

ONGOING IMPROVEMENT IN THE BUSINESS ENVIRONMENT

Q3 2021 PERFORMANCE

- Ongoing business improvement across BUs
- Good traction in mobility and non-mobility sectors
- Robust demand for digital solutions fueling growth

2021 OUTLOOK

- Recovery on track, with “restore profitability before growth” pattern
- Q4 revenue expected to grow double-digit compared to Q4 2020
- Full-year revenue expected to grow low to mid-single-digit
- Previous outlook on costs and expected benefits from the transformation plan confirmed

ONGOING IMPROVEMENT IN THE BUSINESS ENVIRONMENT IN Q3 2021 AND ROBUST DEMAND FOR DIGITAL SOLUTIONS

€M	Q3 2021	Q3 2020	REPORTED GROWTH (%)	ORGANIC GROWTH (%)
FRANCE	115.9	108.2	+7.2%	+7.1%
GERMANY	86.8	84.6	+2.6%	+2.6%
INTERNATIONAL	63.9	56.4	+13.4%	+12.5%
NORTH AMERICA	59.7	60.8	-1.8%	-1.8%
DATA RESPONS	45.5	41.1	+10.8%	+2.0%
TOTAL GROUP	371.8	351.0	+5.9%	+4.8%

- The improvement in the business environment that continued in the third quarter of 2021 resulted in **AKKA reporting revenue of €371.8m up 5.9% reported and +4.8% organically compared to Q3 2020**. Important is to remind that in any year the third quarter of the year is the lowest quarter of the year due to the summer vacation, that was stronger than usual this year.
- **This positive momentum continues across all Business Units (BUs)**, all of them achieving organic growth but the North America BU where the business repositioning towards higher margin engineering solutions continues to prevail.
- **Non-mobility sectors recorded globally a 9% growth in Q3 compared to Q3 2020**, with a strong demand for digital solutions across a variety of sectors and customers. The Life Sciences sector performed nicely and is now the third sector of the Group, behind Automotive and Aeronautics.



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- **Mobility sectors continue to improve with a 5% growth compared to Q3 2020, even in the absence of large-scale projects.** Automotive showed growth in line with the Group despite the shortage of semi-conductors, with differentiated trends depending on the countries and customers. The Aeronautics growth, that was striking in Q2, continued in the third quarter with a number of small to mid-size projects. Defense dynamism continues with double-digit growth in Q3, while demand in the Railway sector remains subdued.

ANALYSIS PER BUSINESS UNIT

- **BU France posted revenue of €115.9m in Q3 2021, a 7.2% growth on Q3 2020 (+7.1% organically).** The Aeronautics sector reported significant growth compared to the low point of Q3 2020, with a robust traction from smaller customers pending the recovery in large-scale programs that should materialize in the coming quarters. Automotive suffered from the lack of new projects. Space and Defense continued to grow double-digit compared to Q3 2020. Non-mobility sectors are broadly flat this quarter. Across sectors demand for digital experts is strong, and ambitious recruitment plans are being deployed to fuel future growth.
- **BU Germany posted revenue of €86.8m in Q3 2021, a 2.6% growth on Q3 2020 (+2.6% organically).** Q3 2020 represents a more challenging basis for comparison as a significant step-up in the recovery pattern occurred in that quarter. The positive momentum continues since then with a very strong order book: the book-to-bill ratio remains firmly above one, but conversion into revenue is still lagging. In order to respond to our customers' growing need for expertise and advice in the field of digitalization a Digital Center of Excellence has been inaugurated in Leipzig in September to support the recruitment and training of engineers and digital experts.
- **BU International posted revenue of €63.9m in Q3 2021, a 13.4% growth on Q3 2020 (+12.5% organically).** As the business environment is now back to 2019 levels and is expected to remain strong, this BU has recorded remarkable performance, with double-digit growth both in the mobility and the non-mobility sectors, with a strong demand for high-margin digital solutions fueling revenue expansion.
- **BU North America posted revenue of €59.7m in Q3 2021, down -1.8% on Q3 2020 (-1.8% organically),** as the strategy to discontinue the lower-margin contracts is being rolled-out; such contracts had offset the low demand for higher-margin activities in 2020. The selection of AKKA by a global automotive OEM to provide engineering and manufacturing services in North America, as announced in September, illustrates the success of the diversification towards automotive in this region. This sector now accounts for 9% of the revenue compared to less than 5% a year ago, with a global automotive OEM being among the top 3 of the customers of the BU.
- **Data Respons posted revenue of €45.5m in Q3 2021, a 10.8% growth (+2.0% organically),** a comparatively strong performance as Data Respons managed to record positive growth throughout the full 2020. As in previous quarters, the performance is contrasted between the engineering solutions and computer solutions businesses. In the former, the strong pure digital player positioning continues to drive growth, while the computer solution business remains under pressure due to the global shortage of semi-conductors. The very strong book-to-bill ratio in the computer solutions segment, now close to 2, should allow for double digit growth when the supply for semi-conductors normalizes.

PARTIAL REPAYMENT OF SCHULDSCHEIN TRANCHES

- Considering the Group strong liquidity as of September 30, 2021, **€197m of Schuldschein tranches maturing October 2022 bearing interest of 1.3% have been reimbursed without penalty** at the end of October 2021. AKKA Group has solid financing structure and other credit lines to ensure its working capital requirements and fund its growth. This operation will result in annual savings of approximately €0.9m.

OUTLOOK

- **The Group's recovery pattern of restoring profitability before growth is on track.** The largest BUs, such as BU Germany and BU France, where the restructuring plans are finalized, continue to focus on returning to 2019 profitability levels, while this objective will already be achieved for North America in Q4 2021 (operating margin adjusted). Data Respons and BU International will already exceed this benchmark in 2021 thanks to strong business dynamics enabled by their positioning in digital services across multiple sectors.
- **As the business momentum continues to improve, AKKA expects revenue to grow double-digit in the fourth quarter of the year compared to Q4 2020.** Therefore, AKKA confirms it expects low to mid-single-digit revenue growth for the full year.
- **The outlook previously communicated in terms of costs and expected benefits from the transformation plan remain valid:**
 - The additional cost reductions derived from the Fit-2-Clear transformation plan, together with the first savings linked to the implementation of the restructuring plans to adapt our capacities to the foreseen demand in the Group's largest BUs should allow for a **year-on-year reduction in the Group's cost base of about €70 to €75m.**
 - Around €75m of costs below the Operating profit (adjusted) line will be accrued for in the full year of 2021 (excluding the amortization of the intangibles arising from the allocation of Data Respons purchase price), in continuation of the Group's transformation.
 - In light of the recovery materializing across BUs, and due to the operating excellence the Group is focused on, **AKKA expects its H2 2021 net profit** to be back to the positive territory.
 - Finally, **the Free Cash Flow is expected to remain negative for the full year** due to the one-off cash outflows arising from the restructuring plans and Fit2Clear implementation costs accrued in 2020 and 2021.

AKKA AND MODIS TO UNITE TO BUILD A GLOBAL SMART INDUSTRY LEADER

- Following the announcement on July 28, 2021 of the Ricci family and Swilux S.A., a wholly-owned subsidiary of Compagnie Nationale à Portefeuille SA ("CNP"), collectively holding approximately 60% of AKKA's capital and 68% of the voting rights, having irrevocably agreed to sell their stake to the Adecco Group's subsidiary Modis, the processes of obtaining all regulatory authorizations follow their course. The closing remains expected in the first quarter of 2022.



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- Following the closing of the first step of the transaction, whereby the Adecco Group will have acquired a controlling interest in AKKA, the Adecco Group will launch a mandatory takeover bid in Belgium and France for the remaining AKKA shares at the same price of €49 per share (the "Mandatory Takeover Bid"). The Mandatory Takeover Bid will be unconditional. Holders of AKKA shares will therefore have the possibility to offer their shares for € 49 per share in cash, or an equivalent price in cash per subscription right or per convertible bond/ODIRNANE.

2021 OUTLOOK

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- Q4 revenue to grow double-digit compared to Q4 2020
- Full-year revenue expected to grow low to mid-single digit
- Previous outlook on costs for FY2021 confirmed
- H2 2021 net profit to be back to the positive territory
- Full year Free Cash Flow expected to remain negative, due to one-offs

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Nathalie Buhnemann, Chief Financial officer, and Stéphanie Bia, Group Communications and Investor Relations Director, are pleased to invite you to a conference call on

Wednesday, November 3rd, 2021 at 18:30 PM (CET).

JOIN THE CALL!

Upcoming events:

FY 2021 results: Thursday, 10th March 2022

In case of discrepancies between the French and English versions of the press release, only the English version shall be deemed valid.

About AKKA

AKKA is a European leader in engineering consulting and R&D services. Our comprehensive portfolio of digital solutions combined with our expertise in engineering, uniquely positions us to support our clients by leveraging the power of connected data to accelerate innovation and drive the future of smart industry. AKKA accompanies leading industry players across a wide range of sectors throughout the life cycle of their products with cutting edge digital technologies (AI, ADAS, IoT, Big Data, robotics, embedded computing, machine learning, etc.) to help them rethink their products and business processes. Founded in 1984, AKKA has a strong entrepreneurial culture and a wide global footprint. Our 20,000 employees around the world are all passionate about technology and share the AKKA values of respect, courage and ambition. The Group recorded revenues of €1.5 billion in 2020. AKKA Technologies (AKA) is listed on Euronext Paris and Brussels – segment B – ISIN code: FR0004180537.

For more information, please visit: <https://www.akka-technologies.com/>

Important notice about forward-looking information

Information in this press release may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to AKKA as of the date of this release, and we assume no duty to update any such forward-looking statements. The forward-looking statements in this release are not guarantees of future performance and actual results could differ materially from our current expectations. Numerous factors could cause or contribute to such differences. Factors that could affect the company's forward-looking statements include, among other things: global GDP trends and the demand for temporary work; the impact of the global outbreak of novel coronavirus disease (Covid-19); changes in regulation of temporary work; intense competition in the markets in which the company operates; integration of acquired companies; changes in the company's ability to attract and retain qualified internal and external personnel or clients; the potential impact of disruptions related to IT; any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.



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APPENDIX - GLOSSARY

ECONOMIC GROWTH:

Growth at constant scope, exchange rate and number of working days.

ORGANIC GROWTH:

Growth at constant scope and exchange rate.

PRO FORMA CONSTANT GROWTH:

Organic growth based on proforma figures as if Data Respons had been consolidated from 1st January 2020.

COMPARABILITY ADJUSTMENTS:

Expenses and income related to significant acquisitions, reorganizations, litigations, transformation, amortization of intangibles identified as part of business combinations, stock options and free shares, costs related to COVID crisis.

OPERATING PROFIT ADJUSTED:

Operating profit increased by comparability adjustments.

OPERATING MARGIN ADJUSTED:

Rate of adjusted operating profit in proportion of Revenue.

REVENUE BY QUARTER

Revenue (€ million)	Q1 2021	Q2 2021	Q3 2021
France	123.1	123.8	115.9
<i>% change</i>	-19.4%	+11.1%	+7.2%
<i>Organic growth</i>	-19.4%	+11.1%	+7.1%
<i>Pro forma constant growth</i>	-19.4%	+11.1%	+7.1%
Germany	83.7	84.8	86.8
<i>% change</i>	-21.6%	+13.7	+2.6%
<i>Organic growth</i>	-21.6%	+13.7	+2.6%
<i>Pro forma constant growth</i>	-21.6%	+13.7	+2.6%
International	65.1	64.8	63.9
<i>% change</i>	-7.9%	+8.5%	+13.4%
<i>Organic growth</i>	-6.4%	+9.2%	+12.5%
<i>Pro forma constant growth</i>	-6.4%	+9.2%	+12.5%
North America	61.3	57.9	59.7
<i>% change</i>	-20.8%	-4.4%	-1.8%
<i>Organic growth</i>	-13.6%	+4.3%	-1.8%
<i>Pro forma constant growth</i>	-13.6%	+4.3%	-1.8%
Data Respons	52.0	53.1	45.5
<i>% change</i>	ns	+16.0%	+10.8%
<i>Organic growth</i>	-9.5%	+4.2%	+2.0%
<i>Pro forma constant growth</i>	-4.8%	+4.2%	+1.2%
Total Group	385.2	384.3	371.8
<i>% change</i>	-9.6%	+9.2%	+5.9%
<i>Organic growth</i>	-16.4%	+9.3%	+4.8%
<i>Pro forma constant growth</i>	-15.3%	+9.2%	+4.6%