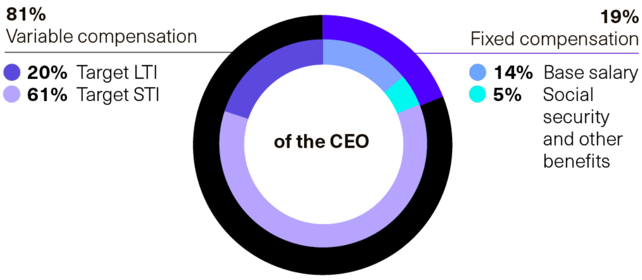
Under the STI, in case of termination of employment during the performance period, the payout may be reduced or forfeited depending on the conditions of such termination and subject to the applicable law. Under the LTI, a service condition requires continuous employment of the plan participant until vesting. In case of termination of employment, either none or a reduced number of PSUs vest depending on the conditions of such termination and subject to the applicable law.

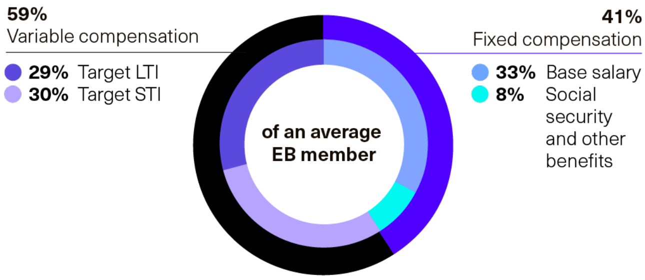
As of 2021, a clawback provision, which allows for a partial or full recovery of equity allocated to EB members under the Long-Term Incentive plan was introduced. This applies in specific situations which may cause reputational damage to the group, in case of restatements of previously audited consolidated financial statements for example or which may otherwise negatively affect the legitimate interests of SoftwareOne. This provision was also expanded in 2023 to cover the Short-Term Incentive Plan.

Compensation mix

In 2023, the total target compensation of the CEO was split into around 81% variable compensation and 19% fixed compensation. Of the 81% variable target compensation portion, 20% consisted of the target STI and 61% of the target LTI portion. For other EB members excluding the CEO, the fixed compensation was on average 41% (37% - 55%) and the variable compensation 59% (45% - 63%). The variable target compensation consisted of 29% (24% - 45%) target STI and 30% (0% - 39%) target LTI of total target compensation.

Target compensation mix





Compensation awarded to the EB in 2023

The following table outlines details concerning the compensation awarded to the CEO as the highest-paid member of the EB and to the other EB members from 1 January to 31 December 2023. The total compensation awarded in 2022 is also listed.

Audited in CHF	Fixed compensation			Variable compensation		Total compensation FY 2023 (5)	Total compensation FY 2022
	Base salary	Social security contributions	Other payments (3)	Realised STI	Awarded LTI grant value (4)		
Brian Duffy, CEO(1)	633,336	155,712	136,325	950,000	2,850,000	4,725,373	2,585,771
Aggregate amount of EB members excluding Brian Duffy (2)	2,767,450	208,688	404,923	1,756,761	2,533,335	7,671,157	6,112,568
Total	**3,400,786**	**364,400**	**541,248**	**2,706,761**	**5,383,335**	**12,396,530**	**8,698,339**

1) Brian Duffy joined SoftwareOne as CEO effective 01 May 2023. Base Salary and target STI were pro-rated accordingly. The LTI was granted in full, given the timing of the annual LTI grant and the forward-looking nature of the instrument. In total, the cost incurred by LTI for shareholders remained unchanged given the forfeitures of the prior CEO.
2) Please note that of the five EB members, one is compensated in USD (average exchange rate in 2023 of CHF 1 to USD 1.1136 applied), one in SGD (average exchange rate in 2023 of CHF 1 to USD 1.4955 applied) and the three other EB members in CHF.
3) Other payments comprise payments related to non-compete agreements and further benefits granted (e.g. insurance, car allowance, pension).
4) For details regarding the grant logic and the calculation of the fair value at grant date refer to the financial notes.
5) Numbers include Dieter Schlosser, who who was active as the CEO until 31 April 2023 with the employment relationship ending 31 October 2023, followed by a non-compete period. He receives pro-rated base salary and STI for 2023 but no LTI allocation.

Approved versus total compensation awarded to the EB

The total compensation for the EB for 2023 of CHF 12.4 million (including social security contributions) is below the total maximum aggregate compensation amount of CHF 15.5 million, which was approved by the AGM in May 2022.

STI 2023: target setting, performance achievement, and payout

At the beginning of the one-year performance period, the NCC proposes, and the BoD approves, the minimum, target, and maximum achievement for the respective performance metrics under the STI. For performance below or at the minimum, 0% is paid out. On-target performance is rewarded with a 100% payout. In case of overperformance, up to 200% can be achieved when meeting the maximum. This means that the payout curves for both financial KPIs are linear and symmetrical. In terms of revenue, growth was 7.7% year on year in constant currency in 2023. In the context of STI 2023, this resulted, however, in the underachievement of the minimum performance level.

Regarding the EBITDA margin, the actual achieved performance in 2023 was 25.3%, driven by operational excellence and margin progression in Software & Cloud Services. We also delivered on our operational excellence programme, exceeding our cost savings target, and increasing our annualised savings target for 2024.

For 2023, ESG progress was measured in the areas of disclosure and reporting, CO_2 reduction, and diversity with a focus on gender. In this area, we achieved a double-digit increase in female representation among the leadership team and launched multiple initiatives, including SOAR – a program to support women returning to the workplace. We also introduced Amplify – an alumni programme, as well as succession planning where we implemented a structured assessment process for EB and EB-1, resulting in a complete assessment of all EB members and their potential successors. The individual contribution of EB members to SoftwareOne's success, as measured by the achievement of strategic goals to drive business growth and operational excellence, was above target overall.

During 2023, we streamlined our organisational set-up, aligned our leadership structure and implemented an effective Strategic Review Process. We introduced new communication structures, progressed on operational excellence, particularly regarding cost savings and EBITDA margin, further rejuvenated our portfolio offering and transformed multiple teams to fit the new business model.

Performance achievement across STI goals

Performance considerations	Weighting	Measurement level	Metric	Performance achievement	
Financial goals	70%	Group success	Revenue growth	Min Target Max	0%
			EBITDA margin	Min Target Max	120%
Strategic goals	30%		ESG objectives	Min Target Max	100%
		Individual contribution	Strategic ambitions	Min Target Max	75–125%
STI Payout factor				Min (0%) Max (200%)	65–100%

The overall 2023 STI performance achievements resulted in the final STI payout factor of 65% - 76% for full-year EB members or members who left during 2023. For members of the EB who joined during 2023, the STI performance achievement covers the period since joining SoftwareOne. In view of their short tenure, an abbreviated assessment focusing on individual contributions to the company's success is carried out. This applies also to the CEO, for whom the STI payout factor was set at 100% for 2023, since he joined in May 2023.

LTI 2023 – 2026: Target setting

At the beginning of each performance period, the BoD determines the minimum, target, and cap for each LTI performance metric upon the NCC's recommendation to be achieved on average over the three-year performance period. The target setting is supported by the comprehensive evaluation process, which takes into account the current strategic performance aspirations and the general market situation.

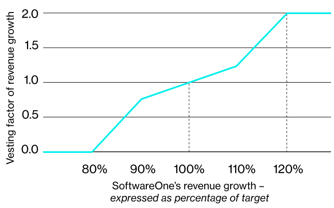
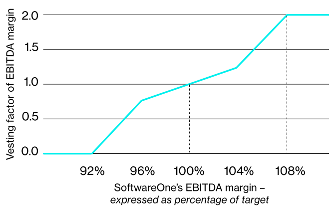
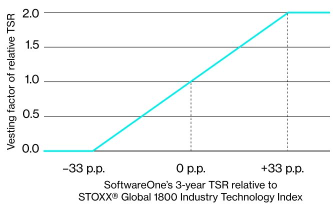
We deem absolute targets for the revenue growth and EBITDA margin metric to be commercially sensitive and confidential strategic information, especially because the plan is still running until 2026. Therefore, we disclose these on a relative basis to avoid unfair competitive disadvantage for SoftwareOne. To provide some reassurance to our shareholders regarding the ambition included in our target-setting process, we describe our target-setting process in more detail below and provide transparent insights into the target achievements retrospectively.

For our operational metrics revenue growth and EBITDA margin, targets were set based on the strategic plan as well as the guidance provided to our external investors and requiring continuous year-on-year performance improvements. For performance below or at the minimum, 0% is paid out. For the revenue growth metric, the minimum reflects 80% of the target, for the EBITDA margin, the minimum is set at 92% of the target. On-target performance is awarded with a 100% payout. In case of overperformance, up to 200% can be achieved when meeting the cap of 120% of the target for the revenue growth metric and 108% for the EBITDA margin.

For our stock market linked KPI, relative TSR, the minimum, target and cap remained unchanged compared to the prior year and are disclosed in the graph below.

The minimum, target and caps for all metrics that are driving the vesting factor for our LTI are symmetrical and calibrated in a way to balance sustainable performance below and above the target and, based on statistical methods, reflect a realistic realisation of performance-based pay.

The following illustration outlines the minimum, target, and cap for the respective metrics:

			Revenue growth	EBITDA margin	Relative TSR
Vesting curves					
Payout factor	**Minimum**	**0.0**	80% of target as set by the BoD	92% of target as set by the BoD	-33 p.p. of index as set by the BoD
	Performance target	**1.0**	100% of target as set by the BoD	100% of target as set by the BoD	0 p.p. as set by the BoD
	Cap	**2.0**	120% of target as set by the BoD	108% of target as set by the BoD	+33 p.p. of index as set by the BoD
Description			The vesting factor of the revenue growth metric depends on the achievement of SoftwareOne's revenue growth during the three year performance period. The vesting factor is determined between 0.00 and 2.00, rounded off to two decimal places.	The vesting factor of the EBITDA margin metric depends on the achievement of SoftwareOne's EBITDA margin during the three year performance period. The vesting factor is determined between 0.00 and 2.00, rounded off to two decimal places.	The rTSR is expressed in percentage points (p.p.) and calculated as simple (positive or negative) difference between the TSR of SoftwareOne and the TSR of the STOXX® Global 1800 Industry Technology index. The rTSR vesting factor is determined on a straight-line basis between 0.00 and 2.00, rounded off to two decimal places.

LTI 2020-2023: performance achievement and vesting

In 2023, the first vesting of SoftwareOne's LTI plan took place, it was established right after the listing of SoftwareOne on the SIX Stock Exchange and granted in 2020.

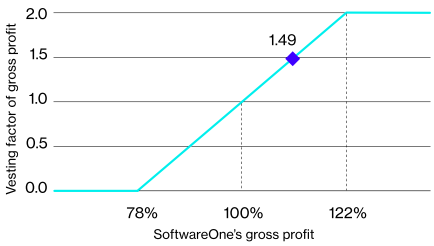
For this grant, performance was measured based on two metrics: gross profit and relative TSR. Performance under the gross profit performance metric was excellent, leading to a vesting multiple of 1.49. However, the very favourable outcome in terms of operational excellence was not reflected in our share price and therefore a vesting multiple of 0.00 for the second LTI metric, relative TSR. Overall, the total weighted vesting factor of the LTI 2020 – 2023 is 1.12.

Given the changes to our Executive Board since the grant in 2020, leading to certain forfeitures of PSUs, the total number of PSUs that vested in 2023 amounts to 293'696.

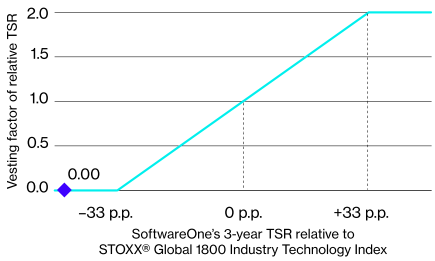
Vesting curves

◆ Actual vesting multiple

Gross Profit



Relative TSR



			Gross Profit	Relative TSR
Payout factor	**Minimum**	**0.0**	78% of target as set by the BoD	-33 p.p. of index as set by the BoD
	Performance target	**1.0**	100% of target as set by the BoD	0 p.p. as set by the BoD
	Cap	**2.0**	122% of target as set by the BoD	+33 p.p. of index as set by the BoD
Description			The vesting factor of the gross profit depends on the achievement of SoftwareOne's gross profit during the second full financial year (i.e., 2022) after the year in which the grant date occurs. The vesting factor is determined on a straight-line basis between 0.00 and 2.00, rounded off to two decimal places.	The rTSR is expressed in percentage points (p.p.) and calculated as simple (positive or negative) difference between the TSR of SoftwareOne and the TSR of the STOXX® Global 1800 Industry Technology index. The rTSR vesting factor is determined on a straight-line basis between 0.00 and 2.00, rounded off to two decimal places.

Share ownership

In 2021, we introduced ownership requirements for the EB members with a five-year build-up period. The minimum shareholding requirement level was set at 300% and 200% of base salary respectively for the CEO and EB members.

The table below shows the shareholdings of each EB member as of 31 December 2023, considering the number of directly held shares and restricted shares. The total shareholdings as of 31 December 2022 are also listed:

Audited EB members	Total shareholdings as at 31 December 2023	Total shareholdings as at 31 December 2022
Brian Duffy(1)	–	–
Neil Lomax(2)	783,963	892,948
Bernd Schlotter	33,000	33,000
Rodolfo Savitzky	53,340	53,340
Julia Braun	–	–
Dieter Schlosser(3)	–	918,788
Alex Alexandrov(4)	–	758,626
Total	**870,303**	**2,656,702**

1) Brian Duffy joined SoftwareOne effective 01 May 2023.
2) Shareholdings as of 31 December 2023 include also shareholdings from related party.
3) Dieter Schlosser resigned from the EB effective 31 October 2023.
4) Alex Alexandrov resigned from the EB effective 31 December 2022.

Further compensation information

Employment agreements

All members of the EB have employment contract agreements with a six-to-twelve month notice period, which are governed by the applicable laws. They are not entitled to severance payments.

Their employment agreements also prohibit the EB members from competing against SoftwareOne for a period of up to twelve months after termination of their employment contract. For the specified non-competitive period, SoftwareOne agrees to pay a compensation to the EB member for their compliance with this non-competitive undertaking to an amount equal to 80% of their last base salary (excluding any ancillary benefits and subject to deduction of any social security and further deductions). This is payable in arrears in monthly instalments, for as long as the EB member complies with the non-competitive agreement. However, SoftwareOne may at any time up to two months prior to the last day of employment, waive compliance with the non-competitive agreement whereupon such payments will no longer be due.

Payments to current or former members of the Executive Board

In relation to 2023, payments of CHF 200.000 (including social contributions) were made to the former EB member Hans Grueter. No further payments other than those set out in the compensation table for EB members were made to current or former EB members or "closely related persons".

Loans to members of the Executive Board

Article 23 of SoftwareOne's Articles of Incorporation allow for loans and credits of up to CHF 1 million at market-based conditions to be granted to EB members. In 2023, no loans or credits were made to EB members.

External mandates for members of the Board of Directors and the Executive Board

Mandates outside SoftwareOne of the members of the Board of Directors

SoftwareOne's Articles of Incorporation (AoI) provide that the company's BoD is composed of at least three and not more than 12 members, including the Chair of the BoD. No member of the BoD may hold more than four additional mandates in listed companies and more than six mandates in non-listed companies. Mandates within the meaning of this provision shall mean mandates of comparable functions at other companies with an economic purpose. Mandates in different legal entities under common control or owned by the same beneficial owner shall be deemed to constitute a single mandate.

The following mandates are not subject to these limitations:

1) Mandates in companies which are controlled by the company or which control the company;
2) Mandates held at the request of the company or companies it controls. No member of the BoD or the EB may hold more than 10 such mandates;
3) Mandates in associations, charitable organisations, foundations, trusts, and employee welfare foundations. No member of the BoD or the EB may hold more than six such mandates.

All members of the BoD remained within the statutory maximum numbers of outside mandates in listed and non-listed companies and organisations.

The following listing shows all external mandates (audited):

Adam Warby
- Chair of Heidrick & Struggles International, Inc. [listed company]
- Member of the Board of Citation UK [listed company]
- Board advisor to Devoteam
- Senior technology advisor to KKR

Daniel von Stockar
- Owner and Chair of the Board of Directors of von Stockar Immobilien AG
- Member of the Board of Agilentia AG

Marie-Pierre Rogers

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Timo Ihamuotila
- Chief Financial Officer and member of the Group Executive Committee of ABB Ltd [listed company]
- Member of the Board of Oras Invest Oy

José Alberto Duarte
- Chairperson of ProAlpha
- Member of the Board of hallo, Group B.V.
- Chief Executive Officer of Green Upside Ventures, Lda

Isabelle Romy
- Partner at Kellerhals Carrard
- Vice-Chairwoman of the Sanction Commission of SIX Swiss Exchange
- Chairwoman of the Board of Central Real Estate Holding Ltd. and Rhystadt Ltd.
- Member of the Board of Directors of Banque Pictet & Cie SA

Jim Freeman
- Advisory Board member & Advisor to CEO of Yoummday GmbH
- Senior Advisor to Permira Ltd.
- Senior Advisor to Algolia

Elizabeth Theophille
- CEO of EHT Consulting
- Member of the Board of Directors of 8x8, Inc.

Mandates outside SoftwareOne of the members of the Executive Board

According to Art. 21 of the AoI, no member of the EB may hold more than one mandate in a listed company and more than three mandates in non-listed companies. For a description of how SoftwareOne defines mandates and for transitional provisions of newly appointed EB members, please refer to the section Availability and statutory provisions regarding external mandates in the Corporate Governance Report.

Any mandate of a member of the EB in a legal entity outside of SoftwareOne shall be subject to prior approval by the BoD, or the NCC, where delegated.

All members of the EB remained within the statutory maximum number of outside mandates in listed and non-listed companies and organisations.

The following listing shows all external mandates (audited):

Brian Duffy

--

Rodolfo Savitzky
- Member of the Board of Directors of EUROAPI S.A. [listed company]

Bernd Schlotter

--

Julia Braun

--

Neil Lomax (Until October 2023)

--

Dieter Schlosser (Until May 2023)

--

Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone: +41 58 286 31 11
www.ey.com/en_ch

To the General Meeting of
SoftwareOne Holding AG, Stans

Zurich, 18 March 2024

Report of the statutory auditor on the audit of the compensation report

Opinion

We have audited the compensation report of SoftwareOne Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the information marked "audited" on pages 126 to 128 and page 132, 136 to 138 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the compensation report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the information marked "audited" in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report
The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibilities for the audit of the compensation report
Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

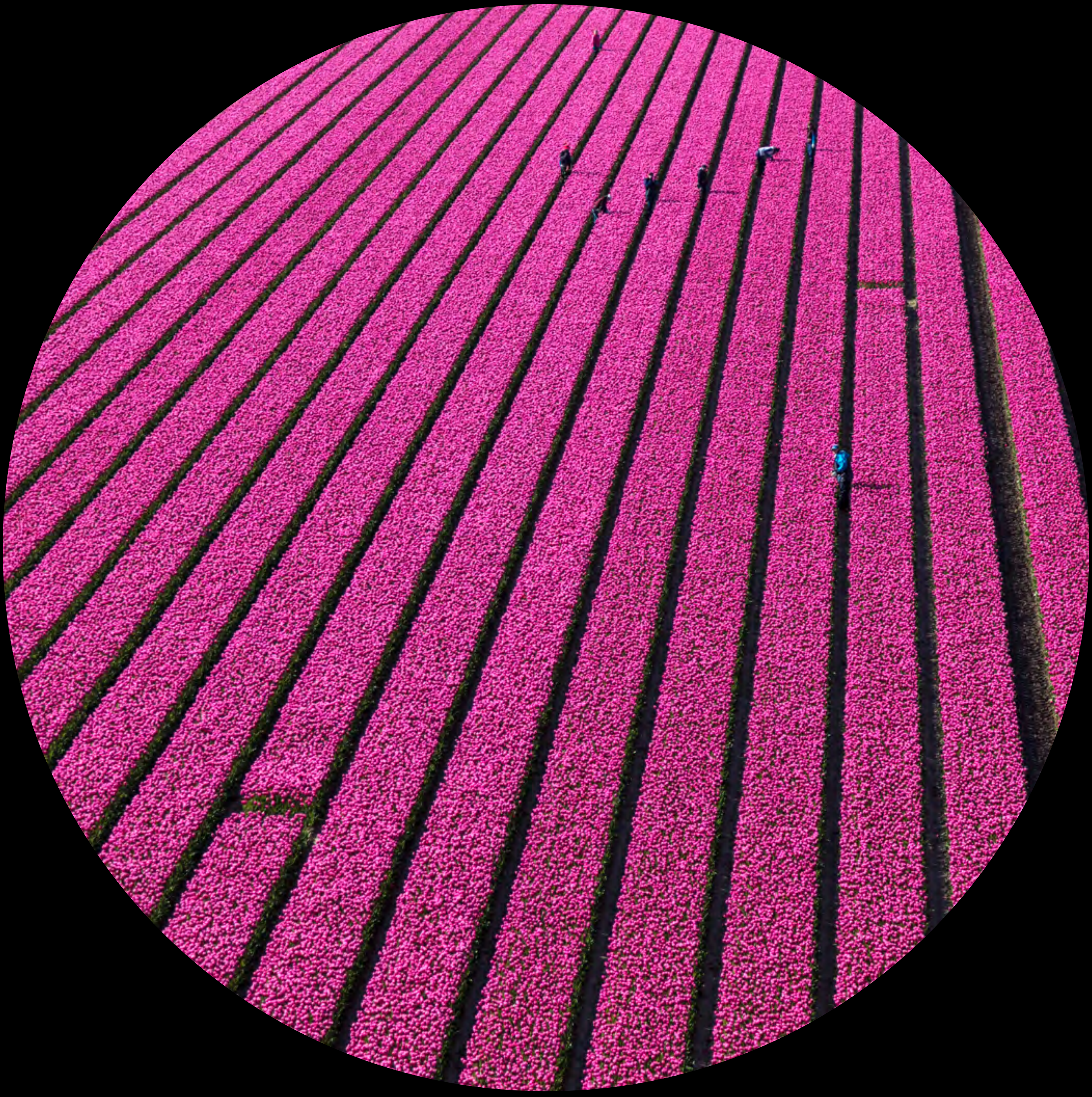
We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Rico Fehr
Licensed audit expert
(Auditor in charge)

Michael Setz
Licensed audit expert

Consolidated financial statements



Consolidated income statement

For the period ended 31 December in CHF 1,000	Note	2023	2022
Revenue from Software & Cloud Marketplace	6	549,777	538,396
Revenue from Software & Cloud Services[1]	6	461,512	437,435
Total revenue[1]		**1,011,289**	**975,831**
Third-party service delivery costs[1]		–39,441	–43,236
Personnel expenses	7	–644,645	–655,888
Other operating expenses	8	–180,447	–169,157
Other operating income		14,968	29,364
Earnings before net financial items, taxes, depreciation and amortisation		**161,724**	**136,914**
Depreciation, amortisation and impairment	14, 15, 20	–65,943	–58,554
Earnings before net financial items and taxes		**95,781**	**78,360**
Finance income	9	8,468	5,757
Finance costs	9	–31,968	–88,043
Foreign exchange differences, net	9	–9,773	–9,933
Share of result of associated companies		–46	–181
Earnings before income tax		**62,462**	**–14,040**
Income tax expense	10	–41,019	–44,294
Profit/(Loss) for the period		**21,443**	**–58,334**
Profit/(Loss) attributable to:			
– Owners of the parent		21,417	–58,278
– Non-controlling interest		26	–56
Earnings per share in CHF			
– Basic	22	0.14	–0.38
– Diluted	22	0.14	–0.38

1) Prior-year figures restated, refer to Note 2 Correction of errors.

Consolidated statement of comprehensive income

For the period ended 31 December in CHF 1,000	Note	2023	2022
Profit/(Loss) for the period		**21,443**	**–58,334**
Other comprehensive income: Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of post-employment benefit obligations	19	–1,171	8,861
Taxes		190	–1,453
Items that may be reclassified to profit or loss in subsequent periods			
Currency translation adjustment		–45,686	–38,487
Cash flow hedges	13	–2,177	–1,784
Taxes		364	405
Total other comprehensive income for the period		**–48,480**	**–32,458**
Total comprehensive income for the period		**–27,037**	**–90,792**
Total comprehensive income attributable to:			
– Owners of the parent		–27,053	–90,910
– Non-controlling interest		16	118

Consolidated balance sheet

As of 31 December in CHF 1,000	Note	2023	2022
Assets			
Cash and cash equivalents		267,389	325,791
Trade receivables	11	2,317,187	1,944,969
Income tax receivables	10	20,222	15,294
Other receivables	12	92,144	76,638
Derivative financial instruments	13	3,006	3,769
Prepayments and contract assets	12	117,694	125,626
Financial assets	4.3	43,857	59,190
Current assets		**2,861,499**	**2,551,277**
Tangible assets	14	28,352	31,062
Intangible assets	15	629,495	613,178
Right-of-use assets	20	31,443	31,987
Investment in associated companies		–	1,057
Other receivables	12	207,622	191,762
Derivative financial instruments	13	401	279
Deferred tax assets	10	25,079	28,475
Non-current assets		**922,392**	**897,800**
TOTAL ASSETS		**3,783,891**	**3,449,077**

As of 31 December in CHF 1,000	Note	2023	2022
Liabilities and shareholders' equity			
Trade payables	16	2,290,475	1,915,936
Other payables	16	215,849	212,156
Accrued expenses and contract liabilities	16	181,634	177,468
Derivative financial instruments	13	12,457	5,515
Income tax liabilities	10	19,569	30,368
Provisions	17	34,004	33,317
Financial liabilities	18	140,261	43,177
Current liabilities		**2,894,249**	**2,417,937**
Derivative financial instruments	13	996	803
Provisions	17	14,572	19,712
Financial liabilities	18	24,751	72,375
Other payables	16	178,646	168,888
Deferred tax liabilities	10	20,998	23,686
Defined benefit liabilities	19	9,567	6,680
Non-current liabilities		**249,530**	**292,144**
TOTAL LIABILITIES		**3,143,779**	**2,710,081**
Share capital	21	1,586	1,586
Share premium		123,373	176,363
Treasury shares	21	–30,905	–8,096
Retained earnings		702,353	677,965
Hedging reserve		–1,941	–128
Currency translation adjustments		–154,377	–108,701
Equity attributable to owners of the parent		**640,089**	**738,989**
Non-controlling interest		23	7
TOTAL EQUITY		**640,112**	**738,996**
TOTAL LIABILITIES AND EQUITY		**3,783,891**	**3,449,077**

Consolidated statement of cash flows

For the period ended 31 December in CHF 1,000	Note	2023	2022
Profit/(Loss) for the period		**21,443**	**–58,334**
Adjustments for:			
Depreciation and amortisation	14, 15, 20	65,943	58,554
Total finance result, net	9	33,273	92,219
Share of result of associated companies		46	181
Income tax expense		41,019	44,294
Other non-cash items		–42,781	16,095
Change in trade receivables		–357,550	–93,697
Change in other receivables, prepayments and contract assets		–22,478	–117,406
Change in trade and other payables		385,574	172,513
Change in accrued expenses and contract liabilities		3,409	–5,079
Changes in provisions		–4,451	10,854
Income taxes paid		–46,172	–29,126
Net cash generated from/(used in) operating activities		**77,275**	**91,068**
Purchases of tangible and intangible assets	14, 15	–57,222	–47,263
Proceeds from sale of tangible and intangible assets		66	258
Proceeds from sale of financial assets and receipts from swap contracts		–	115,499
Repayment of receipts from swap contracts	4.1, 18	–10,447	–
Loan repayments received		688	432
Interest received		3,318	1,507
Acquisition of businesses (net of cash acquired)	3	–26,089	–78,432
Sale of subsidiaries (net of cash disposed)	3	–	–3,793
Net cash from/(used) in investing activities		**–89,686**	**–11,792**
Proceeds from financial liabilities	18	6,304,624	3,153,745
Repayments of financial liabilities	18	–6,242,398	–3,184,865
Payment of contingent consideration liabilities	18	–2,921	–2,542
Repurchase of treasury shares under share buyback	21	–25,337	–
Proceeds from sale of treasury shares		2,008	–
Interest paid		–17,188	–11,941
Dividends paid to owners of the parent	23	–54,315	–51,109
Acquisition of non-controlling interests		–	–729
Net cash from/(used in) financing activities		**–35,527**	**–97,441**
Net (decrease)/increase in cash and cash equivalents		**–47,938**	**–18,165**
Cash and cash equivalents at beginning of period		325,791	350,352
Net foreign exchange difference on cash and cash equivalents		–10,464	–6,396
Cash and cash equivalents at end of period		**267,389**	**325,791**

Consolidated statement of changes in equity

For the period ended 31 December

in CHF 1,000

	Equity attributable to owners of SoftwareOne Holding AG								
	Share capital	Share premium	Treasury shares	Retained earnings	Hedging reserve	Currency translation adjustments	Total	Non-controlling interest	Total equity
As of 1 January 2022	**1,586**	**227,472**	**–9,217**	**718,525**	**1,251**	**–70,040**	**869,577**	**162**	**869,739**
Loss for the period				–58,278			–58,278	–56	–58,334
Other comprehensive income for the period				7,408	–1,379	–38,661	–32,632	174	–32,458
Total comprehensive income for the period				**–50,870**	**–1,379**	**–38,661**	**–90,910**	**118**	**–90,792**
Transactions in treasury shares			1,121	–1,121			–		–
Dividends paid		–51,109					–51,109		–51,109
Transaction with non-controlling interests				–700			–700	–273	–973
Share-based payments				12,131			12,131		12,131
As of 31 December 2022	**1,586**	**176,363**	**–8,096**	**677,965**	**–128**	**–108,701**	**738,989**	**7**	**738,996**
Profit for the period				21,417			21,417	26	21,443
Other comprehensive income for the period				–981	–1,813	–45,676	–48,470	–10	–48,480
Total comprehensive income for the period				**20,436**	**–1,813**	**–45,676**	**–27,053**	**16**	**–27,037**
Transactions in treasury shares[1]		1,325	–22,809	–2,256			–23,740		–23,740
Dividends paid		–54,315					–54,315		–54,315
Share-based payments				6,208			6,208		6,208
As of 31 December 2023	**1,586**	**123,373**	**–30,905**	**702,353**	**–1,941**	**–154,377**	**640,089**	**23**	**640,112**

1) Transactions in treasury shares include repurchases under share buyback programme. Shares in an amount of TCHF 25,749 were repurchased as of 31 December 2023.

Notes to the consolidated financial statements

1 General information

SoftwareOne Holding AG ('the company') and its subsidiaries (together ‘the group’ or ‘SoftwareOne’) is a leading software and cloud solutions provider. It develops and delivers the technology solutions that modernise applications and software in the cloud, while enabling those purchases and optimising those investments over time.

The company is incorporated and domiciled in Stans, Switzerland. The address of its registered office is Riedenmatt 4, 6370 Stans. SoftwareOne Holding AG is traded on the SIX Swiss Exchange. The shares trade under the ticker symbol 'SWON'.

The consolidated financial statements of SoftwareOne are presented in Swiss francs (CHF). Unless otherwise stated, all amounts are stated in thousands of Swiss francs (TCHF). All figures shown are rounded in accordance with standard business rounding principles.

These consolidated financial statements were authorised for issue by the Board of Directors on 18 March 2024 and are subject to approval by the Annual General Meeting to be held on 18 April 2024.

2 Material accounting policy information

SoftwareOne Holding AG's consolidated financial statements are prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

Basis of presentation

New and amended standards and interpretations

As of 1 January 2023, the following amendments to IFRS Accounting Standards entered into force:

- IAS 1: Presentation of Financial Statements: Disclosure of Accounting Policies
- IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IAS 12: Income Taxes: International Tax Reform — Pillar Two Model Rules

Due to changes in accounting policies in IAS 1 SoftwareOne only discloses accounting policy information of transactions, other events or conditions which have a material impact on the consolidated financial statements.

Application of mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the group operates. The legislation will be effective for the group's financial year beginning 1 January 2024. SoftwareOne is in scope of the enacted or substantively enacted legislation and has performed an assessment of the group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is close to 15%. SoftwareOne does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

All other mentioned amendments did not have a material effect on the group's consolidated financial statements. SoftwareOne has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standards and interpretations not yet adopted

The IASB has issued several potentially relevant changes to IFRS Accounting Standards that will be effective in future accounting periods. New standards that are expected to have only a minor impact on the group and the effective date are listed below:

- Amendment to IAS 1: Classification of liabilities with covenants as current or non-current — adoption by 1 January 2024
- Amendments to IAS 7 and IFRS 7: Disclosure requirements about supplier finance arrangements — adoption by 1 January 2024
- Amendment to IAS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability — adoption by 1 January 2025

There are no other IFRS Accounting Standards or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

Correction of errors

In 2022, SoftwareOne finalised the assessment of the impact of the agenda decision of the IFRS Interpretations Committee (IFRS IC) on 'Principal versus Agent: Software Reseller (IFRS 15)' and retrospectively applied the related changes in accounting policies. In 2023, the group identified a further type of service contracts in Software & Cloud Services which should have been accounted for as agent on a net basis. For the comparative period, the correction of this error resulted in a reduction of revenue from Software & Cloud Services of TCHF 28,276 and a reduction of third-party service delivery costs of TCHF 28,276.

The result of the error correction within the consolidated income statement for the comparative period is shown in the following table:

in CHF 1,000	2022 reported	Adjustment	2022 adjusted
Revenue from Software & Cloud Marketplace	538,396		538,396
Revenue from Software & Cloud Services	465,711	–28,276	437,435
Total revenue	**1,004,107**	**–28,276**	**975,831**
Third-party service delivery costs	–71,512	28,276	–43,236
Earnings before net financial items, taxes, depreciation and amortisation	**136,914**	**–**	**136,914**
Earnings before net financial items and taxes	**78,360**	**–**	**78,360**
Earnings before income tax	**–14,040**	**–**	**–14,040**
Loss for the period	**–58,334**	**–**	**–58,334**

Foreign currency translation

The following exchange rates were used:

		2023		2022	
Currency (CHF 1 =)	Code	Ø-rate	Closing rate	Ø-rate	Closing rate
Euro	EUR	1.03	1.08	1.00	1.02
US dollar	USD	1.11	1.19	1.05	1.08
British pound	GBP	0.90	0.94	0.85	0.90
Swedish krone	SEK	11.80	11.87	10.56	11.34
Norwegian krone	NOK	11.74	12.12	10.04	10.73

3 Change in the scope of consolidation

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at closing rate.

Contingent consideration arrangements related to business acquisitions in which payments are contingent on continued employment and thus compensation for future service is recognised as remuneration and accrued amounts presented as earn-out provisions.

Acquisitions in 2023

The fair values of the identifiable assets and liabilities as of the date of acquisition were:

in CHF 1,000	Beniva	Others	Total
Cash and cash equivalents	938	450	1,388
Trade receivables	1,951	1,184	3,135
Other current assets	53	684	737
Tangible assets	17	20	37
Intangible assets (excluding goodwill)	3,450	2,841	6,291
Other non-current assets	–	5	5
Total assets	**6,409**	**5,184**	**11,593**
Trade payables	562	265	827
Accrued expenses and contract liabilities	296	443	739
Other current liabilities	704	1,075	1,779
Financial liabilities	–	36	36
Deferred tax liabilities	931	–	931
Net assets acquired at fair value	**3,916**	**3,365**	**7,281**

Acquisition of Beniva

On 5 July 2023, SoftwareOne acquired 100% of Beniva Consulting Group Inc, Canada, and 100% of Beniva International Ltd, US (together ‘Beniva’). Beniva is a leading provider in ServiceNow, Configuration Management Database, IT and Operations Management, Cloud Advisory and Application Services. The acquisition adds deep process automation and service management specialisation to SoftwareOne’s existing market-leading IT Asset Management (ITAM) services.

The earn-out amount is related to a continuing employment of the selling shareholder, other key employees and the achievement of revenue goals. It will be recognised as a personnel expense over a period of three years and thus not part of the purchase price.

The goodwill recognised is primarily attributed to the workforce and the expected growth of the ITAM business by combining the activities of Beniva with those of the group. The goodwill is not deductible for income tax purposes. Transaction costs of TCHF 665 are related to this acquisition.

Other acquisitions

On 25 May 2023, SoftwareOne acquired the remaining 80% of AppScore Technology Ltd, UK, following its initial investment of 20% in 2021. The purchase price paid for the acquisition of AppScore relates mainly to their intellectual property. No significant goodwill resulted from the purchase price allocation.

On 21 December 2023, SoftwareOne acquired 100% of Novis Euforia SA, Spain, a SAP and cloud services company specialised in migrating and converting SAP environments to SAP S/4HANA and the cloud. The acquisition further expands SoftwareOne’s SAP practice. The purchase price paid for the acquisition of Novis Euforia relates mainly to the skilled workforce and, therefore, represents goodwill.

If all acquisitions had taken place at the beginning of the year, total revenue of SoftwareOne would have been TCHF 1,019,305 and net profit for the period would have been TCHF 21,759.

Purchase considerations and goodwill

Details of the purchase considerations recognised at acquisition and the derivation of goodwill are as follows:

in CHF 1,000	Beniva	Others	Total
Cash paid	18,506	5,134	23,640
Carrying amount of previously held equity interest in associates	–	1,004	1,004
Fair value remeasurement of previously held equity interest in associates	–	–445	–445
Deferred payment	–	1,297	1,297
Total purchase consideration	**18,506**	**6,990**	**25,496**
Less net assets acquired at fair value	3,916	3,365	7,281
Goodwill	**14,590**	**3,625**	**18,215**

The cash flow on acquisitions

in CHF 1,000	Beniva	Others	Total
Cash consideration	–18,506	–5,134	–23,640
Net cash acquired	938	450	1,388
Cash consideration for current period acquisitions	**–17,568**	**–4,684**	**–22,252**
Cash consideration for prior period acquisitions	–	–3,837	–3,837
Net outflow of cash – investing activities	**–17,568**	**–8,521**	**–26,089**

4 Financial risk management

4.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, equity price risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures. The financial derivatives are measured with the aid of standardised mathematical models. The counterparty risk related to those derivatives is immaterial for the group.

Risk management is carried out by Group Treasury under a policy approved by the Board of Directors. Group Treasury identifies, evaluates, and hedges financial risks in close cooperation with the group's operating entities. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Market risk

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Group Treasury has set up a policy to manage its foreign exchange risk. The group hedges its foreign exchange risk exposure of recognised assets and liabilities and future commercial transactions by derivative contracts. The group reviews the currency exposure regularly and covers its risks in two ways:

- The group hedges the net exposure from foreign currency balance sheet positions with forward contracts. Such contracts, however, are not accounted for using hedge accounting.
- Highly probable future transactions are hedged with forward transactions (sales and purchase). These contracts are designated as cash flow hedges. The transactions are expected to affect profit and loss within the next 36 months. At inception of a hedge relationship, the group designates and documents the hedge relationship to apply hedge accounting. The hedge relationship includes the hedging instrument, the hedged item and the nature of the risk being hedged. The hedges are expected to be highly effective.

In addition, there are certain investments in foreign operations whose net assets are exposed to foreign currency translation risk which, as per group policy, is not hedged. These differences are recognised in other comprehensive income and accumulated in equity. Translation risk is not considered in the analysis below.

The following table details the group's sensitivity to the major currencies with all the other variables held constant:

		2023				2022			
Impact in TCHF	Sensitivity	Earnings before income tax		Equity		Earnings before income tax		Equity	
EUR	+/– 5%	+/–	476	+/–	1,452	+/–	799	+/–	614
USD	+/– 5%	+/–	268	+/–	30	+/–	439	+/–	1,364
GBP	+/– 5%	+/–	296	+/–	647	+/–	320	+/–	20
SEK	+/– 5%	+/–	100	+/–	482	+/–	112	+/–	219
NOK	+/– 5%	+/–	289	+/–	1,628	+/–	84	+/–	95

Interest rate risk

The group's interest-bearing instruments with variable interest are cash, bank overdrafts, bank loans and a multiple currency revolving credit facility. Also refer to Note 18 Financial liabilities. Using these instruments, the group is exposed to interest rate risks. Currently, the mitigation possibilities are reviewed.

Equity price risk

The group is exposed to price risks related to listed shares. Changes in fair value are recognised in profit and loss as they arise. For a part of these listed equity instruments, the group entered into a total return swap agreement in 2022, in which it sold shares but remains exposed to the price risk related to these shares, refer to further explanations in section Liquidity Risk below.

A sensitivity analysis was performed. A 10% fluctuation in share price leads to fluctuations in pre-tax earnings of TCHF +/– 4,373 (prior year: TCHF +/– 5,841).

Credit risk

Group Treasury and the Group Credit & Collection Department are responsible for managing and analysing the credit risk for all new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and contract assets. Risk control assesses the credit quality of the customers, considering its financial position, past experience and other factors. No collateral is required. Individual risk limits are set based on internal or external ratings in accordance with guidelines set by the Board. The utilisation of credit limits is regularly monitored.

There is no concentration of credit risk with respect to trade receivables, as the group has many customers that are internationally diversified. 36% of trade receivables are covered through credit insurance (prior year: 39%).

The remaining part is not insured for one of the following reasons:

- From end customers with top rating (based on internal and credit insurance assessment): 53% (prior year: 42%)
- Too small to be insured: 1% (prior year: 1%)
- No insurance available: 10% (prior year: 18%)

Refer to Note 11 Trade receivables for information about the credit risk exposure on the group's trade receivables and contract assets using a provision matrix.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its undrawn borrowing facilities (for further details see below).

The table below analyses the group's non-derivative financial liabilities according to relevant maturity groupings based on the remaining period as of the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, i.e., undiscounted interest and principal payments:

			Cash outflows			
in CHF 1,000	Carrying amount	Total cash outflow	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
As of 31 December 2023						
Trade payables	2,290,475	2,290,475	2,075,376	215,099	–	–
Other payables	190,993	190,993	6,402	9,517	175,074	–
Accrued expenses	39,157	39,157	18,316	20,841	–	–
Financial liabilities (excluding lease liabilities)	132,265	107,430	95,786	4,669	6,975	–
Lease liabilities	32,747	35,215	3,000	11,103	18,884	2,228
Total	**2,685,637**	**2,663,270**	**2,198,880**	**261,229**	**200,933**	**2,228**

in CHF 1,000	Carrying amount	Total cash outflow	Cash outflows Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
As of 31 December 2022						
Trade payables	1,915,936	1,915,936	1,695,224	220,712	–	–
Other payables	181,238	181,238	23,275	725	157,238	–
Accrued expenses[1]	25,236	25,236	18,302	6,934	–	–
Financial liabilities (excluding lease liabilities)	82,482	45,400	22,241	7,917	12,623	2,619
Lease liabilities	33,070	34,104	3,007	12,104	16,901	2,092
Total	**2,237,962**	**2,201,914**	**1,762,049**	**248,392**	**186,762**	**4,711**

1) Reduction of accrued expenses (TCHF 53,134), refer to Note 16.

In July 2022, the group signed an amendment and restatement agreement for the multiple currency revolving credit facility to increase the facility from CHF 470 million to CHF 660 million and extend the tenor to 31 December 2025. The initial agreement was signed in 2019. The facility contains two extension options which can be exercised with the consent of the lending banks in the fourth quarter of 2023 and 2024. In December 2023, SWO exercised the first extension option. The tenor of the facility was extended from 31 December 2025 to 31 December 2026. The facility contains one remaining extension option (which can be exercised with consent of the lending banks in December 2024), which could extend the maturity of the credit facility by another year to December 2027. Interest is payable at a base rate plus a margin ranging from 62.5 to 77.5 basis points initially, depending on the currency, and thereafter adjusted for changes in the leverage ratio of the group. As of 31 December 2023, CHF 70 million of the credit facility has been drawn (prior year: CHF 0 million). The facility is available until maturity date with interest periods ranging from one week to six months. The facility is subject to loan covenants (leverage ratio: net debt/earnings before net financial items, taxes, depreciation and amortisation). A potential breach of covenant triggers measures which are standard in such circumstances. Under the agreement, the covenants are monitored on a regular basis by the treasury department and half yearly reported to management and lending banks to ensure compliance with the agreement.

In December 2022, the group entered into a total return swap agreement related to listed equity securities. Under the total return swap, SoftwareOne sold the underlying shares for cash consideration of TCHF 42,559 but remains exposed to changes in the market value of these shares. As a result, the group did not derecognise the financial asset and recorded a financial liability for the receipts from swap contracts. In the event of a negative market price development of the underlying asset, there is a risk of a cash outflow when agreed thresholds are exceeded up to the amount of the consideration received. On maturity date of the total return swap, the liability from the swap contract and the related financial asset will both be derecognised and the related cashflows will be settled. As of 31 December 2023, the market price of the underlying asset has fallen below the agreed threshold. Thus, SoftwareOne recorded a cash outflow of TCHF 10,447 which is set off against the financial liability and classified as investing cashflow. The financial liability for the receipts from swap contracts amounted to TCHF 27,050 at the end of the reporting period (prior year: TCHF 41,938). The total return swap had a negative market value (prior year: positive market value).

The maturity structure of the derivative financial instruments based on cash flows is as follows:

in CHF 1,000	Carrying amount	Total cashflow	Cashflows Less than 3 months	Cashflows Between 3 months and 1 year	Cashflows Between 1 and 5 years
As of 31 December 2023					
Derivative assets with gross settlement	3,407				
– Cash outflow		245,459	223,621	9,657	12,181
– Cash inflow		248,972	226,209	10,022	12,741
Derivative liabilities with gross settlement	13,453				
– Cash outflow		654,336	574,527	39,890	39,919
– Cash inflow		642,353	563,828	38,744	39,781

in CHF 1,000	Carrying amount	Total cashflow	Cashflows Less than 3 months	Cashflows Between 3 months and 1 year	Cashflows Between 1 and 5 years
As of 31 December 2022					
Derivative assets with gross settlement	4,048				
– Cash outflow		335,302	295,930	22,731	16,640
– Cash inflow		339,588	298,360	23,924	17,304
Derivative liabilities with gross settlement	6,318				
– Cash outflow		517,741	464,464	27,139	26,137
– Cash inflow		511,832	460,105	25,969	25,758

The contractual agreement determines whether the contracting parties must fulfil their obligations from derivative financial instruments net or gross.

As of 31 December 2023, the group had total committed and uncommitted credit lines (including factoring) of CHF 1,149 million (prior year: CHF 1,098 million) available, of which 25% (prior year: 24%) was drawn. From the drawn amount, CHF 70 million were covered by financial covenants and fulfilled as of 31 December 2023 (prior year: CHF 0 million).

4.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Surplus cash held by the operating entities over and above working capital requirements are transferred to Group Treasury whenever the legal environment permits. Group Treasury invests surplus cash in interest-bearing current accounts or short-term time deposits to provide sufficient headroom as determined by the above-mentioned forecasts.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Capital is measured based on the group's consolidated financial statements and monitored closely on an ongoing basis. Management's target for the period under review was to strengthen the capital base to sustain and support further development of the business. In 2023, this goal was achieved through the positive operating results of the group.

The equity ratio for the period ended 31 December 2023 and the prior year were as follows:

in CHF 1,000	2023	2022
Total equity	640,112	738,996
Total assets	3,783,891	3,449,077
Equity ratio	**16.9%**	**21.4%**

The equity ratio for 2023 decreased compared to the previous year, which is due to an increase of total assets and a reduction in equity as a result of dividends paid and repurchases of treasury shares under share buyback programme which were only partly compensated by the net income for the period.

4.3 Categories of financial instruments and fair value estimation

For purposes of subsequent measurement, SoftwareOne has financial assets at amortised cost (debt instruments), financial assets at fair value through profit or loss and derivatives designated as hedging instruments for purposes of subsequent measurement.

The group's financial assets at amortised cost comprise trade and other receivables, loans and cash and cash equivalents.

The group's financial liabilities include trade and other payables, accrued expenses, contingent consideration liabilities and other financial liabilities including bank overdrafts and derivative financial instruments.

SoftwareOne has listed equity instruments presented as short-term financial assets which are subsequently measured at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in finance income and finance costs.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value through profit or loss except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the income statement when the hedged item affects profit or loss. The ineffective portion is recognised immediately in the income statement.

In case of a positive value, the derivative is recognised as an asset and in case of a negative value, as a liability (classified as non-current when the remaining maturity of the hedged item is more than 12 months and as current when the remaining maturity of the hedged item is less than 12 months).

Categories of financial instruments

The following table discloses the carrying amounts and fair values, as required, of the group's financial instruments by class and category:

As of 31 December 2023 in CHF 1,000	IFRS 9 category	Carrying amount	Fair value	Fair value level
FINANCIAL ASSETS				
Cash and cash equivalents	Amortised cost	267,389	n/a*	
Trade receivables	Amortised cost	2,317,187	n/a*	
Other receivables	Amortised cost	224,533	n/a*	
Derivative financial instruments	Fair value through profit or loss	2,537		Level 2
Derivative financial instruments	Designated as cash flow hedge	870		Level 2
Financial assets - listed equity instrument	Fair value through profit or loss	43,732		Level 1
Financial assets - loans	Amortised cost	125	n/a*	
Total financial assets		**2,856,373**		
FINANCIAL LIABILITIES				
Trade payables	Financial liabilities at amortised cost	2,290,475	n/a*	
Other payables	Financial liabilities at amortised cost	190,993	n/a*	
Accrued expenses	Financial liabilities at amortised cost	39,157	n/a*	
Contingent consideration liabilities	Fair value through profit or loss	7,342		Level 3
Financial liabilities	Financial liabilities at amortised cost	97,873	n/a*	
Financial liabilities	Fair value through profit or loss	27,050		Level 2
Derivative financial instruments	Fair value through profit or loss	10,281		Level 2
Derivative financial instruments	Designated as cash flow hedge	3,172		Level 2
Lease liabilities	n/a	32,747		
Total financial liabilities		**2,699,090**		

* The carrying amount is a reasonable approximation for fair value.

For investments in listed equity instruments the group recognised a fair value loss of TCHF 9,244 in finance expenses in 2023 (prior year: TCHF 71,328).

As of 31 December 2022 in CHF 1,000	IFRS 9 category	Carrying amount	Fair value	Fair value level
FINANCIAL ASSETS				
Cash and cash equivalents	Amortised cost	325,791	n/a*	
Trade receivables	Amortised cost	1,944,969	n/a*	
Other receivables	Amortised cost	190,948	n/a*	
Derivative financial instruments	Fair value through profit or loss	1,804		Level 2
Derivative financial instruments	Designated as cash flow hedge	2,244		Level 2
Financial assets - listed equity instrument	Fair value through profit or loss	58,415		Level 1
Financial assets - loans	Amortised cost	775	n/a*	
Total financial assets		**2,524,946**		
FINANCIAL LIABILITIES				
Trade payables	Financial liabilities at amortised cost	1,915,936	n/a*	
Other payables	Financial liabilities at amortised cost	181,238	n/a*	
Accrued expenses[1)]	Financial liabilities at amortised cost	25,236	n/a*	
Contingent consideration liabilities	Fair value through profit or loss	15,030		Level 3
Financial liabilities	Financial liabilities at amortised cost	25,514	n/a*	
Financial liabilities	Fair value through profit or loss	41,938		Level 2
Derivative financial instruments	Fair value through profit or loss	3,576		Level 2
Derivative financial instruments	Designated as cash flow hedge	2,742		Level 2
Lease liabilities	n/a	33,070		
Total financial liabilities		**2,244,280**		

* The carrying amount is a reasonable approximation for fair value.

1) Reduction of accrued expenses (TCHF 53,134), refer to Note 16.

Fair value estimation

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables with a remaining term of up to 12 months, as well as other current financial assets and liabilities, represent a reasonable approximation of their fair values, due to the short-term maturities of these instruments.

The fair value of financial assets (equity instruments) is based on observable price quotations at the reporting date. The fair value of derivatives is determined based on input factors observed directly or indirectly on the market. The fair value of foreign exchange forward contracts is based on forward exchange rates.

Financial instruments carried at fair value are analysed by valuation method. The fair value hierarchy has been defined as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices for identical assets or liabilities at the reporting date.

Level 2: The fair value measurements are those derived from valuation techniques using inputs for the asset or liability that are observable market data, either directly or indirectly. Such valuation techniques include the discounted cash flow method and option pricing models. For example, the fair value of interest rate and currency swaps is determined by discounting estimated future cash flows, and the fair value of forward foreign exchange contracts is determined using the forward exchange market at the end of the reporting period.

Level 3: The fair value measurements are those derived from valuation techniques using significant inputs for the asset or liability that are not based on observable market data.

The following table discloses valuation classes for financial instruments measured at fair value:

in CHF 1,000	As of 31 December 2023				As of 31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS								
Financial assets	43,732	–	–	43,732	58,415	–	–	58,415
Derivative financial instruments	–	3,407	–	3,407	–	4,048	–	4,048
LIABILITIES								
Contingent consideration liabilities	–	–	7,342	7,342	–	–	15,030	15,030
Financial liabilities	–	27,050	–	27,050	–	41,938	–	41,938
Derivative financial instruments	–	13,453	–	13,453	–	6,318	–	6,318

There have been no transfers between the different hierarchy levels in 2023 and 2022.

The change in carrying values associated with 'Level 3' contingent consideration liabilities are set forth below:

in CHF 1,000	2023	2022
On 1 January	15,030	8,644
Business acquisitions	–	937
Additions	–	8,993
Settlement in cash	–6,522	–3,606
Fair value adjustment	–895	167
Currency translation adjustments	–271	–105
As of 31 December	**7,342**	**15,030**

The most significant contingent consideration liability relates to the acquisition of the customer base of Predica acquired in 2022.

Predica (fair value as of 31 December 2023: TCHF 4,347; prior year: TCHF 8,750): The contingent consideration liability of Predica depends on certain KPIs of the year 2023 to 2024 and the retention of three key employees. An early termination of one key employee resulted in a fair value gain of TCHF 1,300. An amount of TCHF 2,708 was paid in 2023. The remaining contingent consideration is capped at a maximum of TCHF 4,347. A partial amount of TCHF 3,338 is exclusively related to the retention of the two remaining key employees. The calculation for the performance year 2024 is primarily based on chargeability of delivery resources and new customers and amounts to a maximum of TCHF 1,404.

4.4 Transfer of financial assets

The group enters transactions in which it transfers trade receivables under factoring agreements and, as a result, may either be eligible to derecognise the transferred receivables in their entirety or must continue to recognise the transferred receivables to the extent of any continuing involvement, depending on certain criteria.

Receivables subject to factoring arrangements are derecognised on sale and these assets are not held to collect contractual cash flows and would be measured at fair value through profit or loss. However, due to their short-term nature, the difference between transaction price and fair value is not considered to be material. Where the factored receivables continue to be recognised in the balance sheet, they are treated as held to collect contractual cash flows and measured at amortised cost.

The amount of the receivables sold as of 31 December 2023 is TCHF 192,671 (prior year: TCHF 197,477). The amount is fully derecognised from the balance sheet.

5 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may differ from the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Significant estimates

Income taxes (Note 10)

The group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes.

In particular, the deferred tax assets on unused tax losses require estimates of the amount and dates of future taxable income as well as the future tax planning strategies. If the group expects not to realise the unused tax losses, these are not recognised.

Contingent consideration liabilities related to business acquisitions and the acquisition of customer relationships (Note 4.3, 15 and 18)

Contingent consideration liabilities reflect potential future payments following the acquisition of customer relationships and businesses. The calculation of the future payments is based on different variable input factors. These future cash flows were estimated at initial recognition. These assumptions are reviewed at each reporting date and changes impact profit and loss.

Goodwill (Note 15)

The recoverable amount of cash-generating units is measured on the basis of value-in-use calculations and as such is significantly impacted by the projected free cashflows, the discount rate, future tax rate and the revenue growth rate, which are subject to management judgement. Actual cash flows as well as other input parameters could vary significantly from these estimates.

6 Revenue

Revenue from contracts with customers comprises revenue from the sale of Software & Cloud Marketplace products as well as the sale of Software & Cloud Services. Revenue from contracts with customers is recognised when the performance obligation in the contract has been satisfied either at the 'point in time' or 'over time' as control of the promised goods or service is transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The normal credit term is 30 to 90 days upon delivery.

Revenue from Software & Cloud Marketplace

SoftwareOne enters contracts with end customers to sell Software & Cloud Marketplace products of several third-party software providers. Below, software is used as a synonym for Software & Cloud Marketplace. A distinction is made between two types of software selling arrangements:

- Direct business: As a 'software advisor', the group's obligation in these arrangements is only to arrange for another entity to provide the software license to the end customer. Thus, the performance obligation consists of establishing the business relationship between the software provider and the end customer. When the software is provided to the end customer, SoftwareOne is entitled to receive an agency commission from the software provider and recognises revenue at this point of time. Hence, SoftwareOne acts as an agent and recognises revenue at the amount that it retains from its agency services.
- Indirect business: As a 'value added reseller', the group provides pre-sales consulting services to end customers and advises them on the selection of the appropriate end-to-end software or cloud technology solution. SoftwareOne is in the contractual relationship between the third-party software provider and the end customer and is commissioned to place orders and manage customer purchases on behalf of the end customer. Even if SoftwareOne provides pre-sales services in connection with the sale of the software licenses to its end customers, the group is not primarily responsible for fulfilling the promise to provide the software or cloud solution. Primary responsibility to provide the products lies with the third-party software provider, while SoftwareOne provides the access to the software license or manages cloud subscriptions. SoftwareOne invoices the end customer and receives the considerations from the end customer. SoftwareOne concluded that it does not control the software from the third-party software providers before it is transferred to the end customer and therefore acts as an agent in these arrangements. Revenue is recognised at the point in time when the license agreement is signed by all parties involved and the software manufacturer accepted the deal and the terms and conditions. If licenses are purchased via a distributor, SoftwareOne transfers the license key directly to the end customer. Thus, revenue is recognised at the point in time when the access to the software license is transferred. The group recognises revenue in the net amount in the consolidated financial statements, i.e., the difference between the consideration received from the end customer and cost of software purchased.

In the indirect business, the group also enters multi-year licensing contracts with annual billing of the corresponding fee in which the end customer has the right to change the software reseller during the contract term. For such contracts, SoftwareOne recognises revenue for the contract between the end customer and the third-party software provider upfront for the entire term when the contract is signed considering the effects of a potential change in channel partner based on historical experience as a variable consideration.

Additionally, non-cancellable multi-year licensing contracts with annual billing of the corresponding fee exist without the right to change the software reseller during the contract term. As the customer pays in arrears, SoftwareOne is effectively providing financing to the customer. Hence, there are two components in such arrangements: a revenue component (for the notional cash sales price net of the related costs of purchasing the software); and a loan component (for the effect of the deferred payment terms). Interest income on the loan finance component is calculated based on the rate that would be reflected in a separate financing transaction between the group and the end customers at contract inception and is presented under finance income. SoftwareOne uses the practical expedient in IFRS 15 and does not adjust the promised amount of consideration for the effects of a significant financing component if it expects at contract inception that the period between the provision access to the software license to the customer and the receipt of the consideration from the end customer will be one year or less.

Revenue from Software & Cloud Services

SoftwareOne provides a wide range of technology consulting services but also delivers self-developed software.

Revenue from technology consulting services is generally recognised over time as the customer simultaneously receives and consumes the benefits provided. SoftwareOne uses an input method based on costs incurred to measure progress towards the stage of completion of the service. The group determined that the input method based on costs incurred in relation to total expected costs is the best method of measuring progress of the consulting services because there is a direct relationship between SoftwareOne's effort and the transfer of the service to the customer. In addition, in cases where the group provides standardised services (i.e., managed services), revenue is recognised pro rata over the term of the contract. Payment is due 30 days after the solutions and services have been performed. As a rule, services are priced separately. If this is not the case, the transaction prices are allocated based on the relative individual selling prices.

Revenue from self-developed software is recognised at the point in time when control of the license is transferred to the customer. Such contracts and related revenues exist only to a limited extent. The same applies to revenue from external software which is only used to provide software asset management solutions. The related revenue is recognised net under revenue from Software & Cloud Services.

Transaction price of unsatisfied performance obligations

SoftwareOne uses the practical expedient in IFRS 15.121 and does not disclose information about the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied when the original expected duration of the underlying contract is one year or less. After applying this practical expedient, the remaining performance obligations to be disclosed 31 December 2023 and 2022 are not material.

Breakdown of revenue

For management purposes, SoftwareOne is organised by geographical areas. The breakdown of revenue below follows the regional clusters by the group's operating segments, refer to Note 27 Segment reporting.

Revenue is broken down as follows:

2023 in CHF 1,000	EMEA	NORAM	LATAM	APAC	Total
Revenue from Software & Cloud Marketplace	368,976	64,754	33,764	82,283	549,777
Revenue from Software & Cloud Services	260,353	76,513	61,600	63,046	461,512
Total revenue	**629,329**	**141,267**	**95,364**	**145,330**	**1,011,289**

2022 in CHF 1,000	EMEA	NORAM	LATAM	APAC	Total
Revenue from Software & Cloud Marketplace	360,998	77,224	34,614	65,560	538,396
Revenue from Software & Cloud Services[1)]	235,086	76,222	65,082	61,045	437,435
Total revenue[1)]	**596,084**	**153,446**	**99,696**	**126,605**	**975,831**

1) Prior-year figures restated, refer to Note 2 Correction of errors.

SoftwareOne distinguishes between indirect and direct business when generating revenue from Software & Cloud Marketplace:

in CHF 1,000	2023	2022
Revenue from Software & Cloud Marketplace		
– indirect business	405,173	438,409
– direct business	144,604	99,987
Total revenue from Software & Cloud Marketplace	**549,777**	**538,396**

7 Personnel expenses

in CHF 1,000	2023	2022
Salaries fixed	–415,354	–375,906
Salaries variable	–82,241	–115,088
Social security costs	–78,801	–75,401
Earn-out expenses (Note 17)	–14,760	–34,319
Pension costs – defined benefit plans (Note 19)	–5,497	–5,477
Pension costs – defined contribution plans	–10,647	–9,529
Share-based payment expense (Note 24)	–6,650	–12,507
Other personnel expenses	–30,695	–27,661
Total personnel expenses	**–644,645**	**–655,888**
Average head count (FTE)	**9,268**	**8,948**

In 2023, one-time costs for restructuring of TCHF 28,349 were recognised in personnel expenses.

8 Other operating expenses

in CHF 1,000	2023	2022
Travel and car expenses	–28,934	–24,336
Administrative expenses	–72,001	–49,408
Maintenance and utility expenses	–7,569	–8,831
Information technology expenses	–26,679	–18,460
Telecommunication expenses	–3,128	–3,725
Marketing expenses	–11,702	–9,336
Bad debt expenses	–11,185	–10,594
Other expenses	–19,249	–14,785
Loss on disposal of subsidiaries	–	–29,682
Total other operating expenses	**–180,447**	**–169,157**

Other operating expenses of 2023 were impacted by one-time advisory costs of TCHF 32,582 for the strategic review and the operational excellence programme.

9 Finance result

in CHF 1,000	2023	2022
Interest income	3,362	1,600
Other finance income	3,623	4,157
Change in fair value of contingent consideration liability	1,483	–
Finance income	**8,468**	**5,757**
Interest expense	–10,983	–4,829
Other finance expenses	–19,952	–83,047
Change in fair value of contingent consideration liability	–588	–167
Losses from fair value remeasurement of previously held equity interest	–445	–
Finance expenses	**–31,968**	**–88,043**
Foreign exchange differences, net	**–9,773**	**–9,933**
Total finance result	**–33,273**	**–92,219**

Other finance income includes TCHF 2,822 income from significant finance components (prior year: TCHF 3,904).

Other finance expenses include a fair value loss of TCHF 9,244 from the valuation of equity instruments (prior year: TCHF 71,328) and TCHF 5,111 factoring expenses (prior year: TCHF 4,488).

The foreign exchange differences, net result 2023 excludes unrealised gains on derivatives designated as instruments to hedge foreign currency risks in the amount of TCHF 1,941 (prior year: TCHF 128) recognised in OCI and to be reclassified to the income statement in future periods. In 2023, foreign exchange losses of TCHF 2,177 (prior year: TCHF 1,784) have been reclassified to profit and loss, refer to Note 13 Derivative financial instruments.

10 Income taxes

Tax expenses comprise the following positions:

in CHF 1,000	2023	2022
Current income taxes	–42,665	–48,433
Change in deferred taxes	1,646	4,139
Total tax expense	**–41,019**	**–44,294**

The tax on the group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

in CHF 1,000	2023	2022
Earnings before income tax (EBT)	**62,462**	**–14,040**
Expected average group tax rate	29.9%	–119.3%
Tax at expected average rate	**–18,658**	**–16,752**
+/– Effect of		
Expenses not deductible for tax purposes	–21,337	–22,174
Income not subject to tax	1,075	1,986
Utilisation of previously unrecognised tax losses	1,397	1,188
Impairment of previously recognised tax losses	–269	–4,756
Capitalisation of tax losses previously not recognised	2,144	1,023
Unrecognised current year's tax losses	–3,079	–2,024
Current income tax charges/credits related to prior periods	–941	–1,202
Impact from tax rate changes	–846	118
Other effects	–505	–1,701
Total tax expense	**–41,019**	**–44,294**
Effective tax rate	**65.7%**	**–315.5%**

The group's expected average tax rate is the aggregate obtained by applying the expected tax rate for each individual jurisdiction to its respective result before taxes. These results vary in different jurisdictions. The weighted average expected tax rate was 29.9% (prior year: -119.3%).

The group has not recognised deferred tax assets of TCHF 3,080 (prior year: TCHF 2,024) in respect of losses for the period ended 31 December 2023 of TCHF 14,257 (prior year: TCHF 9,043).

Other effects in 2023 are mainly related to withholding taxes on intercompany transactions and additional local taxes as in prior year.

Deferred income tax

Deferred tax income of TCHF 554 (prior year: deferred tax expenses of TCHF 1,048) is recorded in other comprehensive income on actuarial losses on defined benefit liabilities and on hedge accounting.

Deferred tax assets and liabilities are based on the temporary differences between group valuation and tax bases.

in CHF 1,000	2023 Deferred tax assets	2023 Deferred tax liabilities	2022 Deferred tax assets	2022 Deferred tax liabilities
Trade receivables	4,716	8,400	4,270	7,413
Other current assets	905	2,146	1,052	759
Tangible, intangible and right-of-use assets	4,129	24,815	4,504	27,518
Other non-current assets	729	230	262	223
Accrued expenses, prepaid income and contract assets	4,712	2,437	5,514	905
Other current liabilities	11,454	2,425	9,215	565
Defined benefit liabilities	1,104	6	805	–
Other non-current liabilities	7,097	1,015	7,050	376
Deferred taxes from losses carried forward	10,709	–	9,876	–
Total	**45,555**	**41,474**	**42,548**	**37,759**
Offsetting of balances	–20,476	–20,476	–14,073	–14,073
Total	**25,079**	**20,998**	**28,475**	**23,686**

For some group companies, dividend payments are subject to a withholding tax which cannot be fully recovered in Switzerland. The company has not recognised deferred tax liabilities associated with investments in subsidiaries where the group can control the reversal of the temporary differences and where it is not probable that the temporary differences will reverse in the foreseeable future.

The aggregate amount of temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognised amounted to TCHF 13,566 (prior year: TCHF 33,515).

The movement of available tax loss carry forwards is as follows:

in CHF 1,000	2023	2022
On 1 January	87,490	125,018
Disposal of subsidiaries	–	–824
Tax losses arising in current year	21,093	13,585
Tax losses utilised against current year profits	–14,772	–15,781
Expired tax losses during the period	–2,676	–3,015
Other movements	4,172	–27,481
Currency translation adjustments	–5,975	–4,012
As of 31 December	**89,332**	**87,490**

Deferred tax assets of TCHF 10,709 (prior year: TCHF 9,876) were recorded in respect of available tax loss carry forwards of TCHF 39,666 (prior year: TCHF 37,061).

Tax losses, for which no deferred tax asset was recognised, will expire as follows:

in CHF 1,000	2023	2022
Expiry within 12 months	923	1,818
Expiry in 2–3 years	9,213	9,258
Expiry in 4–5 years	21,071	9,648
Expiry in more than 5 years	6,721	8,925
No expiry date	11,737	20,780
Total not recognised tax losses	**49,665**	**50,429**

11 Trade receivables

in CHF 1,000	2023	2022
Trade receivables	2,343,507	1,963,504
Less provision for impairment of trade receivables	–26,320	–18,535
Total trade receivables, net	**2,317,187**	**1,944,969**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

For trade receivables the group applies a simplified approach in calculating an allowance for expected credit losses (ECLs). Therefore, the group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on the group's historical observed default rates. The group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted.

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region and customer rating and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The aging of the receivables and the related lifetime ECLs for the year 2023 and 2022 are as follows:

2023

in CHF 1,000	Expected credit loss rate	Estimated total gross carrying amount at default	Expected credit loss
Not past due	–0.1%	1,939,721	–1,351
Past due since 1–90 days	–0.3%	294,933	–853
Past due since 91–180 days	–4.3%	56,614	–2,435
Past due since 181–360 days	–24.1%	24,802	–5,967
Past due since more than 360 days	–57.3%	27,437	–15,714
Total trade receivables, gross	**–1.1%**	**2,343,507**	**–26,320**

2022

in CHF 1,000	Expected credit loss rate	Estimated total gross carrying amount at default	Expected credit loss
Not past due	–0.1%	1,681,720	–1,507
Past due since 1–90 days	–1.1%	217,727	–2,344
Past due since 91–180 days	–6.9%	35,653	–2,469
Past due since 181–360 days	–26.1%	16,171	–4,213
Past due since more than 360 days	–65.4%	12,233	–8,002
Total trade receivables, gross	**–0.9%**	**1,963,504**	**–18,535**

Movements on the group's provision for impairment of trade receivables are as follows:

in CHF 1,000	2023	2022
On 1 January	–18,535	–13,303
Disposal of subsidiaries	–	3,247
Allowance recognised	–18,183	–17,041
Receivables written off during the year as uncollectible	2,338	1,372
Unused amounts reversed	6,645	6,650
Currency translation adjustments	1,415	540
As of 31 December	**–26,320**	**–18,535**

12 Other receivables, prepaid expenses and contract assets

in CHF 1,000	2023	2022
Other receivables	90,117	74,547
– thereof financial assets: 24,003 (prior year: 8,777)		
Indemnification assets	2,027	2,091
Prepaid expenses	27,405	37,409
Contract assets	90,289	88,217
Current other receivables, prepaid expenses and contract assets	**209,838**	**202,264**
Other receivables	207,093	191,244
– thereof financial assets: 200,530 (prior year: 182,171)		
Indemnification assets	529	518
Non-current other receivables	**207,622**	**191,762**
Total other receivables, prepaid expenses and contract assets	**417,460**	**394,026**

Current other receivables mainly include VAT and other sales tax receivables.

Indemnification assets are related to acquisitions of prior periods. The underlying risks that have been classified as contingent liabilities are recorded as provisions.

Contract assets are initially recognised for services as receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Other non-current receivables include TCHF 190,145 non-current trade receivables for multi-year contracts (prior year: TCHF 171,475).

13 Derivative financial instruments

	2023	2022	2023		2022	
in CHF 1,000	Notional amount	Notional amount	Derivative financial assets	Derivative financial liabilities	Derivative financial assets	Derivative financial liabilities
Current						
Forward foreign exchange contracts	888,386	829,426	3,006	12,457	3,769	5,515
– cash flow hedges recognised in OCI	66,671	65,101	469	2,176	1,964	1,939
– not designated as hedging instruments	821,715	764,325	2,537	10,281	1,805	3,576
Non-current						
Forward foreign exchange contracts	52,751	43,043	401	996	279	803
– cash flow hedges recognised in OCI	52,751	43,043	401	996	279	803
Total derivatives	**941,137**	**872,469**	**3,407**	**13,453**	**4,048**	**6,318**

In 2023 and 2022, no ineffectiveness was recognised in the income statement.

14 Tangible assets

Tangible assets are stated at historical cost less depreciation and impairments. Depreciation is calculated using the straight-line method over the expected useful life as follows:

- Land is not depreciated
- Buildings: max. 33 years
- Furniture, fixtures and other equipment: max. 5 years
- Leasehold improvements: max. 10 years or shorter duration lease contract
- Vehicles: max. 5 years
- IT equipment: max. 3 years

in CHF 1,000	Land	Buildings	IT equipment	Leasehold improve-ment	Furniture and fixtures	Vehicles	Other equipment	Total
Historical cost								
On 1 January 2023	3,306	14,934	25,318	7,019	6,183	1,911	602	59,273
Business acquisitions	–	–	17	–	–	20	–	37
Additions	–	–	3,486	1,140	754	224	246	5,850
Disposals	–	–	–2,770	–806	–551	–304	–319	–4,750
Reclassification to intangible assets[1]	–	–	–6,690	–	–	–	–	–6,690
Currency translation adjustments	178	993	–1,125	–340	–390	–153	–73	–910
As of 31 December 2023	**3,484**	**15,927**	**18,236**	**7,013**	**5,996**	**1,698**	**456**	**52,810**
Accumulated depreciation								
On 1 January 2023	–	936	17,718	4,083	3,839	1,209	426	28,211
Additions	–	376	3,886	914	698	220	232	6,326
Disposals	–	–	–2,716	–751	–478	–304	–244	–4,493
Reclassification to intangible assets[1]	–	–	–4,561	–	–	–	–	–4,561
Currency translation adjustments	–	310	–823	–205	–170	–66	–71	–1,025
As of 31 December 2023	**–**	**1,622**	**13,504**	**4,041**	**3,889**	**1,059**	**343**	**24,458**
Carrying amount 31 December 2023	**3,484**	**14,305**	**4,732**	**2,972**	**2,107**	**639**	**113**	**28,352**

1) Correction of acquired software for one single entity which was presented in tangible assets in prior year.

As of 31 December 2023 and 2022, there were no contractual commitments for the purchase of tangible assets and no impairment was required.

in CHF 1,000	Land	Buildings	IT equipment	Leasehold improve-ment	Furniture and fixtures	Vehicles	Other equipment	Total
Historical cost								
On 1 January 2022	3,534	16,255	27,602	5,736	5,556	2,162	916	61,761
Business acquisitions	–	–	69	29	50	–	34	182
Additions	–	–	4,504	1,795	1,947	349	125	8,720
Disposals	–	–478	–5,704	–720	–675	–525	–324	–8,426
Disposal of subsidiaries	–	–	–332	–6	–72	–	–	–410
Currency translation adjustments	–228	–843	–821	185	–623	–75	–149	–2,554
As of 31 December 2022	**3,306**	**14,934**	**25,318**	**7,019**	**6,183**	**1,911**	**602**	**59,273**
Accumulated depreciation								
On 1 January 2022	–	984	18,094	3,753	3,827	1,526	709	28,893
Additions	–	373	5,720	974	817	192	113	8,189
Disposals	–	–334	–5,360	–720	–576	–471	–231	–7,692
Disposal of subsidiaries	–	–	–206	–6	–48	–	–	–260
Currency translation adjustments	–	–87	–530	82	–181	–38	–165	–919
As of 31 December 2022	**–**	**936**	**17,718**	**4,083**	**3,839**	**1,209**	**426**	**28,211**
Carrying amount 31 December 2022	**3,306**	**13,998**	**7,600**	**2,936**	**2,344**	**702**	**176**	**31,062**

15 Intangible assets

Purchased intangible assets such as software, acquired technology and customer relationships are measured at cost less accumulated amortisation (applying the straight-line method) and any impairment. The useful life is as follows:

- Software: 3-10 years
- Acquired customer relationships: max. 10 years
- Acquired technology and other intangible assets: 3-10 years
- Internally generated intangible assets: 3-5 years

in CHF 1,000	Goodwill	Software, acquired technology and customer relationships	Brand	Internally generated intangibles	Total
Historical cost					
On 1 January 2023	461,813	165,025	31,796	101,958	760,592
Business acquisitions	18,215	6,291	–	–	24,506
Additions	–	3,643	–	47,729	51,372
Reclassification from tangible assets[1)]	–	6,690	–	–	6,690
Currency translation adjustments	–17,000	–7,896	67	–36	–24,865
As of 31 December 2023	**463,028**	**173,753**	**31,863**	**149,651**	**818,295**
Accumulated amortisation					
On 1 January 2023	–	92,976	346	54,092	147,414
Amortisation	–	19,250	171	23,278	42,699
Reclassification from tangible assets[1)]	–	4,561	–	–	4,561
Currency translation adjustments	–	–5,890	53	–37	–5,874
As of 31 December 2023	**–**	**110,897**	**570**	**77,333**	**188,800**
Carrying amount 31 December 2023	**463,028**	**62,856**	**31,293**	**72,318**	**629,495**

1) Correction of acquired software for one single entity which was presented in tangible assets in prior year.

in CHF 1,000	Goodwill	Software, acquired technology and customer relationships	Brand	Internally generated intangibles	Total
Historical cost					
On 1 January 2022	435,658	158,261	31,881	69,072	694,872
Business acquisitions	70,617	11,323	–	–	81,940
Additions	–	4,289	–	34,254	38,543
Disposals	–	–386	–	–1,345	–1,731
Disposal of subsidiaries	–18,163	–2,863	–	–	–21,026
Currency translation adjustments	–26,299	–5,599	–85	–23	–32,006
As of 31 December 2022	**461,813**	**165,025**	**31,796**	**101,958**	**760,592**
Accumulated amortisation					
On 1 January 2022	–	77,267	217	40,520	118,004
Amortisation	–	19,069	216	14,845	34,130
Disposals	–	–310	–	–1,269	–1,579
Disposal of subsidiaries	–	–930	–	–	–930
Currency translation adjustments	–	–2,120	–87	–4	–2,211
As of 31 December 2022	**–**	**92,976**	**346**	**54,092**	**147,414**
Carrying amount 31 December 2022	**461,813**	**72,049**	**31,450**	**47,866**	**613,178**

Internally generated intangible assets relate mainly to SoftwareOne Marketplace Platform, a platform that offers clients a single digital entry point to access and manage their products, services and interactions with SoftwareOne. It combines investments made into Goatpath, and existing capabilities of PyraCloud, into a single unified portal. Technical innovations are capitalised separately in accordance with the component approach if the group expects to obtain a future use from these. The average remaining amortisation period is 1.7 years with a carrying amount of TCHF 19,399 (prior year: TCHF 16,613).

The acquired technology and customer relationships include customer relationships/bases primarily related to the COMPAREX acquisition in 2019. For the customer base of COMPAREX, the remaining amortisation period is 5.1 years with a carrying amount of TCHF 25,841 (prior year: TCHF 32,613).

The brand SoftwareOne was acquired in a business combination. It has been determined to have an indefinite useful life as there is no intention to abandon the brand name. As it has existed for many years, the group can maintain its brand for an indefinite period of time. Thus, the brand name is not amortised but is assessed for impairment annually. As the brand does not generate largely independent cash inflows, it is allocated to the group's CGUs for goodwill impairment testing as part of corporate assets.

Goodwill and the brand are allocated to four CGU's as illustrated below:

in CHF 1,000	EMEA	NORAM	LATAM	APAC	Carrying amount
Goodwill	388,288	27,895	38,555	8,290	463,028
Brand	31,277	–	–	–	31,277
As of 31 December 2023	**419,565**	**27,895**	**38,555**	**8,290**	**494,305**

in CHF 1,000	EMEA	NORAM	LATAM	APAC	Carrying amount
Goodwill	400,426	15,692	36,623	9,072	461,813
Brand	31,277	–	–	–	31,277
As of 31 December 2022	**431,703**	**15,692**	**36,623**	**9,072**	**493,090**

Impairment test of goodwill and intangibles with indefinite useful life

Regarding impairment testing of goodwill and other intangible assets such as the SoftwareOne brand deemed to have indefinite lives, the group determines the higher of value in use and fair value less costs of disposal of the respective cash generating units to which goodwill and intangibles have been allocated. The calculation of value in use is based on the current budget and business plan approved by the Board of Directors and the expectations regarding the future development of the respective markets, market shares and profitability using also third-party market data. Growth in the operating profit of the cash generating unit is expected up to the end of the detailed planning period of five years. Estimated cash flow for the year after the detailed planning period is based on an annual growth rate. Related assumptions are made considering macroeconomic trends and historical information adjusted for current developments. The annual goodwill impairment test for all CGUs is performed as of 30 September.

The discount rates and annual growth rate as per CGU are as follows:

	2023			2022		
	Pre-tax discount rate	Post-tax discount rate	Annual growth rate	Pre-tax discount rate	Post-tax discount rate	Annual growth rate
EMEA	10.5%	8.4%	1.9%	9.8%	7.8%	2.0%
LATAM	17.0%	15.5% / 11.9%[1]	3.0%	16.5%	15.6% / 11.1%[1]	3.0%
APAC	11.4%	9.3%	2.4%	11.2%	9.0%	2.4%
NORAM	11.9%	9.6%	2.1%	10.8%	8.6%	2.1%

1) Post-tax discount rate: 15.5% (prior year: 15.6%) for the detailed planning period and 11.9% (prior year: 11.1%) for the terminal value.

The pre-tax discount rate is calculated based on a country-specific weighted risk-free interest rate as well as the market risk premium and borrowing interest rate. Specific peer group information for beta factors and the debt ratio are also considered.

In order to adequately reflect current interest rates and the long-term inflation forecast, two different discount rates are used for CGU LATAM. For the detailed planning period, the discount rate is based on an average 3-month risk-free interest rate. For the terminal value, the discount rate is calculated taking into account the expected long-term inflation rate plus the spread between the yield on a 10-year bond and a national inflation index.

The recoverable amount of CGU LATAM exceeds the carrying amount by CHF 62.6 million (prior year: CHF 34.8 million) at the end of the reporting period. A change in the projected annual revenue growth (CAGR) during the planning period from the current 14.3% to 5.9% (prior year annual gross profit growth: 19.2% to 14.1%), the revenue/EBITDA ratio from 20.5% to 19.2% (prior year gross profit/EBITDA ratio: 14.4% to 11.8%) or the pre-tax discount rate from 17.0% to 23.0% (prior year: 16.5% to 19.8%) would use up the existing headroom of CGU LATAM.

16 Trade payables, accrued expenses, contract liabilities and other payables

in CHF 1,000	2023	2022
Trade payables	2,290,475	1,915,936
Accrued expenses	101,332	94,155
– thereof financial liabilities 39,157 (prior year: 25.236)[1]		
Contract liabilities	80,302	83,313
Other payables	215,849	212,156
– thereof financial liabilities 15,919 (prior year: 24,000)		
Current trade payables, accrued expenses, contract liabilities and other payables	**2,687,958**	**2,305,560**
Other payables	178,646	168,888
– thereof financial liabilities 175,074 (prior year: 157,238)		
Non-current other payables	**178,646**	**168,888**
Total trade payables, accrued expenses, contract liabilities and other payables	**2,866,604**	**2,474,448**

1) Thereof financial liabilities 2022 adjusted for accrued expenses in relation with IAS 19 (reduction of TCHF 53,134).

Accrued expenses mainly include obligations to employees not paid at the reporting date, such as bonuses, holiday entitlements or compensations, and accruals related to other operating expenses. Current other payables mainly include VAT and other sales tax-related liabilities.

Contract liabilities include short-term advances received to render services. All contract liabilities as of 1 January 2023 were recognised as revenue in 2023 (TCHF 83,313).

Other non-current payables include TCHF 175,074 non-current trade payables for multi-year contracts (prior year: TCHF 152,851).

17 Provisions

in CHF 1,000	Employment-related	Non-income tax-related	Earn-out-related	Other	Total
Current provisions	9,956	4,085	18,604	1,359	34,004
Non-current provisions	1,688	–	12,339	545	14,572
Total Provision as of 31 December 2023	**11,644**	**4,085**	**30,943**	**1,904**	**48,576**
On 1 January 2023	5,333	2,633	42,308	2,755	53,029
Increase	8,492	3,047	16,058	1,057	28,654
Used provisions	–169	–	–26,385	–1,774	–28,328
Unused amounts released	–2,090	–1,578	–489	–90	–4,247
Currency translation adjustments	78	–17	–549	–44	–532
As of 31 December 2023	**11,644**	**4,085**	**30,943**	**1,904**	**48,576**

Earn-out-related provisions are associated with contingent consideration arrangements that could result in additional cash payments to the previous owners of the acquired companies. They are presented as provisions if they are contingent on continued employment and thus compensation for services. The amount of the earn-out depends on KPI developments for a contractually defined period and, where appropriate, a multiplier derived from other variables. They are recognised as personnel expenses during the period of service.

The earn-out calculations are based on the following KPIs:

Acquired company	Earn-out relevant KPI	Cash outflow expected in year
AppScore	Revenue	2024/ 2025/ 2026/ 2027
Beniva	Revenue	2024/ 2025/ 2026
Centiq	Contribution Margin	2024/ 2025/ 2026
Intelligence Partner	EBITDA	2024
InterGrupo	Revenue and EBITDA	2024
ITPC	Contribution Margin	2024/ 2025/ 2026
ITST	Contribution Margin	2024/ 2025/ 2026
makeITnoble	Gross Profit	2024/ 2025
Predica	Chargeability of delivery resources	2024/ 2025
Satzmedia	Revenue	2024
SE16N	Contribution Margin	2024/ 2025/ 2026

18 Financial liabilities

in CHF 1,000	2023	2022
Current		
Bank overdrafts	375	5,178
Contingent consideration liabilities	5,302	6,011
Lease liabilities	13,411	14,948
Other financial liabilities	121,173	17,040
Total current financial liabilities	**140,261**	**43,177**
Non-current		
Contingent consideration liabilities	2,040	9,019
Lease liabilities	19,336	18,122
Other financial liabilities	3,375	45,234
Total non-current financial liabilities	**24,751**	**72,375**
Total financial liabilities	**165,012**	**115,552**

Revolving credit loan

The group has access to a CHF 660 million (prior year: CHF 660 million) multiple currency revolving credit facility. Of this revolving credit facility, CHF 70 million was drawn as of 31 December 2023 (prior year: CHF 0 million).

Contingent consideration liabilities

The most significant contingent consideration liability relates to the acquisition of Predica. The contingent consideration liability reflects the fair value of the expected payments. These estimates are reviewed at each reporting date and adjusted as necessary. Adjustments are booked in finance income or expenses.

For further information, refer to explanation of 'Level 3' financial instruments in Note 4.3 Categories of financial instruments and fair value estimation.

Changes in liabilities arising from financing activities

		Changes in financial liabilities					
in CHF 1,000	1 January 2023	Business acquisitions	Financing cash flows	Foreign exchange movement	Change in fair value	Other	31 December 2023
Bank overdrafts	5,178	–	–4,549	–254	–	–	375
Contingent consideration liabilities	15,030	–	–2,921	–272	–895	–3,600	7,342
Lease liabilities	33,070	–	–17,024	–2,002	–	18,703	32,747
Other current financial liabilities	17,040	36	84,202	–7,987	–	27,882	121,173
Other non-current financial liabilities	45,234	–	–403	–3,127	–	–38,329	3,375
Total	**115,552**	**36**	**59,305**	**–13,642**	**–895**	**4,656**	**165,012**

In 2023, the group paid contingent consideration liabilities for the acquisition of Predica (TCHF 2,709) and Intelligence Partner (TCHF 1,128), which is presented in cashflow from investing activities. In addition, SoftwareOne partially repaid receipts from swap contracts in an amount of TCHF 10,447 which is set off against the financial liability, which was initially recorded in 2022 and reclassed from non-current to current financial liabilities in 2023 (TCHF 38,441). The related cashflow was classified as cashflow from investing activities, for further explanations refer to section 4.1 Financial Risk Factors on Liquidity Risk. Further effects in column 'Other' are related to additions, disposals and compounding of lease liabilities (TCHF 18,703) and, to a limited extent, accrued interest.

in CHF 1,000	1 January 2022	Business acquisitions	Financing cash flows	Foreign exchange movement	Change in fair value	Other	31 December 2022
		Changes in financial liabilities					
Bank overdrafts	1,170	–	11,981	–7,973	–	–	5,178
Contingent consideration liabilities	8,644	937	–2,542	–105	167	7,929	15,030
Lease liabilities	38,037	–	–16,368	–1,993	–	13,394	33,070
Other current financial liabilities	47,206	581	–26,083	334	–	–4,998	17,040
Other non-current financial liabilities	4,484	12	–650	–1,089	–	42,477	45,234
Total	**99,541**	**1,530**	**–33,662**	**–10,826**	**167**	**58,802**	**115,552**

In 2022, SoftwareOne paid back the promissory loan (TCHF 35,658). The group paid the deferred purchase price for the acquisition of Centiq (TCHF 5,013) which was presented in cashflow from investing activities. In addition, SoftwareOne recorded a financial liability related to swap contracts for which the cashflow was classified as cashflow from investing activities (TCHF 42,559).

Further effects in column 'Other' were related to the initial recognition of liabilities for the contingent consideration liability for the acquisition of Predica (TCHF 8,750), additions, disposals and compounding of lease liabilities (TCHF 13,394) and, to a limited extent, accrued interest.

In the statement of cash flows the change in financial liabilities is presented on a gross basis.

19 Defined benefit liabilities

The group operates various post-employment schemes including both defined benefit and defined contribution pension plans.

Defined benefit plans

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Actuarial gains or losses are recognised in OCI. Service costs are presented in personnel expenses. Interest costs and interest on plan assets are netted in finance costs.

The group's retirement plans include defined benefit pension plans in Switzerland, Belgium, Germany, Austria, India, Mexico, Ecuador, France, Italy, Turkey, Costa Rica, and Indonesia. These plans, excluding those in Switzerland, Belgium, and Germany, are unfunded and all determined by local regulations using independent actuarial valuations according to IAS 19. The group's major defined benefit plan in Switzerland accounts for 84.2% (prior year: 81.6%) of the group's present value of funded and unfunded obligations.

Pension plans in Switzerland

The current pension arrangement for employees in Switzerland is made through a plan governed by the Swiss Federal Occupational Old Age, Survivors and Disability Pension Act (BVG). The plan of SoftwareOne's Swiss company is administered by a separate legal foundation, which is funded by regular employer and employee contributions defined in the pension fund rules. The Swiss pension plan contains a cash balance benefit which is in essence contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Swiss plan is treated as a defined benefit plan under IFRS Accounting Standards. The plan is invested in a diversified range of assets in accordance with the investment strategy and the common criteria of an asset and liability management. A potential underfunding may be remedied by various measures such as increasing employer and employee contributions or reducing future benefits.

As of 31 December 2023, 345 employees (prior year: 346 employees) and no retiree (prior year: no retiree) are insured under the Swiss plan. The defined benefit obligation has a duration of 17 years (prior year: 15 years).

Amounts recognised in the balance sheet:

in CHF 1,000	Swiss plan	Other plans	2023	2022
Present value of funded obligations	57,800	5,423	63,223	58,779
Fair value of plan assets	–54,626	–4,460	–59,086	–57,442
Present value of unfunded obligations	–	5,430	5,430	5,343
Total defined benefit liabilities	**3,174**	**6,393**	**9,567**	**6,680**

Reconciliation of the present value of the defined benefit obligation (DBO):

in CHF 1,000	Swiss plan	Other plans	2023	2022
On 1 January	52,316	11,806	64,122	81,896
Service costs	4,129	1,368	5,497	5,477
Employee contribution	2,620	–	2,620	2,251
Interest cost	1,024	434	1,458	474
Actuarial losses/(gains)	2,343	–464	1,879	–17,081
Benefits paid/transferred	–4,632	–1,535	–6,167	–7,688
Other	–	–	–	–510
Currency translation adjustments	–	–756	–756	–697
As of 31 December	**57,800**	**10,853**	**68,653**	**64,122**

Reconciliation of fair value of plan assets:

in CHF 1,000	Swiss plan	Other plans	2023	2022
On 1 January	52,074	5,368	57,442	68,535
Interest income	1,040	150	1,190	335
Return on plan assets (excluding interest income)	904	–196	708	–8,220
Employer contributions	2,620	498	3,118	2,763
Employee contributions	2,620	–	2,620	2,251
Benefits paid/transferred	–4,632	–1,095	–5,727	–7,011
Other	–	–	–	–889
Currency translation adjustments	–	–265	–265	–322
As of 31 December	**54,626**	**4,460**	**59,086**	**57,442**

Pension costs:

in CHF 1,000	Swiss plan	Other plans	2023	2022
Current service cost	4,129	1,368	5,497	5,477
Interest cost on defined benefit obligation	1,024	434	1,458	474
Interest on plan assets	–1,040	–150	–1,190	–335
Total defined benefit cost recognised in income statement	**4,113**	**1,652**	**5,765**	**5,616**
Thereof finance expense	–16	284	268	139
Thereof personnel expense	4,129	1,368	5,497	5,477
Actuarial (gain)/loss arising from demographic assumptions	–	–325	–325	–136
Actuarial (gain)/loss arising from changes in financial assumptions	2,569	–274	2,295	–13,975
Actuarial (gain)/loss arising from experience	–226	135	–91	–2,970
Return on plan assets excluding interest income	–904	196	–708	8,220
Total remeasurements cost recognised in OCI	**1,439**	**–268**	**1,171**	**–8,861**
Total defined benefit cost	**5,552**	**1,384**	**6,936**	**–3,245**

Split of plan assets in %:

	Swiss plan	Other plans	2023	2022
Cash and cash equivalents	0.9%	–	0.8%	1.6%
Equity instruments	36.8%	–	34.0%	32.9%
Debt instruments	40.8%	–	37.7%	36.0%
Real estate	19.6%	–	18.1%	18.2%
Other	1.9%	100.0%	9.4%	11.3%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The actual return on plan assets amounted to TCHF 1,898 (prior year: TCHF –7,885).

Significant actuarial assumptions:

	Swiss plan	Other plans	2023	2022
Discount rate	1.5%	4.3%	1.9%	2.2%
Salary growth rate	1.0%	4.2%	1.5%	1.5%

Pension liability – Sensitivity analysis for Swiss plans:

	Change in assumption	Change in DBO 2023	Change in DBO 2022
Discount rate	+/– 0.25bps	–/+ 4.3%	–/+ 4.2%
Salary growth rate	+/– 0.25bps	+/– 0.8%	+/– 0.7%

The above sensitivity analyses are based on a change in one assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined contribution plans

Contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset.

Expected employer contributions to post-employment benefit plans for the period ended 31 December 2023 amounted to TCHF 2,650 (prior year: TCHF 2,177).

20 Leases

Group as a lessee

The group leases various offices, cars, and IT equipment under non-cancellable lease agreements. Most lease agreements are renewable at market rate at the end of the lease period. Unless the group is reasonably certain of obtaining ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. The useful life is as follows:

- Buildings: max. 10 years
- Vehicles: max. 5 years
- Other equipment: max. 5 years

The group applies the short-term lease recognition exemption to its short-term leases of other machinery and equipment (these are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (in other words below TCHF 5). Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

in CHF 1,000	Buildings	Vehicles	Other equipment	Total
Historical cost				
On 1 January 2023	44,137	19,621	138	63,897
Additions	12,372	4,929	1,758	19,059
Disposals	–4,808	–5,332	–12	–10,152
Currency translation adjustments	–2,866	–1,169	82	–3,953
As of 31 December 2023	**48,835**	**18,049**	**1,966**	**68,851**
Accumulated depreciation				
On 1 January 2023	21,198	10,692	20	31,910
Additions	10,111	5,110	645	15,866
Disposals	–4,294	–5,092	–12	–9,398
Impairment[1]	1,052	–	–	1,052
Currency translation adjustments	–1,407	–641	26	–2,022
As of 31 December 2023	**26,660**	**10,069**	**679**	**37,408**
Carrying amount 31 December 2023	**22,175**	**7,980**	**1,287**	**31,443**

1) Related to non-cancellable lease contracts for the closing of offices within segment EMEA.

in CHF 1,000	Buildings	Vehicles	Other equipment	Total
Historical cost				
On 1 January 2022	45,965	20,560	1,630	68,156
Additions	12,192	4,791	125	17,108
Disposals	–11,668	–4,544	–1,565	–17,777
Currency translation adjustments	–2,352	–1,186	–52	–3,590
As of 31 December 2022	**44,137**	**19,621**	**138**	**63,897**
Accumulated depreciation				
On 1 January 2022	20,142	9,898	1,249	31,289
Additions	10,280	5,581	373	16,234
Disposals	–8,056	–4,204	–1,564	–13,824
Currency translation adjustments	–1,168	–583	–38	–1,789
As of 31 December 2022	**21,198**	**10,692**	**20**	**31,910**
Carrying amount 31 December 2022	**22,939**	**8,929**	**119**	**31,987**

Set out below are the carrying amounts of lease liabilities (included under interest bearing loans and borrowings) and the movements during the period:

in CHF 1,000	2023	2022
On 1 January	33,070	38,037
Additions	18,577	17,070
Disposals	–827	–4,177
Accretion of interest	953	501
Payments	–17,024	–16,368
Currency translation adjustments	–2,002	–1,993
As of 31 December	**32,747**	**33,070**

The following are the amounts recognised in the income statement:

in CHF 1,000	2023	2022
Depreciation expenses on right-of-use assets (including impairment)	–16,918	–16,234
Interest expenses on lease liabilities	–953	–501
Expenses relating to short-term leases (included in other operating expenses)	–1,056	–2,342
Income from subleasing of right-of-use assets	327	409
Income from operating lease contracts	783	–
Total	**–17,817**	**–18,668**

In 2023, the group had total cash outflows for leases including expenses relating to short-term leases of TCHF 18,080 (prior year: TCHF 18,710).

21 Share capital and treasury shares

Share capital

The nominal value of the company's shares amounted to CHF 0.01 and is divided into 158,581,460 registered shares with a carrying amount of TCHF 1,586 as of 31 December 2023 and 2022. All shares issued by the company are fully paid.

Treasury shares

	Number of shares	Carrying amount in CHF 1,000
On 1 January 2022	**3,724,465**	**9,217**
Distribution to employee share plans	–162,609	–878
Distribution to members of the Board of Directors	–45,025	–243
As of 31 December 2022	**3,516,831**	**8,096**
Distribution to employee share plans	–379,087	–2,046
Distribution to members of the Board of Directors	–39,052	–211
Sale of treasury shares	–126,541	–683
Repurchases under share buyback programme[1)]	1,490,016	25,749
As of 31 December 2023	**4,462,167**	**30,905**

1) In 2023, SoftwareOne had a cash outflow of TCHF 25,337 for repurchases of treasury shares under share buyback.

In May 2023, SoftwareOne had introduced a share buyback programme. The programme has a volume of up to CHF 70 million, started on 22 May 2023, and shall be concluded by May 2026, at the latest. The shares are repurchased for the purpose of a capital reduction, subject to approval by future Annual General Shareholders' Meetings.

22 Earnings per share (EPS)

in CHF 1,000	2023	2022
Profit/(Loss) for the period attributable to owners of the parent	21,417	–58,278

Number of shares	2023	2022
Weighted average number of ordinary shares	154,966,202	154,956,708
Adjustment for share-based payment plans	632,697	n/a
Weighted average number of shares used to calculate diluted earnings per share	155,598,899	154,956,708
Basic earnings per share in CHF	**0.14**	**–0.38**
Diluted earnings per share in CHF	**0.14**	**–0.38**

In 2022, SoftwareOne had share-based payment plans which would have increased the weighted average number of shares used to calculate diluted earnings per share by 370,394. However, these were considered as anti-dilutive due to the loss for the period.

23 Dividends

The dividends paid in 2023 were TCHF 54,315 or CHF 0.35 per share (prior year: TCHF 51,109 or CHF 0.33 per share). A dividend in respect of the period ended 31 December 2023 of CHF 0.36 per share (excluding treasury shares), amounting to a total dividend of TCHF 57,089, is to be proposed at the Annual General Meeting on 18 April 2024. These financial statements do not reflect this proposed dividend. Dividends are paid out of the capital contribution reserve of SoftwareOne Holding AG.

24 Share-based payments

In 2023, SoftwareOne granted new awards under the Long-term Incentive Plan ('LTIP23'). In addition, arrangements that were launched in previous years, the Employee Share Purchase Plan and the Long-term Incentive Plan ('LTIP21'and 'LTIP22') still exist.

SoftwareOne recognised total share-based payment expenses of TCHF 6,650 in 2023 (prior year: TCHF 12,507). The following table discloses how the expenses are allocated to the existing share-based payment arrangements:

2023

in CHF 1,000	Share-based Payment Plan	Management Equity Plan (MEP)	Free Share Grant	Employee Share Purchase Plan (ESPP)	Long-term Incentive Plan (LTIP)	Board of Directors fees paid in shares	'Total
Programme granted in	2015	2019	2020	2020	2021/2022/ 2023	2023	
Expenses recognised in income statement	expired	expired	expired	–478	–5,597	–575	–6,650
Thereof expenses related to key management	–	–	–	–	–1,800	–575	–2,375

2022

in CHF 1,000	Share-based Payment Plan	Management Equity Plan (MEP)	Free Share Grant	Employee Share Purchase Plan (ESPP)	Long-term Incentive Plan (LTIP)	Board of Directors fees paid in shares	'Total
Programme granted in	2015	2019	2020	2020	2020/2021/ 2022	2022	
Expenses recognised in income statement	–23	–3,349	–920	–641	–6,978	–596	–12,507
Thereof expenses related to key management	–	–2,253	–	–	–2,693	–596	–5,542

SoftwareOne has recognised an increase in equity in the balance sheet of TCHF 6,208 for share-based payment (prior year: TCHF 12,131). The difference in share-based payments recorded in the consolidated income statement compared to the related expenses recognised in equity is due to foreign exchange gains of TCHF 442 (prior year: TCHF 376).

Employee Share Purchase Plan

The programme allows eligible SoftwareOne employees to participate in a sponsored ESPP granted in 2020. Participants are able to make periodic contributions to acquire investment shares at the respective market price over a purchase period, which will generally be one year. At the end of the purchase period, participants receive free matching shares based on the number of investment shares bought during the purchase period and held until the end of the purchase period. For every four investment shares acquired, SoftwareOne grants each employee one matching share free of charge. The matching shares granted represent an equity-settled share-based payment and are recognised over a service period ending 12 months after the purchase period. The programme is ongoing.

Long-term Incentive Plan

The LTIP grants the Executive Board, the Executive Leadership Team and selected key employees so-called performance share unit ('PSU') subscription rights. In 2023, SoftwareOne granted new awards under this plan ('LTIP23').

The number of PSUs granted is determined by dividing the individual LTIP grant on the grant date by the fair value of one PSU, rounding up to the next whole PSU. Each PSU subscription right securitises a right to receive shares depending on the development of the underlying vesting factor. The vesting factor depends 40% on a revenue growth, 40% EBITDA margin and 20% on relative total shareholder return ('rTSR'). In all variables, the target factor is 1.0, while the minimum factor is 0.0 and the maximum factor is 2.0. The revenue growth vesting factor depends on SoftwareOne's average revenue growth over three years. The EBITDA margin vesting factor depends on SoftwareOne's average EBITDA margin over three years. Both are determined on a straight-line basis between the target ranges. The relative rTSR vesting factor depends on the TSR of the company and the

TSR of the STOXX® Global 1800 Industry Technology Index. A relative TSR of <= –33% leads to a vesting factor of 0 and a TSR >= 33% to a vesting factor of 2.0. The relative rTSR vesting factor distributes linearly between the target ranges. The award cycle (service period) is three years from the contractual grant date.

The LTIP is valued using a Monte Carlo simulation. SoftwareOne has taken the following parameters into account in the valuation:

	LTIP23	LTIP22	LTIP21
	PSU 2023	PSU 2022	PSU 2021
Valuation date	17 May 2023	19 May 2022	4 June 2021
Remaining term (in years)	3	3	3
SWON share price on the valuation date	CHF 13.08	CHF 13.48	CHF 21.55
Price STOXX 1800 Technology Index on the valuation date	USD 2,232.22	USD 1,888.91	USD 2,175.31
Volatility SWON	33.27%	38.21%	38.71%
Volatility STOXX 1800 Technology Index	25.03%	24.21%	23.31%
Correlation	36.77%	34.13%	34.92%
Risk-free interest rate SWON	0.87%	–0.02%	–0.69%
Risk-free interest rate STOXX 1800 Technology Index	3.88%	2.69%	0.32%
Expected dividend yield	3.21%	2.74%	1.39%
Exercise price	CHF 0.00	CHF 0.00	CHF 0.00
Gross profit vesting measure	1	1	1
Number of PSUs granted	1,287,714	760,282	363,031
Fair value per PSU	CHF 11.41	CHF 12.89	CHF 21.91

The term of the PSUs granted in 2023 started on 17 May 2023 (valuation date) and ends on 16 May 2026 (the vesting period). The term of the PSUs granted in 2022 started on 19 May 2022 and ends on 18 May 2025. The term of the PSUs granted in 2021 started on 4 June 2021 and ends on 3 June 2024. An average expected fluctuation of 0% p.a. for the Executive Board, 5.0% p.a. for the Executive Leadership Team including the regional leaders and 15% p.a. for the other beneficiaries has been applied as of 31 December 2023 based on historical fluctuation and management estimates.

Remuneration of Board of Directors partially paid in shares

The Board of Director's fees are settled 60% in cash and 40% in SoftwareOne shares. The share part of the compensation is granted immediately after the Annual General Meeting and the election or re-election of the members of the Board of Directors. For the share-based compensation, the Swiss franc amount is converted into shares at the closing price of the ex-date, the first date after the Annual General Meeting the shares are traded ex dividend (for 2023: 5 May 2023). The shares vest until the next Annual General Meeting and afterwards are subject to transfer restrictions of three years.

On 17 May 2023, the granted amount of TCHF 571 was converted into 39,052 shares (CHF 14.62 per share). In the prior year, the granted amount of TCHF 580 was converted into 45,025 shares (CHF 12.88 per share).

25 Contingencies

As an internationally operating group, SoftwareOne is exposed to contingencies in respect of legal and tax claims in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

In 2016, the Federal Revenue Office in São José dos Campos ('DRF/SJC') issued an infraction notice against SoftwareOne Brazil for the fiscal year 2012, levying alleged debts related to sales tax contributions ('PIS/COFINS'), charging the difference between the non-cumulative system (9.25%) and the cumulative system (3.65%). The value in dispute of the infraction notice was BRL 9.1 million (CHF 1.6 million) excluding penalty and interest. As expected, in July 2017, the administrative appeal against this infraction notice was rejected. Thus, SoftwareOne Brazil has filed a further appeal before the Administrative Tax Appeal Court ('CARF'), which was decided unfavourably at CARF level in October 2021, and SoftwareOne was notified to file the appeal. After the notification of the CARF decision, the company filed a motion of clarification against this decision in October 2022. In December 2023, this motion of clarification was denied and SoftwareOne was notified to present a special appeal against the second level decision which was filed in 12 February 2024. SoftwareOne is currently awaiting the judgment of the special appeal. In 2020, The Federal Revenue Office issued a further infraction notice against SoftwareOne Brazil for the fiscal year 2017 for the same subject mentioned above. The value in dispute of the infraction notice was BRL 19.9 million (CHF 3.5 million) excluding penalties and interest. Thus, SoftwareOne Brazil filed a further appeal before CARF against this infraction notice, which was rejected in July 2021. SoftwareOne submitted an action for annulment at court level in November 2021 secured by a litigation bond. Nevertheless, SoftwareOne Brazil and SoftwareOne group are still of the opinion that the cumulative system was and continues to be correctly applied in line with industry standards and are defending their position for both fiscal years 2012 and 2017 with the support of third-party lawyers. Although the probability of the outcome of the dispute cannot be reliably predicted at this stage, SoftwareOne does not expect any cash outflow for the litigations at the reporting date.

In 2019, the National Tax Administration Superintendence ('SUNAT') in Lima issued an Infraction Notice against SoftwareOne Peru for the fiscal year 2016, levying alleged debts related to withholding taxes ('Impuesto a la Renta de no Domiciliados' – IRND), charging the not contributed withholding taxes related to Software Assurance for payments made abroad. The value in dispute of the Infraction Notice was PEN 5.4 million (CHF 1.2 million) excluding penalty and interest. According to Resolution 042-2014-SUNAT/5D0000 from 2014, licenses purchased abroad are not subject to withholding taxes, whereas services are subject to withholding tax contribution. In June 2020, the administrative appeal (2nd SUNAT instance) against this infraction notice was rejected. Nevertheless, SoftwareOne Peru and the group are still of the opinion that the non-contribution of withholding taxes was and continues to be correctly applied as Software Assurance is defined as licensing and not services in line with the industry standard and is defending its position with the support of third-party lawyers. SoftwareOne Peru therefore filed a further appeal before the administrative tax court ('Tribunal Fiscal'), the last administrative instance, in July 2020, which ruled in favour of SoftwareOne Peru in January 2021. SUNAT took the right to appeal the decision before the civil court in May 2021. Although the probability of the outcome of the dispute cannot be reliably predicted at this stage, SoftwareOne does not expect any cash outflow for the litigation at the reporting date.

Related to an ongoing tax audit SoftwareOne is potentially exposed to a liability claim for which SoftwareOne is jointly liable for an amount up to a maximum of CHF 4.0 million. The potential liability still needs to be properly assessed building on the outcome of the tax audit. In addition, SoftwareOne's final obligation will depend on the share of the tax liability borne by the original debtors. Based on the current assessment SoftwareOne expects most of the potential claim to be settled by the original debtors.

26 Related party transactions

Key management includes members of the Board of Directors and members of the Executive Board (CEO, CFO, CHRO, President of Software & Cloud and until 31 October 2023 the President of Sales). Transactions with and the compensation paid or payable to key management for employee services is shown below.

in CHF 1,000	2023	2022
Services rendered (Board of Directors)	–975	–1,000
Share-based payment expenses (Board of Directors)	–575	–596
Salaries and other short-term employee benefits	–8,043	–5,088
Share-based payment expenses (Executive Board)	–1,800	–2,693
Post-employment benefits	–470	–351
Total	**–11,863**	**–9,728**

27 Segment reporting

For management purposes, SoftwareOne is organised by geographical areas. The following regional clusters are the group's operating segments:

- **EMEA** (Europe, including Mauritius and South Africa);
- **NORAM** (USA, Canada);
- **LATAM** (Latin America);
- **APAC** (Asia Pacific, including Dubai and Qatar).

No operating segments have been aggregated to reportable segments.

The CEO is the Chief Operating Decision Maker (CODM). He assesses each of the reported segments separately for the purpose of evaluating performance and allocating resources. Total revenue, contribution margin and EBITDA are the key performance indicators used for internal management and monitoring purposes of the group and are reported as segment results. The group allocates revenue and expenses to regions based on the customer's headquarter domicile since the region is responsible for the global client relationship. There are no intersegment revenues. Different average exchange rates are used in management reporting than for group consolidation purposes.

The segment reporting presents a breakdown of total revenue, directly attributable delivery costs, and indirectly attributable other operating costs such as sales and marketing costs as well as general and admin costs. The group's financing (including finance income and finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

The segment totals are reconciled to the figures reported in the consolidated income statement (column 'Total') as follows:

The column 'Group' includes the group cost centres and shared services costs. The column 'FX & Consolidation' eliminates the effect of using differing average foreign exchange rates in the segment reporting and consolidation effects. The column 'Other' includes other reconciling items that are not allocated to the segments and group internal reporting. They consist of costs affecting comparability in operating expenses such as integration expenses, M&A and earn-out expenses, restructuring expenses for the operational excellence programme and the MTWO business, one-time expenses for the strategic review and an adjustment for the upfront recognition of multi-year licensing contracts in which the end customer has the right to change the software reseller during the contract term. Additionally, the column 'Other' includes an adjustment for differences in accounting policies of IFRS 16 that are not reflected in the segments, an allocation of internal delivery costs to transition from the internal to the external reporting structure and, to a limited extent minor reconciliation items.

In 2023, the group made a change in presentation for bad debts provisions to align the internal and external reporting structure. In the prior year, bad debt provisions were presented in total revenue in internal reporting but in operating expenses in the consolidated income statement. The comparative period was restated.

Segment disclosure 2023

in CHF 1,000	EMEA	NORAM	LATAM	APAC	Total segments	Group	FX & Consoli-dation	Other incl. allocation of delivery costs	Total
Total revenue	609,786	149,120	99,692	144,317	1,002,915	5,275	1,428	1,671	1,011,289
Delivery costs	–201,492	–46,582	–49,406	–49,447	–346,927	14	–28	346,941	n/a
Contribution margin[1]	**408,294**	**102,538**	**50,286**	**94,870**	**655,988**	**5,289**	**1,400**	**348,612**	**n/a**
Other operating costs	–176,655	–55,946	–42,156	–45,666	–320,423	–108,599	–1,031	–419,512	–849,565
EBITDA[2]	**231,639**	**46,592**	**8,130**	**49,204**	**335,565**	**–103,310**	**369**	**–70,900**	**161,724**

1) Total revenue net of third-party service delivery costs and directly attributable internal delivery costs.
2) EBITDA from additional business lines view reconciled to earnings before net financial items, taxes, depreciation and amortisation.

The most relevant reconciliation items in the column 'Other' were related to one-time costs and accounting related adjustments:

in CHF 1,000	Integration, M&A and earn-out expenses	Restruc-turing expenses	One-time expenses strategic review	Restruc-turing MTWO business	IFRS 15 upfront revenue recognition	IFRS 16 leases	Allocation of delivery costs	Remaining	Total Other
Total revenue	–	–	–	–	236	–	–	1,435	1,671
Delivery costs	–	–	–	–	–	–	347,612	–671	346,941
Contribution margin[1]	**–**	**–**	**–**	**–**	**236**	**–**	**347,612**	**764**	**348,612**
Other operating costs	–23,051	–39,333	–15,874	–5,724	–10	17,024	–347,612	–4,932	–419,512
EBITDA[2]	**–23,051**	**–39,333**	**–15,874**	**–5,724**	**226**	**17,024**	**–**	**–4,168**	**–70,900**

1) Total revenue net of third-party service delivery costs and directly attributable internal delivery costs.
2) EBITDA from additional business lines view reconciled to earnings before net financial items, taxes, depreciation and amortisation.

Segment disclosure 2022

in CHF 1,000	EMEA	NORAM	LATAM	APAC	Total segments	Group	FX & Consoli-dation	Other incl. allocation of delivery costs	Total
Total revenue[1]	590,174	159,034	104,757	126,424	980,389	4,491	–2,181	–6,868	975,831
Delivery costs[1]	–202,063	–47,557	–51,570	–41,805	–342,995	–6,451	3,171	346,275	n/a
Contribution margin[2]	**388,111**	**111,477**	**53,187**	**84,619**	**637,394**	**–1,960**	**990**	**339,407**	**n/a**
Other operating costs	–174,840	–54,802	–35,602	–43,712	–308,956	–97,229	–537	–432,195	–838,917
EBITDA[3]	**213,271**	**56,675**	**17,585**	**40,907**	**328,438**	**–99,189**	**453**	**–92,788**	**136,914**

1) Prior-year figures restated, refer to Note 2 Correction of errors.
2) Total revenue net of third-party service delivery costs and directly attributable internal delivery costs.
3) EBITDA from additional business lines view reconciled to earnings before net financial items, taxes, depreciation and amortisation.

The most relevant reconciliation items in the column ‘Other’ were related to one-time costs and accounting related adjustments:

in CHF 1,000	Integration, M&A and earn-out expenses	Restructuring expenses	Share-based payment expenses	One-time expenses Russia & Ukraine [3]	IFRS 15 upfront revenue recognition	IFRS 16 leases	Allocation of delivery costs	Remaining	Total Other
Total revenue	–	–	–	–	–6,922	–	–	54	–6,868
Delivery costs	–	–	–	–	–	–	346,346	–71	346,275
Contribution margin[1]	**–**	**–**	**–**	**–**	**–6,922**	**–**	**346,346**	**–17**	**339,407**
Other operating costs	–44,287	–13,142	–4,888	–35,214	318	16,368	–346,346	–5,004	–432,195
EBITDA[2]	**–44,287**	**–13,142**	**–4,888**	**–35,214**	**–6,604**	**16,368**	**–**	**–5,021**	**–92,788**

1) Total revenue net of third-party service delivery costs and directly attributable internal delivery costs.
2) EBITDA from additional business lines view reconciled to earnings before net financial items, taxes, depreciation and amortisation.
3) One-time expenses Russia & Ukraine include the loss on disposal for the sale of SoftwareOne Russia (TCHF -29,655), additional bad debts in connection with clients in Russia (TCHF -3,537) and further one-time expenses (TCHF -2,022).

Additional information for business lines

Even if the regions are the operating segments, SoftwareOne internally also reports total revenue, contribution margin and EBITDA by business lines 'Software & Cloud Marketplace', 'Software & Cloud Services' and 'Corporate', which includes non-operational group costs, to the CODM.

The business line view presents a breakdown of total revenue, directly attributable delivery costs, and indirectly attributable other operating costs such as sales and marketing costs as well as general and admin costs.

The column 'Adjustments' includes costs affecting comparability in operating expenses and are therefore adjusted in internal reporting and an adjustment for the upfront recognition of multi-year licensing contracts in which the end customer has the right to change the software reseller during the contract term. In contrast to the segment reporting, the IFRS 16 adjustment and minor reconciliation items are allocated to the business lines 'Software & Cloud Marketplace' and 'Software & Cloud Services'.

Business line view 2023

in CHF 1,000	Software & Cloud Marketplace	Software & Cloud Services	Corporate	Total business unit	Adjustments	Allocation of delivery costs	Total
Total revenue	549,750	461,154	–	1,010,904	385	–	1,011,289
Delivery costs	–71,994	–275,573	–	–347,567	–	347,567	n/a
Contribution margin[1]	**477,756**	**185,581**	**–**	**663,337**	**385**	**347,567**	**n/a**
Other operating costs	–195,396	–157,525	–65,214	–418,135	–83,863	–347,567	–849,565
EBITDA[2]	**282,360**	**28,056**	**–65,214**	**245,202**	**–83,478**	**–**	**161,724**

1) Total revenue net of directly attributable external and internal delivery costs.
2) EBITDA from additional business lines view reconciled to earnings before net financial items, taxes, depreciation and amortisation.

Business line view 2022

in CHF 1,000	Software & Cloud Marketplace	Software & Cloud Services	Corporate	Total business unit	Adjustments	Allocation of delivery costs	Total
Total revenue[1]	545,318	437,435	–	982,753	–6,922	–	975,831
Delivery costs[1]	–74,056	–272,291	–	–346,347	–	346,347	n/a
Contribution margin[2]	**471,262**	**165,144**	**–**	**636,406**	**–6,922**	**346,347**	**n/a**
Other operating costs	–182,163	–151,592	–62,217	–395,972	–96,598	–346,347	–838,917
EBITDA[3]	**289,099**	**13,552**	**–62,217**	**240,434**	**–103,520**	**–**	**136,914**

1) Prior-year figures restated, refer to Note 2 Correction of errors.
2) Total revenue net of directly attributable external and internal delivery costs.
3) EBITDA from additional business lines view reconciled to earnings before net financial items, taxes, depreciation and amortisation.

Additional geographical information

Germany, the US, Switzerland and the Netherlands are the main geographical markets for SoftwareOne and represent approximately 49% (prior year: 50%) of total revenue. Revenue is reported based on the customer's headquarter domicile:

2023

in CHF 1,000	Germany	US	Switzerland	Netherlands	Other countries	Total
Revenue (external)	198,938	139,996	82,199	69,824	520,332	1,011,289
Non-current assets	149,333	23,192	135,914	96,032	284,819	689,290

2022

in CHF 1,000	Germany	US	Switzerland	Netherlands	Other countries	Total
Revenue (external)[1]	194,819	151,301	71,332	71,849	486,529	975,831
Non-current assets	162,253	27,210	113,833	101,432	272,556	677,284

1) Prior-year figures restated, refer to Note 2 Correction of errors.

No transactions with one single external customer exceed 10% of consolidated revenue of the group.

Non-current assets for this purpose consist of tangible, intangible assets, right-of-use assets, and investments in associated companies and are allocated based on the location of the group company.

28 List of group companies

Fully consolidated

Company	Registered country	Voting & capital right in % 2023	Voting & capital right in % 2022
Western Europe (EMEA)			
SoftwareOne Holding AG[1]	Stans, CH	n/a	n/a
SoftwareONE AG	Stans, CH	100	100
SoftwareONE UK Ltd	Richmond, London, UK	100	100
SoftwareONE Italia Srl	Assago, IT	100	100
SoftwareONE France SAS	Levallois-Perret, FR	100	100
SoftwareONE AB Sweden	Kista, SE	100	100
SoftwareONE Norway AS	Oslo, NO	100	100
SoftwareONE LATAM Holding S.L.	Madrid, ES	100	100
Software Pipeline Ireland Ltd	Cork, IE	100	100
SoftwareONE Finland Oy	Espoo, FI	100	100
SoftwareONE Luxembourg SARL	Luxembourg, LU	100	100
SoftwareONE Beteiligungs GmbH	Vienna, AT	100	100
COMPAREX Beteiligungsverwaltung GmbH	Vienna, AT	100	100
SoftwareONE Deutschland GmbH	Leipzig, DE	100	100
SoftwareONE BE	Brussels, BE	100	100
SoftwareONE Österreich GmbH	Vienna, AT	100	100
Systematika Distribution S.R.L.	Saronno, IT	100	100
SoftwareONE Denmark ApS	Birkerød, DK	100	100
SoftwareONE Netherlands B.V.	Amsterdam, NL	100	100
SoftwareONE Spain S.A.	Madrid, ES	100	100
Novis Euforia Solutions, S.L.	Madrid, ES	100	–
HeleCloud Limited	Richmond, London, UK	100	100
Dino Newco Limited	Richmond, London, UK	100	100
Centiq Group Limited	Richmond, London, UK	100	100
Taurus Informatics Holdings Limited	Richmond, London, UK	100	100
Centiq Limited	Richmond, London, UK	100	100
Appscore Technology Limited	Richmond, London, UK	100	20
SoftwareONE Mauritius	Port Louis, MU	100	100
SoftwareONE Experts South Africa (Pty) Ltd[2]	Johannesburg, ZA	49	49
Eastern Europe (EMEA)			
SoftwareONE Czech Republic s.r.o.	Prague, CZ	100	100
SoftwareONE Slovakia s.r.o.	Bratislava, SK	100	100
SoftwareONE Hungary Ltd.	Budapest, HU	100	100
SoftwareONE Licensing Experts SRL	Bucharest, RO	100	100
SoftwareONE d.o.o. Serbia[3]	Belgrade, RS	–	100
SoftwareONE d.o.o.[1]	Belgrade, RS	100	100
SoftwareONE Polska Sp z.o.o.	Warsaw, PL	100	100
SoftwareONE, informacijski sistemi, d.o.o.	Ljubljana, SL	100	100
SoftwareONE Ukraine LLC	Kiev, UA	100	100
SoftwareONE Kazakhstan LLP	Almaty, KZ	100	100
SoftwareONE Bulgaria EOOD	Sofia, BG	100	100
SoftwareONE Turkey Bilişim Teknolojileri Ticaret A. Ş.	Istanbul, TR	90	90
COMPAREX HRVATSKA d.o.o.[4]	Zagreb, HR	100	100
Predica Bulgaria EOOD[5]	Sofia, BG	–	100
Predica Sp z.o.o.	Warsaw, PL	100	100

Predica BMC Sp z.o.o.[5)]	Warsaw, PL	–	100
Latin America (LATAM)			
SoftwareONE Comércio e Servicos de Informatica Ltda	São Paulo, BR	100	100
SoftwareONE Chile SpA	Santiago, CL	100	100
SoftwareONE Argentina S.R.L.	Buenos Aires, AR	100	100
SoftwareONE Puerto Rico Inc.	San Juan, PR	100	100
SoftwareONE Bolivia S.R.L.	La Paz, BO	100	100
SoftwareONE Colombia S.A.S.	Bogota, CO	100	100
SoftwareONE Ecuador Soluciones S.A.	Quito, EC	100	100
SoftwareONE SW1 Dominican Republic SRL	Santo Domingo, DO	100	100
Softwarepipeline S. de R.L. de C.V.	Mexico City, MX	100	100
SWON IT Services México, S.A. de CV.	Mexico City, MX	100	100
Yaima S.A.	Guatemala City, GT	100	100
SoftwareONE Uruguay S.A.	Montevideo, UY	100	100
SoftwareONE Panamá S.A.	Panama City, PA	100	100
SoftwareONE Peru S.A.C.	Lima, PE	100	100
SoftwareONE El Salvador S.A. de C.V.	San Salvador, SV	100	100
SoftwareONE Honduras S.A.	Tegucigalpa, HN	100	100
SoftwareONE Nicaragua S.A.	Managua, NI	100	100
SoftwareONE West Indies S.A.[4)]	Gros Islet, LC	100	100
SoftwareONE Jamaica Inc. Ltd.	Kingston, JM	100	100
SoftwareONE Trinidad and Tobago Ltd.	Port of Spain, TT	100	100
SoftwareONE Costa Rica S.A.	San José, CR	100	100
SoftwareONE IT Services S.A.	San José, CR	100	100
COMPAREX Brasil S.A.	São Paulo, BR	100	100
IG Services S.A.S.	Sabaneta, CO	100	100
IG Unified Communications S.A.S.	Sabaneta, CO	100	100
IG Branch Mexico S.A. de C.V.	Mexico City, MX	100	100
BigBranch SA	Quito, EC	100	100
Intergrupo Dominicana SRL	Santo Domingo, DO	100	100
SoftwareONE Panamá IT Services S.A.	Panama City, PA	100	100
North America (NORAM)			
SoftwareONE, Inc.	Milwaukee, Wisconsin, US	100	100
SoftwareONE Canada Inc.	Toronto, CA	100	100
SynchroNet Corp[5)]	Houston, Texas, US	–	100
Predica Inc, USA[5)]	San Diego, California, US	–	100
Asia Pacific (APAC)			
SoftwareONE Pte. Ltd.	Singapore, SG	100	100
SoftwareONE Experts Sdn Bhd Malaysia	Kuala Lumpur, MY	100	100
SoftwareONE (Shanghai) Trading Co., Ltd.	Shanghai, CN	100	100
SoftwareONE India Private Ltd.	New Delhi, IN	100	100
SoftwareONE Japan K.K.	Tokyo, JP	100	100
SoftwareONE AG Trading LLC[2)]	Dubai, AE	49	49
SoftwareONE Ltd. Liability CO. Saudi Arabia	Dubai, AE	100	100
SoftwareONE Australia Pty. Ltd.	Sydney, AU	100	100
Brave New World Consulting Pty. Ltd.	Sydney, AU	100	100
SoftwareONE Philippines Corp.	Makati City, PH	100	100
SoftwareONE Thailand Co. Ltd.	Bangkok, TH	100	100
Software Pipeline Co. Ltd.	Bangkok, TH	100	100
SoftwareONE Hong Kong Ltd.	Hong Kong, CN	100	100

PT SoftwareONE Indonesia	Jakarta Pusat, ID	100	100
SoftwareONE Taiwan Limited	Taipei, TW	100	100
SoftwareONE Vietnam Co. Ltd.	Hanoi, VN	100	100
SoftwareONE Korea Ltd.	Seoul, KR	100	100
SoftwareONE New Zealand Ltd.	Auckland, NZ	100	100
COMPAREX Indonesia P.T.[4)]	Jakarta, ID	100	100
COMPAREX Thailand Limited[4)]	Bangkok, TH	100	100
GorillaStack Pty. Ltd.	Sydney, AU	100	100
ITPC India Private Ltd.	Pune, IN	100	100
Predica FZ LLC	Dubai, AE	100	100
Predica FZ LLC – Mainland Dubai Branch	Dubai, AE	100	100
Softwareone Middle East LLC[1)]	Doha, QA	100	100
SoftwareONE Lanka (Private) Limited[1)]	Colombo, LK	100	100

1) Company was renamed in 2023.
2) SoftwareOne is full economic owner of this company and has full control.
3) Company was liquidated in 2023.
4) Company in liquidation.
5) Company was merged in 2023.

29 Subsequent events

From the balance sheet date until the consolidated financial statements were approved by the Board of Directors on 18 March 2024, the following significant events occurred:

On 1 February 2024, the group signed a purchase agreement to acquire Medalsoft International Co. Ltd., a cloud application solutions provider based in China. The acquisition furthers SoftwareOne's growth strategy in the attractive APAC region, bringing a differentiated portfolio and delivery capabilities to serve multi-national clients on the Microsoft Cloud. The upfront purchase price amounts to CNY 120 million (CHF 14.5 million). In addition, an earn-out of a maximum of CNY 90 million (CHF 10.9 million) was agreed, which is contingent on continuing employment of the selling shareholders. At the time the consolidated financial statements were approved by the Board of Directors, the acquisition has not been closed yet. Closing is expected for end of April 2024.

Building a better working world

Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone: +41 58 286 31 11
www.ey.com/en_ch

To the General Meeting of
SoftwareOne Holding AG, Stans

Zurich, 18 March 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of SoftwareOne Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 142 to 202) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Impairment of goodwill and intangible assets with indefinite useful life

Risk	The Group has recognized significant goodwill balances in the amount of MCHF 463 (12.2% of total assets) and the SoftwareOne brand with an indefinite useful life in the amount of MCHF 31 (0.8% of total assets). Management performs an annual impairment test as of 30 September in order to identify potential impairments. Goodwill and the brand are tested by determining the recoverable amounts of each CGU to which the assets have been allocated. In determining the value in use of cash-generating units, Management applies judgment in estimating, amongst other factors, future revenues and margins, long-term growth and discount rates. These are disclosed in note 15 of the consolidated financial statements.
Our audit response	Our procedures included assessing Management’s process for impairment testing of goodwill and intangible assets with indefinite useful life, gaining an understanding of the approved budgets, medium-term planning and assumptions therein and evaluating the reliability and accuracy of Management’s forecasts, especially in respect of revenue growth by comparing prior-year estimates with actual results. Furthermore, we assessed whether significant changes in key assumptions could result in an impairment loss by means of sensitivity analyses. We involved internal valuation specialists in the technical assessment of the impairment testing model and the evaluation of significant key assumptions (growth rates, discount rates) with reference to available market data and relevant benchmarks for each CGU. Our audit procedures did not lead to any reservations regarding the impairment testing of goodwill and intangible assets with indefinite useful life.

Revenue Recognition

Risk	The Group enters into different types of contracts with customers and recognizes revenue from contracts with customers for software & cloud and solutions & services, as disclosed in note 6 of the consolidated financial statements. IFRS 15 Revenue from Contracts with Customers requires Management to apply judgment, also when assessing whether the Group acts as a principal or agent and the timing of revenue recognition. The assessment whether the Group acts as a principal or agent affects whether revenue is presented on a gross or net basis. The assessment regarding the timing of revenue recognition determines whether revenue is recognized in the appropriate period.

Our audit response	Our procedures included gaining an understanding of the revenue recognition process, performing a walkthrough of the significant revenue streams and evaluating the design of controls in this area. We assessed the revenue recognition policy based on IFRS 15. We also inspected a sample of revenue transactions to assess whether the revenue has been recognized in the appropriate period. In addition to substantive audit procedures, we performed data-based analytical procedures based on the Group's underlying journal entries. Our audit procedures did not lead to any reservations regarding revenue recognition.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, compensation report (information marked "audited") and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Rico Fehr
Licensed audit expert
(Auditor in charge)

Michael Setz
Licensed audit expert

Parent company statutory financial statements

Balance sheet

As of 31 December in CHF	Note	2023	2022
Assets			
Cash and cash equivalents		109,126	30,797
Other current receivables due from third parties		6,189,418	892,473
Other current receivables due from group companies		2,438,953	42,951,426
Short-term loans due from group companies		207,833,436	205,881,374
Financial assets	3	3,545,252	3,545,252
Current assets		**220,116,185**	**253,301,322**
Investments	4	211,097,254	211,097,254
Property, plant and equipment		10,289,600	10,584,800
Non-current assets		**221,386,854**	**221,682,054**
Total assets		**441,503,039**	**474,983,376**

As of 31 December in CHF	Note	2023	2022
Liabilities and equity			
Other current liabilities due to third parties		3,104,463	572,121
Other current liabilities due to group companies		1,781,001	4,211,724
Accruals and deferred income due to third parties		14,832,232	1,125,319
Accruals and deferred income due to group companies		1,216,130	154,054
Current liabilities		**20,933,826**	**6,063,217**
Shareholders' equity			
Share capital	5	1,585,815	1,585,815
Legal capital reserves			
Share premium		120,586,257	115,632,701
Capital contribution reserves (Swiss)	6	18,761,557	18,761,557
Capital contribution reserves (non-Swiss)	6	80,488,695	134,803,271
Voluntary retained earnings			
Profit brought forward		206,233,211	65,268,449
Profit for the period		23,818,885	140,964,762
Treasury shares	7	–30,905,207	–8,096,396
Equity		**420,569,213**	**468,920,159**
Total liabilities and equity		**441,503,039**	**474,983,376**

Income statement

For the period ended 31 December

in CHF	Note	2023	2022
Dividend income	8	50,000,000	50,000,000
Rental income		813,688	758,121
Financial income	9	20,779,203	124,010,465
Other income		257,072	17,534
Total income		**71,849,963**	**174,786,121**
Administrative expenses	10	–23,141,989	–10,773,283
Other expenses		–	–20,166
Depreciation on property, plant and equipment		–295,200	–295,200
Financial expenses	11	–24,526,079	–22,669,509
Direct taxes		–67,810	–63,202
Total expenses		**–48,031,078**	**–33,821,359**
Net profit for the year		**23,818,885**	**140,964,762**

Notes to the statutory financial statements

SoftwareOne Holding AG, Stans

1 General

SoftwareOne Holding AG is the holding company of the SoftwareOne group and holds all investments, directly or indirectly, in SoftwareOne group companies.

SoftwareOne Holding AG's income primarily comprises dividends, interest income from subsidiaries, recharges for some administrative expenses and treasury shares to other group companies. SoftwareOne Holding AG does not have any employees, nor does it have any research or development activities.

SoftwareOne Holding AG's risk management is integrated into the group-wide risk management system of SoftwareOne group. Risks identified are assessed individually based on their probability of occurrence and scope of potential losses. Appropriate measures are defined for the individual risks. Risks are systematically collected and updated once a year. The risk situation and the implementation of the measures defined are monitored. The Board of Directors of SoftwareOne Holding AG addresses the topic of risk management at least once a year. Please refer to Note 4 Financial risk management of the consolidated financial statements for an explanation of group-wide risk management at SoftwareOne group.

SoftwareOne Holding AG will continue to act as the holding company of the SoftwareOne group in the 2024 financial year. There are no plans to change the company's business activities.

2 Accounting principles

The financial statements of SoftwareOne Holding AG, Stans, have been prepared in accordance with the provisions of Swiss accounting legislation (Title 32 of the Swiss Code of Obligations).

The following section describes the main valuation principles applied that are not specified by law.

Financial assets

Financial assets are valued at their acquisition cost adjusted for impairment losses.

Property, plant and equipment

Property, plant and equipment are valued at acquisition costs less accumulated depreciation and impairment losses. Expected useful life of real estate is 33.33 years.

Investments

Investments are valued at their acquisition cost adjusted for impairment losses.

Derivative financial instruments

In case of a positive value, no asset is recognised. In case of a negative value a liability is recognised (classified as non-current when the remaining maturity is more than 12 months and as current when the remaining maturity is less than 12 months).

Treasury shares

Treasury shares are recognised at acquisition cost and deducted from shareholders' equity at the time of acquisition. The gain or loss related to treasury shares is recognised directly in equity.

3 Financial assets

Financial assets are solely related to shares in the listed company Crayon Group Holding ASA.

In 2022, the company started to sell down the investment in Crayon in several steps. In this context the company entered into a NOK denominated total return swap (TRS) agreement in December 2022. The nominal value of the TRS is CHF 42.5 million. The TRS counterparty charges quarterly interest, based on NIBOR 3M plus margin.

Under the TRS, SoftwareOne sold the underlying shares but remains exposed to changes in the market value of these shares. In the event of a negative market price development, there is a risk of a cash outflow when agreed thresholds are exceeded up to the amount of the consideration received. As per 31 December 2023, a net receivable of CHF 4.9 million is shown under Other current receivables due from third parties (reset payments CHF 10.0 million minus negative market value CHF 5.1 million). At the end of the reporting period, the total return swap had a negative (prior year: positive) market value.

4 Investments

All investments except SoftwareONE AG are indirectly held. For details, please refer to Note 28 List of group companies in the consolidated financial statements.

5 Share capital

The share capital as of 31 December 2023 was composed of 158,581,460 (prior year: 158,581,460) fully paid-in registered shares, each with a nominal value of CHF 0.01.

6 Capital contribution reserve

The reserves from capital contributions (Swiss) include the premium from the capital increase in 2015 and the gain on treasury shares used for share-based payments of group entities. The reserves from capital contributions (non-Swiss) result from the COMPAREX acquisition in 2019.

7 Treasury shares

The following table summarises the balance of treasury shares:

	Number of shares	Average in CHF	In CHF 1,000
Total treasury shares as of 1 January 2022	**3,724,465**	**2.47**	**9,217**
Distribution to employee share plans	–162,609	5.40	–878
Distribution to members of the Board of Directors	–45,025	5.40	–243
Total treasury shares as of 1 January 2023	**3,516,831**	**2.30**	**8,096**
Distribution to employee share plans	–379,087	5.40	–2,046
Distribution to members of the Board of Directors	–39,052	5.40	–211
Sale of treasury shares	–126,541	5.40	–683
Repurchases under share buyback programme	1,490,016	17.28	25,749
Total treasury shares as of 31 December 2023	**4,462,167**	**6.93**	**30,905**

8 Dividend income

Dividend income comprises dividends received from subsidiaries.

9 Financial income

in CHF	2023	2022
Interest income	4,280,561	2,769,688
Foreign exchange gains	16,498,642	22,796,427
Gain on disposal of financial assets[1]	–	98,444,350
Total financial income	**20,779,203**	**124,010,465**

1) Disposal of 10.40% Crayon Group Holding ASA shares thereof 5.13% under TRS.

10 Administrative expenses

in CHF	2023	2022
Personnel expenses BoD	–1,590,658	–1,605,078
Legal, consulting and other professional fees[1]	–21,472,480	–8,735,289
Other	–78,851	–432,916
Total administrative expenses	**–23,141,989**	**–10,773,283**

1) In 2023 CHF 15.7 million expenses for Strategic Review.

11 Financial expenses

in CHF	2023	2022
Interest expenses	–2,044,171	–41,318
Bank charges	–170,259	–987,374
Foreign exchange loss	–17,194,414	–21,640,817
Fair Value loss non realised	–5,117,235	–
Total financial expenses	**–24,526,079**	**–22,669,509**

12 Major shareholders

Shareholder/group of shareholders	Shares held	% of voting rights
Dr. Daniel Marc von Stockar- Scherer-Castell, Naxxar, Malta[1]	17,517,529 (PY: 17,517,529)	11.05% (PY: 11.05%)
B. Curti Holding AG[1] [2]	16,031,853 (PY: 16,031,853)	10.11% (PY: 10.11%)
René Rudolf Gilli, Emmetten, Switzerland[1]	12,449,637 (PY: 12,449,637)	7.85% (PY: 7.85%)
UBS Fund Management[3]	8,022,013 (PY: 8,022,013)	5.06% (PY: 5.06%)
Pictet Asset Management SA[4]	7,482,094 (PY: 5,154,610)	4.85% (PY: 3.25%)

1) Messrs Curti, von Stockar-Scherer-Castell and Gilli have entered into a shareholder agreement and form a group for purposes of Swiss disclosure rules and regulations, controlling 29% of voting rights. The representative of this group of shareholders is Dr. Beat Curti, Erlenbach, Switzerland.
2) B. Curti Holding AG, Sarnen, Switzerland, is the direct shareholder of the shares which are indirectly controlled by Dr. Beat Alex Curti, Erlenbach, Switzerland.
3) Based on the disclosure notification published on 12 March 2022.
4) Based on the disclosure notification published on 25 July 2023.

13 Shares held by members of the Board of Directors and Executive Board

The table below shows the shareholdings of the Board of Directors (BoD) and closely related persons to the members of the BoD as of 31 December 2023.

Members of the BoD	Number of directly held shares [1] Vested shares	Blocked shares [2]	Total shareholdings as of 31 December 2023	Total shareholdings as of 31 December 2022
Daniel von Stockar	17,498,012	19,517	17,517,529	17,517,529
Adam Warby	4,000	17,773	21,773	10,830
Marie-Pierre Rogers	27,000	14,372	41,372	34,806
José Alberto Duarte	2,848	10,933	13,781	9,678
Timo Ihamuotila	23,255	12,183	35,438	31,061
Isabelle Romy	–	11,481	11,481	6,830
James Freeman	–	8,656	8,656	4,347
Elizabeth Theopille[3]	–	4,103	4,103	–
Peter Kurer[4]	303,088	8,294	311,382	311,382
René Gilli[5]	–	–	–	12,449,637
Jean-Pierre Saad[6]	–	–	–	5,331
Total	**17,858,203**	**107,312**	**17,965,515**	**30,381,431**

1) Ordinary registered shares of SoftwareOne Holding AG.
2) At grant, a restriction period of three years is applied.
3) Elizabeth Theopille joined the BoD effective 4 May 2023.
4) Peter Kurer retired from BoD effective 4 May 2023.
5) René Gilli retired from BoD effective 5 May 2022.
6) Jean-Pierre Saad retired from BoD effective 5 May 2022. Representatives of the share ownership in SoftwareOne of Westminster Bidco S.à r.l., Luxembourg, the Grand Duchy of Luxembourg, which is the direct shareholder of the shares indirectly and beneficially owned by funds advised by KKR, with its principal executive offices in New York, USA.

The table below shows the shareholdings of the Board of Directors (BoD) and closely related persons to the members of the BoD as of 31 December 2022.

Members of the BoD	Number of directly held shares [1] Vested shares	Blocked shares [2]	Total shareholdings as of 31 December 2022	Total shareholdings as of 31 December 2021
Daniel von Stockar	17,489,874	27,655	17,517,529	17,505,107
Peter Kurer	299,630	11,752	311,382	286,103
José Alberto Duarte	–	9,678	9,678	5,331
René Gilli[3]	12,445,068	4,569	12,449,637	12,449,637
Timo Ihamuotila	20,000	11,061	31,061	26,093
Marie-Pierre Rogers	23,745	11,061	34,806	21,838
Jean-Pierre Saad[4]	–	5,331	5,331	5,331
Adam Warby	4,000	6,830	10,830	6,483
Isabelle Romy	–	6,830	6,830	2,483
James Freeman	–	4,347	4,347	–
Total	**30,282,317**	**99,114**	**30,381,431**	**30,308,406**

1) Ordinary registered shares of SoftwareOne Holding AG.
2) At grant, a restriction period of three years is applied.
3) René Gilli retired from BoD effective 5 May 2022.
4) Jean-Pierre Saad retired from BoD effective 5 May 2022. Representatives of the share ownership in SoftwareOne of Westminster Bidco S.à r.l., Luxembourg, the Grand Duchy of Luxembourg, which is the direct shareholder of the shares indirectly and beneficially owned by funds advised by KKR, with its principal executive offices in New York, USA.

The table below shows the shareholdings of the Executive Board (EB) and closely related persons to the members of the EB – such as spouses – as of 31 December 2023.

EB members	Total shareholdings as at 31 December 2023	Total shareholdings as at 31 December 2022
Brian Duffy[1]	–	–
Neil Lomax[2]	783,963	892,948
Bernd Schlotter	33,000	33,000
Rodolfo Savitzky	53,340	53,340
Julia Braun	–	–
Dieter Schlosser[3]	–	918,788
Alex Alexandrov[4]	–	758,626
Total	**870,303**	**2,656,702**

1) Brian Duffy joined SoftwareOne effective 1 May 2023.
2) Shareholdings as of 31 December 2023 include also shareholdings from related party.
3) Dieter Schlosser resigned from the EB effective 31 October 2023.
4) Alex Alexandrov resigned from the EB effective 31 December 2022.

The table below shows the shareholdings of the Executive Board (EB) and closely related persons to the members of the EB – such as spouses – as of 31 December 2022.

	Number of directly held shares			
Members of the EB	Vested shares[1]	Blocked shares[2]	Total shareholdings as at 31 December 2022	Total shareholdings as at 31 December 2021
Dieter Schlosser	918,788	–	918,788	858,788
Alex Alexandrov	758,626	–	758,626	982,823
Neil Lomax	892,948	–	892,948	872,948
Bernd Schlotter	33,000	–	33,000	–
Rodolfo Savitzky	53,340	–	53,340	–
Julia Braun[3]	–	–	–	–
Hans Grüter[4]	–	–	–	436,954
Total	**2,656,702**	**–**	**2,656,702**	**3,151,513**

1) Also includes shares individually purchased under the ESP.
2) Consisting of MEP restricted shares, subject to staggered restriction periods for a term of three years with early leaver conditions.
3) Julia Braun joined SoftwareOne effective 1 November 2022.
4) Hans Grüter retired from the EB effective 31 December 2021.

14 Shares or options on shares for members of the Board and Executive Board

For disclosures related to shares and options held by members of the Board and Executive Board please refer to section 'Share ownership' of the Compensation Report.

15 Events after the reporting period

None

Appropriation of available earnings

SoftwareOne Holding AG, Stans

Retained earnings

in CHF	2023	2022
Retained earnings brought forward	206,233,211	65,268,449
Profit for the period	23,818,885	140,964,762
Voluntary retained earnings before proposed distribution	**230,052,096**	**206,233,211**
Voluntary retained earnings after proposed distribution	**230,052,096**	**206,233,211**

Capital contribution reserve

in CHF	2023	2022
Capital contribution reserves brought forward (Swiss)	**18,761,557**	**18,761,557**
Transactions with treasury shares	–	–
Capital contribution reserves after proposed distribution (Swiss)	**18,761,557**	**18,761,557**
Capital contribution reserves brought forward (non-Swiss)	**80,488,695**	**134,803,271**
Proposed distribution out of capital contribution reserves (non-Swiss)	–57,089,326	–54,314,576
Capital contribution reserves after proposed distribution (non-Swiss)	**23,399,369**	**80,488,695**

The Board of Directors will submit a proposal to the Annual General Meeting of SoftwareOne Holding AG on 18 April 2024 to issue a dividend for fiscal year 2023 of CHF 0.36 per registered share from the capital contribution reserves (non-Swiss). All shares outstanding as of 31 December 2023 are eligible for the dividend. Treasury shares held on the date of the dividend payment are not eligible for dividends; as a result, the total dividend amount payable depends on the number of treasury shares held on the distribution date.

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Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone: +41 58 286 31 11
www.ey.com/en_ch

To the General Meeting of
SoftwareOne Holding AG, Stans

Zurich, 18 March 2024

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of SoftwareOne Holding AG (the Company), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and notes to the statutory financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 208 to 214) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.

Impairment of investments and short-term loans due from group companies

Risk	As of 31 December 2023, SoftwareOne Holding AG holds all shares in SoftwareONE AG in the amount of MCHF 211 (48% of total assets) as disclosed in note 4 to the financial statements. In addition, SoftwareOne Holding AG has granted short-term loans to SoftwareONE AG in the amount of MCHF 208 (47% of total assets). SoftwareONE AG holds significant investments in subsidiaries. Therefore, the measurement of the investment in SoftwareONE AG is also affected by the value of the indirectly held investments. To assess these investments for impairment, management uses a variety of valuation methods and makes significant estimates and judgments related to the future cash flows and other key assumptions which could have a significant impact on net income, such as revenue growth rates and discount rates.
Our audit response	In our audit of the valuation of investments and short-term loans due from group companies, we compared the equity in accordance with IFRS of SoftwareONE AG with the carrying amount of investments and short-term loans due from group companies and tested the results of the impairment tests prepared in the context of the consolidated financial statements that were based on discounted cash flow models. Our audit procedures did not lead to any reservations regarding the impairment of investments and short-term loans due from group companies.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report (information marked “audited”) and our auditor’s reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings and the proposed repayment of capital contribution reserves comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Rico Fehr Licensed audit expert (Auditor in charge)	Michael Setz Licensed audit expert

Appendix

GRI content index

General disclosures:

GRI 1: Foundation 2021
SoftwareOne Holding AG has reported this information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with the reference to the GRI Standards.

GRI Indicator	Disclosure	Reference
GRI 2: General Disclosures 2021		
2–1-a	Organisational details	Annual Report – Overview
2–1-b	Organisational details	Corporate governance report – Group structure and shareholders
2–1-c	Organisational details	Corporate governance report – Group structure and shareholders
2–1-d	Organisational details	Annual Report – 2023 facts and figures
2–2-a	Entities included in the organization's sustainability reporting	Annual Report – 2023 facts and figures
2–2-b	Entities included in the organization's sustainability reporting	Annual Report – Consolidated income statement
2–3-a	Reporting period, frequency and contact point	NFR – A letter from our CEO
2–3-d	Reporting period, frequency and contact point	Annual Report – Information for shareholders
2–7-a	Employees	Annual Report - 2023 facts and figures
2–7-b-iv	Employees	Annual Report - 2023 facts and figures
2–7-c-i	Employees	Annual Report - 2023 facts and figures
2–9-a	Governance structure and composition	NFR – Our ESG structure & framework
2–9-b	Governance structure and composition	NFR – Our ESG structure & framework
2–9-c	Governance structure and composition	Corporate governance report – Board of Directors
2–9-c-i	Governance structure and composition	Corporate governance report – Board of Directors
2–9-c-ii	Governance structure and composition	Corporate governance report – Board of Directors
2–9-c-iii	Governance structure and composition	Corporate governance report – Board of Directors
2–9-c-iv	Governance structure and composition	Corporate governance report – Board of Directors
2–9-c-v	Governance structure and composition	Corporate governance report – Board of Directors
2–9-c-vii	Governance structure and composition	Corporate governance report – Board of Directors
2–9-c-viii	Governance structure and composition	Corporate governance report – Board of Directors
2–10-a	Nomination and selection of the highest governance body	Corporate governance report – Board of Directors
2–10-b	Nomination and selection of the highest governance body	Corporate governance report – Board of Directors
2–10-b-i	Nomination and selection of the highest governance body	Corporate governance report – Board of Directors
2–10-b-ii	Nomination and selection of the highest governance body	Corporate governance report – Board of Directors
2–10-b-iii	Nomination and selection of the highest governance body	Corporate governance report – Board of Directors
2–10-b-iv	Nomination and selection of the highest governance body	Corporate governance report – Board of Directors
2–11-a	Chair of the highest governance body	Corporate governance report – Board of Directors
2–11-b	Chair of the highest governance body	Corporate governance report – Board of Directors
2–15-a	Conflicts of interest	Corporate governance report – Board of Directors
2–15-b	Conflicts of interest	Corporate governance report – Board of Directors
2–15-b-i	Conflicts of interest	Corporate governance report – Board of Directors
2–15-b-ii	Conflicts of interest	Corporate governance report – Board of Directors
2–15-b-iii	Conflicts of interest	Corporate governance report – Board of Directors
2–18-a	Evaluation of the performance of the highest governance body	Corporate governance report – Changes of control and defense measures
2–18-b	Evaluation of the performance of the highest governance body	Corporate governance report – Changes of control and defense measures
2–18-c	Evaluation of the performance of the highest governance body	Corporate governance report – Changes of control and defense measures
2–19-a	Remuneration policies	Compensation report – Board of Directors compensation
2–19-a-i	Remuneration policies	Compensation report – Board of Directors compensation

GRI Indicator	Disclosure	Reference
2–19-b	Remuneration policies	Compensation report – Board of Directors compensation
2–22-a	Statement on sustainable development strategy	NFR – Our ESG structure & framework
2–23-a	Policy Comitments	NFR - Risks and opportunities
2–25-b	Processes to remediate negative impacts	NFR - Integrity Line
2–26-a	Mechanisms for seeking advice and raising concerns	NFR - Integrity Line
2–26-a-i	Mechanisms for seeking advice and raising concerns	NFR - Integrity Line
2–26-a-ii	Mechanisms for seeking advice and raising concerns	NFR - Integrity Line
2–29-a	Approach to stakeholder engagement	Corporate governance report – Shareholders' participation rights
2–29-a-i	Approach to stakeholder engagement	Corporate governance report – Shareholders' participation rights
2–29-a-ii	Approach to stakeholder engagement	Corporate governance report – Shareholders' participation rights
2–29-a-iii	Approach to stakeholder engagement	Corporate governance report – Shareholders' participation rights
GRI 3: Material topics 2021		
3–1-a	Process to determine material topics	NFR – Double materiality assessment
3–1-a-i	Process to determine material topics	NFR – Double materiality assessment
3–1-a-ii	Process to determine material topics	NFR – Double materiality assessment
3–1-b	Process to determine material topics	NFR – Double materiality assessment
3–2-a	List of material topics	NFR – Double materiality assessment
3–3-a	Management of material topics	NFR – Double materiality assessment
	Works councils for employees	NFR - Labour Standards

Governance disclosures:

GRI Indicator	Disclosure	Reference
ESG governance & ethical behaviour		
GRI 3: Material topics 2021, 3–3	Management of material topic	
201–1-a	Direct economic value generated and distributed	Annual Report – 2023 facts and figures
201–1-a-i	Direct economic value generated and distributed	Annual Report – 2023 facts and figures
201–1-a-ii	Direct economic value generated and distributed	Annual Report – 2023 facts and figures
201–1-a-iii	Direct economic value generated and distributed	Annual Report – 2023 facts and figures
201–2-a	Financial implications and other risks and opportunities due to climate change	NFR – 2023 ESG risk assessment
201–2a-i	Financial implications and other risks and opportunities due to climate change	NFR – 2023 ESG risk assessment
201–2a-ii	Financial implications and other risks and opportunities due to climate change	NFR – 2023 ESG risk assessment
201–2a-iii	Financial implications and other risks and opportunities due to climate change	NFR – 2023 ESG risk assessment
201–2a-iv	Financial implications and other risks and opportunities due to climate change	NFR – 2023 ESG risk assessment
203–1-a	Infrastructure investments and services supported	NFR - Supporting direct positive digital transformation
207–1-a-i	Approach to tax	NFR - Approach to tax
207–2-a-iii	Approach to tax	NFR - Approach to tax

GRI Indicator	Disclosure	Reference
Client privacy & data protection		
GRI 3: Material topics 2021, 3–3	Management of material topic	
418-a	Substantiated complaints concerning breaches of customer privacy and losses of customer data	NFR - Data privacy and cybersecurity

GRI Indicator	Disclosure	Reference
Supplier requirements for ESG		
GRI 3: Material topics 2021, 3–3	Management of material topic	
308–1-a	New suppliers that were screened using environmental criteria	NFR - Third-party due diligence
308–2-a	Negative environmental impacts in the supply chain and actions taken	NFR - Our ambitions
414–1-a	New suppliers that were screened using social criteria	NFR - Third-party due diligence
414–2-a	Negative social impacts in the supply chain and actions taken	NFR - Our ambitions
	Partnering with our supply chain for greater impact	NFR - Third-party due diligence
	Demonstrating our commitment to supplier diversity	NFR - Supplier diversity at SoftwareOne

GRI Indicator	Disclosure	Reference
Transparency		
GRI 3: Material topics 2021, 3–3	Management of material topic	
	Alignment to recognised ESG standards	NFR - Applied standards, certifications and Indices

GRI Indicator	Disclosure	Reference
Business model resilience		
GRI 3: Material topics 2021, 3–3	Management of material topic	
2–6-a	Activities, value chain and other business relationships	NFR - Our business model
2–6-b-i	Activities, value chain and other business relationships	NFR - Our business model
2–6-b-ii	Activities, value chain and other business relationships	NFR - Emissions across our value chain
2–6-b-iii	Activities, value chain and other business relationships	NFR - Emissions across our value chain
2–6-c	Activities, value chain and other business relationships	NFR - Our business model

Environmental disclosures

GRI Indicator	Description	Reference
Transition to renewables & alternative energies		
GRI 3: Material topics 2021, 3–3	Management of material topic	
302–1-e	Energy consumption within the organisation	NFR - Emissions across our value chain
302–3-a	Energy intensity	NFR - Emissions across our value chain
302–3-b	Energy intensity	NFR - 2023 facts and figures
302–3-c	Energy intensity	NFR - Emissions across our value chain
302–3-d	Energy intensity	NFR - Emissions across our value chain
306–2-a	Management of significant waste related impacts	NFR - Green Offices and transitioning to renewable energy
Supporting partners achieving their public environmental commitments		
GRI 3: Material topics 2021, 3–3	Management of material topic	
	Tools or services to support clients on their own carbon reduction journey	NFR - Cutting downstream emissions
Measure, control & reduce our GHG emissions		
GRI 3: Material topics 2021, 3–3	Management of material topic	
305–1-a	Direct (Scope 1) GHG emissions	NFR - Emissions across our value chain
305–2-a	Energy indirect (Scope 2) GHG emissions	NFR - Emissions across our value chain
305–4-a	GHG emissions intensity	NFR - 2023 facts and figures
305–4-b	GHG emissions intensity	NFR - 2023 facts and figures
305–4-c	GHG emissions intensity	NFR - Emissions across our value chain
305–4-d	GHG emissions intensity	NFR - Emissions across our value chain
	Carbon reduction strategy	NFR - Carbon reduction strategy

Social disclosures

GRI Indicator	Description	Reference
Diversity & equal opportunity for all		
GRI 3: Material topics 2021, 3–3	Management of material topic	
405–1-b-i	Diversity of governance bodies and employees	NFR - 2023 facts and figures
405–1-b-ii	Diversity of governance bodies and employees	NFR - 2023 facts and figures
	Diverse, equal, inclusive & belonging strategy	NFR - Diverse, equal, inclusive and belonging strategy (DEIB)
	SoftwareOne Academy	NFR - Attract
Workforce management		
GRI 3: Material topics 2021, 3–3	Management of material topic	
205–2-e	Communication and training about anti-corruption policies and procedures	NFR - Anti-corruption and Bribery Programme
404–1-a	Average hours of training per year per employee	NFR - Learning and development (L&D)
404–1-a-i	Average hours of training per year per employee	NFR - Learning and development (L&D)
404–1-a-ii	Average hours of training per year per employee	NFR - Learning and development (L&D)
404–2-a	Programmes for upgrading employee skills and transition assistance programmes	NFR - Learning and development (L&D)
	Developing new learning & development tools and platforms	NFR - Learning and development (L&D)

Information for shareholders

Share information

Listing
SIX Swiss Exchange (International Reporting Standard)

Ticker
SWON

Swiss security number
49.645.150

ISIN
CH0496451508

Shares issued
158,581,460 registered shares

Nominal value
CHF 0.01 per share

Corporate calendar

18 April 2024
2024 Annual General Meeting (AGM) and Extraordinary General Meeting (EGM)

15 May 2024
Q1 2024 Trading update

21 August 2024
2024 Half-year results and Half-year Report

13 November 2024
Q3 2024 Trading update

General information

SoftwareOne Holding AG
Corporate Headquarters
Riedenmatt 4
CH-6370 Stans

info.ch@softwareone.com
Phone: +41 844 44 55 44

Contact

Anna Engvall, Investor Relations
Tel. +41 44 832 41 37, anna.engvall@softwareone.com

Global ESG Team
esg.global@softwareone.com

FGS Global, Media Relations
Tel. +41 44 562 14 99, press.softwareone@fgsglobal.com

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SoftwareOne Holding AG
Riedenmatt 4
CH-6370 Stans
www.softwareone.com

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NeidhartSchön AG
www.neidhartschoen.ch