



ENTERSOFT

Corporate Presentation
Q1 2022

April 19, 2022

Software for ambitious enterprises

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The Financial Results and the basic Financial information presented herein refer to unaudited financial figures and include the estimates of the Management and provisions relating to financial data or other events of the fiscal year 2022.

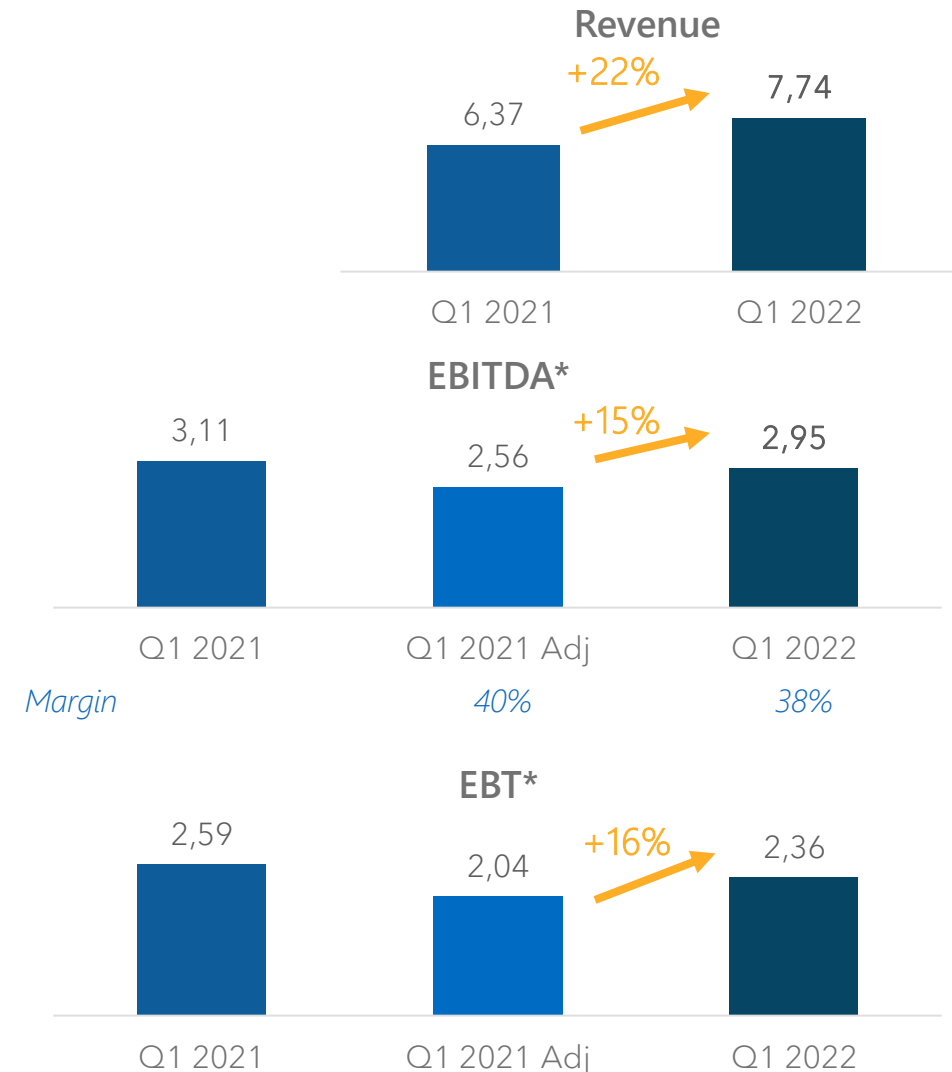
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Q1 2022 at a glance

- At Group level **revenues increased 22% despite the volatile environment**
- 76% of revenue growth was organic **and 24% coming from the acquisition of LogOn**
- **EBITDA margin of 38%**, further improving our FY2021 performance of 37%
- Better than expected performance of **eInvoicing**, with revenue growth of **30%** QoQ
- Baseline FY2022 target for organic revenue growth (incl. the acquisition of LogOn) in low to mid 20%'s, while maintaining profitability (EBITDA) margin in high 30%'s

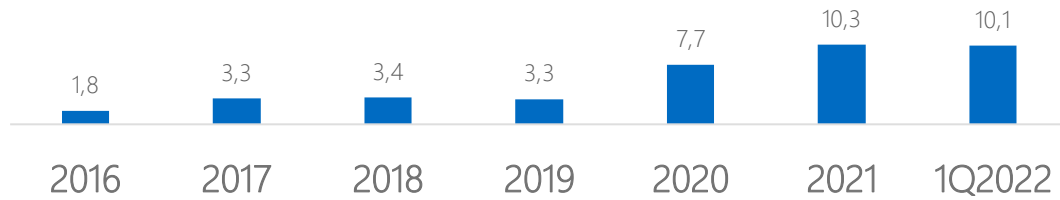
* **NOTE:** Q1 2022 Operating Expenses have been impacted by payroll accruals of €0,65M. Had comparable accruals been performed in Q1 2021, this would result in lower EBITDA and EBT by €0,55M. These figures are presented here as "Q1 2021 Adj"

(amounts in millions €, Consolidated)
Unaudited



Strong financial position

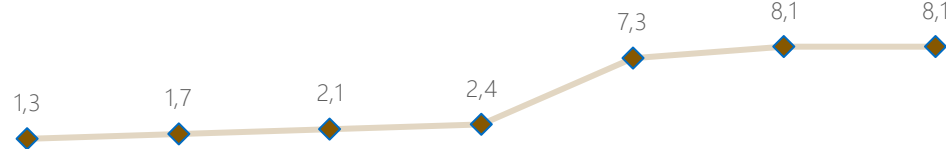
Cash & Financial Assets



Bank borrowings

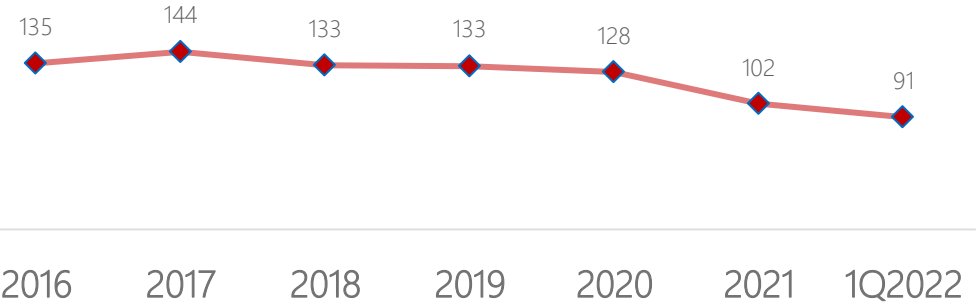


Net Cash

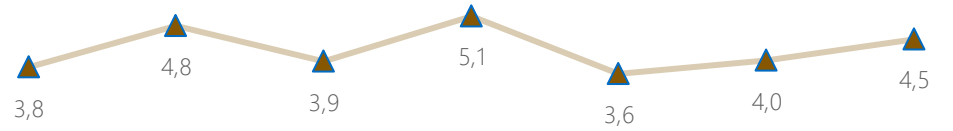


- Strong cash position with limited debt
- Balance sheet optionality to remunerate shareholders or fund acquisitions organically
- The company is sourcing additional debt capital, to fund larger M&A projects

DSO (Adjusted for VAT)

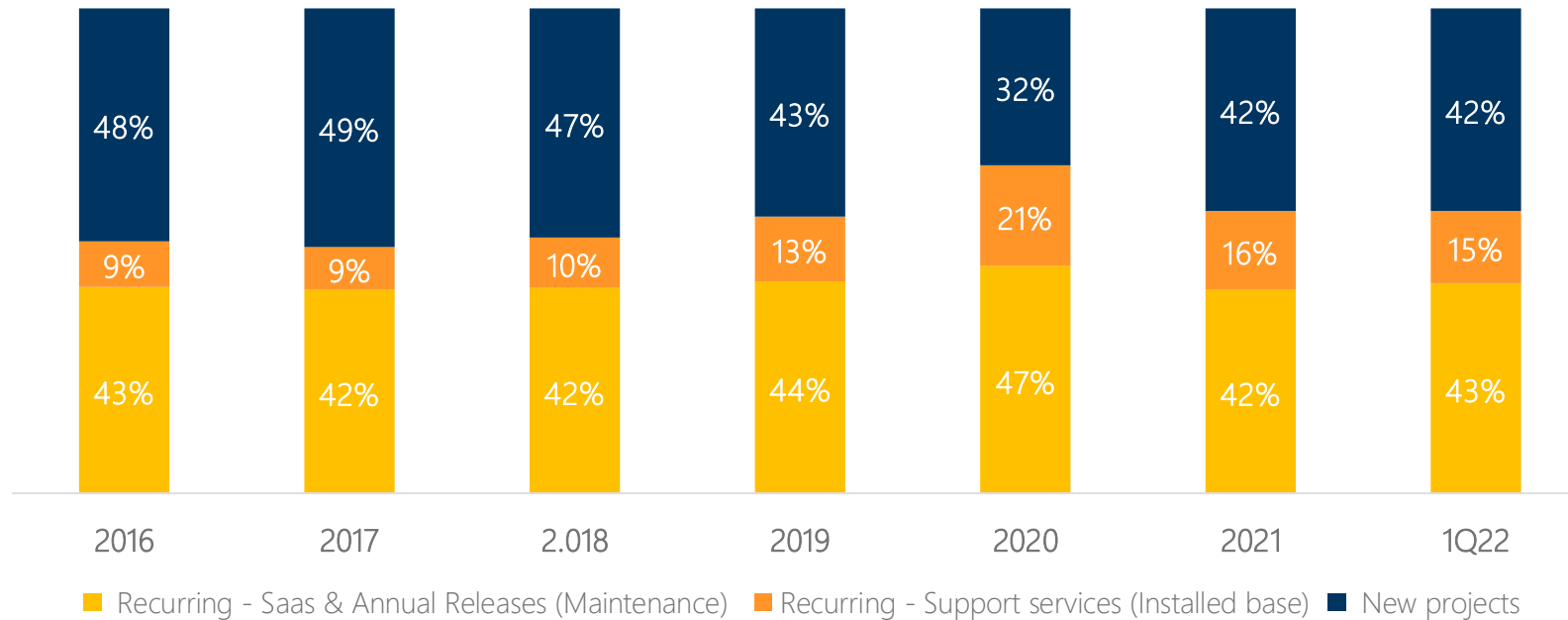


NWC

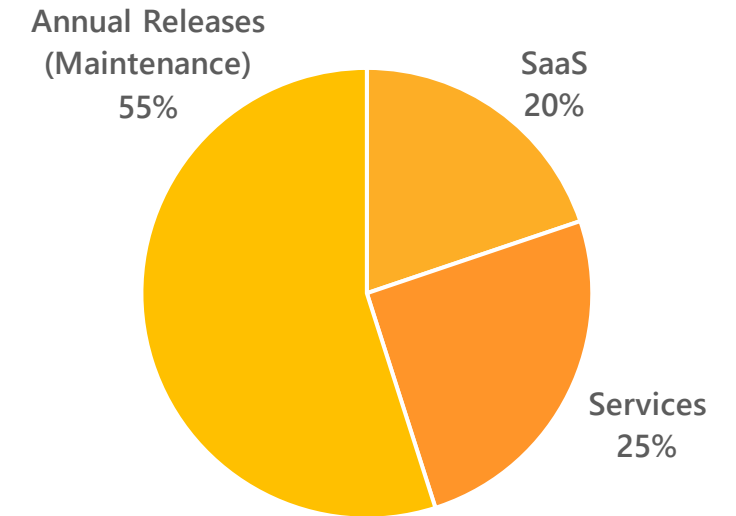


- Significant improvement in DSO with good quality receivables and minimal bad debts
- Stable Net Working Capital despite strong organic growth and acquisitions

Strong base of recurring revenue



Recurring revenue breakdown (Q1 2022)

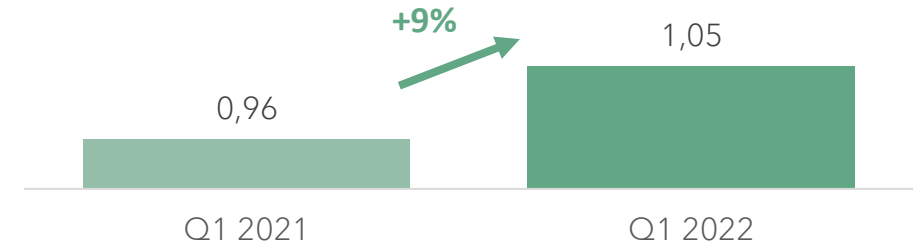


- 4,50 million Euro recurring revenue in Q1 2022 (58% of total) versus 3,78 million Euro in Q1 2021 (59% of total)
- Increase of new projects and new clients due to organic growth forms the basis for stronger recurring revenues in the future

Revenue breakdown by activity

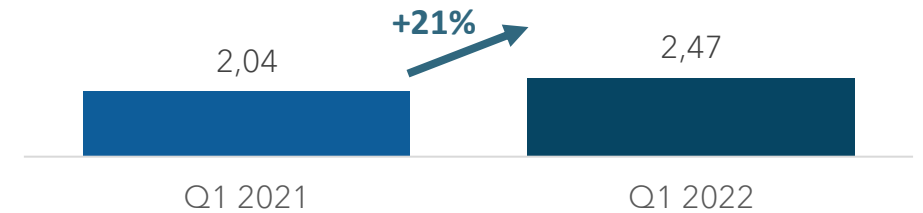
Licenses

Growth driven mainly by increase in new clients and strong performance of ERP and WMS products



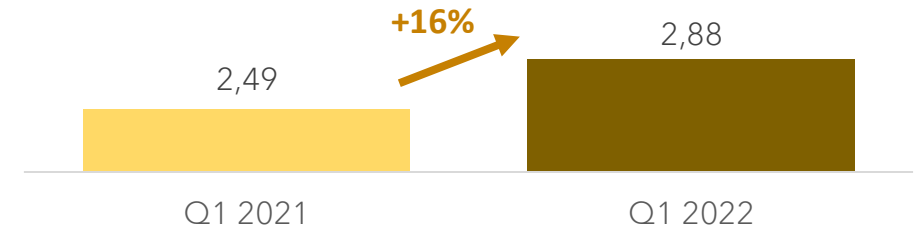
Annual Releases (Maintenance)

Very high renewal rate and impact from the acquisition of LogOn



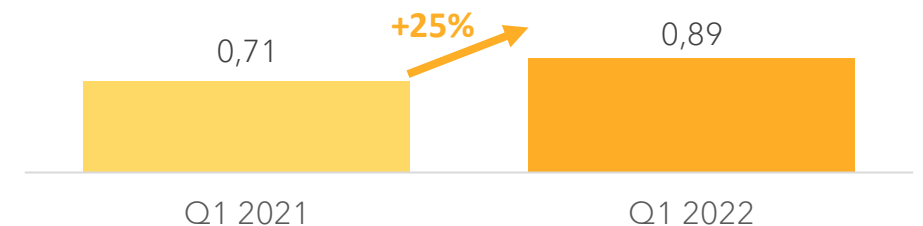
Services

Growth driven mainly by new ERP and WMS projects



SaaS

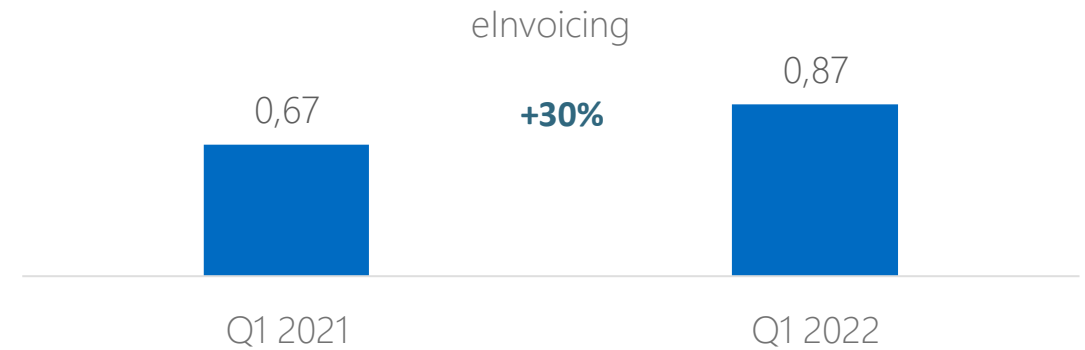
Growth due to increasing number of eInvoicing customers



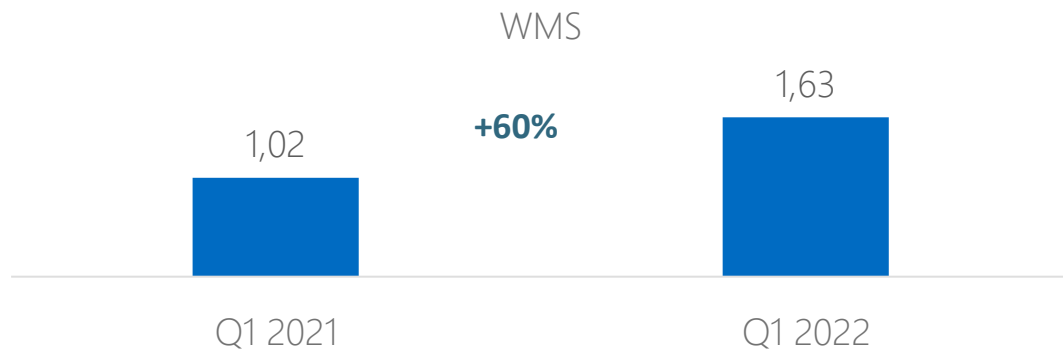
Revenue breakdown by product family



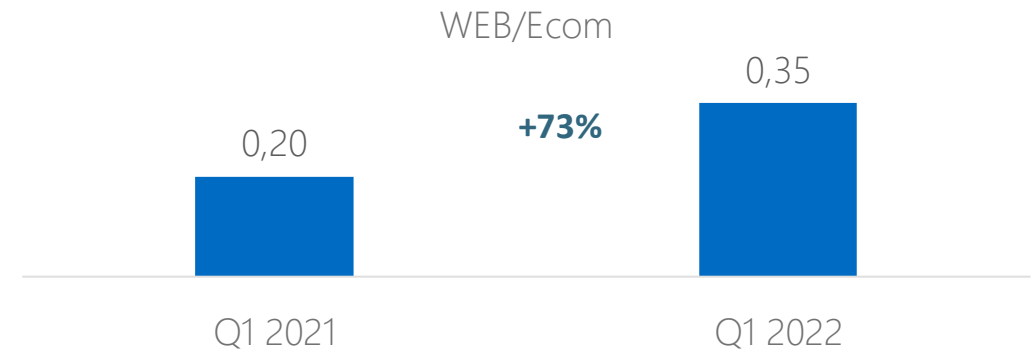
Increased number of new medium and large clients



Growth due to B2B eInvoicing and Retail adoption (Long term)



Growth affected by increased number of new projects



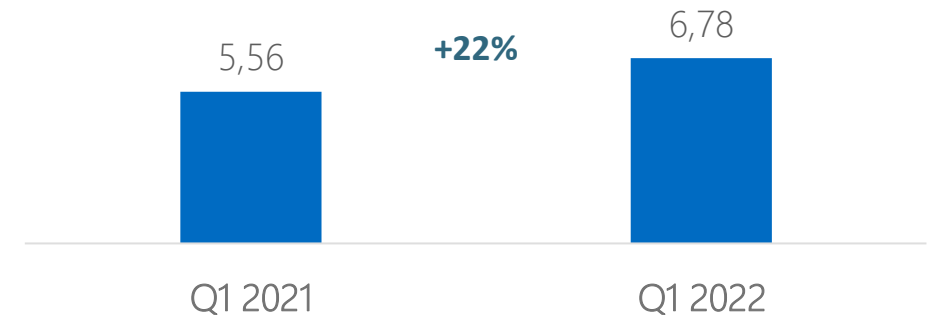
Revenues impacted by Wedia acquisition

Strong performance in Greece

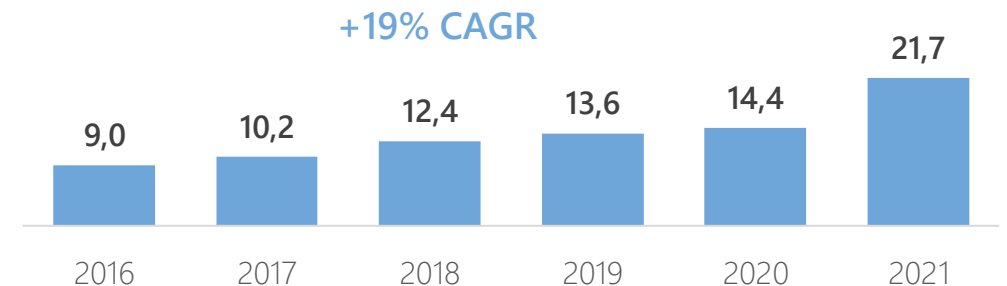
- Greek **revenues** of 6,78 mil Euros corresponding to **22% growth QoQ.**
- **Organic** growth **16% QoQ.**

Greece Revenues

(amounts in millions €, Consolidated)

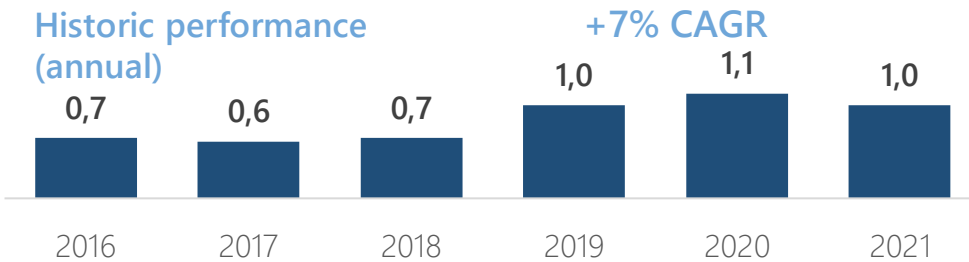
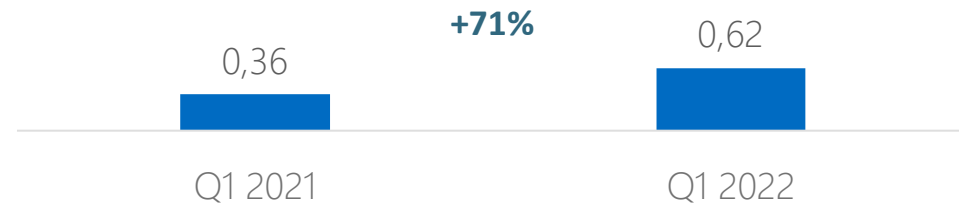


Historic performance (annual)

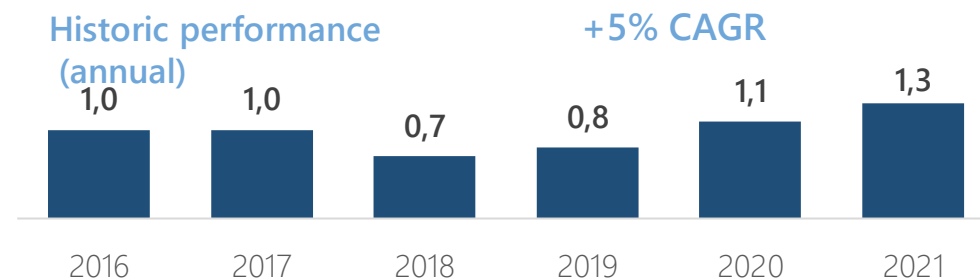
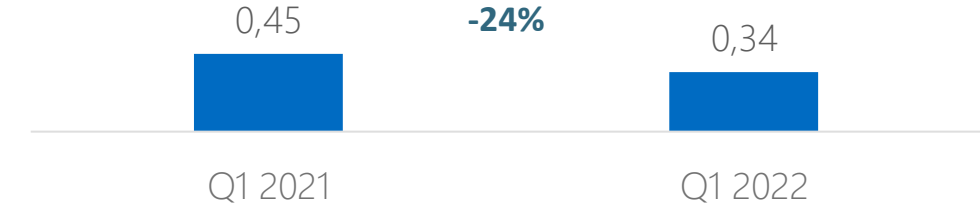


Material growth in international markets

Romania



Other Geographies



- Material growth in international markets despite volatile environment and downsizing in UAE
- Strong potential in the Romanian market

Major developments in 2022

Establishment of a new software implementation center in Patras

- Decentralization of implementation teams
- Opening up to new sources for the right talents
- Balancing future costs
- Handling the talent scarcity issues in Greece's largest cities (Athens, Thessaloniki)

Acquisition of LOGON

- Logon is a business software implementation company with more than 25 people
- Acquired hundreds of small and medium clients with upselling potential
- Starting a new software implementation center outside Athens and Thessaloniki
- Sales Growth through increased penetration in Central and Northwestern Greece

Internal restructuring

- Structure simplification process underway, with the merger of 100% owned Optimum, Retail Link & Logon into Entersoft

2022 outlook

The growth of the group in the next years is expected to be driven

1. Organically by:

- New investments in **ERP systems** due to replacement of legacy systems
- Expansion of the **logistics market** as an opportunity of growing clientele in Supply Chain (recent investment in WMS software)
- Wider adoption of **electronic invoicing**, due to the recently enacted tax incentives
- Still Low adoption rates for CRM, WMS and Enterprise Mobility
- Exploiting the New **EU funding and RRF programs (Budget ~400 mil euro)** for Digital Transformation (Launch expected mid Q2)

2. New Products Launch

HRM/Payroll software and e-Commerce B2B to be launched in Q4

3. Acquisitions

- Pipeline built with several small software companies
- Focus in Romania to build-up a bigger presence in the local market and exploit EU funding to companies to grow the business

Business model

Entersoft Group at a glance



Entersoft Group designs and develops business software and customized solutions in the market of ERP, CRM, Retail, e-Invoicing, Mobile, WMS, xVan and Business Intelligence. We aim for sustainable growth, technological leadership and an innovative way of dealing with business challenges in a changing economic environment, with focus to the customer.

4,000+ customers

400+ employees

40 countries

400+ certified consultants

80+ certified partners

Market size focus

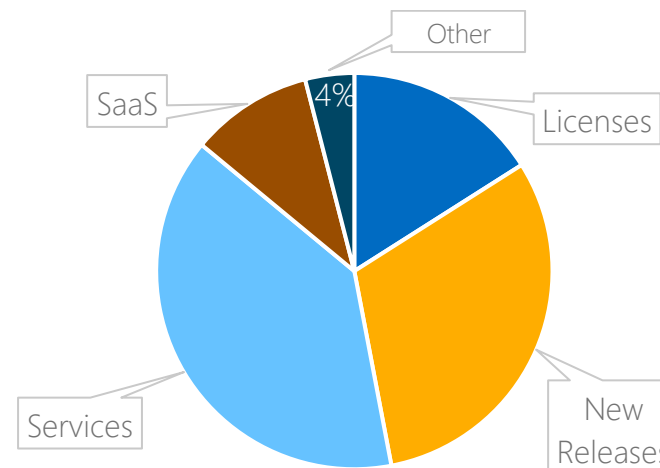
Small, Mid and large businesses

Industries

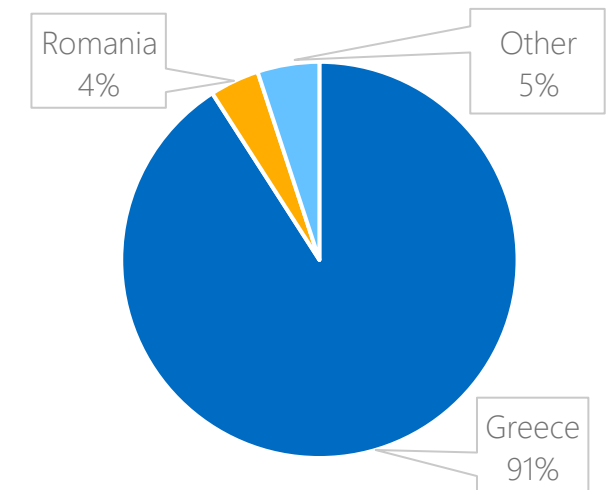
Financial Institutions
Construction
Industrial Products
Pharmaceuticals
Cosmetics

Wholesale – Distributors
Retail | Franchise
Food & Drinks
Fashion
Furniture | Wood

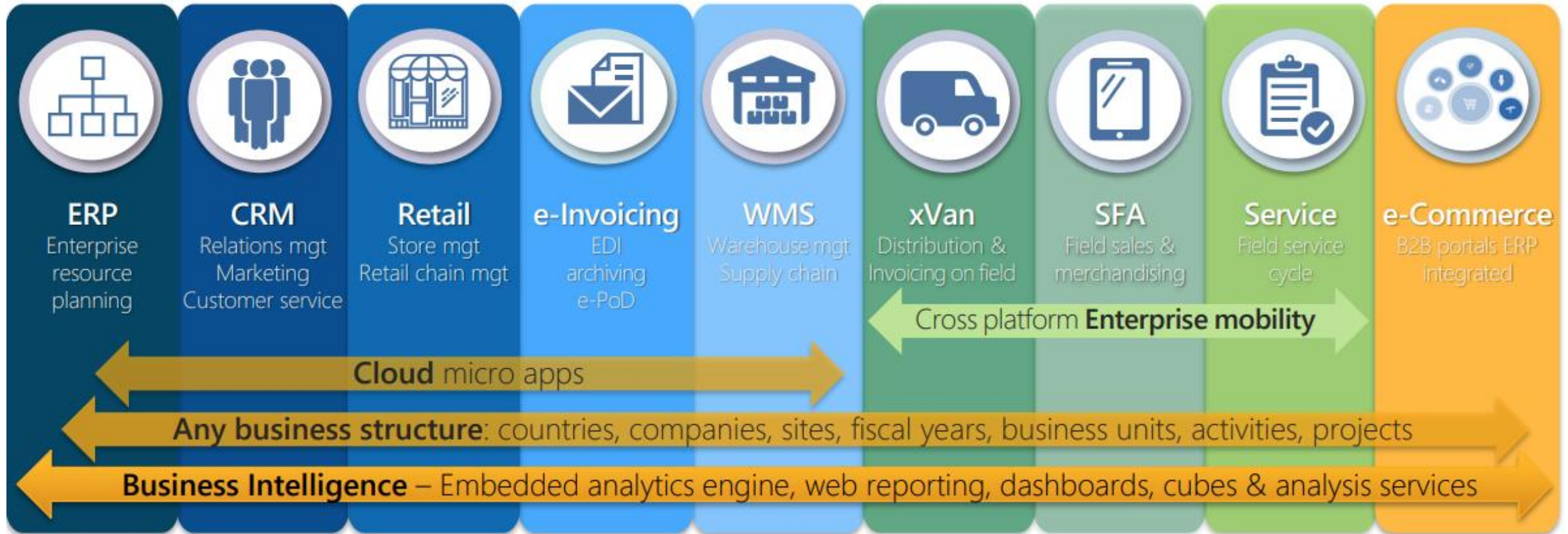
Revenue breakdown FY 2021



Revenue by geography FY 2021

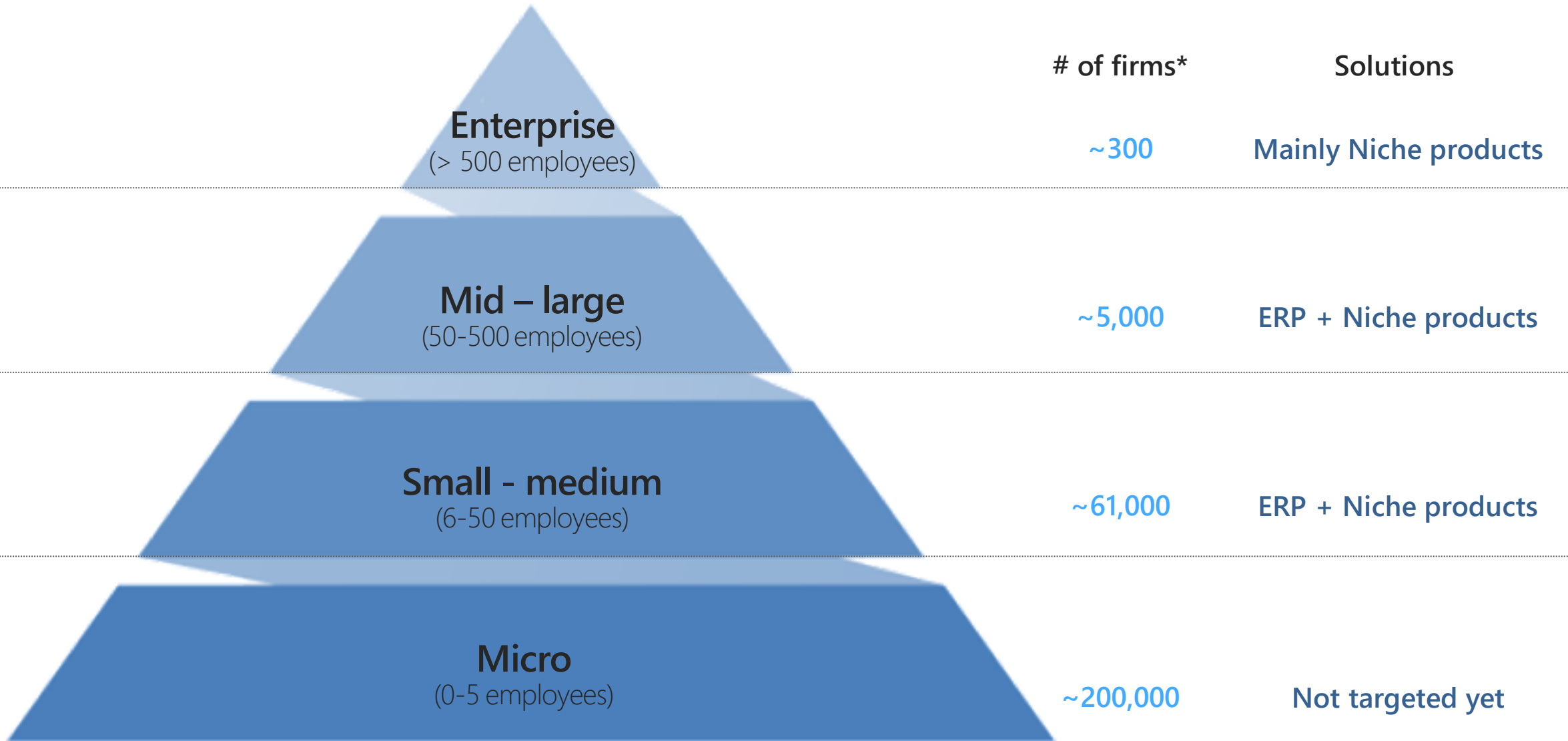


Wide product range

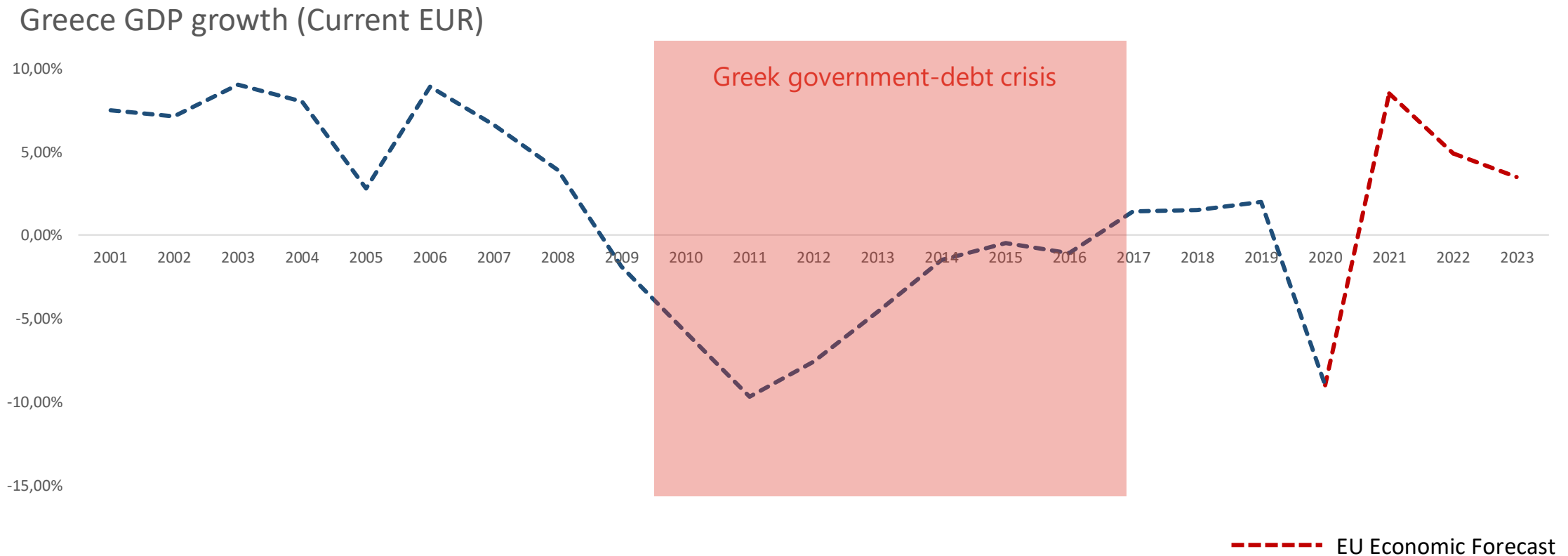


Common - unified platform

Market segmentation (only Greek data)

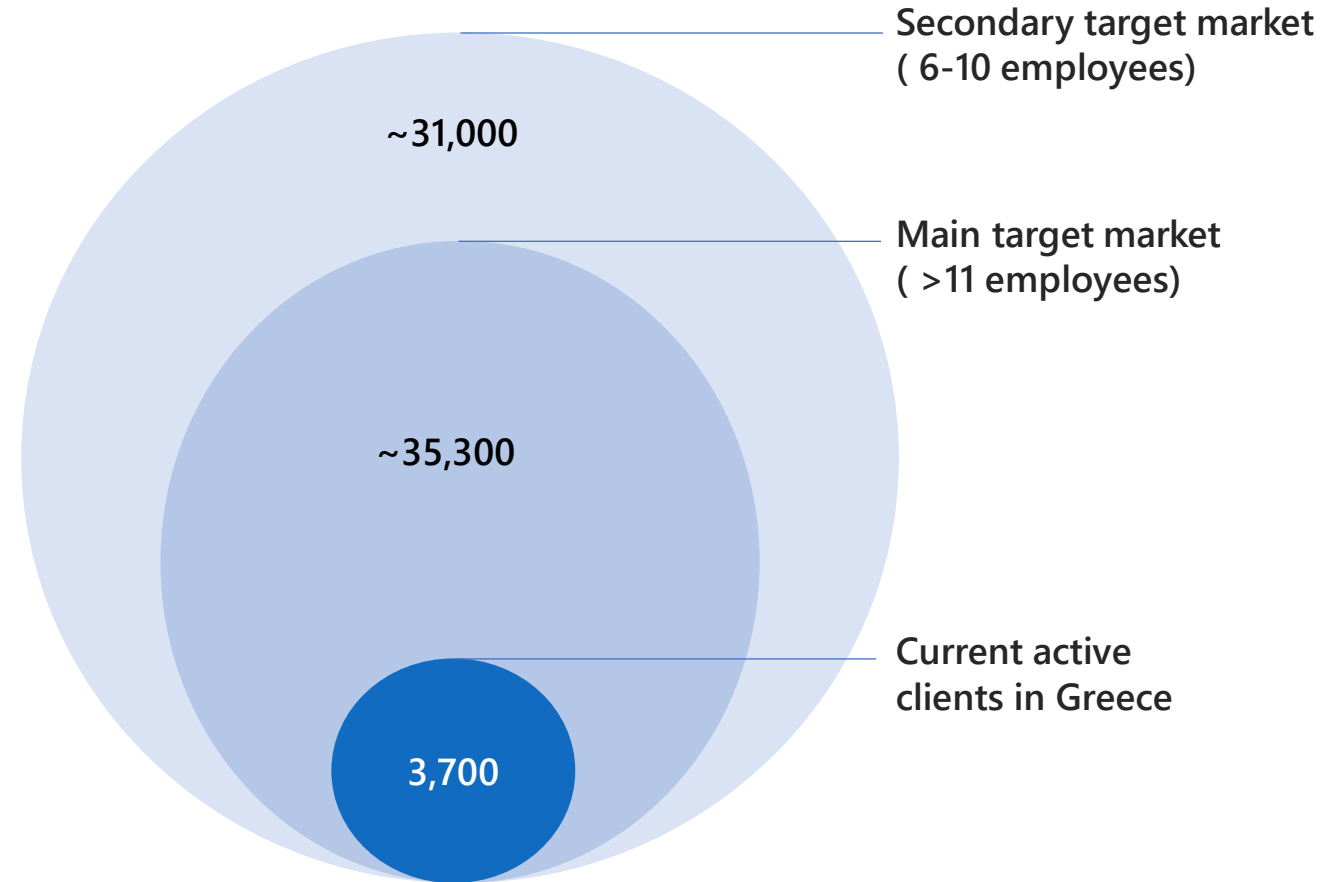


Greek financial crisis and the pandemic left a 10-year technological gap to Greek enterprises that needs to be bridged



Strong opportunity for continued growth in ERP customers

- Active clients in Greece around **3,700**
- Main target market includes **35,300** Small, medium and Large companies with >11 people personnel
- Secondary target market includes around **31,000** with 6-10 people
- ~**25%** of the above have ERP software from small non-competitive local vendors and custom solutions
- **More than 50%** of them have outdated ERP software and cannot exploit new technologies such as Cloud, Mobility, IoT, etc. (**Replacement Market**)



Source: Ministry of Labor

Penetration remains low in Niche software products

Industry adoption rate

Our solutions

Customer relationship management ("CRM")

< 40%

Entersoft CRM®, Entersoft Mobile® Sales Force Automation, Entersoft Mobile® Medical Representative

Enterprise Mobility / Warehouse Management Systems

< 20%

Entersoft WMS®, aberon, Entersoft SCM 360, Entersoft Mobile® Sales Force Automation, Entersoft Mobile Field Service ®, Entersoft Mobile xVan,

eInvoicing and EDI Services

~10-15%

Retail Link EDI and eInvoicing Portal

eCommerce (B2B and B2C)

Very low
Highly segmented
competition

Entersoft e-Commerce, Wedia

Continued expansion of B2B eInvoice & EDI adoption

e-Invoicing: B2B exchange of electronic invoices, without paper, courier and archiving costs. Not compulsory yet but gaining increased attention in medium and large businesses

e-Archiving: Cloud-based electronic archiving of all business documents (added value service)

Social Business Networking: Easy and continuous expansion to invoice recipients through Retail@Link's largest e-Invoicing network of interconnected commercial partners

SaaS Billing model is Pay Per Transaction

Number of new clients and documents exchanged increases

New opportunity for eInvoicing in Retail. A few deals already signed beginning of this year with large Retailers



55,000+ Commercial Partners



18,000,000 documents annually



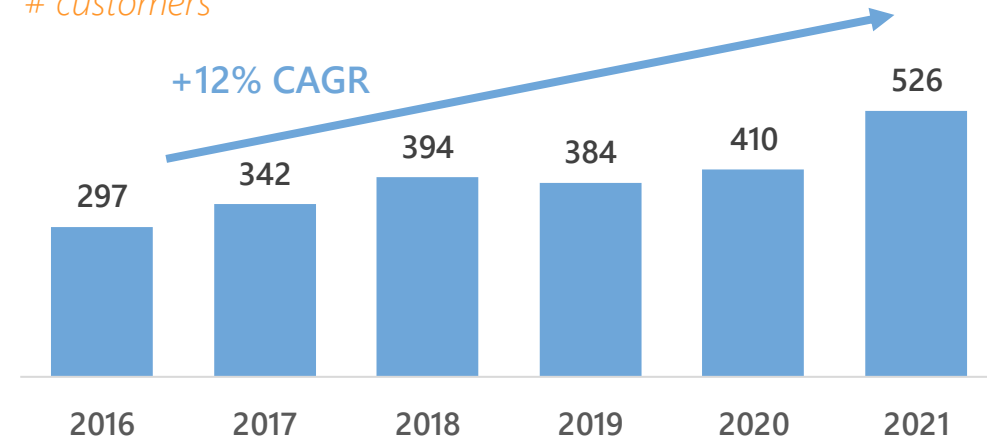
12 countries



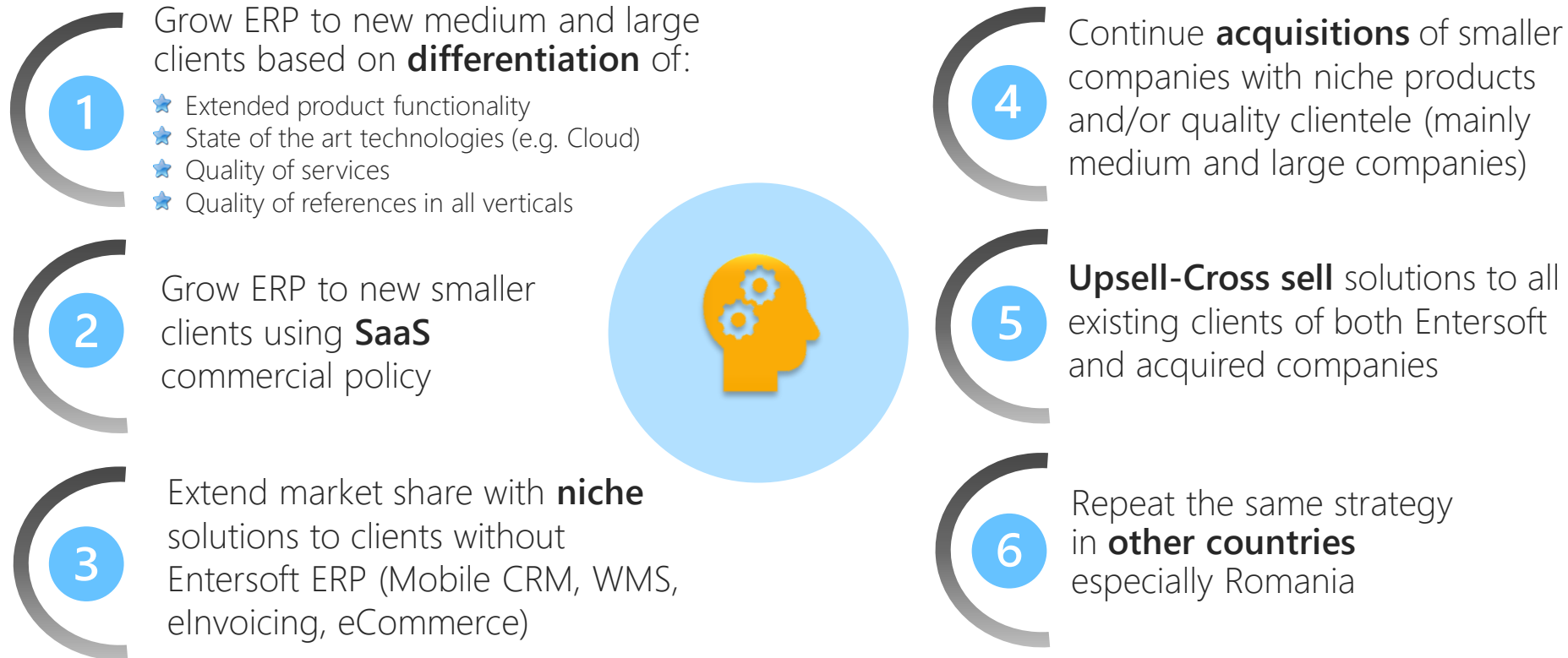
6,000,000 EDI Messages

e-Invoicing & EDI customers

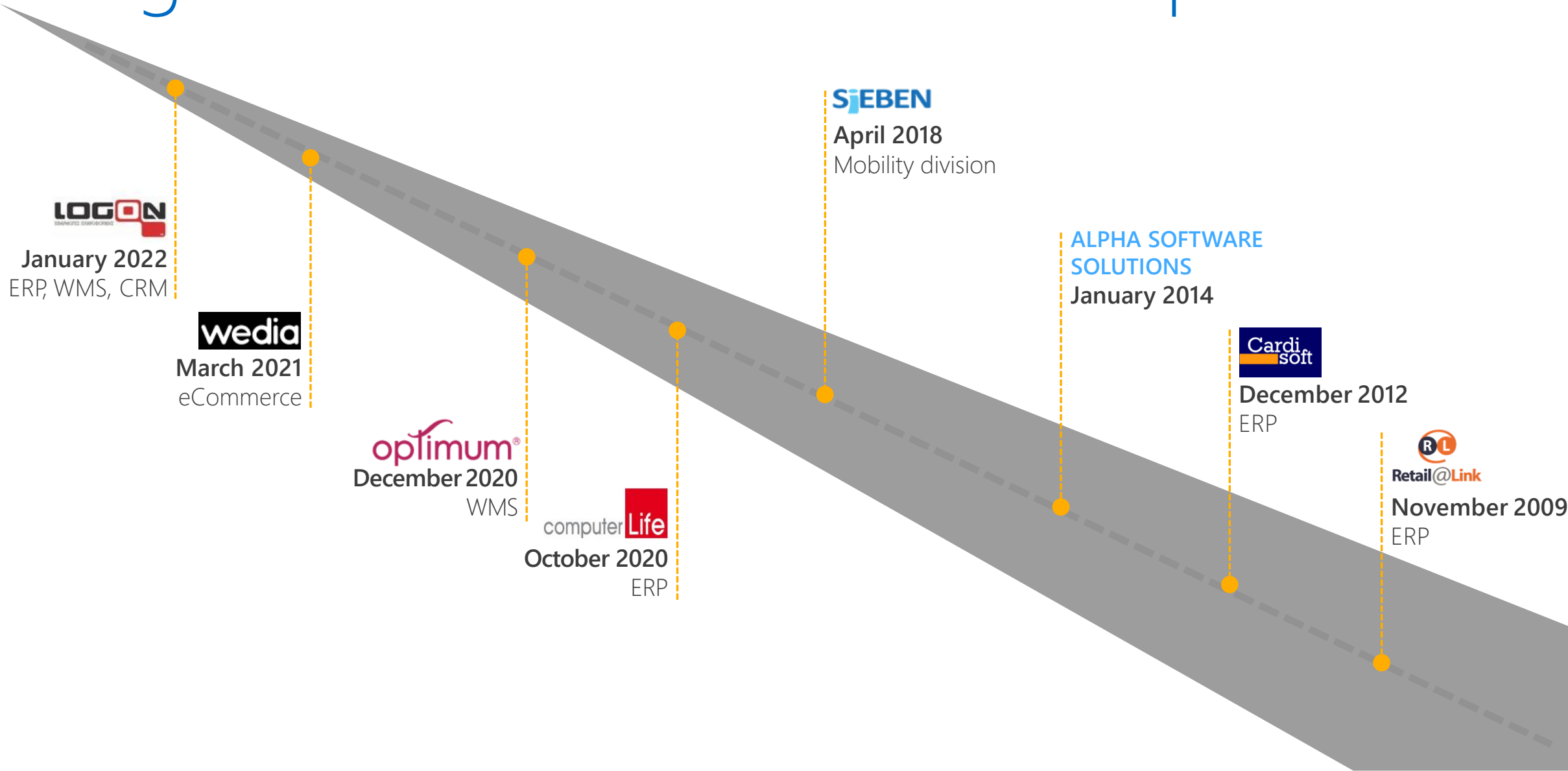
customers



Algorithm for continuous Growth & Profitability

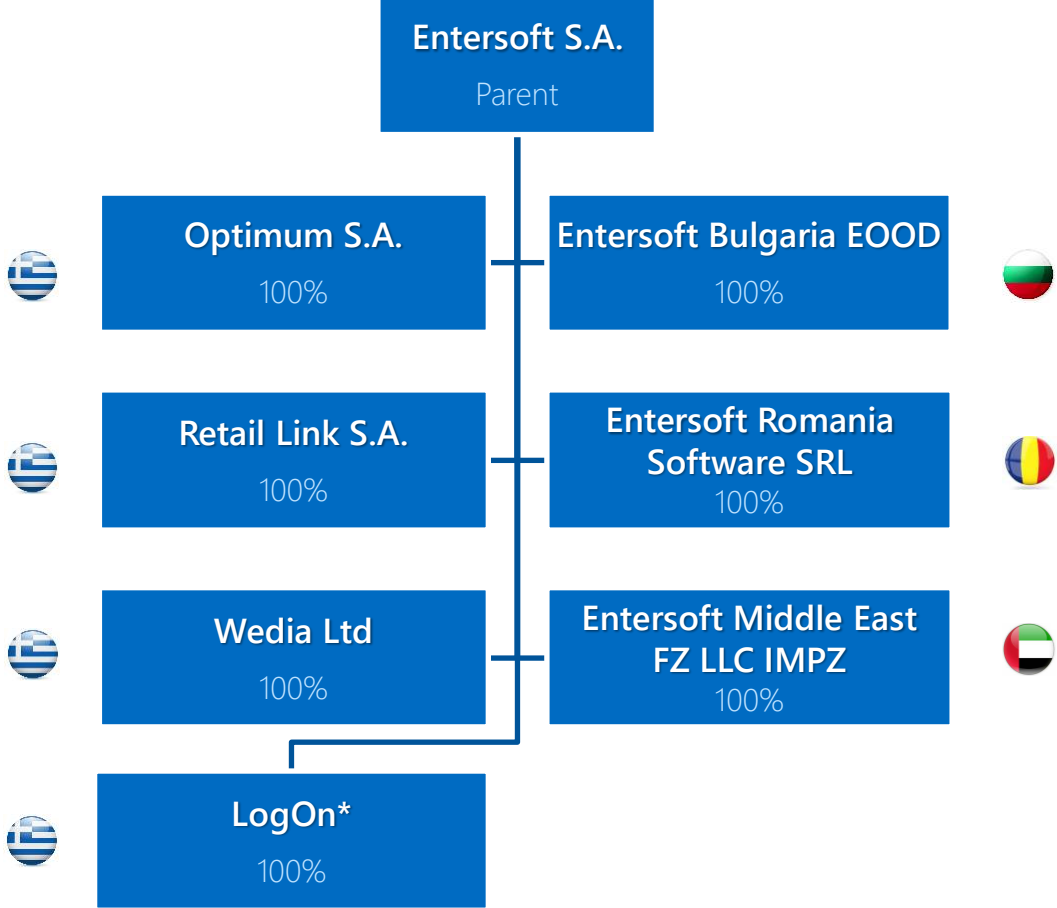


Strong track record of accretive acquisitions



Appendix

Entersoft Group Structure

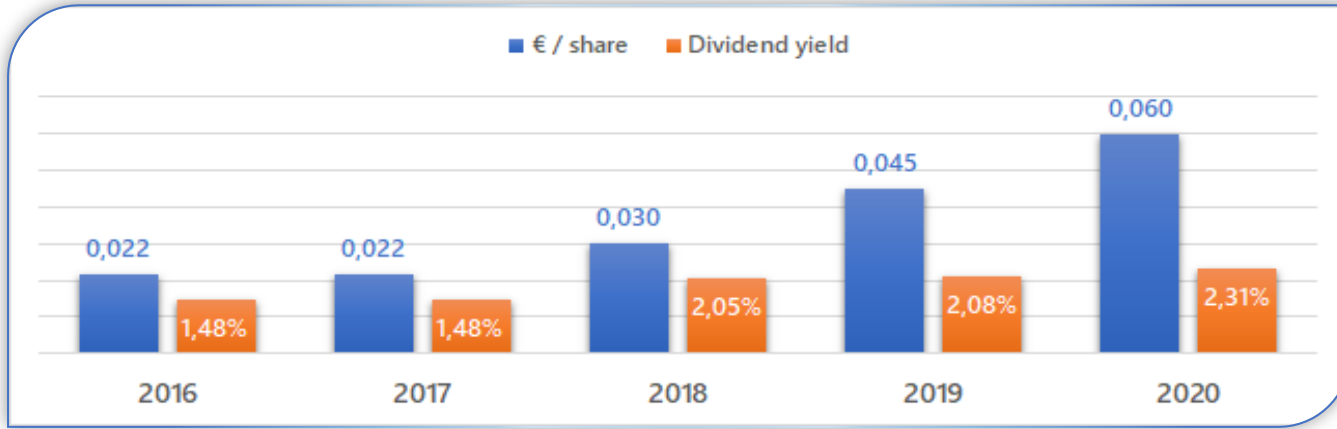


All entities are subject to full consolidation in accordance with prevailing accounting standards

* LogOn acquired on January 4, 2022

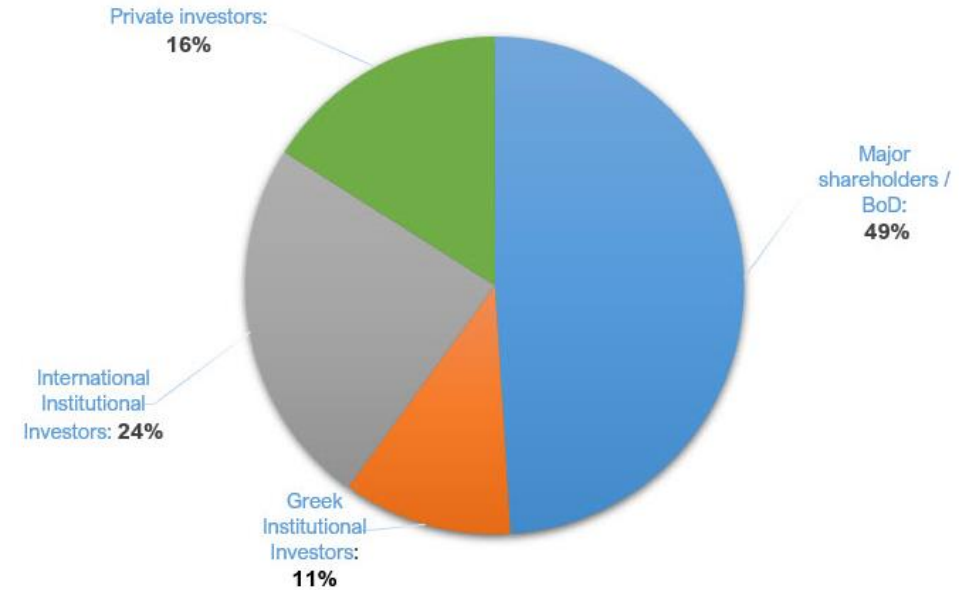
Share information

Dividend history



Dividend per share was restructured in previous years with the split 1:6 (12/6/2020)

Shareholder structure



Share price history



Stock data

	14/04/2022	15/02/2022	14/10/2021	29/07/2021
Capitalization	163.800.000	157.200.000	147.000.000	117.000.000
Number of shares	30.000.000	30.000.000	30.000.000	30.000.000
HiLo Chg	1,84%	3,52%	1,23%	3,38%
Marketability	0,0620%	Last 4 months (avg)		

THANK YOU!

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