

Current Report 27/2020
Orange Polska S.A. – Warsaw, Poland
7 December 2020

Pursuant to Art. 17 clause 1 of the Regulations (eu) no 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (hereinafter “MAR Regulations”), The Management Board of Orange Polska S.A. (“Orange Polska” or “the Company”) hereby announces that on 7 December 2020 Bluesoft, 100% subsidiary of the Company, has entered into an agreement (“the Agreement”) based on which it will acquire 100% shares in Craftware sp. z o.o. (“Craftware”).

Orange Polska acquires 100% shares in Craftware to strengthen its B2B operations by gaining exposure to fast growing CRM solutions market

Total Enterprise Value of the acquired business according to the Agreement is expected to be around PLN 110 million. PLN 87 million is paid upon signing and that payment includes customary settlements related to cash, debt, working capital and time value of money. The remaining part will be settled before the end of 2024 and will be based on achieving certain financial targets of Craftware in 2021 and 2022 as well as on meeting certain other conditions. Acquisition will be financed by Orange Polska from own cash and available financing sources. The transaction does not require regulatory approvals.

Craftware, in business since 2009, deals with analysis, design and implementation of customer relationship management (CRM) systems. It is experienced in implementation and integration of connected CRMs specialising in Salesforce, which is world’s #1 CRM platform used by more than 150,000 companies worldwide. Craftware customer base includes blue-chip companies from industries like pharma, FMCG, retail and finance. In the last 12 months ended June 2020 Craftware generated PLN 63 million of revenues and PLN 16 million of EBITDA. Employment at the end of June 2020 stood at around 320.

“Rapid shift of consumer purchases to online is driving digitisation of customer relations making connected CRM a central element of IT architecture of many businesses. Acquisition of Craftware will give OPL premiere exposure to this fast growing market segment and at the same time will enable us to use the competences that already have such as cybersecurity, IT infrastructure hybridization, application integration and migration to cloud. This will enhance Orange Polska Group positioning as long-term strategic partner in digital transformation of our clients. To achieve the highest synergetic potential out of this transaction we have decided that Craftware will form a capital group with BlueSoft, subsidiary that we acquired in 2019. I am very pleased that key managers of Craftware will stay on board and contribute to the exciting future ahead of us.” – said Bożena Leśniewska, Vice-President of the Management Board of Orange Polska, in charge of business market.

"We are excited to be joining Orange Polska Group as it is for us a great opportunity to boost further growth of our business. The goal of this step for Craftware is to fulfill our clients' needs in a full spectrum of technologies and services. By developing cooperation with BlueSoft we will be able to do exactly that while maintaining our strong Salesforce.com technology focus. We also strongly believe it will give our employees bigger stability and even better chance for personal development." – said Jacek Zawłocki, the CEO of Craftware.

“Development of ICT competence portfolio is one of the key pillars of our strategy. I am excited that Craftware has joined Orange Polska Group. I am confident that it will position us better to explore market opportunities and will strengthen us on our path for sustainable growth” - said Julien Ducarroz, the CEO of Orange Polska.

The transaction announced today is another step executing on Orange Polska strategy that on enterprise market focuses on expanding competencies to more value added ICT services in order to meet growing demand of business customers in the areas of digital transformation. Acquisition of Craftware that follows acquisition of BlueSoft in 2019 will further complement competencies and skills already existing and developed in Orange Polska Group making our offer more comprehensive and competitive. In 2019 Orange Polska generated PLN 731 million of ICT revenues, a growth of 31% over 2018.

Moreover, the Company informs that on 19 November 2020, pursuant to article 17 clause 4 of the MAR Regulations, it decided to delay disclosure to the public of the inside information. In the view of the Management Board the ongoing negotiations regarding acquisition of 100% shares in Craftware sp. z o.o. constituted from 19 November 2020 inside information within the meaning of Article 7 of the MAR Regulations. However, having in mind that immediate disclosure to the public of this information could prejudice the legitimate interests of Orange Polska.