HIGH POTENTIAL

INVESTOR'S DAY

19 November 2019
BUSINESS MODEL
& GROWTH DRIVER
MORE – ALSO’S SUSTAINABLE AND PROFITABLE GROWTH STRATEGY

The introduction of MORE in 2012 laid the foundation for the steady and sustainable development

**MAINTAIN**

**OPTIMIZE**

**REINVENT**

**ENHANCE**

ALSO attains growth that takes into account the capital structure and profitability of the company. These cornerstones define the conflicting priorities of our activities, and every decision is made on this basis.
# The 3 Business Models

<table>
<thead>
<tr>
<th></th>
<th>Revenue Type</th>
<th>Volume</th>
<th>Margin</th>
<th>Customer Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supply</strong></td>
<td>Mainly transactional</td>
<td></td>
<td></td>
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<tr>
<td><strong>Solutions</strong></td>
<td>Mainly transactional</td>
<td></td>
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<tr>
<td><strong>As-a-Service</strong></td>
<td>Mainly recurring</td>
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</tbody>
</table>
## MEASURES TO INCREASE VALUE 2012 – 2019

**ALSO BECOMING A TECHNOLOGY PROVIDER**

<table>
<thead>
<tr>
<th>MAINTAIN</th>
<th>Business ALSO, Actebis and Acquisitions</th>
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<table>
<thead>
<tr>
<th>OPTIMIZE</th>
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<tbody>
<tr>
<td>SUPPLY</td>
<td>Organic growth</td>
</tr>
<tr>
<td>PROFITABILITY LEVERS</td>
<td>Business Model Mix, Customer Mix, Vendor Mix, Product Category Mix, Operational Excellence</td>
</tr>
<tr>
<td>IT SYSTEMS</td>
<td>Harmonizing ERP (14 SAP introductions), BI, CRM, Web shop</td>
</tr>
<tr>
<td>PROGRAMS</td>
<td>POP, PIP, KISS, NWC, COC, Transformation</td>
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</tbody>
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<table>
<thead>
<tr>
<th>REINVENT</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>SOLUTIONS/SERVICES</td>
<td>Development</td>
</tr>
<tr>
<td>PLATFORMS</td>
<td>ACMP, IoT, Security, Streaming</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENHANCE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ACQUISITIONS</td>
<td>Business models and regions (20 acquisitions in 16 countries and integration)</td>
</tr>
</tbody>
</table>
## FURTHER GROWTH DRIVERS

### MEASURES 5 YEARS

<table>
<thead>
<tr>
<th>MAINTAIN</th>
<th>Customers, manufacturers, credit lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPTIMIZE</td>
<td>Organic growth</td>
</tr>
<tr>
<td></td>
<td>- Transactional</td>
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<tr>
<td></td>
<td>- Consumptional</td>
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<tr>
<td>REINVENT</td>
<td>Expanding platforms</td>
</tr>
<tr>
<td></td>
<td>- IoT</td>
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<tr>
<td></td>
<td>- Security</td>
</tr>
<tr>
<td></td>
<td>- Streaming</td>
</tr>
<tr>
<td>ENHANCE</td>
<td>Regional expansion Eastern Europe</td>
</tr>
<tr>
<td></td>
<td>New acquisitions</td>
</tr>
</tbody>
</table>

**MEASURES DEFINED FOR VALUE INCREASE**
TRACK RECORD & OUTLOOK
► SHAREHOLDERS WERE PAID A TOTAL OF € 133 MILLION IN DIVIDENDS FROM 2012 TO 2018

► PERFORMANCE OF ALSO ABOVE MARKET LEVEL

► € 1.2 BILLION ADDITIONAL MARKET CAPITALIZATION IN 8 YEARS (UNTIL 10/2019)
STRENGTH TRACK RECORD – ALSO KPIs

Net sales (in Bn. €)

EBITDA (in Mio. €)

Cashflow before changes in working capital (in Mio. €)

Dividend (per share in CHF)
EXPECTATIONS 2019
EBITDA IMPROVEMENT 10–15 MIO. €

OVER HALF OF TARGET ACHIEVED DUE TO ACCELERATED TRANSFORMATION

* Before Adoption of IFRS 16 (Leasing)
MIDTERM OUTLOOK

► CLEAR FOCUS ON DELIVERING OPERATING AND FINANCIAL RESULTS

EBITDA in Mio. €

- 2012: 109.4
- 2013: 113.5
- 2014: 123.9
- 2015: 140
- 2016: 146
- 2017: 157.3
- 2018: 152.7
- Midterm: 240–300

ROCE in %

- 2012: 12.7
- 2013: 12.7
- 2014: 11.5
- 2015: 11.2
- 2016: 13
- 2017: 13.5
- 2018: 11.8
- Midterm: 13–14
1
BN.CHF TURNOVER

MARKET SHARE
ALSO SCHWEIZ AG
28%

ALSO CH – ECOSYSTEM

ALSO CLOUD
LOGISTICS SERVICES
HW/SW VENDORS
CYBER SECURITY
REPAIR SERVICES
FINANCIAL SERVICES
STREAMING
E-COM
IOT

TELCOS
CORPORATE & VALUE ADDED RESELLER
ETAILER
SMB-RESELLERS
OTHERS
RETAILERS
ALSO CLOUD MARKETPLACE ECOSYSTEM
STRUCTURE AND COMPONENTS

PARTNERS

PROVIDERS/VENDORS
- Datacenter Providers
- Devices Providers
- Software Providers
- IT Services Providers

SOLUTION AGGREGATORS/DISTRIBUTORS
- ALSO B2B Marketplace PaaS Partners

ECOSYSTEM/CHANNEL PARTNERS
- Corporate Resellers
- SMB Resellers
- VARs
- Telco
- Service Providers
- Retailers
- Distributors

B2B CUSTOMERS
- SMB
- Enterprise
- ISVs

PLATFORM

ALSO Cloud Market Place (ACMP)

SERVICES
- PaaS – Platform as a Service
- IaaS – Infrastructure as a Service
- SaaS – Software as a Service
- DaaS – Devices as a Service
Characteristics

1. Simple User Management
2. Automatized settlement of invoices
3. Unique detailed reporting
4. White label marketplace possible
5. Offer up to and including hardware workplaces

Thanks to the superiority of the ACMP we were able to win over 1,000 channel partners as «...as a Service» clients in a short time.

By our own efforts, only in CH, impossible!

Development HY 2019

- Seats: +50%
MONETIZATION OF THE CH CLOUD MARKET

- INCREASE NUMBER OF SEATS
- INCREASE REVENUE PER SEAT
GROWTH DRIVERS IOT
IOT ECOSYSTEM
STRUCTURE AND COMPONENTS

Vendor

DEVICES
► Sensors (Temp, Pressure, …)
► Actuators (Lock, Valve, Light, …)

Telco

CONNECTIVITY
► Protocols (LoRa, NB-IoT, …)
► Providers (WiFi, MAN, WAN, …)

ALSO

PLATFORM
► Connect & Collect devices
► Visualize & Use the data

System Integrator

APPLICATION
► Mobile & Web apps
► Machine interface (API)

Resellers

SERVICES

Cybersecurity partners

END TO END SECURITY

► MONETIZE IOT ECOSYSTEM COMPONENTS – EXPAND PLATFORM CAPABILITIES
IOT PLATFORM OFFERS MULTIPLE MONETIZATION OPTIONS – EXPLOIT MARKET GROWTH
MARKET DEVELOPMENT
TOTAL ADDRESSABLE MARKET (TAM) IOT BY ECOSYSTEM COMPONENTS | EUROPE IN €

- Cyber Security
- Services
- Applications
- Platform
- Connectivity
- Devices

* 37% CAGR

TAM GROWS BY 37% EACH YEAR UNTIL 2024 – MONETIZATION OPPORTUNITIES IN EACH ECOSYSTEM COMPONENT

MONETIZATION FOCUS

Growth phases

- Prototyping
- Solution applications
- Data monetization

Resellers

- Telco Operators
- System Integrators
- PaaS Partners
REFERENCE CASE: PORT OF ANTWERP
RAPID DEPLOYMENT

**PROBLEM**
Port authorities do not know when lifebuoys are stolen/damaged; hence risk to life

**SOLUTION**
Get notified when lifebuoy is removed to redirect cameras to buoy’s location

- **SEP 2018**
  - Ideation workshop and first solution deployed

- **OKT 2018**
  - Deployment of <10 devices tested for business case

- **DEZ 2018**
  - Vendor for hardware finalized and LoRa network set up

- **JAN 2019**
  - 250+ devices deployed and increasing

► RAPID DEPLOYMENT AVAILABLE TODAY – NEXT: INTEGRATE ANALYTIC APPLICATIONS
GROWTH DRIVERS CYBERSECURITY
CYBERSECURITY ECOSYSTEM

STRUCTURE AND COMPONENTS

PARTNERS

- PROVIDERS/VENDORS
  - Situation Awareness
  - Infrastructure Security
  - Application Security
  - Data Security
  - Business Continuity
  - Others (e.g. Insurance)

- SOLUTION AGGREGATORS/DISTRIBUTORS
  - ALSO B2B Market-place PaaS Partners

- ECOSYSTEM/CHANNEL PARTNERS
  - Corporate Resellers
  - SMB Resellers
  - VARs
  - Telco
  - Service Providers
  - Retailers
  - Distributors

- B2B CUSTOMERS
  - SMB
  - Enterprise
  - ISVs
  - Customer’s suppliers

PLATFORM

- ALSO Cloud Market Place (ACMP)

CYBERSECURITY PLATFORM (CYE HYVER)

- Security assessment and mitigation

CYBERSECURITY SERVICES & SOLUTIONS

- SaaS
- IaaS
- DaaS
- Consulting
ALSO Cloud Market Place (ACMP)

Plan & Remediate
Understand Your Risk
Assess

PREDICTIVE ANALYTICS AND OPTIMAL MITIGATION PLANNER
EXPOSURE VISIBILITY
VENDOR ASSESSMENT

VETTED COMMUNITY
CYE EXPERTS
CYE AUTOMATIC ASSESSMENT PLATFORM

End Customer Organization
Business Ecosystem

► SOFTWARE BASED AUTOMATED SYSTEMATIC APPROACH TO CYBERSECURITY MONITIZATION THROUGH CHANNEL
PRIORITIZATION OF GAPS BASED ON MAX-FLOW MIN-CUT (TIME, COST)
MONETIZATION OF CYBERSECURITY THROUGH PLATFORMS AND B2B MARKETPLACE
MARKET DEVELOPMENT
TOTAL ADDRESSABLE MARKET (TAM) CYBERSECURITY
BY MARKET SEGMENT | ALSO COUNTRIES IN B€

- Infrastructure Security
- Situation Awareness
- Application Security
- System Recovery & Data Cleansing
- Business Continuity
- Other (e.g. Insurance)

*9.2% CAGR

2019: 28
- Security Assessment: 6
- Remediation Design: 6
- Mitigation Implementation: 5
- Managed Services: 4
- Corporate/Value-added: 2
- System Integrators: 5
- PaaS Partners: 5
- SMB: 5

2024: 44
- Security Assessment: 10
- Remediation Design: 7
- Mitigation Implementation: 6
- Managed Services: 3
- Corporate/Value-added: 10

MONETIZATION FOCUS

Growth phases
- Security Assessment
- Remediation Design
- Mitigation Implementation
- Managed Services

Resellers
- Corporate/Value-added
- System Integrators
- PaaS Partners
- SMB

► TAM GROWS BY 55% UNTIL 2024 – MONETIZATION OPPORTUNITIES IN EACH SEGMENT
GROWTH DRIVERS
STREAMING
STREAMING ECOSYSTEM
STRUCTURE AND COMPONENTS

SERVICE

ALSO STREAMING PLATFORM

BACK-END PLATFORM
Service Management
Data Collection & Processing

CLOUD

APPs

RESELLER PLATFORM
(E.G. TELCO, MARKETPLACE)

CLOUD

APPs

END USER

▶ MONETIZE STREAMING ECOSYSTEM – PROVIDERS, RESELLERS, END USERS
STREAMING MONETIZATION OPTIONS

B2C Solution

- App Publisher/Distributor
- Consumer
- Cloud Provider
  - Charge for resource usage
  - Charge for service usage
  - Charge for app usage

Reseller

- Streaming Platform
  - Virtualized apps

B2B Solution

- App Publisher/Distributor
- Company
- Cloud Provider
  - Charge for resource usage
  - Charge for service usage
  - Charge for app usage

Reseller

- Streaming Platform
  - Virtualized apps

► ADDITIONAL REVENUES THROUGH ALL ECOSYSTEM PARTNERS
**PROBLEM**

The Telco is interested in providing Cloud Gaming (GaaS) to end users through an external service.

**SOLUTION**

- Customizable end-to-end Cloud Gaming virtualization that covers Telco’s requirements
- External streaming service via the set-top box (STB) provided by the Telco

**EXAMPLE**

<table>
<thead>
<tr>
<th>Event</th>
<th>Duration</th>
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<tbody>
<tr>
<td>First conversations</td>
<td>+1 month</td>
</tr>
<tr>
<td>First release of customized STB demo</td>
<td>+1 month</td>
</tr>
<tr>
<td>Test large scale prior to deployment</td>
<td>+3 months</td>
</tr>
<tr>
<td>First live demo</td>
<td>+1 month</td>
</tr>
<tr>
<td>Fulfill customized STB demo</td>
<td>+3 months</td>
</tr>
<tr>
<td>Deploy large scale external streaming service</td>
<td>+6 months</td>
</tr>
</tbody>
</table>

**USE LARGE SCALE DEPLOYMENT AS TEMPLATE FOR ROLL-OUT TO OTHER TELCOS**
**PROBLEM**

Loss of high value goods in the supply of telco shops

**SOLUTION**

Digital, safe process with ALSO's Smart & Secure Trolley and AllThingsTalk
**APPLICATION OF THE IOT ECOSYSTEM**
**SMART & SECURE TROLLEY**

**SENSORS IN THE TROLLEY**
- Electronic lock
- Location
- Vibration/Shock
- Temperature

**Connectivity**
- LTE-M
- Sigfox

<table>
<thead>
<tr>
<th>IOT PLATFORM (ALLTHINGSTALK)</th>
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</thead>
<tbody>
<tr>
<td><strong>DASHBOARD</strong></td>
</tr>
<tr>
<td>► Location tracking</td>
</tr>
<tr>
<td>► Status monitoring</td>
</tr>
<tr>
<td><strong>ALERT</strong></td>
</tr>
<tr>
<td>► Unauthorized opening</td>
</tr>
<tr>
<td>► Strong shock</td>
</tr>
<tr>
<td><strong>DATA ANALYSIS</strong></td>
</tr>
<tr>
<td>► Cycle time</td>
</tr>
<tr>
<td>► Usage</td>
</tr>
<tr>
<td>► Route optimization</td>
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</tbody>
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**MONETIZATION «AS-A-SERVICE»**
CREATE ADDED VALUE WITH DATA COLLECTED ON ALLTHINGSTALK

Continuous digital recording
▶ Trolley location data
▶ Transport and process flow

Benefit
▶ Economic and ecological optimization of transport routes
▶ Recognize and avoid misdeliveries and transport damages
QUESTIONS & ANSWERS
THANK YOU