QUARTERLY OPERATING REPORT – Q1 2020

OPERATIONAL REVIEW

24 April 2020

COREMEDIA

1 Executive Summary

EXECUTIVE SUMMARY

In Q1, CoreMedia implemented a radical shift in strategy from Growth to Resilience in a COVID-19 recession. Core business is stable with solid consulting bookings. 1 new logo.

COVID-19: Continuity of operations secured

> Work from home for 98% of the team
> All services up and running, no breach of SLAs

Switch from growth to cash preservation in Realistic Case (RC)

> Reducing expenses in 2020 by €4m compared to AOP
>> Implemented €1.789k in cuts through reduced headcount
>> Implemented €183k in cuts through reduced salary increases
>> Expect €1.030k in reduced bonus and commission, to be finalized
>> Cut marketing & consulting, delayed projects and consolidated IT
> Expected ARR growth of 6% (compared to 14%)

Q1 Revenue slightly above; ARR slightly below RC

> Q1 Revenue of €5,2m, €114k above plan
> ARR March of €15.4m, €165k below plan

Q1 Sales below RC with VF Corp slipping to Q2

> New ACV in Q1 of €114k below RC of €267k and Q1/2019 compared with €534k in 2019
> One new logo: City of Vienna

Q1 Consulting/Training revenue of €1.2m, €93k above RC

> Consulting revenue increase from €313k in January to €431k in March
> Secured longer engagements with PVH & YNAP
> Switch to 100% remote work

Q2 Sales expected €0.85m - € 1.5m ACV (Plan: €1.24m)

> "Victory Plan" puts focus on top 15 "must win" deals, requiring Sequence of Events, Executive Sponsors and regular mgmt. inspection.

> Negotiations with VF Corp moving forward for 6 month €315k ACV MVP phase. €472k ACV second phase would book 11/2020 if MVP gate is passed. 36-month TCV is €1.795m

> Other top deals include Luxottica €150k, Hamburg de €150k, Ivoclar €183k, Barmer €101k (WON), Hayward €196k, BBQ Guys €131k

Q2 Consulting revenue expected at €1,025k to 1,145k, above RC

> Solid backlog of signed work
> Negotiating extended engagement with Farfetch

Focus on customer success and retention

> Strategic Account Planning
> "Protect this house" & "Smart Spend" campaigns
> Proactive outreach and problem solving

Product Development with reduced capacity

> Significant reduction in bandwidth, no new hires or backfill
> Postponed near-shoring initiative
> Reduced investments
> Rebalancing of commerce ecosystems in progress

EXECUTION OF REALISTIC CASE

Status Update: Project Details

Project		Current Status & Next Steps	Timing
Management & Organization	🟢	• Established CRO office and aligned Sales, Consulting, Partner Management and Marketing • Postponed CMO hire, installing Ben Mooney as Global VP Marketing & Partner Ecosystems • Decision to have Dirk Jovy lead Human Resources • Decision to strengthen organization to fulfil financial reporting requirements • Next steps: Finalize MIP with COVID-19 adjustments; Strengthen Finance team	1Q-2Q 2020
Sales & Marketing	🟢	• Upgraded Sales processes, training and tooling to increase sales productivity • Established Strategic Account Planning to drive Customer Success & Upselling • Established lead generation as a shared responsibility, onboarded new US SDR & upgraded MarTech stack • Switched focus from physical events to digital marketing & campaigns • Next steps: • Increase number & quality of campaigns using customer success stories • Ramp up Strategic Account Planning & launch Bundled Offerings to drive consulting business	1Q-2Q 2020
Process Improvements	⚪	• Reduced cloud hosing cost by streamlining cloud deployment • Next steps: Further cost reductions & automation	2Q-4Q 2020
Product Innovations	🟡	• GraphQL: Expanded support for headless architectures through Headless Server • Personalization: Exploring advanced personalization capabilities with and without third party vendors • Campaign Management: Consolidated learning from customer projects to be transferred to the product • Expanded self-service capabilities & added integration capabilities though dedicated hubs • Next steps: Business planning for Personalization options, scope Multi-tenant Content Server	2Q-4Q 2020
Execution of Cash Preservation Measures	🟢	• Announced measures to preserve cash defined in RC on April 9 • Plan to reduce expenses by €4m in 2020 compared with AOP • Reduced headcount, postponed salary increases and cut payroll by €1.407k • Cancelled or renegotiated external consulting engagements, renegotiated leases, cut marketing spend, consolidated IT • Next steps: Finalize "Bonus & Tantieme" agreements to save €461k	2Q 2020

🔵 **Complete** ⚪ **Just started** 🟢 **On Track** 🟡 **At Risk** 🔴 **Behind Schedule**

KEY RISKS AND WHAT IS NOT WORKING
Greater Depression? HCL sputters; Pricing Challenges; Multi-Tenant Cloud

COVID-19 – deep global recession is certain by now, likely U, L or W shaped

> Market turmoil is not over and could lead to insolvencies of large customers, bad debt and further delayed payments

> While e-commerce gains relevance, financial stress might delay projects longer than expected

> Pressure on day rates & churn might be higher than expected

IBM/HCL ecosystem binds resources but doesn't show sufficient traction in new customer wins

> New ecommerce projects move to Salesforce, SAP and new vendors like Commercetools

> We haven't been able to sufficiently activate HCL's large existing base and maintaining various HCL versions is costly

> Project implementation tend to be costly compared with other ecosystems

> Need to free up resources to build Commercetools and Salesforce B2B integration

Our pricing is not optimized to land and expand and looks increasingly outdated

> Pricing doesn't closely align with business cases; can seem dated

> Base package is likely too expensive and too feature-rich to look attractive on paper

> Low number of upselling options limits expansion after initial deal; Lack of ELA for CMCC Service limits attractive offerings

Path to Multi-tenant cloud is not yet secured

> Tension between adding features vs. establishing new multi-tenant platform is multiplied due reduced investments

> Competitive pressure by Multi-tenant vendors through lower TCO is a serious threat

Finance team is still overutilized

> Need to provide stability and added talent

2 Revenue Operations Report

CRO - EXECUTIVE SUMMARY

In Q1, we launched consultative selling, optimized Sales processes, established an SDR program while adjusting strategy and focus resulting from the COVID-19 crisis.

Sales & Marketing strategy amended for "covid-19 economy"

We're reacting quickly to mitigate risk while identifying emerging opportunities that will emerge from the crisis. Focus has shifted to retention and growth markets less impacted by COVID-19

Focus on customer success and retention

> Strategic Account Planning

> Proactive outreach and problem solving

> Options for customers asking for late payments and price reduction

Optimized Sales Processes designed to drive opportunity progression

> Launched new CoreMedia Value Roadmap consultative selling process focused on deeper discovery and customer buy in.

> New Salesforce Lightning rollout with enablement to deliver guided selling through the CMVR sales process

> New sales performance dashboards to be used for team and individual coaching and accountability.

> Deal Review Council (DRC) formed to provide regularly scheduled (and ad hoc) coaching, direction and approval. A cross-functional team of leaders from Sales, CSPE, Pre-Sales Product/Engineering, Marketing, Legal, Finance makes up the DRC.

> "Victory Plan" puts focus on the top 15 "must win" deals, requiring Sequence of Events, Executive Sponsors, regular mgmt. inspection and DRC review.

Seeking to understand and mitigate potential COVID-19 impact

> Currently assessing potential impact on 2Q-4Q deals
> > 3 deals have pushed out of the quarter with 3 other potentially at risk (these deals have been removed from 2Q Victory Plan)

> Many of our traditional market segments have frozen spending, requiring a shift to others that have not been as negatively impacted

> Cancellation of all Industry Trade Events will have negative effects in 2H since many deals historically originate from events

Lead Generation is Paramount

> Switched focus and budget from physical events to digital marketing & campaigns

> Established new SDR practice with US hire (from Adobe) and standardizing processes and upgraded MarTech in EMEA

> Q1 results are promising with a significant increase of non event generated Leads

Partner Program will continue as priority

> Partners as key channel to market only increases in COVID era.

> Q1 focus was decreased due to COVID disruption and Ben Mooney adding Marketing to his responsibilities. However the PX program officially launched at the Partner Connect virtual event, followed by launch of PX online Survey.

> 2Q focus shifts to PX Platform selection and deeper Partner engagement

SALES, CSPE & MARKETING COVID MITIGATION MEASURES
Concrete steps taken to quickly react to crisis

EMEA Sales

- No backfill of UK Seller
- No backfill of open DACH positions
- Florian Grebe to take on revenue generating role
- Standardize SDR program in EMEA (based on recent formalization in US of process and tooling)

US Sales

- Brent Murray exited (HCL/IBM Sales)
  › Open opportunities distributed to 2 remaining US Sellers
- Right-size and optimize Pre-Sales
  › Bob Balfe (VP Pre-Sales) and Andrew Bowers (Solution Architect) exited
  › Ulrike Heidler promoted to lead US Pre-Sales, with oversight & coaching from Lars Jagenow.
  › Kevin Cherniawski moved from Professional Services to Pre-Sales (which will help overall CSPE utilization)

CSPE

- Exited 1 consultant in UK.
- 2 new hire consultant contracts terminated prior to start date.
- Net reduction in USA consulting headcount with Kevin moving to pre-sales

Marketing

- CMO hire on hold
- Reduced Marketing budget
- Aligned marketing to COVID-19 strategy
- Introduced new operating model
- Further pivot to digital and lead generation

ASSUMPTIONS LICENSE REVENUE

Realistic Case; Shutdown loosens during June

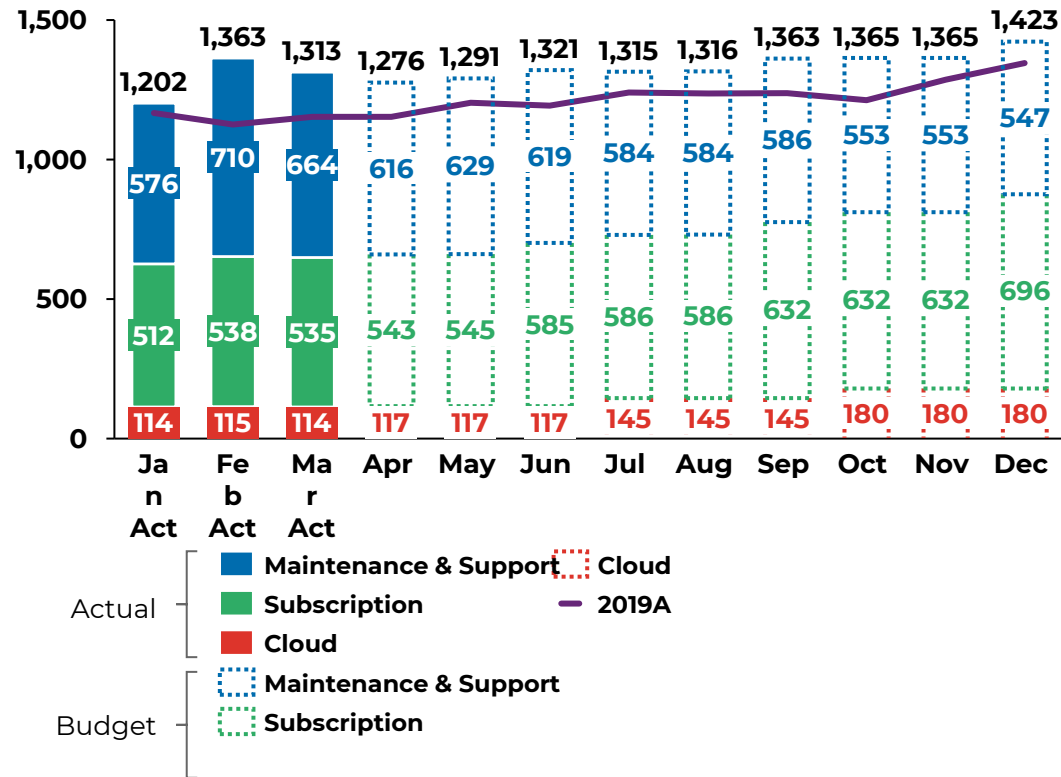The main assumption in the forecast is:

- VF signs the Vans MVP project in 2Q and signs a smaller contract (smaller than optimistic case) for global rollout in December

- Q2 forecast only includes higher probability opportunities (>50%)

- Q3 and Q4 forecast is based on 75% of historical period performance

RECURRING REVENUE

Monthly Recurring Revenue
€000s

Chart values:

	Jan Act	Feb Act	Mar Act	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total	1,202	1,363	1,313	1,276	1,291	1,321	1,315	1,316	1,363	1,365	1,365	1,423
Maintenance & Support	576	710	664	616	629	619	584	584	586	553	553	547
Subscription	512	538	535	543	545	585	586	586	632	632	632	696
Cloud	114	115	114	117	117	117	145	145	145	180	180	180

Actual
- ■ Maintenance & Support
- ■ Subscription
- ■ Cloud

Budget
- ⬚ Maintenance & Support
- ⬚ Subscription
- ⬚ Cloud
- —— 2019A

If we normalize recurring revenues Jan, Feb and March we would get the recurring revenue:
- Jan = 1,270K
- Feb = 1,276K
- Mar = 1,282K

Key wins and losses
Current month

New Wins						
Customer	Type	Rev Type	ARR	Term	Lead Source	Reasons for choosing CM
Yoox Net-a-porter	Upsell	Maintenance & Support	52.675 €	4 year		
ARRI Cine Technik Betriebs mbH & Co	Upsell	Subscription	17.174 €	2 year		
BMZ	Upsell	Maintenance & Support	13.256 €	2 year		
Cornelsen	Upsell	Maintenance & Support	4.859 €	9 year		
Kotsovolos	Upsell	Maintenance & Support	4.009 €	2 year		
Other			3.315 €			Customer with ARR change below 4K
Total			**95.288 €**			

Key Losses						
Customer	Type	Rev Type	ARR	Term	Lead Source	Reasons for leaving CM
Other			- 21.234 €		Mainly FX related	
Total			**- 21.234 €**			
Net change			**74.054 €**			

Bookings 2020RC vs 2019A

	Q1		Q2		Q3		Q4		Total	
Based on ACV	2019 Act	2020 Act	2019 Act	2020 RC	2019 Act	2020 RC	2019 Act	2020 RC	2019 Act	2020 Act/RC
Cloud	-	-	203	337	289	419	188	560	680	1.316
Subscription	491	111	820	486	194	541	213	793	1.717	1.931
Maintenance & support	43	13	24	178	15	173	93	285	175	648
Total	**534**	**124**	**1.047**	**1.001**	**498**	**1.133**	**494**	**1.637**	**2.573**	**3.896**

2019 data is based on Salesforce. ACV is 3yr contract value / 3

10

NON-RECURRING REVENUE

Perpetual License
€000s

Legend: 2020A, 2020B, 2019A

Partner contracts
€000s

Legend: 2020A, 2020B, 2019A

Values: 11.2, 11.2, 11.6, 11.6, 11.5, 11.4, 11.4, 11.4, 11.4, 11.4, 11.4, 11.4, 11.4, 11.4, 11.4

Monthly Services
€000s

Legend: 2020A, 2020B, 2019A

Values: 366, 366, 395, 395, 448, 354, 322, 322, 322, 303, 303, 303, 357, 357, 357
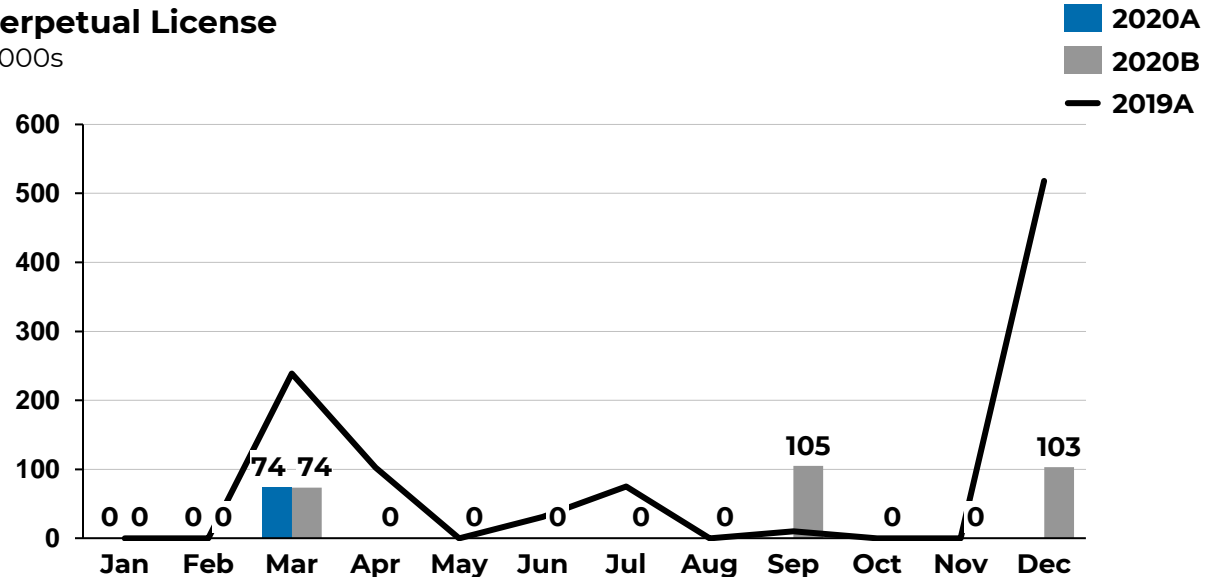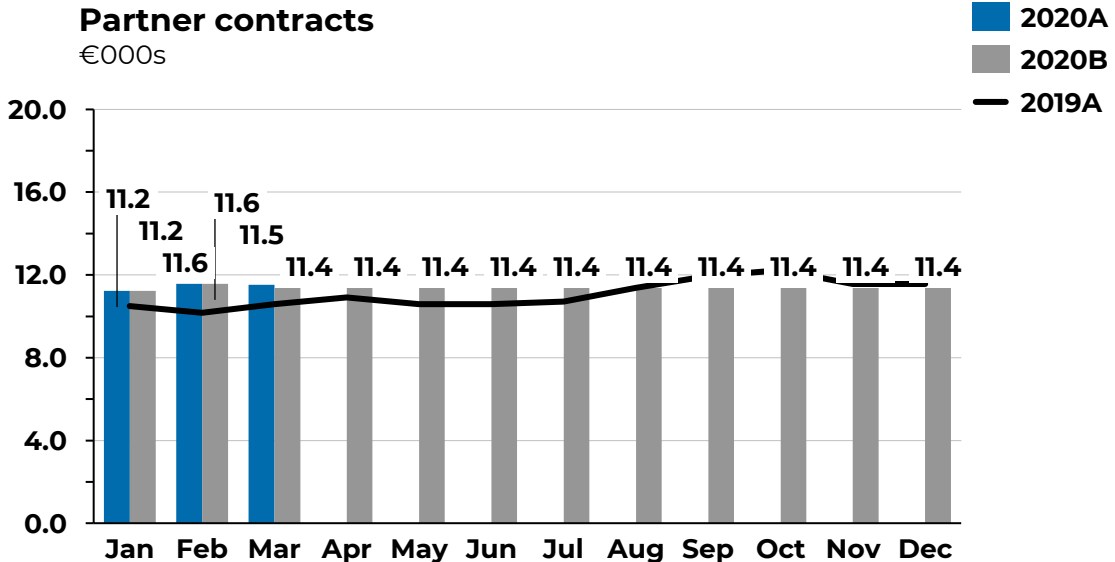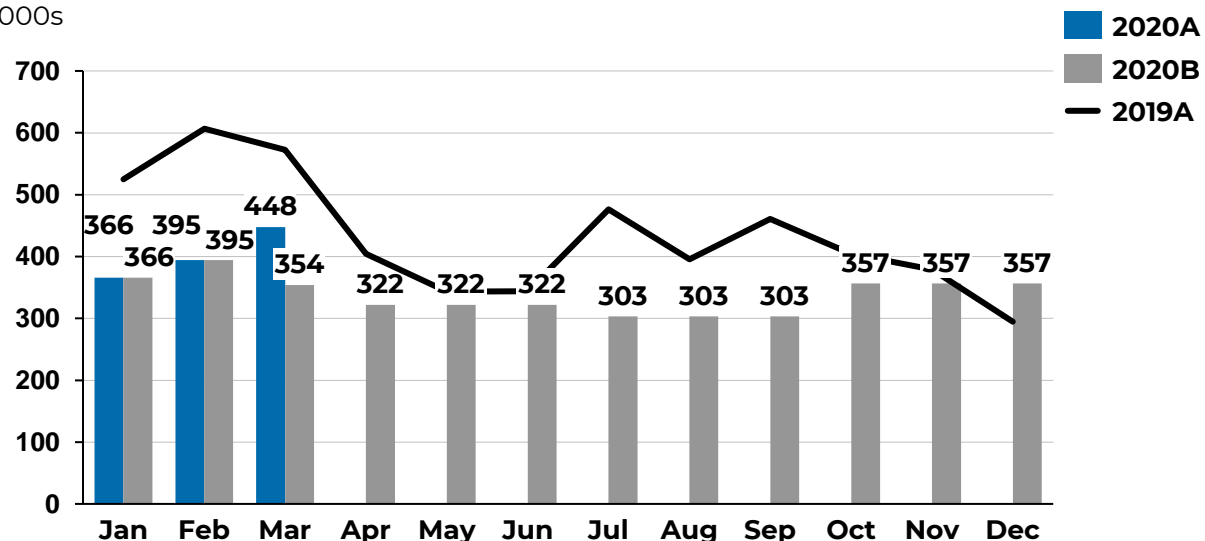
Total billable hours	FTE	Jan	Feb	Mar	Q1 YTD
Delivery manager	5.5	36	53	33	122
Technical Consultants	13	650	706	930	2286
Senior Technical Consultants	14.8	1374	1364	1674	4412
Total	33.3	2060	2123	2637	6820

Note: FTE numbers do not consider sabbaticals and parental leave where we don't carry the cost nor make the revenue. This reduces the effective hours available by 6 person months in Q1.
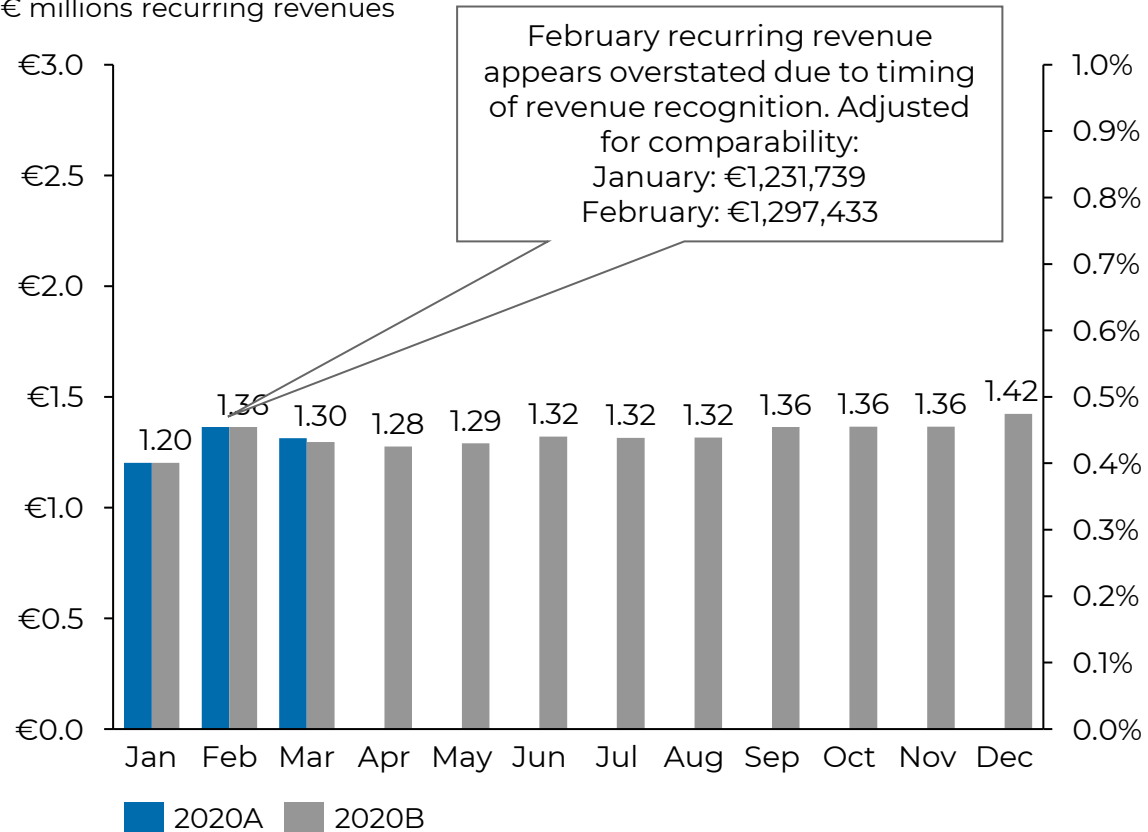
CUSTOMER RETENTION

No churn in March

Monthly Customer Retention Statistics
€ millions recurring revenues

February recurring revenue appears overstated due to timing of revenue recognition. Adjusted for comparability:
January: €1,231,739
February: €1,297,433

Chart values (2020A in blue, 2020B in grey):
- Jan: 1.20
- Feb: 1.36
- Mar: 1.30
- Apr: 1.28
- May: 1.29
- Jun: 1.32
- Jul: 1.32
- Aug: 1.32
- Sep: 1.36
- Oct: 1.36
- Nov: 1.36
- Dec: 1.42

Legend: ■ 2020A   ■ 2020B

Number of Accounts Churned		0
% Of Accounts Churned		0%
Average ARR		€0
Average Customer Start Date		NA

#	Customer Name	Industry	Reasons for Churn / Downsell	Customer Since	ARR
			[No churn in March]		

NEW BUSINESS BOOKINGS – QUARTER 1

QTD 2020 New Bookings by Product (Recurring)
€ Thousands

Legend: TBL, Maintenance, Cloud

-76% +9%

	2019A	2020A	2020RC
Total	533.7	124.4	113.7
TBL	490,7	111,2	100,5
Cloud	0.0	0.0	0.0
Maintenance	43,0	13,2	13,2
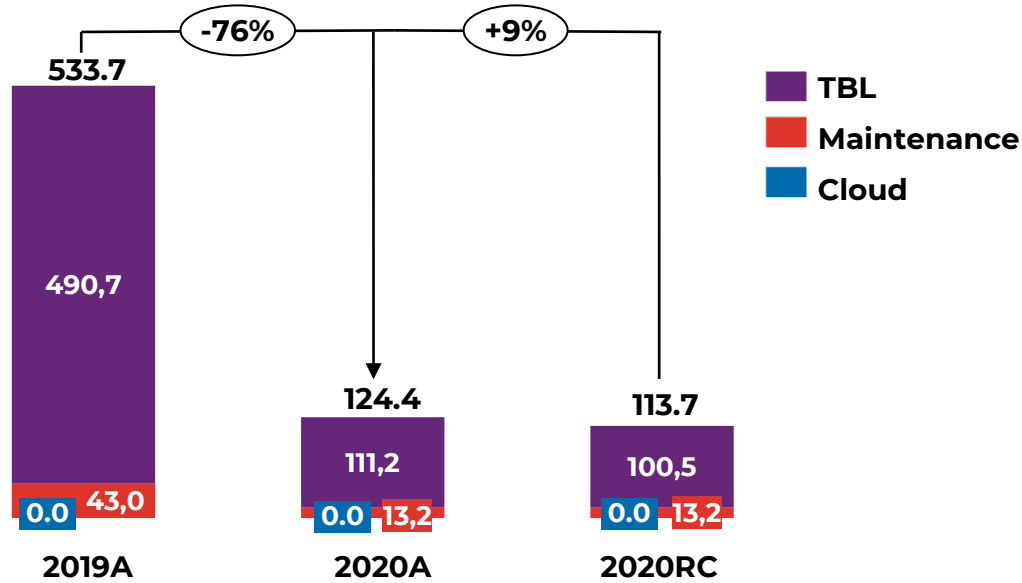
QTD 2020 New Bookings by Product (Non-recurring)
€ Thousands

Legend: Consulting, Training, Perpetual

-34% +8%

	2019A	2020A	2020RC
Total	1,942.8	1,281.3	1,187.9
Consulting	1.629,4	1.111,2	1.012,4
Training	74,7	96,6	102,0
Perpetual	238,7	73,5	73,5
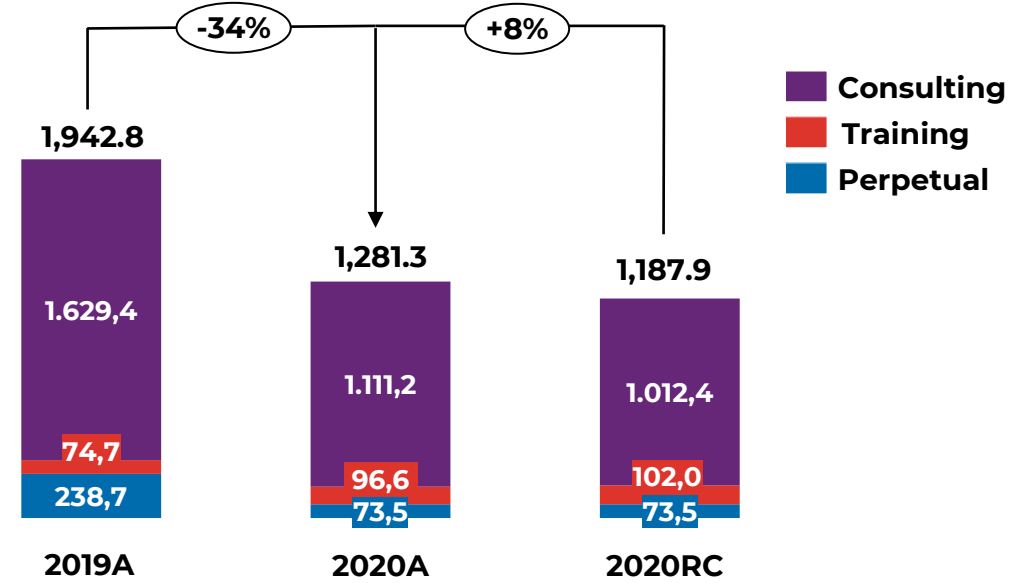
Key Wins			
Customer	**ARR**	**Other**	**Comments**
BMZ		€ 73.5	Upsell Cores (PERP)
Wiener Tourismusverband	€ 75.4		Relaunch Website (3Y TBL)
ARRI	€ 17.1		Upsell Delivery Cores (3Y TBL)
IDW Verlag GmbH	€ 16.0		Upsell Core (1Y TBL)
Bundesnetzagentur	€ 2.7		Upsell Cores (3Y TBL)
Total	**€ 111.2K**	**€ 73.5K**	

Key Delays/Losses			
Customer	**ARR**	**Other**	**Comments**
TIAA	€ 448.4		Lost to Mktg's preference for Adobe
VF Group	€ 312.1		Pushed to Q2
Hamburg.de	€ 150.0		Pushed to Q2, budget not confirmed
Cebu Airlines	€ 137.5		Lost to Amplience over costs
Mattress Firm	€ 110.0		Lost to Brightspot CMS
KPMG	€ 41.9		Lost due to pricing against Magnolia
Assa Abloy	€ 12.0		Pushed to Q3
Total	**€ 1,211.9K**	**€ 0**	

SALES PIPELINE – QUARTER 2

Q2 Sales Pipeline
€ Thousands

251% of Commit needed to meet RC
87% of Best Case needed to meet RC

€ Thousands
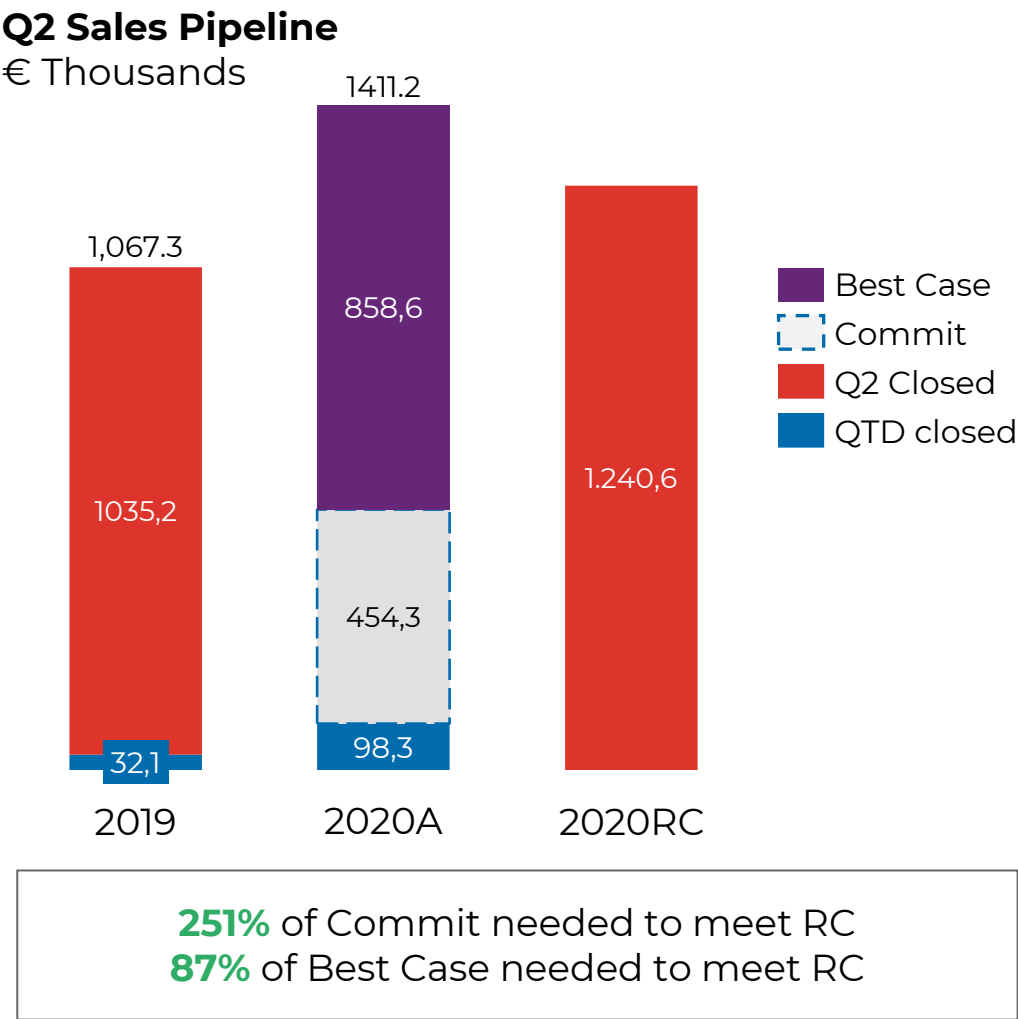
	Rep	Customer	Subs-cription	Perpetual	Prob %	Forecast	Close Date	Product/description
Q2 Victory Plan – Key Must Win Deals								
EMEA	UFR	VF Corp.	€ 312.1		90	Commit	4/30	SFCC eComm – CMCC Service (new business)
		Luxottica	€ 150.0		60	Best Case	6/30	Other eComm – upg. renewal
	MAR	Hamburg.de	€ 150.0		70	Commit	6/17	CMS – CMCC Service
		ARRI	€ 19.6		60	Best Case	6/26	CMS – upsell mgmt cores
	MPU	Barmer	€ 76.0		100	WON	4/22	CMS – upg. del. cores
		Barmer	€ 2.5		100	WON	4/22	CMS – upg. Dev2
		Barmer	€ 22.8		90	Commit	4/30	CMS – upg. Int3
		Fritz Schäfer	€ 13.0		100	WON	4/20	CMS – upsell core/perso
	RVL	Ivoclar Vivadent	€ 183.3		75	Best Case	6/15	SAP eComm – CMCC Service (new business)
US	RBR	Hayward	€ 196.2		50	Best Case	6/29	HCL eComm – CMCC Service (new business)
		BBQ Guys	€ 130.8		55	Best Case	6/12	CMS – CMCC Service (new business)
		Life Fitness	€ 14.1		90	Commit	4/24	SFCC eComm – pre-prod environment
		Deckers Brands	€ 12.0		80	Commit	6/17	SFCC eComm – sandbox
		Tractor Supply	€ 6.8		100	WON	4/17	HCL eComm – upsell prod environmnt
	WHE	Mohawk	€ 178.0		40	Best Case	6/19	SAP eComm – CMCC Service (new business)
		Total	**€ 1,467.2**	**€ 0K**				

VICTORY PLAN OPPORTUNITY BUILD – QUARTER 2

We have a healthy roadmap to achieve RC budget

Budget €1,240

Hayward €196

Upsides €75

BBQ Guys €131
Mohawk €178

Smalls &
Upsides €100

Ivoclar €183
Ham. de €150
Luxottica €150

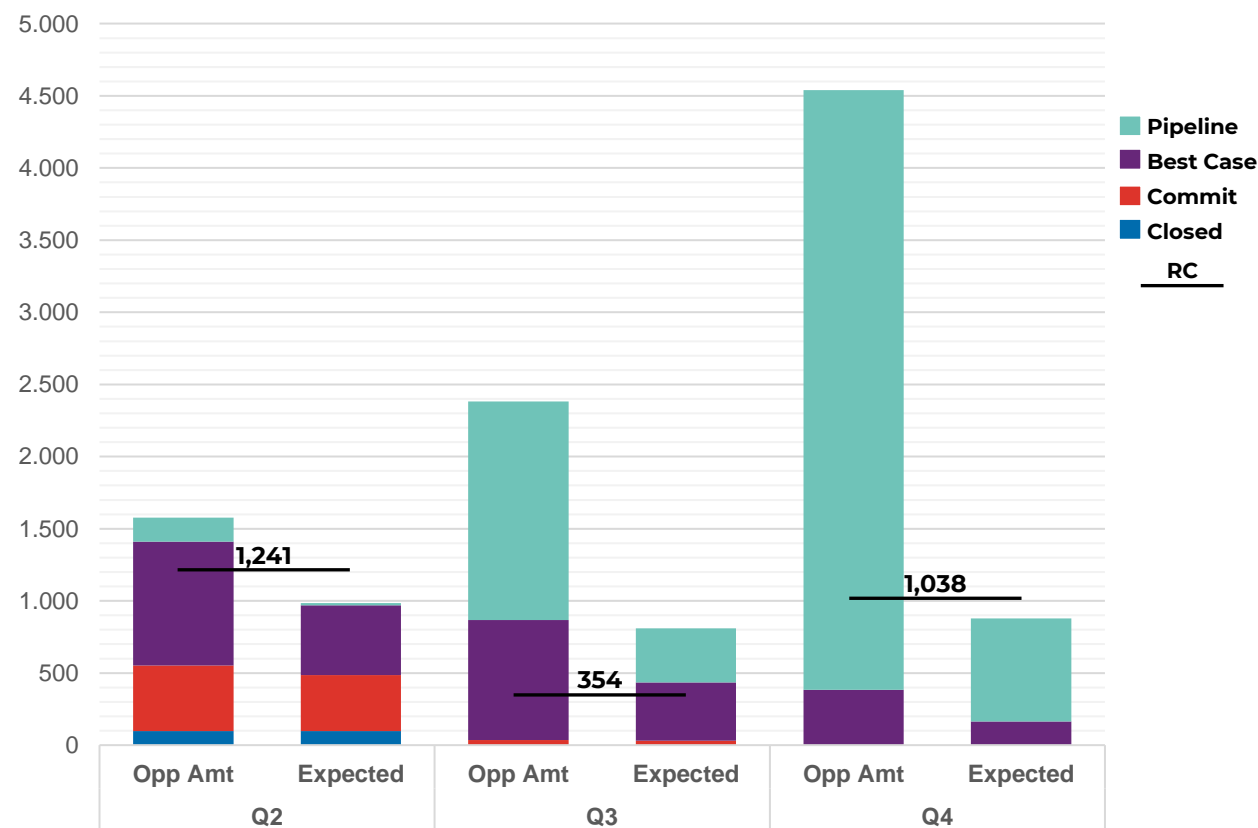WON €98

VF Corp €312
Barmer2 €23

Solid

Work to Commit
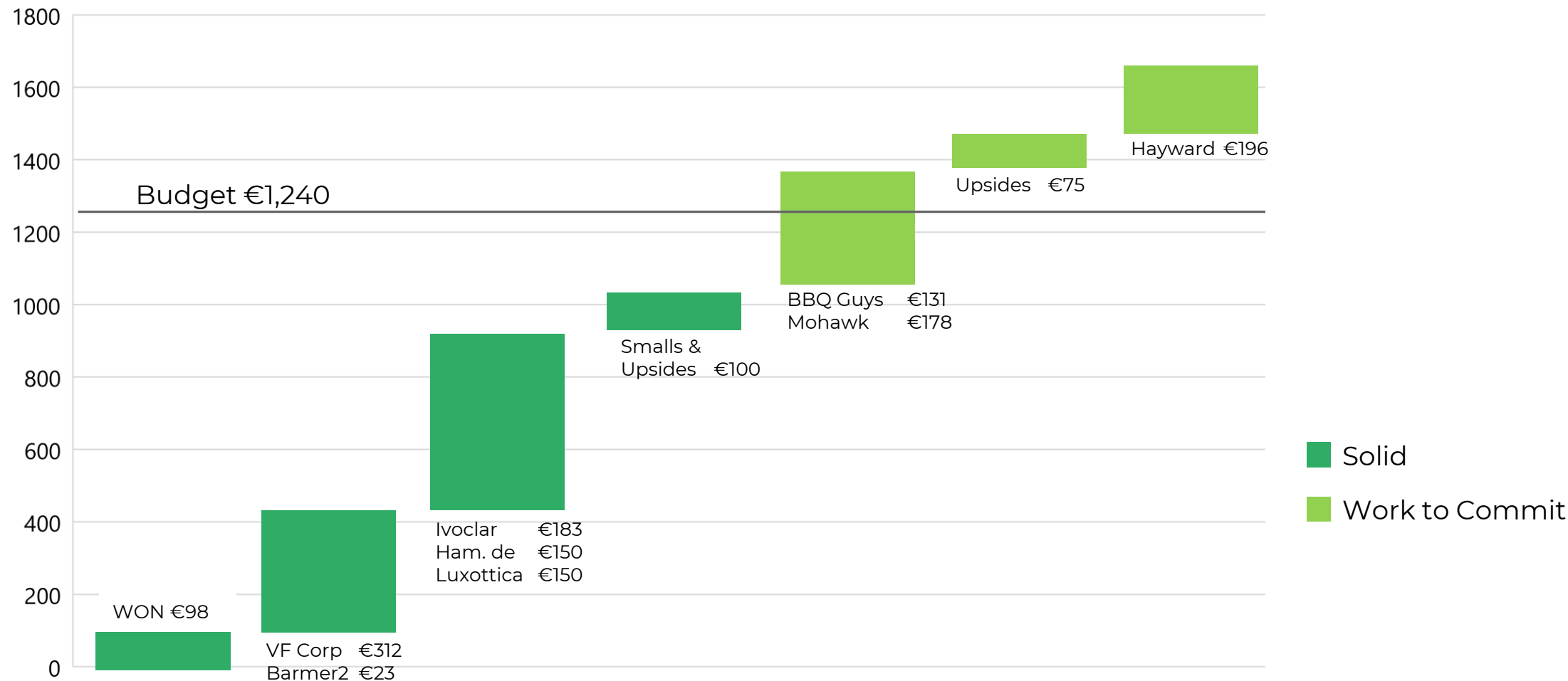
2020 SALES & MARKETING PIPELINE OUTLOOK
Significant addressable pipeline to advance, weighted to end-of-year

Total Global Sales Pipeline by Quarter
€ Thousands

Legend:
- Pipeline
- Best Case
- Commit
- Closed
- RC

- A portion of large 2H pipeline caused by deals pushed by COVID delays

- However, there are several strong net new opportunities such as Esselunga, LVMH, Calzedonia, Sartorius and Crocs

- Focus now is on deal progression (consultative selling) and Account Based Marketing

CONSULTING - OUTLOOK AND RISKS

On target to achieve RC

On Target to Achieve RC

> On target to achieve RC in FY. Q1 consulting actuals €100k over RC, Q2 on-track to achieve RC.

> Training revenue on target to achieve RC.

Solid Backlog Outlook in Europe

> Secured €476k extension for PVH Europe team – 4 people to September.

> Secured €500k extension for YNAP team – ~2 people for 12 months.

> Awaiting signature on €171k for Farfetch team - ~ 3 people for 3 months with 2 further 3 month extension options.

Driving US Utilization

> US utilization and revenue forecast is challenging.

> Transition of 1 consulting head into pre-sales in USA adjusts capacity.

> Revenue does not reflect workload as we are or have been protecting and defending key customers (Emerson, TSC, Deckers) and providing extensive partner support (Life Fitness)

> Extreme focus on customer dialog in USA to drive incremental engagements in progress.

> Will move work from Europe where possible to mitigate.

Risks

> Seasonality impact unclear in the Covid influenced year.

> New logo wins are important for an improvement in US consulting revenue.

> US consulting revenue, in particular, relies on existing customers starting to spend again post-Covid.

CONSULTING: Q1 ACTUALS AND Q2 FORECAST

Q1 100k over RC. Q2 on-track to achieve RC.

Q1 2020 Actuals
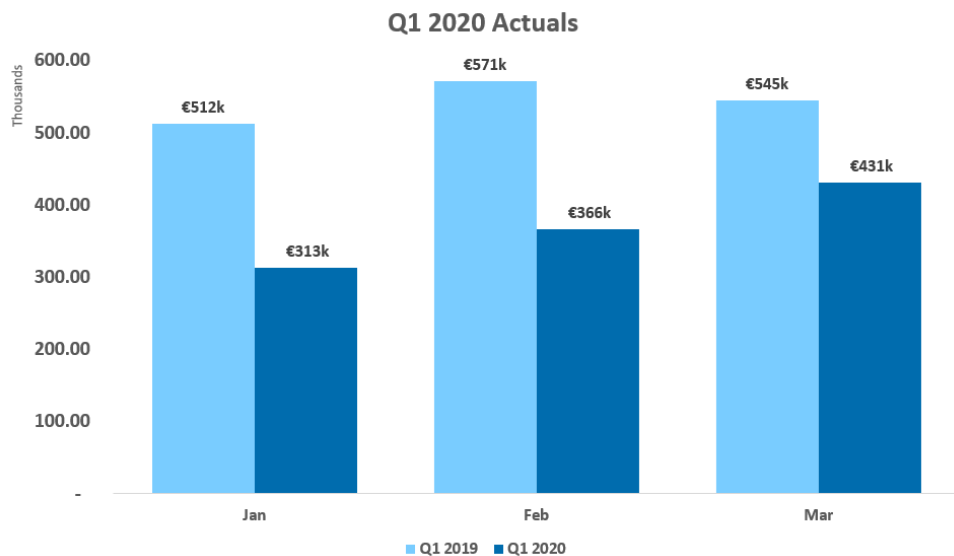
Consultant FTE: 27.8 in Q1 2020, 32.8 in Q1 2019.
Avg revenue per consultant per quarter Q1 2019 – €49.6k and Q1 2020 €39.9k

Consulting Forecast Q2 FY20

> Overall Q1 figures of €1.11m are ~€100k over the RC and landed in line with forecasting through the quarter.

> €431k in March is a spike due to burning through customer budgets in the initial Covid lockdown period.
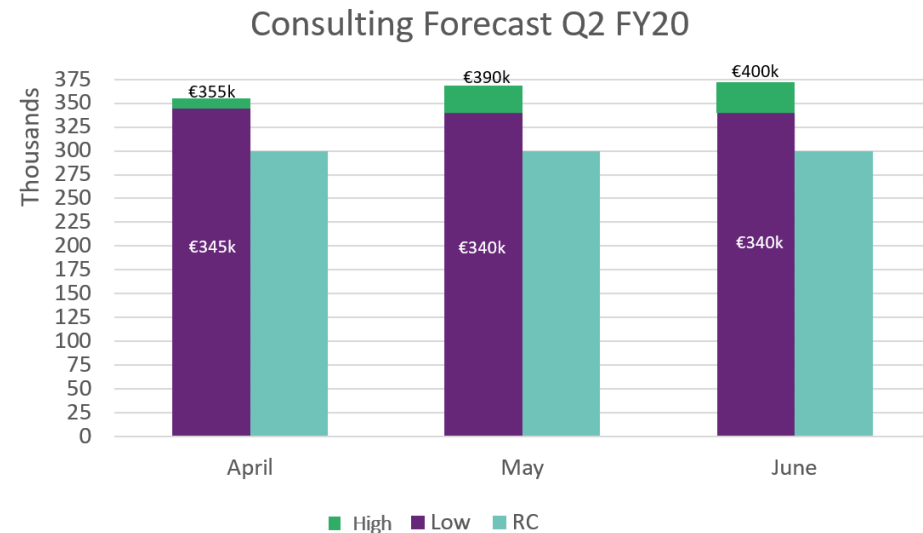
> Overall Q2 forecast of 1,025k to 1,145k is on track to achieve RC of €900k.

> Q2 forecast is underpinned by a solid backlog of signed work(€673k @100%, €971 @80%)

CONSULTING FORECAST
On track to achieve RC for FY

Consulting Forecast FY20
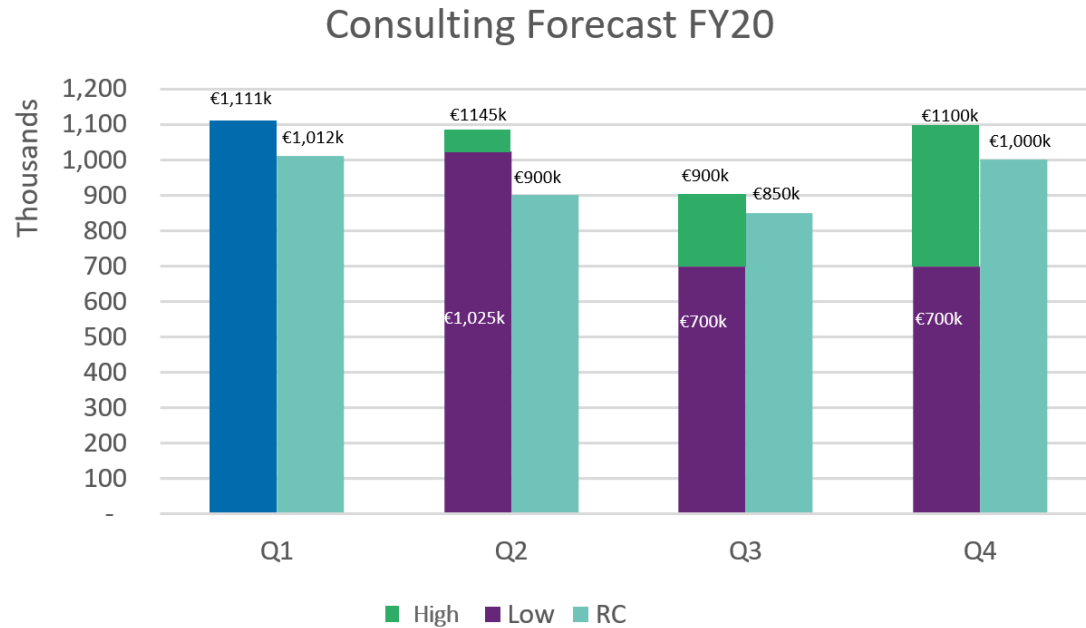
> Forecast for FY on-track to achieve RC. Lower bound of €3.53m is just €200k below RC revenue target of €3.76m.

> Overall pipeline for remaining 9 months of the year is €2.61m with €2.65m required to achieve the RC revenue.

> Level of uncertainty around Covid effects in Q3 and Q4

CONSULTANT UTILISATION BY MONTH FOR Q1

Improving Utilization in Europe, USA still bumpy

Europe

Consultant	January	February	March
consultant-117	61%	73%	87%
consultant-120	66%	74%	78%
consultant-13	0%	0%	0%
consultant-182	112%	93%	94%
consultant-184	0%	0%	95%
consultant-201	83%	78%	88%
consultant-210	30%	0%	0%
consultant-224	69%	68%	53%
consultant-236	84%	94%	95%
consultant-240	48%	19%	67%
consultant-243	88%	83%	83%
consultant-27	0%	0%	0%
consultant-36	89%	87%	91%
consultant-46	83%	86%	102%
consultant-48	9%	14%	48%
consultant-55	58%	102%	94%
consultant-57	95%	81%	86%
consultant-62	85%	66%	97%
consultant-69	66%	63%	92%
consultant-242	91%	100%	

USA

Consultant	January	February	March
consultant-179	6%	0%	62%
consultant-202	24%	35%	32%
consultant-214	20%	38%	26%
consultant-30	80%	78%	92%
consultant-66	0%	0%	39%
consultant-777	11%	32%	69%

> Percentage based analysis considers public holidays, holidays, parental leave and sabbaticals.

> Pure billability approach doesn't recognize value adding internal investments.

> One consultant in Europe shown here has been exited as part of RC execution.

> USA team's work in protecting and defending existing accounts such as Emerson, Life Fitness, Deckers and Tractor Supply not recognized here.

CONSULTANT BILLABLE HOURS HEATMAP BY WEEK FOR Q1

Doesn't account for holidays, parental leave and sabbaticals

	2	3	4	5	6	7	8	9	10	11	12	13	Total
consultant-201	0	32	35	32	32	28	32	32	26	33	32	28	356
consultant-30	32.5	35	43	35.5	29	35.5	26.5	33.5	37.5	35	38	39	433
consultant-120	14	28	32	32	32	28	32	27	29	32	32	28	346
consultant-236	39	24	0	29	39	38	39	35	38	37	39	38	427
consultant-27	0	0	0	0	0	0	0	0	0	0	0	0	0
consultant-224	32	34	15	30	24	21	31	0	32	40	0	0	259
consultant-57	40	40	40	32	0	24	40	40	32	40	35	35	408
consultant-184	0	0	0	0	0	0	0	0	38	37	38.5	39.5	168
consultant-242	32	24	40	42	40	40	40	32					290
consultant-210	4	0	32	16	0	0	0	0	0	0	0	0	52
consultant-62	0	36	28	38	30	22	31	23	35	39	40	40	378
consultant-179	10.25	0	0	0	0	0	0	0	36.25	23.5	21.25	17.75	120
consultant-214	0	37	0	0	12	12	16	20	14	10	9	7	142
consultant-48	1	4	2	5	8	3	9	2	27	23	31.5	3	121
consultant-69	24	20	32	24	24	24	24	28	36	8	0	0	260
consultant-243	30	21	29	18	23	28	29	21	0	21	28	30	303
consultant-777	0	0	9	11	7	9	15.5	17.5	37.5	10.5	12	37	180
consultant-36	20	36	36	36	36	36	36	31	36	36	36	36	427
consultant-182	39	40	22	24	37	38	39	35	0	0	36	38	364
consultant-66	0	0	0	0	0	0	0	0	0	10	21.5	21	68
consultant-117	22	21	21	32	29	35	16	7	30	36	27	32	325
consultant-55	0	30	30	32	40	41	40	34	40	39	39	24	405
consultant-240	20	24	22	10	10	3	9	9	0	36	20	31	206
consultant-202	0	0	0	42	0	16	24	16	16	4	8	16	157
consultant-46	16	37	38	41	34	26	40	37	31	41	45	46	448
Total	375.75	523	506	561.5	486	507.5	569	480	576.25	591	588.75	586.25	6643

> This slide doesn't reflect operational reality as it paints weeks red for holidays, parental leave.

> % based utilisation on previous slide preferred.

Consultant-242, blank entries for weeks 10-13 are parental leave.

CONSULTING RATES IN Q1

Solid rates overall. Lower for some large engagements to secure long-term commitments

Customer	Senior Technical Consultant(hours, €)	Delivery Manager(hours, €)	Technical Consultant(hours, €)	Comments
ABC	168	168	146	
Amazonen-Werke H. Dreyer GmbH & co. KG	181			
arvato Systems GmbH	181			
Boots	157	157		
Deckers	230			
Emerson	198	198	161	
Esprit Europe GmbH	150			
Essilor	181			
Farfetch	169	169	144	
Helaba	175			
Life Fitness	230	230	198	
Next	164	171		
PVH Europe	141	141	124	
TSC	230			
Under Armour			184	
YNAP	188			includes travel

TRAINING
On track to achieve RC

Training Actuals and Forecast FY20
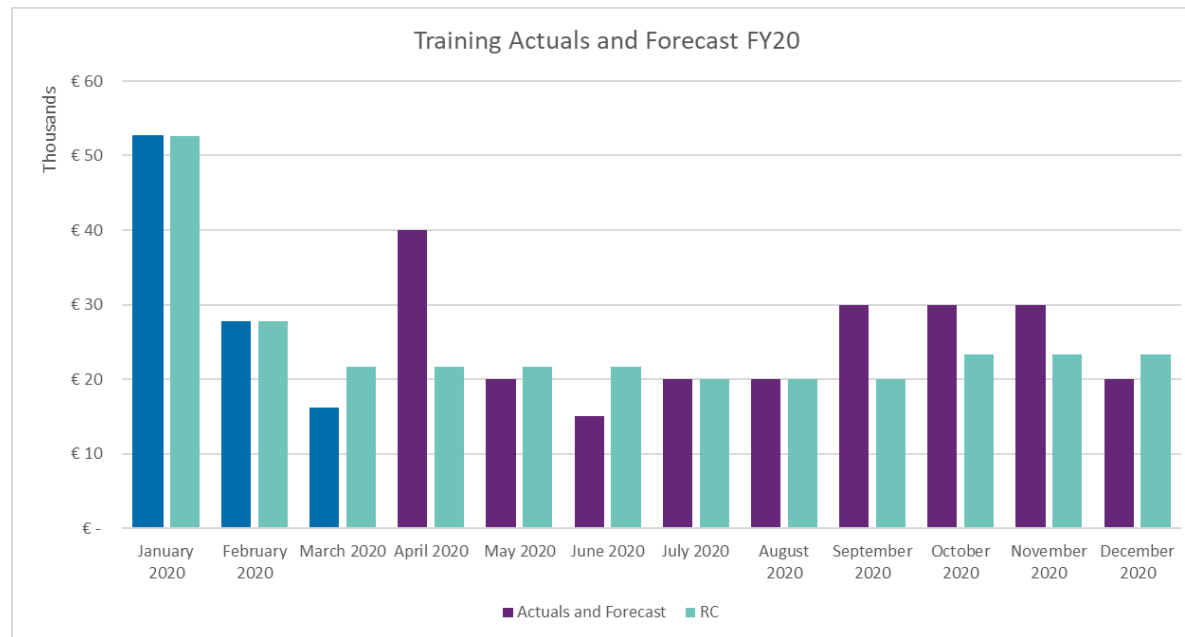
> Q1 actuals of €96.6k were €6.4k down on RC

> Overall forecast of €321.6k on target to achieve RC of €297k.

3   Commercial Strategy

# EXECUTIVE SUMMARY UPDATE ON STRATEGIC INITIATIVES

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (€MM)	
			Projected	Actual
CoreMedia Value Roadmap (CMVR) 2 sub initiatives: Sales Side & Post Sale *(Stirewalt)*	• CMVR Consultative Selling being implemented in all Global sales cycles • Strategic Account Planning initiative kicked off in March focused on 17 top accounts • Post Sale CMVR process roll out deferred due to COVID cost saving measures	Underway	€750K - €1M	In Process
Lead Generation Expansion Initiative *(Mooney)*	• Previously, Marketing was not formally measured on Lead generation (The function should be a shared responsibility with Sales) • This initiative is well underway with hyperalignment between Sales and Marketing where common goals and strategies are established • SDR Practice has been established with new tooling and processes being established globally • Marketing continually launching lead generation campaigns	Underway	€500K - €750K	In Process
Sales Effectiveness *(Kim)*	• Salesforce Reboot including Salesforce Lightning rollout and Phase 1 for the new reporting (scheduling) are complete. Phase 2 including Just.on project is in progress. • Sales Enablement content is in development, but COVID-19 focus has slowed rollout • New "Victory Plan" top deal focus is driving heightened alignment and execution with closer inspection and oversight through the Deal Review Council (DRC)	Underway	Enabler	In Process
Bundled Offerings *(Radcliffe)*	• Preliminary list of 5 potential Bundled Offerings identified and prioritized • Since decided to have a wider list of bundled offers to spark more dialog and to develop further those that have traction with customers. • Ongoing enablement with pre-sales, delivery managers and targeted sellers continuing in May.	2Q 2020	€200k	In Process
Customer & Partner Advisory Boards *(Mooney)*	• Improved Buyer Experience. Reduce Churn. Enhanced product roadmap. Tighter relationships. Drive references • Beth Torrie (external consultant) has helped define core program • Concept has already been tested with 2-3 "friendly" customers and been well received • Next Step to formalize, go through board nomination process and confirm dates/format	4Q 2020	Enabler	In Planning
PX (Inc. Partner Experience Platform) *(Mooney)*	• PX Program officially launched at PKO • PX Survey launched and sent out to partners • PX Platform evaluation in full swing for out of the box, cloud-based partner ecosystem management platforms • Next steps: Conclude evaluations and make selection by end of May	3Q 2020	Enabler	In Planning

● Complete ● Just started ● On Track ● At Risk ● Behind Schedule

NEW SALES PERFORMANCE DASHBOARDS

Driving progression, inspection and accountability

- Real-time visibility

- "Drillable" down to the individual level
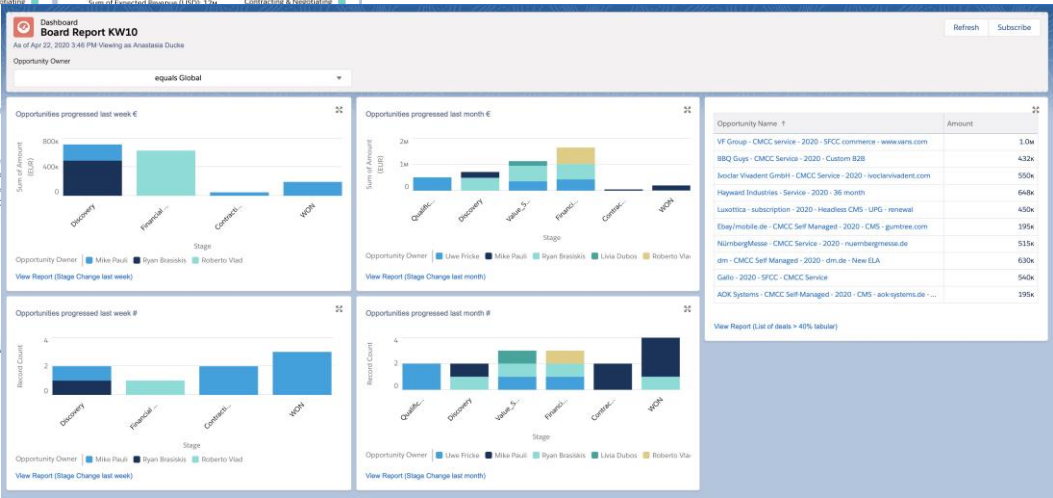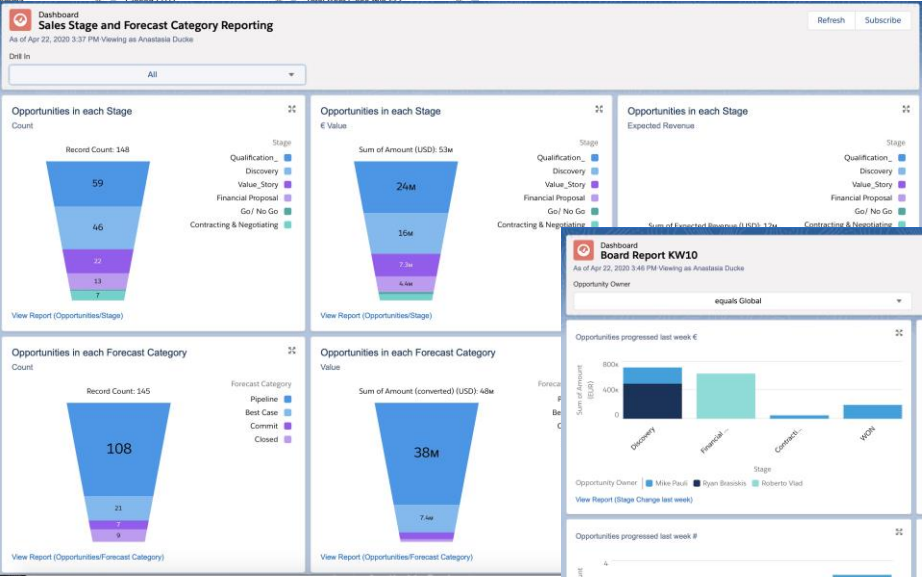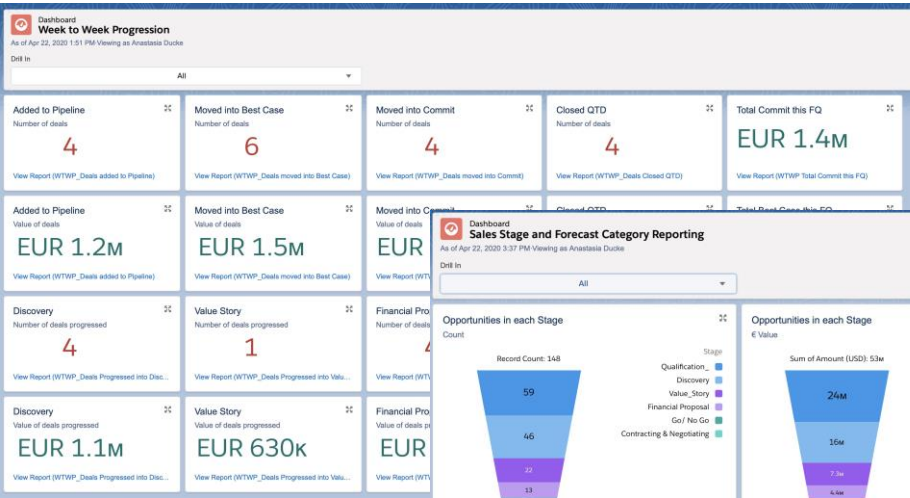
COREMEDIA SALES & MARKETING STRATEGY IN THE "COVID-19 ECONOMY"

SITUATION

- Short-term economic impact will be felt broadly within all markets and most industries.
- The companies and organizations fastest to recover will be those that enable a shift to greater digital engagement, as social distancing becomes the norm.
- Short to mid-term impact on Retail customers will likely be severe (However, pure online retailer and retailers shifting to online will likely expand spending)
- However, growth opportunities exist in segments such as Government, Grocery, Healthcare, Insurance and Life Sciences.

STRATEGIES

"PROTECT THIS HOUSE"	SMART SPEND	GROWTH MARKETS	THE DIGITAL OFFICE REALITY
Take demonstrative action to proactively respond to the customers "Covid-Situation". Build a defendable position with defined "Relief-Offerings" to secure current revenue streams. Use the relief-Offerings to gain customer insight to identify and drive future revenues where possible.	Economic retraction will cause companies to halt major new platform upgrades and migration projects, however, there will likely be increased focus on optimizing and extending the value of their current digital platforms.	While the Retail and Manufacturing segments will be slow to recover, Government (for DACH), regional and municipal tourism boards (travel will return post COVID), Grocery, Healthcare, Insurance and Life Sciences are segments that will see growth in the coming months and quarters.	Develop effective ways to reach and influence customers and prospects in the new work-from-home era.

CROSS-FUNCTIONAL EXECUTION

"PROTECT THIS HOUSE"

Sales
- "How's it going?" Outreach
- Strategic Account Planning
- Options for customers asking for financial reductions

Marketing
- Explainer Videos
- Case Studies
- Customer Advisory Board
- Digital Campaigns
- Thought Leadership

CSPE
- Discounted Services & Training for accounts that do not generally use CoreMedia

SMART SPEND

Sales
- "How's it going?" Outreach
- Strategic Account Planning
- Strategy alignment with Partners/SIs
- LDR outreach campaigns

Marketing
- Explainer Videos
- Digital Campaigns
- Account Based Marketing
- Ecosystem Toolkits
- Industry Landing Pages
- Case Studies

CSPE
- Provide Bundled Offerings that speak to "unleashing added value from your existing Commerce platform"

GROWTH MARKETS

Sales
- Conduct market prioritization study
- Strategy alignment with Partners/SIs & ecosystems
- LDR outreach campaigns

Marketing
- Explainer Videos
- Digital Campaigns
- Account Based Marketing
- Industry Landing Pages
- Case Studies
- Partner Advisory Board

CSPE
- Use-case-based Bundled Offerings that provides accelerated time-to-value

THE DIGITAL OFFICE REALITY

Sales
- Meaningful web-based meetings & presentations
- Personal Digital Campaigns orchestrated by KAMs
- LDR outreach campaigns

Marketing
- Explainer Videos
- Case Studies
- Digital Events & Webinars
- Industry Content / Landing Pages

CSPE
- Increased remote delivery

PROTECT THIS HOUSE

Strategic account planning & Customer outreach

> Contribute to an iconic Customer Experience for our most precious accounts.

> Establish long-term strategies to ensure strategic customer success and account growth.

> Support teams in operating successfully & efficiently.

> Powerful but simple tooling using Microsoft Teams

CoreMedia Internal Teams → Implementation Partners → Customers

> Governance: Monthly Reviews

> More often as we roll it out

> Governance: Regular Business Reviews

> *Governance: Quarterly Business Reviews*
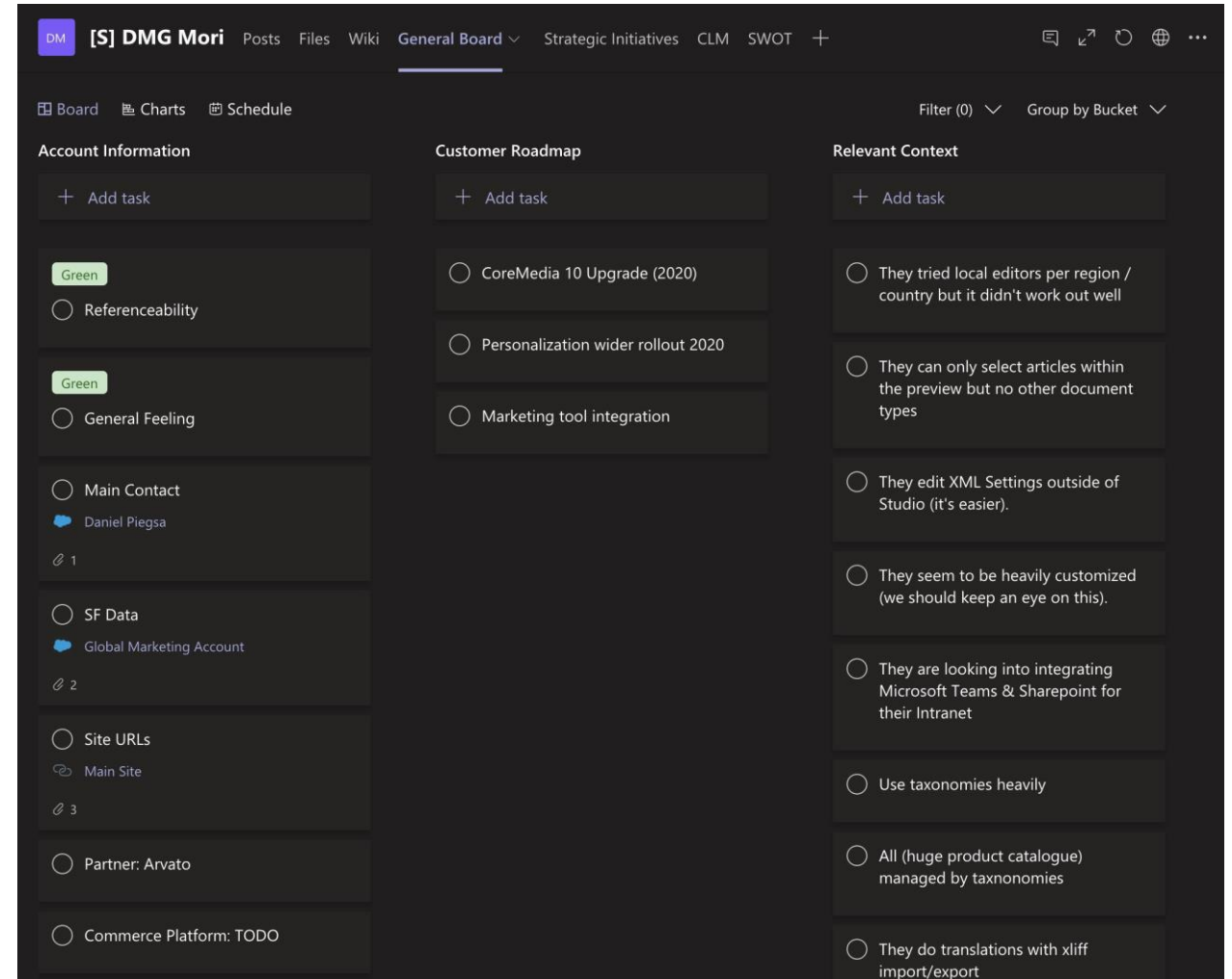
STRATEGIC ACCOUNT PLANNING - FOCUS ACCOUNTS

FY2020 (2Q-4Q)

Martin Schlueter	2019 Software Revenue	2019 Svcs Value	2019 total Revenue	2020 SWUpsell Pot.	2020 Svcs Upsell Pot.	2020 Total Upsell Pot.
Deutsche Telekom AG	€ 465,025	€ 2,244	€ 467,269	€ 100,000		€ 100,000
hamburg.de	€ 100,000	€ 0	€ 100,000	€ 150,000		€ 150,000
mobile.de	€ 63,501	€ 0	€ 63,501	€ 40,000		€40,000
Pandora AS	€ 141,411	€ 0	€141,411	€ 60,000	€ 20,000	€ 100,000
Sonepar Deutschland	€ 85,556	€ 0	€ 85,556	€ 40,000		€40,000
ABC	€ 312,320	€ 0	€ 312,320		€ 109,200	€ 109,200

Uwe Fricke	2019 Software Revenue	2019 Svcs Value	2019 total Revenue	2020 SWUpsell Pot.	2020 Svcs Upsell Pot.	2020 Total Upsell Pot.
Esprit	€ 173,386	€ 128,349	€ 301,735		€ 50,000	€ 50,000
Luxottica	€ 175,000	€ 111,056	€ 286,056	€ 175,000	€ 30,000	€ 205,000
	2019 Software Revenue	2019 Svcs Value	2019 total Revenue	2020 SWUpsell Pot.	2020 Svcs Upsell Pot.	2020 Total Upsell Pot.
PVH	€ 660,233	€ 601,988	€ 1,262,221			
Yoox Net-a-porter	€ 506,009	€ 1,333,484	€ 1,839,493			
Bundesverwaltungsamt						

Phil Radcliffe	2019 Software Revenue	2019 Svcs Value	2019 total Revenue	2020 SWUpsell Pot.	2020 Svcs Upsell Pot.	2020 Total Upsell Pot.
Archant Community Media	€ 142,587	€ 0	€ 142,587	€ 249,955	€ 10,000	€ 259,955
Farfetch Ltd. UK	€ 492,202	€ 635,333	€ 1,127,535	€ 207,000	€0	€ 207,000

US: Brasiskis / Heavner	2019 Software Revenue	2019 Svcs Value	2019 total Revenue	2020 SWUpsell Pot.	2020 Svcs Upsell Pot.	2020 Total Upsell Pot.
Emerson Electric	€ 313,707	€ 562,889	€ 876,596		€ 130,695	€ 130,695
PVH Corp.	€ 279,696	€ 39,603	€ 319,299	€ 130,000	€ 50,000	€ 180,000
Tailored Brands	€ 111,152	€ 0	€ 111,152	€ 70,000	€ 23,436	€ 93,436
Under Armour Inc.	€ 64,744	€ 91,140	€ 155,884		€ 30,000	€ 30,000

GROWTH MARKETS FEASIBILITY
Refining our industry focus in light of the new COVID economy

Region	Traditional Retail	Pure Online Retail	CPG / B2B2C	Government	Grocery	Healthcare	Insurance	Life Sciences	Sports	Utilities	Transport.
DACH	X	X	X	X		X	X		X	X	X
Nordics	X	X	X						X	?	X
UK	X	X	X		?				X	?	X
W. Europe	X	X	X		?				X	X	X
US	X	X	X		X		?	?	X		?

Feasibility, prioritization and mobilization

- Conduct quick but thorough feasibility review of highest potential growth industries. Goal is to establish top 3 new "big bets" for each Region.
- Complete a targeting exercise to identify the highest probability prospects in each of the selected growth industries. Do this in conjunction with HCL, SAP, SF and the key Partners.
- Sales and Marketing strategy will focus on exploiting B2B, multi-lingual, multi-channel and Process capabilities
- Establish strategy alignment with Partners/SIs that have strong practices in each of the segments.
- Define Value Propositions for each segment that demonstrates CoreMedia's value proposition.

4 Marketing

EXECUTIVE SUMMARY
Marketing Transformation in Full Swing – Lead Generation at Core

COVID Response Measures – Defensive
- COVID-19 RC Budget (-€150K)
- CMO hire cancelled
- 1 x Marketing resignation
- Physical event budget removed
- Analyst Relations agency contract terminated
- Optimization of MarTech licences
- Brand/Creative engagement with Sanderson Dredging ended
- Reduction in Design freelancing costs

COVID Response Measures – Offensive
- Ben leading Marketing
- COVID-19 Sales & Marketing Strategy
- Optimization of MarTech stack
- Implementation of Smart Spend strategy
- SDR Practice Launch
- New Marketing Operating Model
- Improved processes (Marketing → SDR → Sales)
- Extension of Beth's contract to April to include Commerce Platform eval + AR Plan

Challenges (Solution)
- Change management (Operating Model)
- Prioritization (Operating Model / Sales alignment)
- Team scale (Operating Model / Shared Responsibility)
- Historical source of leads via Events (SDR Practice + Digital Campaigns / other initiatives)

Outcome / Results
Since 02/25…4 weeks…with no physical events
- MQLs = 6 (Prospects) + 2 (Partners)
- SDR 1st Prospect Meetings = 9
- SDR Opportunities = 5
- SDR Opportunity Value = €950K (avg Opty: €190k)

RC MARKETING BUDGET
COVID Optimized

Category	Budget	RC Budget	Core COVID Changes Made
Events	€ 570,000.00	€ 478,255.00	Physical events cancelled/removed (where possible)
AR & PR	€ 177,445.00	€ 165,975.00	AR agency contract terminated
MarTech Tools	€ 166,099.00	€ 123,099.00	Optimization of licence costs and addition of ZoomInfo
3rd Party Consultants	€ 187,000.00	€ 197,000.00	Ended Brand/Creative engagement with Sanderson Dredging, extension of Beth's contract to end of April
Digital Campaigns	€ 300,000.00	€ 300,000.00	No change. Key initiative for lead generation
Creative	€ 250,000.00	€ 185,000.00	Reduction in freelancing costs based on reduction of events
	€ 1,650,544.00	€ 1,449,329.00	

MARKETING INITIATIVES
Aligned to COVID-19 Strategy

Initiative	Description	COVID-19 Strategy Alignment	Goal(s)	Timing	Team Accountable	Team(s) Responsible
Win / Loss Analysis	Post deal evaluation (internally and externally with partners/customers) on why we won or lost	• Growth Markets • Protect this House	• Improve conversions • Improve sales and marketing assets • Product & Pricing feedback	May	Marketing	• Marketing • Sales • Pre-Sales
MarTech Tools	The marketing technology stacked used across sales, marketing, SDR and Partner Ecosystems.	• Smart Spend • Growth Markets • Digital Office Reality • Protect this House	• Improve Process • Increase automation and efficiencies • Lead Generation	Live	Marketing	• Marketing • Sales
Ecosystem Toolkits / Product Marketing	Folder of digital asse focused on each of ecosystems for selle pursu					
USP & Competitive Differentiation	Clear articulation and CoreMedia USP along of our competitive					
Analyst Relations	Engagement with Gai other industi					
Social Media	Management of socia for CoreMedia commu and digital ca					

Initiative	Description	COVID-19 Strategy Alignment	Goal(s)	Timing	Team Accountable	Team(s) Responsible
Brand	Strategy, Management and application of the CoreMedia brand	• Smart Spend • Growth Markets • Digital Office Reality • Protect this House	• Awareness and profile • Engagement	Live	Marketing	• Marketing
Industry Content / Landing Pages	Content creation focused on industry verticals	• Growth Markets • Digital Office Reality • Protect this House	• Awareness and profile • Engagement • Lead Generation	May	Marketing	• Marketing • Sales • Pre-Sales • CSPE
Events / Digital Events	Digital events owned by us and/or with partners	• Smart Spend • Growth Markets • Digital • Protect	• Lead generation			• Marketing • Sales
Partner Marketing	Marketing strategy and execution with our partner ecosystems	• Smart S • Growth • Digital				
CoreMedia Website	Our own website strategy and ongoing management	• Smart S • Growth • Digital • Protect				
SEO	Ongoing SEO management	• Smart S • Growth • Digital				

Initiative	Description	COVID-19 Strategy Alignment	Goal(s)	Timing	Team Accountable	Team(s) Responsible
Marketing / Editorial Calendars	Digital calendar showing schedule of marketing initiatives (content, events etc)	• Smart Spend • Growth Markets • Digital Office Reality • Protect this House	• Hyperalignment • Visibility • Project Management	Live	Marketing	• Marketing • Sales • Pre-Sales • CSPE • Product
Explainer Videos	Short animated videos explaining the value, function, partnership, industry etc for different audiences (Prospects/Customers/Partners/Internal)	• Smart Spend • Growth Markets • Digital Office Reality • Protect this House	• Digital storytelling • Increase content • Surprise & delight	Live	Marketing	• Marketing • Sales • Pre-Sales
Customer & Partner Advisory Boards	A platform for our most valued customers and partners to meet annually with CoreMedia (& each other)	• Smart Spend • Growth Markets • Protect this House	• Engagement • Customer Success & Retention • Partner Experience • Product Roadmap	Q4	Marketing	• Marketing • Sales • Pre-Sales • Product • CSPE
Case Studies	Customer success stories captured in multiple formats	• Smart Spend • Growth Markets • Digital Office Reality • Protect this House	• Lead generation • Customer success • Analyst Relations • Partner Experience	Live	Marketing	• Marketing • Sales • CSPE
Thought Leadership	Creation of thought leadership content	• Smart Spend • Growth Markets • Digital Office Reality • Protect this House	• Lead generation • Customer success • Analyst Relations • Partner Experience	Live	Marketing	• ALL CoreMedia
Account Based Marketing	Account Based Marketing/Selling is a strategic approach that coordinates personalized marketing and sales efforts to open doors and deepen engagement at specific accounts	• Smart Spend • Growth Markets • Digital Office Reality	• Hyperalignment • Personalized / Value Selling • Lead Generation	Live	Marketing	• Marketing • Sales • Pre-Sales
Digital Campaigns	Digital campaigns tie in with the overarching goals of the organization and includes one or more digital channels in the efforts	• Smart Spend • Growth Markets • Digital Office Reality	• Drive engagement • Lead generation • Improve conversions	Live	Marketing	• Marketing

MARTECH
Tech Stack Optimization

Sales Intelligence

Sales Record

Sales Engagement
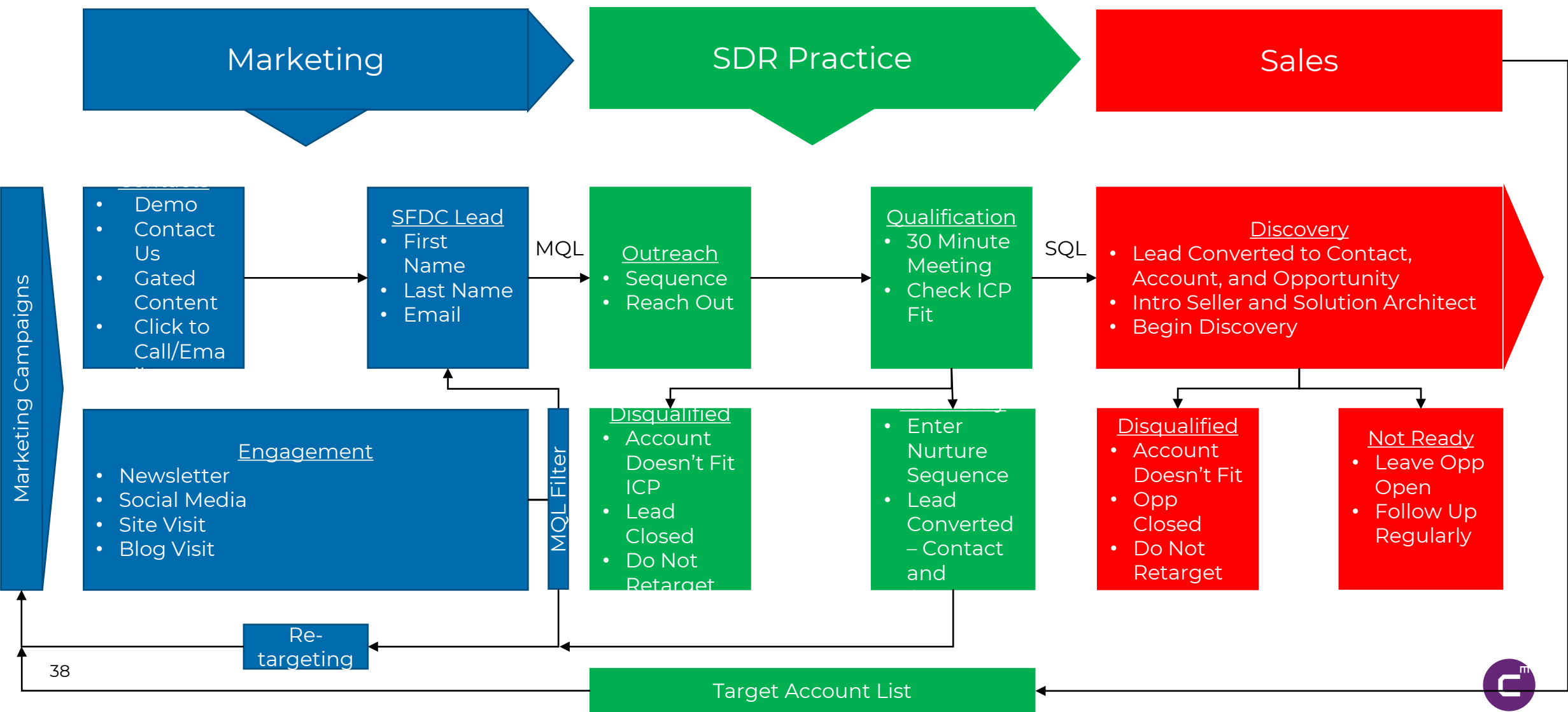
MARKETING QUALIFIED LEADS

Qualified leads matching our Ideal Customer Profile (ICP)…in the last four (4) weeks

Gated Content	First name	Last name	Email address	Company name	Position
Deckers Case Study	Rob	Langstaff	rob.langstaffpdx@gmail.com	KEEN	VP International
Deckers Case Study	Silvio	Campara	s.campara@goldengoosedeluxebrand.com	Golden Goose Deluxe Brand	CEO
Deckers Case Study	Patti	Gasparian	patti.gasparian@tfgroup.com	Tax & Financial Group	Associate
Deckers Case Study	Alexander	Souter	alex.souter@colehaan.com	Cole Haan	General Manager EUROPE
Deckers Case Study	Catherine	Estrella	estar100@aol.com	Vans	Current District Manager
Deckers Case Study	Larry	Ephriam	l_boogy65@yahoo.com	Nike	Assistant Store Manager
Deckers Case Study	Giovanni	Tracanella	g.tracanella@libero.it	Vibram Group	USA Operations VP

PROCESS
Hyperaligned Internal Process

Marketing

SDR Practice

Sales

Marketing Campaigns

Contacts
- Demo
- Contact Us
- Gated Content
- Click to Call/Ema il

SFDC Lead
- First Name
- Last Name
- Email

MQL

Outreach
- Sequence
- Reach Out

Qualification
- 30 Minute Meeting
- Check ICP Fit

SQL

Discovery
- Lead Converted to Contact, Account, and Opportunity
- Intro Seller and Solution Architect
- Begin Discovery

Engagement
- Newsletter
- Social Media
- Site Visit
- Blog Visit

MQL Filter

Disqualified
- Account Doesn't Fit ICP
- Lead Closed
- Do Not Retarget

Qualified
- Enter Nurture Sequence
- Lead Converted – Contact and

Disqualified
- Account Doesn't Fit
- Opp Closed
- Do Not Retarget

Not Ready
- Leave Opp Open
- Follow Up Regularly

Re-targeting

Target Account List

5 Partners

EXECUTIVE SUMMARY
Partner Experience (PX) Program launched

COVID Response Measures – Defensive
- Partner Ecosystem Lead (USA) hire – on hold
- Reduced PX Platform budget (-€15K)

Challenges (Solutions)
- Team scale (PX Platform + Operating Model)
- Measurement (PX Platform + Salesforce)
- Enablement (PX Platform / LMS)

COVID Response Measures – Offensive
- Ben leading Global Partner Ecosystems
- Consuelo Garcia (DACH Partner Mgr) now reporting to Ben
- Digital PKO event (150 attendees)
- PX Program Launch
- PX Survey Launch (410 recipients round one)
- PX Platform evaluation began
- Partner Advisory Board Launch (Q4)
- Strategic Partner acquisition
- Virtual EMEA Partner Growth Sessions

Outcome / Results
- Partner Sourced Leads: Leslie's Pools, Gallo Wines, YETI, Crocs
- Partner Sourced Opportunity Value: €1.75M TCV
- New Partner acquisitions (Publicis Sapient, Zobrist)
- PX Survey completions (8% response rate to date…Expires May 1st)

PARTNER ECOSYSTEM INITIATIVES
Aligned to COVID-19 Strategy & PX Program

Initiative	Description	COVID-19 Strategy Alignment	Goal(s)	Timing	Team Accountable	Team(s) Responsible
PX Partner Program	Launch of CoreMedia's new partner program focused on partner experience and engagement	• Smart Spend • Growth Markets • Digital Office Reality • Protect this House	• Lead generation • Customer success • Marketing awareness and profile • Market Delivery capabilities • Partner Experience & Engagement	Live	Partner Ecosystems	• CSPE • Marketing • Sales • Pre-Sales • Product
PX Platform	Centralized platform delivering the CoreMedia PX Program		• Lead generation • Customer success • Marketing awareness and profile • Training & Enablement • Partner Experience & Engagement	July	Partner Ecosystems	• CSPE / Training • Marketing • Sales • Pre-Sales • Product
PX Survey	Survey eliciting feedback on all aspects of CoreMedia centered around the four pillars of the PX Program		• Engagement • Customer Success & Retention • Partner Experience • Product Roadmap	Live	Partner Ecosystems	• Marketing
Partner Advisory Board	A platform for our most valued partners to meet annually with CoreMedia (& each other)		• Engagement • Customer Success & Retention • Partner Experience • Product Roadmap	Q4	Marketing	• Partner Ecosystems • Sales • Pre-Sales • Product • CSPE
Partner Acquisition & Growth	Acquisition of new partners and growing /expanding existing regional partners into global partners		• Lead generation • Customer success	Live	Partner Ecosystems	• Sales • Pre-Sales • CSPE

6 Product Management and Product Center

EXECUTIVE SUMMARY – PRODUCT

"Business as usual" after successful switch to 100% remote work;
Reevaluation of priorities since dev capacity will be reduced by 23% compared to AOP

100% work from home since mid of March

> All teams were fully operational after a few days

> Suprisingly smooth transition

Service Levels & Product Releases as planned

> No interruption of Service Levels

> No unscheduled downtime

> Product Releases on schedule

Agile teams maintain productivity while WFH

> Existing tooling and structures for collaborative development were mostly sufficient

> MS Teams has seen strong adoption companywide

> Extra effort needed to maintain alignment, training and quality

Reduced cloud hosting costs

> Average cost reduction by 15% over 8 months

Significantly reduced development resources (-23%)

> 6 positions won't be backfilled

> 10 new positions (from AOP) won't be filled

> New target team size of 56 instead of 72 at the end of 2020 (23% less)

Reevaluation of priorities for smaller team

> All additional investments from AOP are canceled

> Nearshore team for cloud operations postponed

> Focus on customer retention and upsell opportunities

> Need to balance feature vs. platform development

Evolving commerce ecosystems strategy

> IBM/HCL stalled after acquisiton with large installed base but lack of momentum

> Strong momentum of headless commerce

> Commercetools gains traction as new player

> More demand for personalzation & commerce

> Salesforce and SAP maintain high relevance

CoreMedia Content Cloud v10

v10.1907   v10.1910   v10.2001   v10.2004

CMCC v10: **General Availability**

> Content as a Service
> Content Hub
> Experience Feedback Hub
> Commerce Hub
> Connector for Salesforce Marketing Cloud
> Enhanced Studio user experience
> Enhanced Frontend workspaces and Blueprints
> Architectural and DevOps changes

CMCC v10: **AEP 1**

> Content Hub Improvements
> Support for latest SAP Commerce Cloud
> Full-text commerce category search
> Calista on Commerce Hub
> Cloud service quality gates
> Bare workspace

Labs
> GlobalLink Connector for translations

CMCC v10: **AEP 2**

> Content Sync
> Studio Applications Foundation
> Continuous delivery support for frontend artefacts
> B2B Commerce Support for Salesforce and HCL / IBM
> Improved self-service capabilities for cloud service

Labs
> Social Media Hub

CMCC v10: **AEP 3**

> Stable and unique identifiers (UUID)
> Calista on Commerce Hub
> Site filter for Headless Server
> Custom Studio REST Controllers
> Selective Site Sync and Copy Over
> Workspace for Commerce Hub Connectors

Labs
> SiteImprove Connector for Experience Feedback Hub
> Searchmetrics Connector for Experience Feedback Hub

STRATEGIC PRODUCT TOPICS
Where do we currently invest?

Commerce

Maintain and expand exisiting product strength to retain existing and win new customers

Personalization

Add business value for existing and new customers to enable upselling

Marketing Automation & Campaigns

Add business value for existing and new customers to enable upselling

Cloud

Lower TCO and increase efficiency

Omnichannel

Add business value and competitive edge to drive sales and upselling

Experience

Improve User Experience, reduce friction and churn, add business value

Status Update: Project Details

Project	Current Status & Next Steps		Timing	Annualized EBITDA Impact (€MM)	
				Projected	Actual
Partner Friendliness in Product *(Stadelmaier / Reuter)*	• Investment stopped due to COVID-19 budget changes • Next: Evaluate smaller steps that can be implemented without investment	●	2Q 2020	2% better growth in ARR	Postponed
Cloud Operations cost *(Stadelmaier)*	• Investment stopped due to COVID-19 budget changes • Continue with improvements evolution at current level, reducing cost at a lower level	●	2Q 2020	€300K	Postponed
In-Store *(Reuter)*	• Birkenstock as potential pilot candidate has postponed initiative • COVID-19 rehiring stop will reduce capacity in product-management which puts initiative at risk • Received Mersive box for evaluation	●	Underway	Unknow	In Process
Personalization, bundling of 3rd party product *(Reuter)*	• Conversations with vendors are ongoing, i.e. Monetate, Evergage, Dynamic Yield • Improvements in product in development • COVID-19 rehiring stop will reduce capacity in product-management which puts initiative at risk	●	Underway	€20-50k	In Process
Establish Data/Analytics/AI Strategy *(Stadelmaier / Reuter)*	• Conversations with possible acquisitions • Prototype integrations with existing vendors (e.g. Google Analytics) • Evaluate integrations with leading vendors & internal PoCs for specific use-cases • COVID-19 rehiring stop will reduce capacity in product-management which puts initiative at risk	●	3Q 2020	Unknown	In Planning
Product Changes for Marketers *(Reuter)*	• Investment stopped due to COVID-19 budget changes • Evaluation of smaller steps that can be implemented within current team	●	3Q 2020	Enabler	Postponed
Salesforce eco-system focus *(Reuter)*	• Investment stopped due to COVID-19 budget changes • Under review based on commerce ecosystem study	●	3Q 2020	Unknown	Postponed
Commercetools *(Reuter)*	• Project was not budgeted • Under review based on commerce ecosystem study		-	Unknown	Under Review

● Complete　● Just started　● On Track　● At Risk　● Behind Schedule　● Additional Investment Stopped

CLOUD (HOSTING) COST DEVELOPMENT

Optimizations have driven down avg infra cost by ~ 15 %

Avg. per customer, $US, before Tax
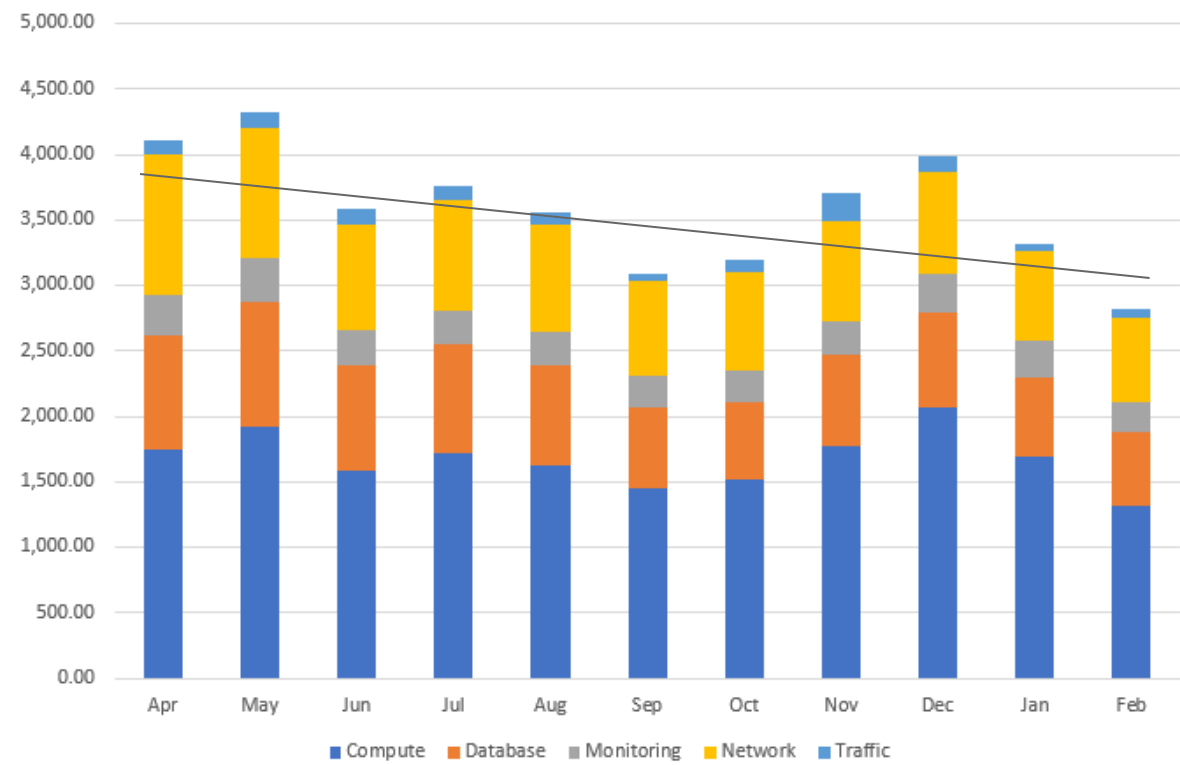
Per calendar day and customer, 3-month rolling average

Category timestamp	Compute	Database	Monitoring	Network	Other	Support	Traffic	All
2019-06-01 00:00:00	53.57	26.81	9.20	29.57	1.93	9.38	3.52	133.99
2019-07-01 00:00:00	52.71	26.10	8.54	26.60	1.81	8.96	3.59	128.31
2019-08-01 00:00:00	53.66	26.12	8.41	26.74	1.87	9.16	3.56	129.53
2019-09-01 00:00:00	52.12	24.13	8.11	25.79	1.84	8.65	2.88	123.53
2019-10-01 00:00:00	49.94	21.45	8.01	24.95	1.80	7.91	2.60	116.66
2019-11-01 00:00:00	52.14	21.06	8.13	24.55	1.82	8.58	3.98	120.26
2019-12-01 00:00:00	55.00	20.94	8.18	23.67	1.87	9.34	4.51	123.52
2020-01-01 00:00:00	56.82	21.11	8.60	22.87	1.90	9.50	4.23	125.04
2020-02-01 00:00:00	52.36	19.69	8.31	22.01	1.86	7.58	2.49	114.30

DEVELOPMENT TIME TRACKING

Percentage of development trended upwards

Percentage of days booked on New Development, per iteration (6 weeks)
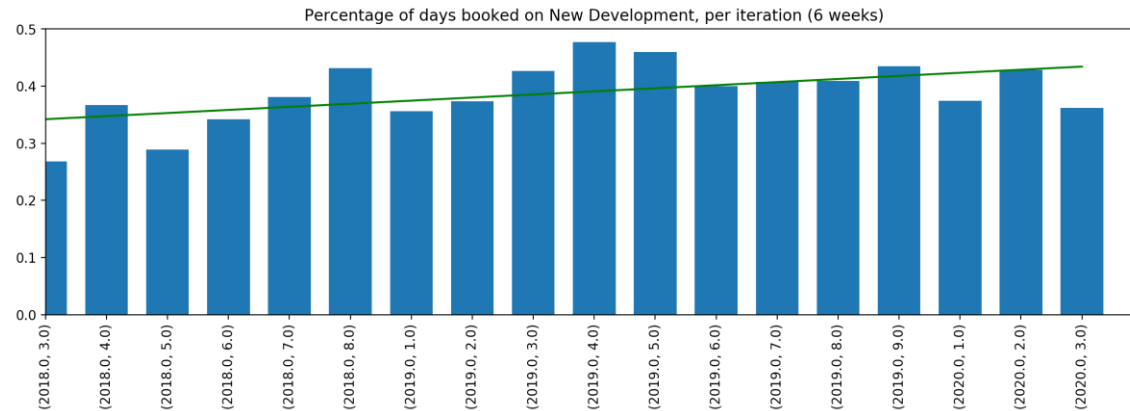
- Long term trend is slightly upwards, expected to flatten out/decrease slightly in long term, due to higher maintenance efforts

- Two support engineers resigned, had to shift resources towards support that currently are not backfilled (reduces development capacity)

Task	Days	Perc.
Development	4018.5	43.6
Maintenance	1820.0	19.7
QA	144.0	1.6
ReleaseEngineering	570.0	6.2
Support	494.5	5.4
Off	1800.0	19.5
Other	372.0	4.0
	9219.0	100.0

DEVELOPMENT TIME TRACKING

Last 12 months (rolling)

- Maintenance efforts have been deliberately kept constant at ~ 25%

- New Development is at ~43 %, slightly higher than in previous years (~ 39 %)

- Manual QA effort down from ~5 %, due to efforts for better automated test coverage

- Cloud Operations increases (mostly) linear with number of customers. Plans in place to increase self-service options for customers

DEVELOPMENT TIME TRACKING

Application Experience & Integrations trending upwards

Last 12 months (rolling)

| Swim Lane	Days	Perc	Trend	Outlook
Application Experience	311.0	7.7	↗	↗
Blueprints	236.0	5.9	↘	⇨
Cloud	637.0	15.9	⇨	⇨
Commerce	921.5	22.9	↗	↘
Integrations	358.0	8.9	⇨	↗
Internal	766.0	19.1	⇨	⇨
Platform	789.0	19.6	⇨	⇨
	4018.5	100		

Trends

- Integrations will become more important
- Expansion of Commerce Ecosystems, but shallower integrations
- Further strengthen the user experience by investing into authoring applications

SUPPORT TICKETS
Support tickets don't indicate any drop in quality

Last 3 months
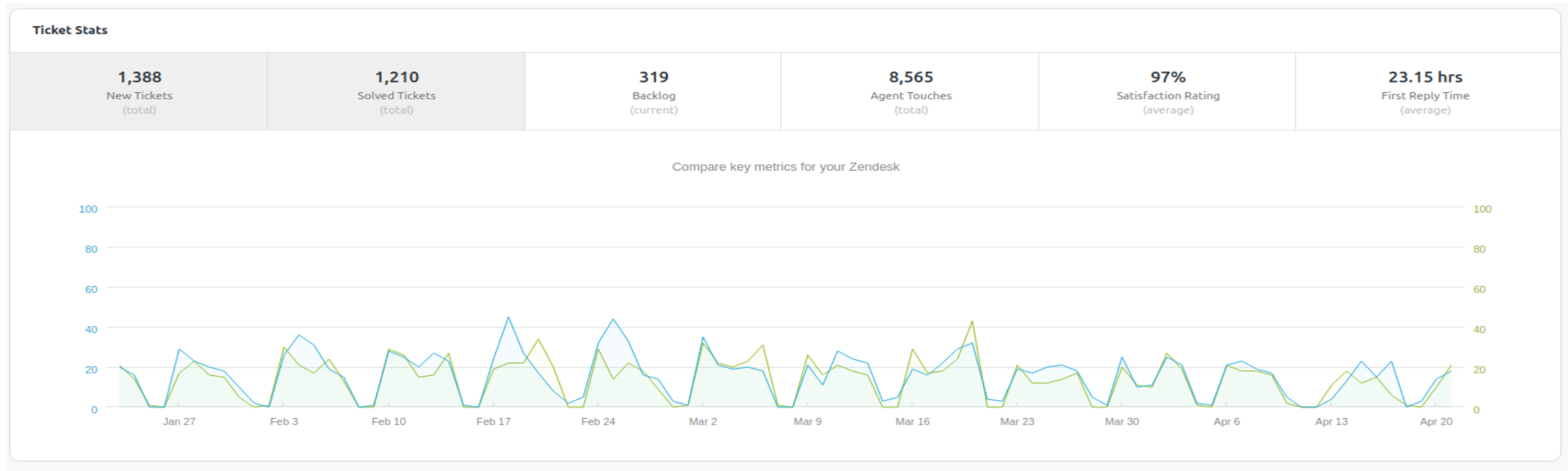
- Slightly higher ticket traffic than usual in Feb, went back to ~normal in March

7   Human Capital

STRATEGIC INITIATIVES HR / LEGAL

Projected EBITDA savings is variance from AOP to RC

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (€MM)	
				Projected	Actual
Measures in the course of COVID-19	🟢	• Arrangement of home office for all employees to avoid the risk of infection as much as possible • Weekly instead of monthly CoreVadis to maintain a regular exchange and to align with all employees • Weekly conferences with the works council for regular exchange of information	March 2020	Enabler	In Process
Management & Organization	🟢	• Postponed CMO hire • Installing Ben Mooney as Global VP Marketing & Partner Ecosystems • MIP to be finalised after COVID-19 adjustments • Upgrade organization to fulfil financial reporting requirements	2Q 2020	Enabler	In Process
Hiring Freeze	🟢	• Any vacancy resulting from resignation is not currently being filled • In addition to not filling the CMO, the role of VP HR currently being taken over by the GC on an interim basis • In total we reduce the headcount by 12 employees in Germany with this measure.	2Q 2020	€865K	In Process
Reduction of Payroll	🔵	• Examination of what measures are legally possible in the short term • Termination of 4 employees in UK/US • No replacement for these posts in the foreseeable future	April 2020	€919K	In Process
Reduction of office rents	🔵	• Reduce office space in the US in Arlington and Oakland • We have started negotiations with the landlord in Hamburg to reduce the rent • Renegotiated contracts with office services like cleaning, coffee delivery, fruits & drinks	2Q 2020	€174k	In Process
Examination of further savings measures	⚪	• Examination of the conditions for short-time work in Germany and comparable programs in the UK, USA, in order to be able to compensate for any necessary loss of work • Examination of state support measures for companies affected by COVID-19	2Q 2020	Enabler	In Process

🔵 **Complete**   ⚪ **Just started**   🟢 **On Track**   🟡 **At Risk**   🔴 **Behind Schedule**   ⚫ **Additional Investment Stopped**

STRATEGIC INITIATIVES HR / LEGAL

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact [€MM]	
				Projected	Actual
HR Management & Recruiting Tool	⬤	• **Target of project:** A human resource management system will enable improved reporting and an overall faster and accurate transfer of data and more efficiency overall. Furthermore the system enables a more efficient recruiting process that complies with the data protection guidelines. It also allows a better cooperation with management, works council and IT department. • **Result of project:** With the help of a human resources management system, it is possible to generate requested reports faster, improve the data quality, avoid errors and thus proceed more efficiently. In addition, a high level of administrative effort can be saved, which today is achieved by maintaining different excel lists. Furthermore, the recruiting process can be simplified, as there are many automated processes such as automatic confirmations of receipt, easy collection of feedback from departments and mass rejections. And this complies with the data protection guidelines. • **Status:** on hold due to COVID 19 plan	Tbd.	Introduction 3.029,00 € Yearly recurring 21.110,40 €	none

54

● Complete ● Just started ● On Track ● At Risk ● Behind Schedule ⬤ Additional Investment Stopped

HR MANAGEMENT & RECRUITING TOOL

Business Case / Opportunity Statement

Business case: time-consuming manual candidate management (e.g. confirmation of receipt and rejections), data acquisition & administration of employee data in excel-sheets and Access is very complex and requires a huge amount of data maintenance every single month. Our manual recording and administration is time consuming, prone to error and with bad data quality. Therefore reportings and KPIs can not be created without a high administrative effort. Furthermore it is not possible to comply with data protection.

Goal statement: Enable improved reportings, an overall faster and accurate transfer of data and more efficiency overall in alignment with data protection.

Opportunity: "Personio" enables process improvement through automated reportings, easier recruiting processes and digital personal files that comply with the data protection guidelines.

Projected Annual Impact (Steady State): Increased efficiency in the HR dept, especially in reporting and recruiting processes.

Risks/Considerations: Costs for the system

KPI's:
less delays, less mistakes/errors in reporting, better forecasts

Implementation Working Team

Name	Role
• KKL/DJO	
• AWO/ NBO	
• IT	
• BR	

Implementation Scope & Resources Required

Start: asap if budgeted

On-Going Resources Required

HUMAN CAPITAL SINCE 02/2020

Newly agreed Raises/new promotions

Emp. #	Position	Old comp	New comp	Eff. Dt.
543	Senior Technical Consultant	€50,000	€57,500	1 Feb 20
521	Senior Technical Consultant	€51,200	€58,000	1 Feb 20
540	Working Student IT	€11,173	€12,240	1 Feb 20
535	Technical Consultant	€50,000	€52,500	1 Feb 20
460	Accountant	€28,033	€34,000	1 Feb 20
454	Senior Technical Consultant	€53,000	€60,000	1 Feb 20
394	Senior Software Engineer	€55,018	€57,625	1 Feb 20
178	Instructional Designer	€80,257	€83,596	1 Feb 20
576	Junior Sales Manager (automatic contractual increase agreed in the initial contract)	€42,000	€44,000	1 Feb 20
464	Technical Solutions Engineer	€36,100	€38,000	1 Feb 20
471	Senior IT Administrator	€54,007	€63,000	1 Mar 20
459	Senior Technical Consultant	€65,536	€67,502	1 Apr 20
453	Technical Consultant	€50,000	€55,000	1 Apr 20
581	Junior Sales Operations Manager (increase agreed in the initial contract after end of probatory time)	€21,120	€35,000	12 Apr 20
4025	Sr. Tech. Consultant > Solution Architect	€98,660	€106,959	16 Apr 20

Terminated/departing staff

Emp. #	Position	Severance	Reason	Eff. Dt.
445	Vice President Talents & Culture	0	Resigned	29 Feb 20
462	Working Student Product Center	0	Resigned	29 Feb 20
565	Key Account Manager	0	Resigned	31 Mar 20
4036	VP Solution Architects USA	€37,939	Terminated	10 Apr 20
4041	Director Channel Sales	€18,285	Terminated	10 Apr 20
4035	Solution Architect	€6,698	Terminated	23 Apr 20
/	Technical Consultant	0	Term. before start	30 Apr 20
/	Technical Consultant	0	Term. before start	30 Apr 20
506	Talents & Culture Manager	0	Resigned	30 Apr 20
509	B2B Marketing Manager	0	Resigned	30 Apr 20
464	Technical Solutions Engineer	0	Resigned	30 Apr 20
555	Product Manager	0	Resigned	31 May 20
424	Senior Agile Coach	0	Resigned	31 May 20
527	Technical Solutions Engineer	0	Resigned	31 May 20
1006	Enterprise Account Executive (UK)	0	Resigned	21 May 20
157	SVP Bus Dev & Marketing	0	Resigned	30 Jun 20

New Hires since 02/2020

Position	Total Comp (annual)	Start date
IT Administrator Client Support	€50,000	1 Feb 20
DevOps Engineer	€58,000	1 Feb 20
Senior Solution Architect	€96,908	10 Feb 20
Lead Development Rep	€96,800	24 Feb 20
General Counsel	€130,204	1 Mar 20

HUMAN CAPITAL: ACTIVE RECRUITING POSTPONED EXCEPT FOR CONTROLLING

Position	Hire Date according to AOP	RC
Marketing		
Chief Marketing Officer	April 2020	Postpone to 2021
Human Resources		
VP Human Resources	November 2020	Postpone to 2021
Customer Success		
Customer Success Manager	June 2020	Postpone to 2021
TC 1 - EMEA	April 2020	Postpone to 2021
TC 2 - EMEA	August 2020	Postpone to 2021
TC 3 - EMEA	May 2020	Postpone to 2021
TC 4 - EMEA	October 2020	Postpone to 2021
TC 5 - USA	June 2020	Postpone to 2021
TC 6 - USA	August 2020	Postpone to 2021
Sales		
KAM – Farmer (EMEA)	October 2020	Postpone to 2021
KAM – Hunter (USA)	October 2020	Postpone to 2021
Lead Development Rep II	June 2020	Postpone to 2021
Ecosystem, Partnerlead	October 2020	Postpone to 2021
Internal Support	March 2020	Postpone to 2021
Controlling		
Controlling	May 2020	Will recruit asap
Accounting		
Senior Accountant	May 2020	Postpone to 2021
Product Management		
Product Manager	December 2020	Postpone to 2021
IT		
Senior IT Administrator	December 2020	Postpone to 2021
Product Center/Support		
Support US	July 2020	Postpone to 2021

HIRING TEMPORARILY FROZEN