



ENTERSOFT

Corporate Presentation
Q2 2022

July 25, 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.

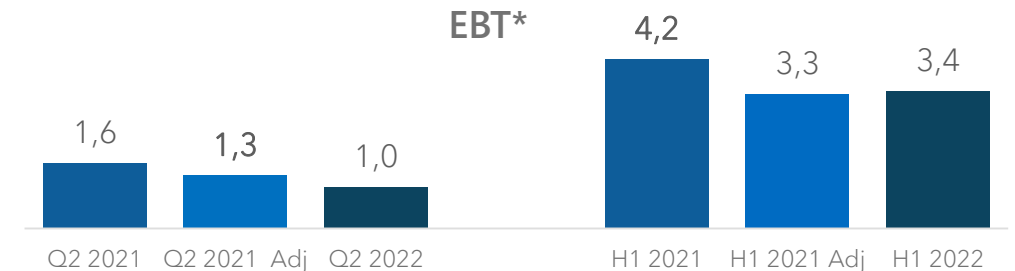
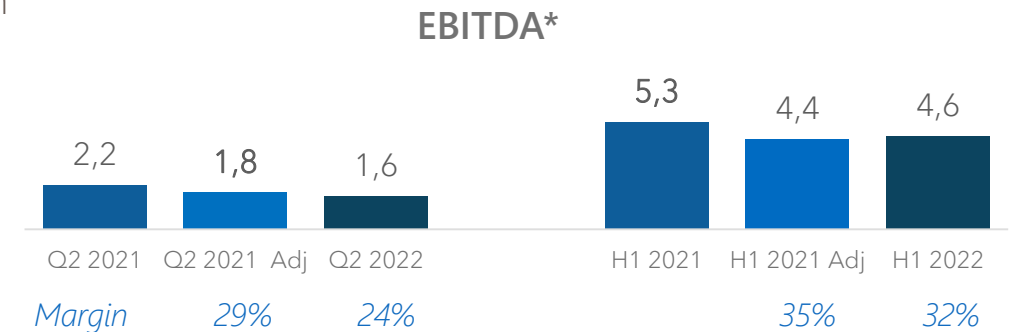
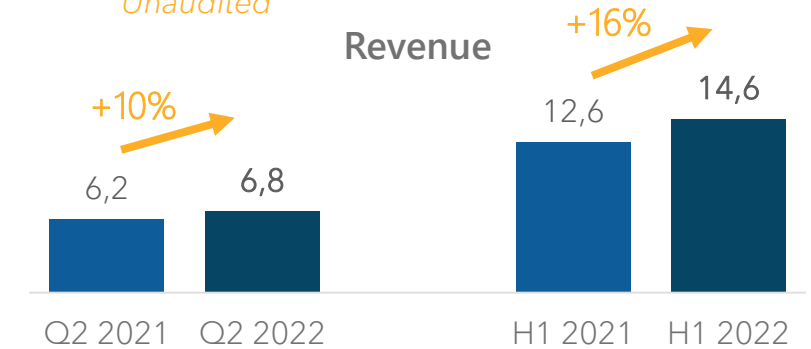
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Q2 & H1 2022 at a glance

- At Group level **revenues increased 16%** in a challenging environment affected mainly by high and rising inflation, geopolitical uncertainty and deferral of private sector investments in anticipation of subsidies programs
- 50% of revenue growth was organic **and 50% coming from the acquisitions of LogOn in the beginning of the year and Bit Software at the end of May**
- Better than expected performance of **eInvoicing**, with revenue growth of **33%** in the 2nd quarter
- Additional Opex in H1 2022 affecting EBITDA margin, mainly attributed to investments in people and once off acquisitions, restructuring and marketing costs
- Baseline FY2022 target for organic and inorganic revenue growth in low 30%'s, while maintaining profitability (EBITDA) margin in mid 30%'s

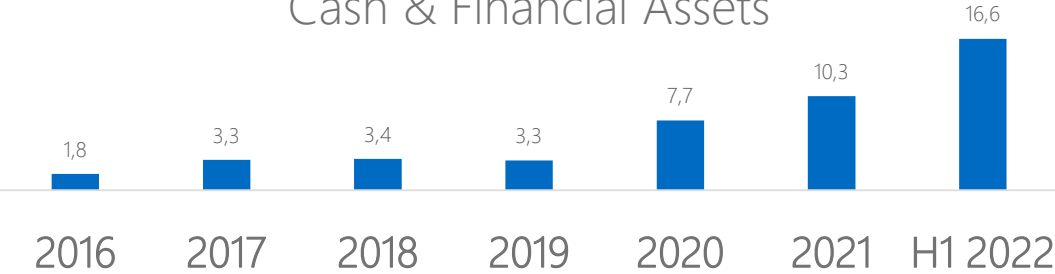
** NOTE: H1 2022 Operating Expenses have been impacted by payroll accruals of €0,9M. Had comparable accruals been performed in H1 2021, this would result in lower EBITDA and EBT by €0,8M. These figures are presented here as "Q2 2021 Adj" and "H1 2021 Adj"*

(amounts in millions €, Consolidated)
Unaudited



Strong liquidity

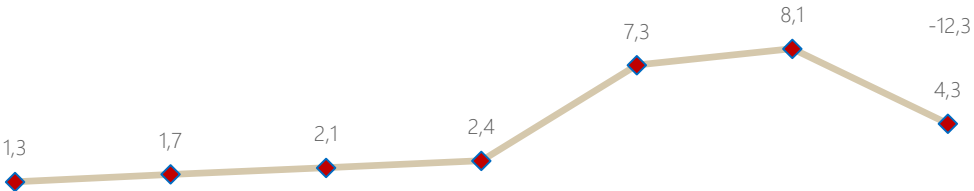
Cash & Financial Assets



Bank borrowings

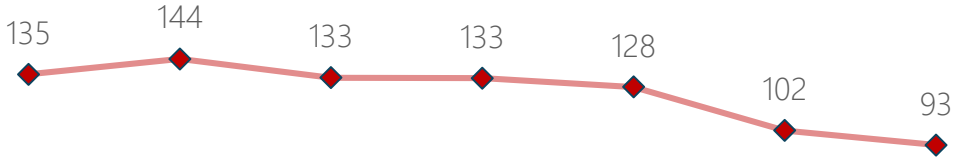


Net Cash



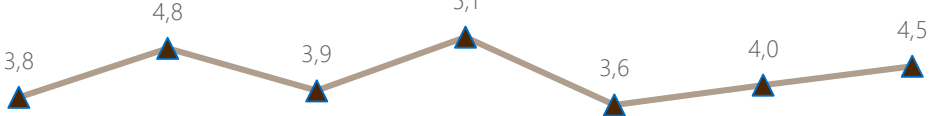
- Net cash position in H1 2022 affected by outlays for M&A (€3.2m) and dividends (€2.7m)
- Balance sheet optionality to remunerate shareholders or fund acquisitions organically

DSO (Adjusted for VAT)



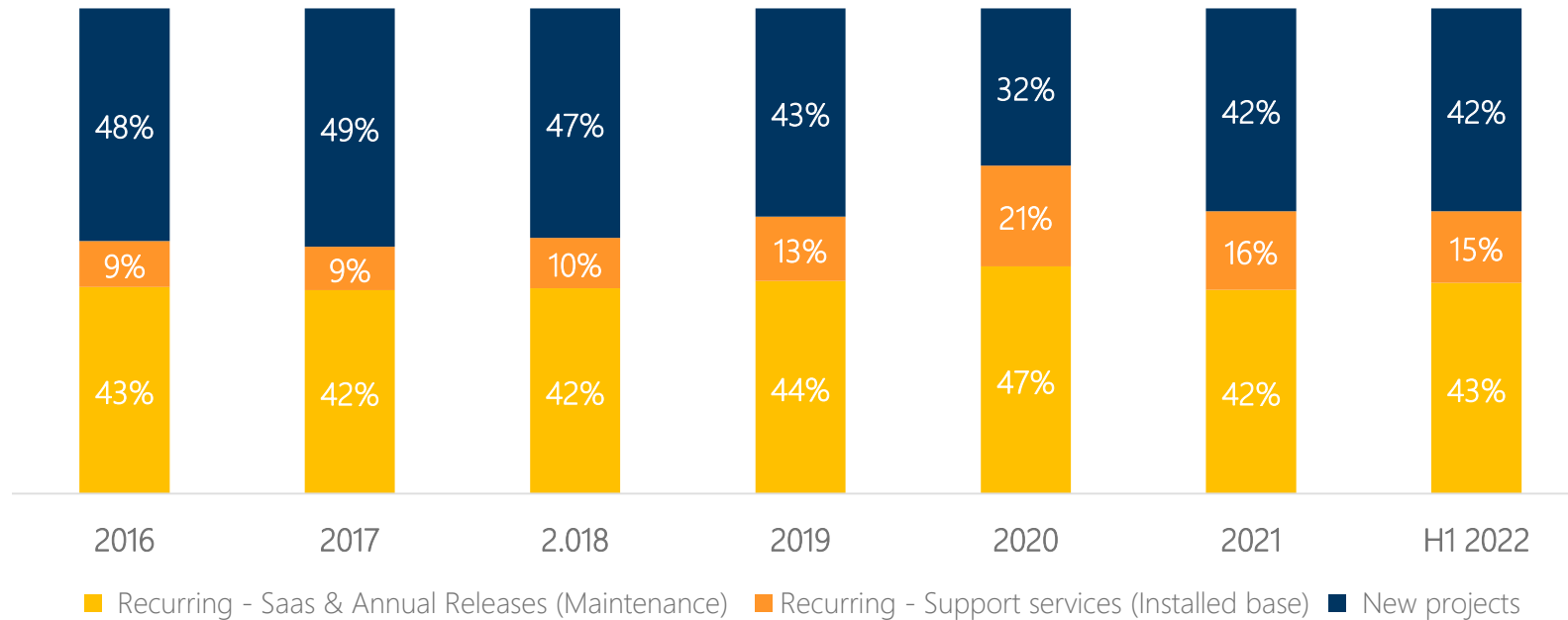
2016 2017 2018 2019 2020 2021 H1 2022

NWC

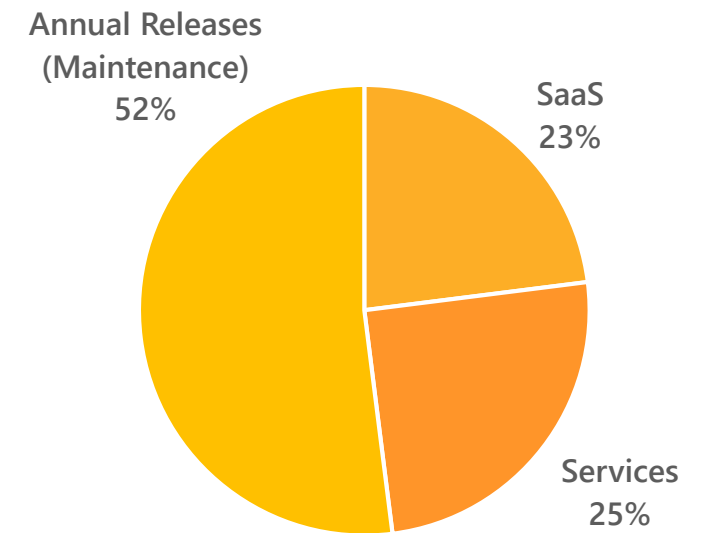


- Significant improvement in DSO with good quality receivables and minimal bad debts
- Expanding NWC attributed to organic growth

Strong base of recurring revenue



Recurring revenue breakdown (H1 2022)

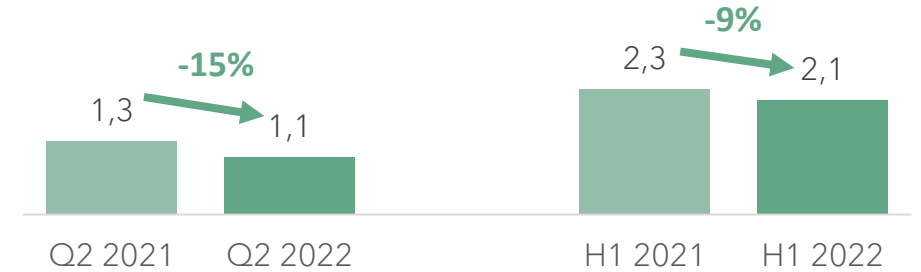


- 8,3 million Euro recurring revenue in H1 2022 (57% of total) versus 6,8 million Euro in H1 2021 (54% of total)
- Increase of new projects and new clients due to organic growth forms the basis for stronger recurring revenues in the future

Revenue breakdown by activity

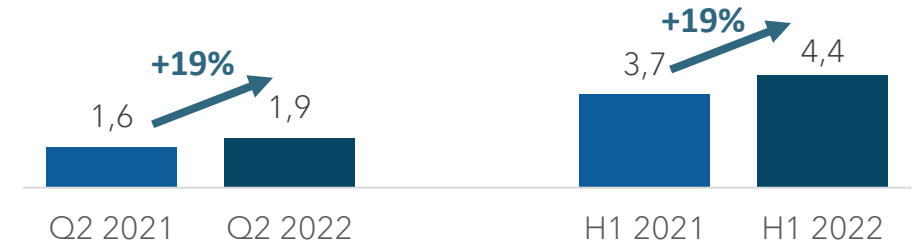
Licenses

Drop attributed to exceptional performance in Q2 2021 in ERP products and deferral of investment decisions by companies in anticipation of subsidies programs



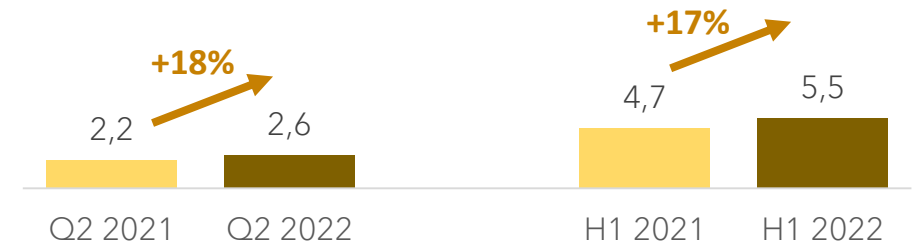
Annual Releases (Maintenance)

Very high renewal rate and impact from the acquisition of LogOn



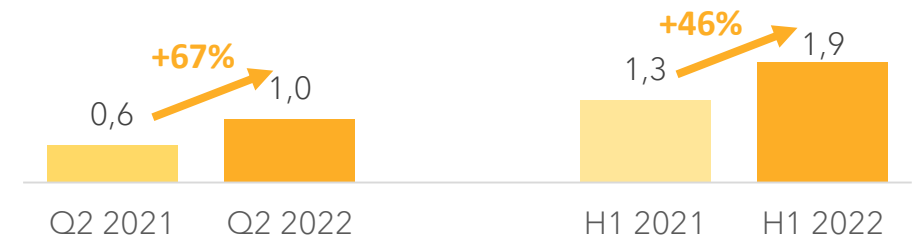
Services

Growth driven mainly from ERP, Mobile and WMS projects in existing clients and acquisition of LogOn



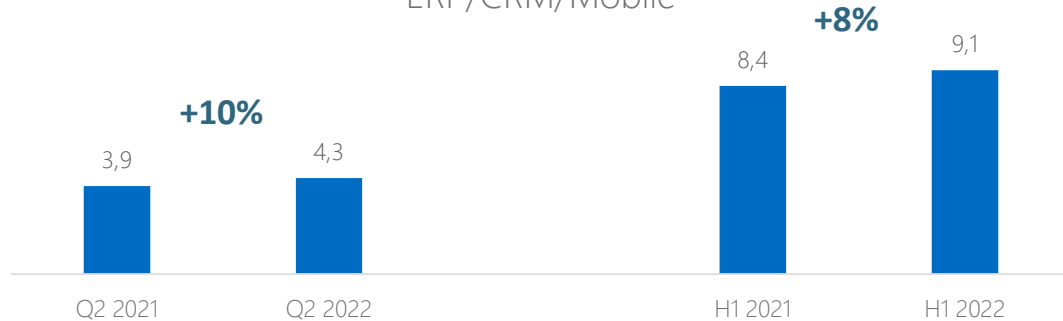
SaaS

Growth driven mainly from eInvoicing, as well as from the acquisition of Bit, whose main product is a cloud only SaaS ERP-CRM



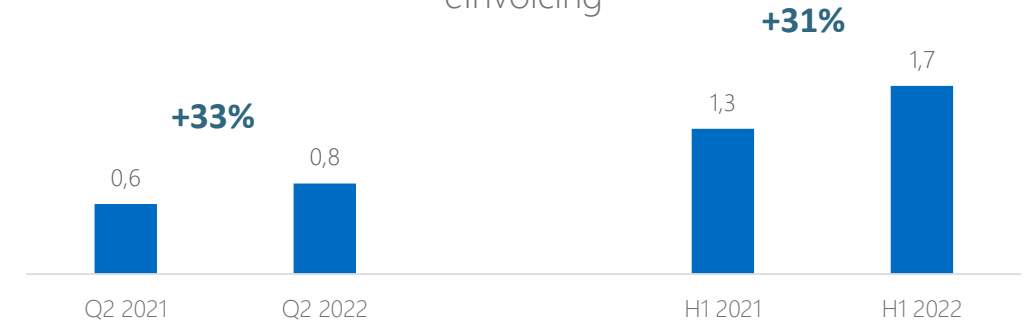
Revenue breakdown by product family

ERP/CRM/Mobile



Increased number of new medium and large clients

eInvoicing



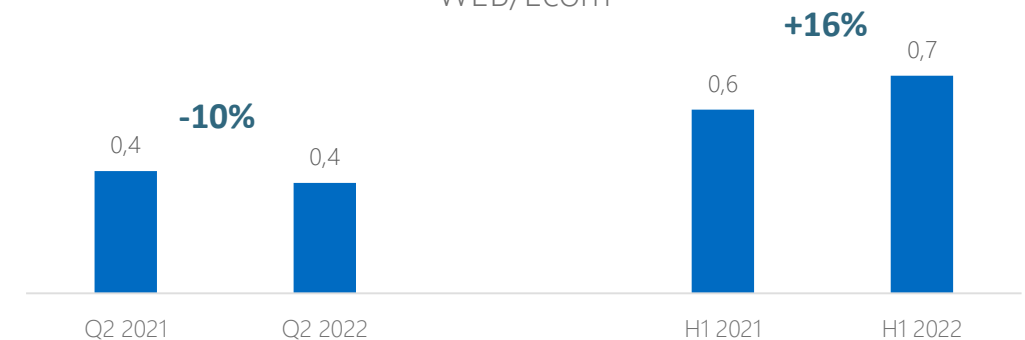
Growth due to B2B eInvoicing and Retail adoption (Long term)

WMS



Growth affected by increased number of new projects

WEB/Ecom



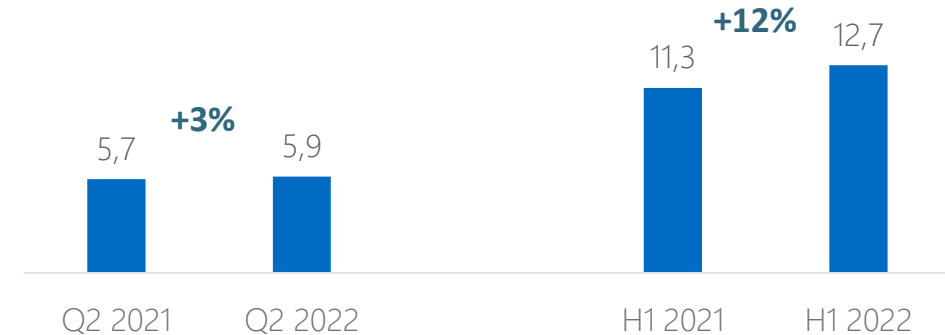
Revenues impacted by Wedia acquisition

Reserved performance in Greece

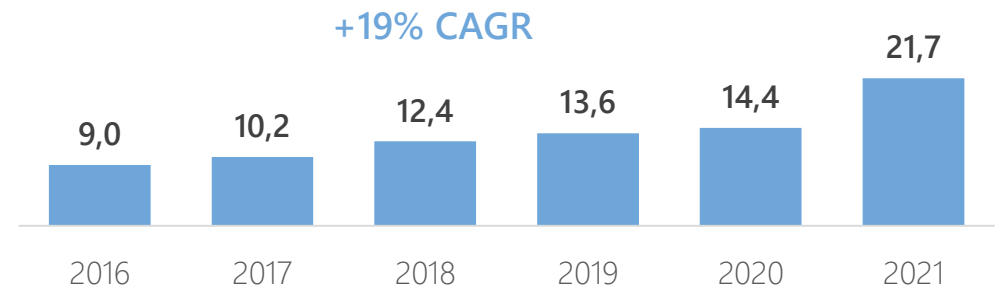
- Greek **revenues** of 12,7 mil Euros corresponding to **12% growth HoH.**
- **Organic** growth **7% HoH.**

Greece Revenues

(amounts in millions €, Consolidated)

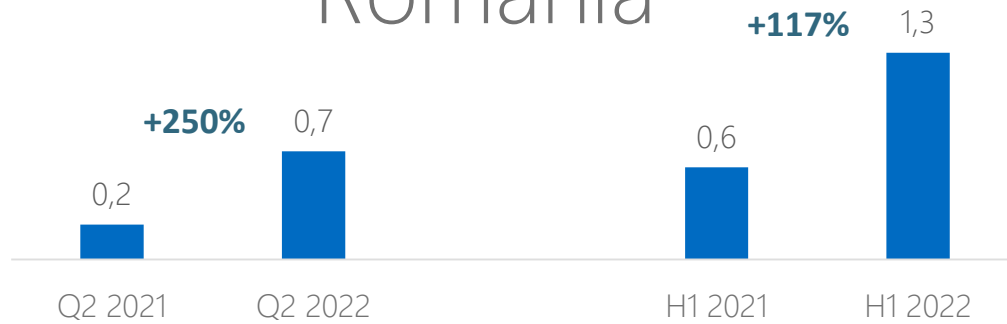


Historic performance (annual)

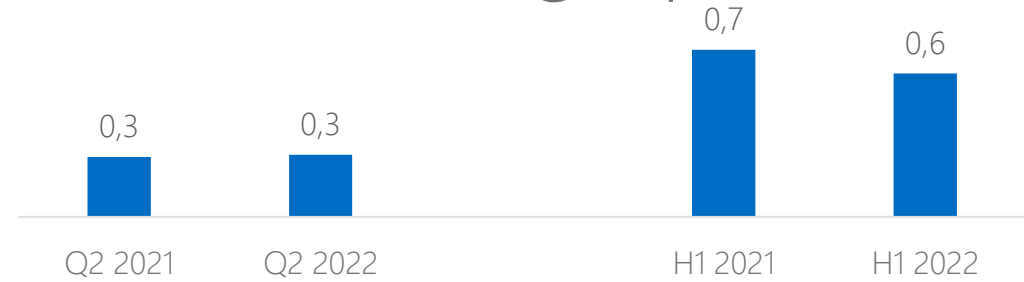


Strong growth in Romania

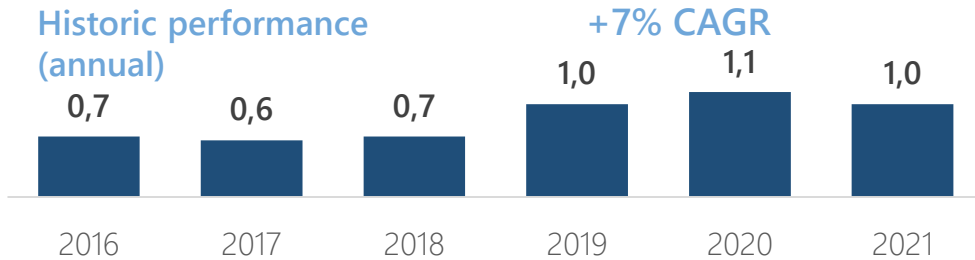
Romania



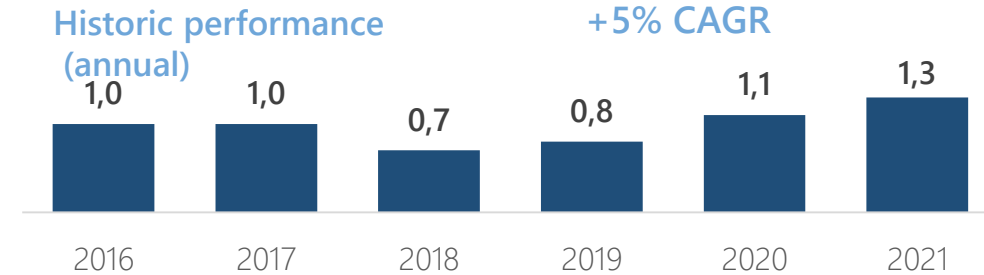
Other Geographies



Historic performance (annual)



Historic performance (annual)



- Strong growth in international markets outside Greece, despite volatile environment and downsizing in UAE
- Following the acquisition of Bit Software, strong potential in the Romanian market. Country will continue to be focus for Entersoft outside Greece for the mid term

Major developments in 2022

Acquisition of Bit Software

- Target to double the size of the addressable market for the Group
- Become among the top providers of enterprise software, together with own presence in the country through Entersoft Romania
- Established management team in the country to capture future consolidation in the market

Establishment of a new software implementation center in Patras

- 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

- Acquired hundreds of small and medium clients with upselling potential
- Starting another software implementation center outside Athens and Thessaloniki
- Sales Growth through increased penetration in Central and Northwestern Greece

Internal restructuring

- Completed the merger of 100% owned Optimum, Retail Link & Logon into Entersoft (synergies to be exploited in the following years)

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 in Q4 2022).
- Market boost attributed to RRF programs **expected also in Romania**, to be undertaken through Bit Software (launch expected mid 2023)

2. New Products Launch

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

3. Acquisitions

- Pipeline built with small software companies in Greece
- After the acquisition of Bit Software, with a more substantial size in the local market, as well as a more complete management team, position ourselves to participate more actively in an anticipated round of consolidation in the market over the mid term (2023 – 2025)

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

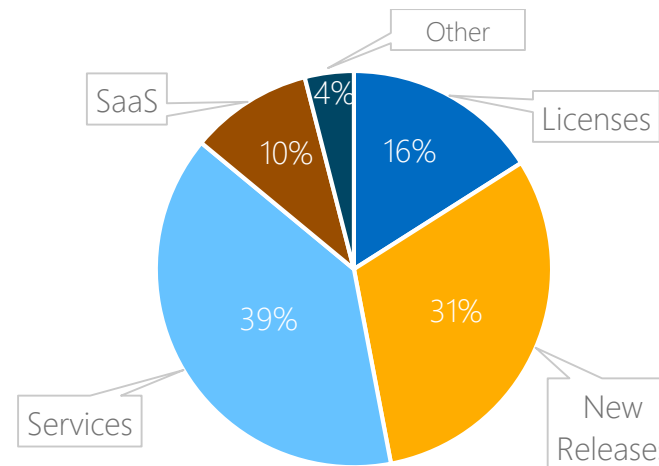
40 countries

400+ certified consultants

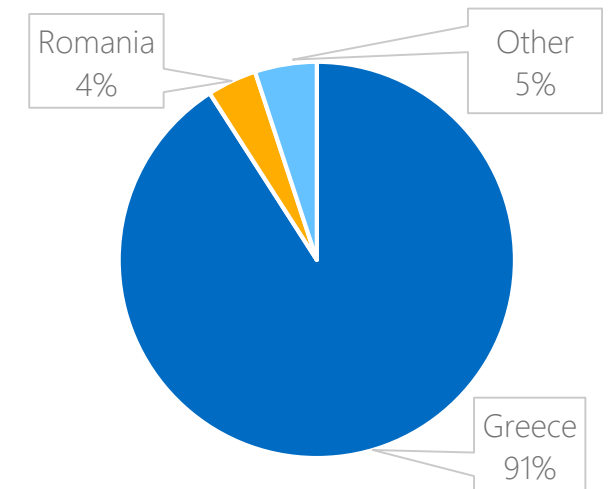
80+ certified partners

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

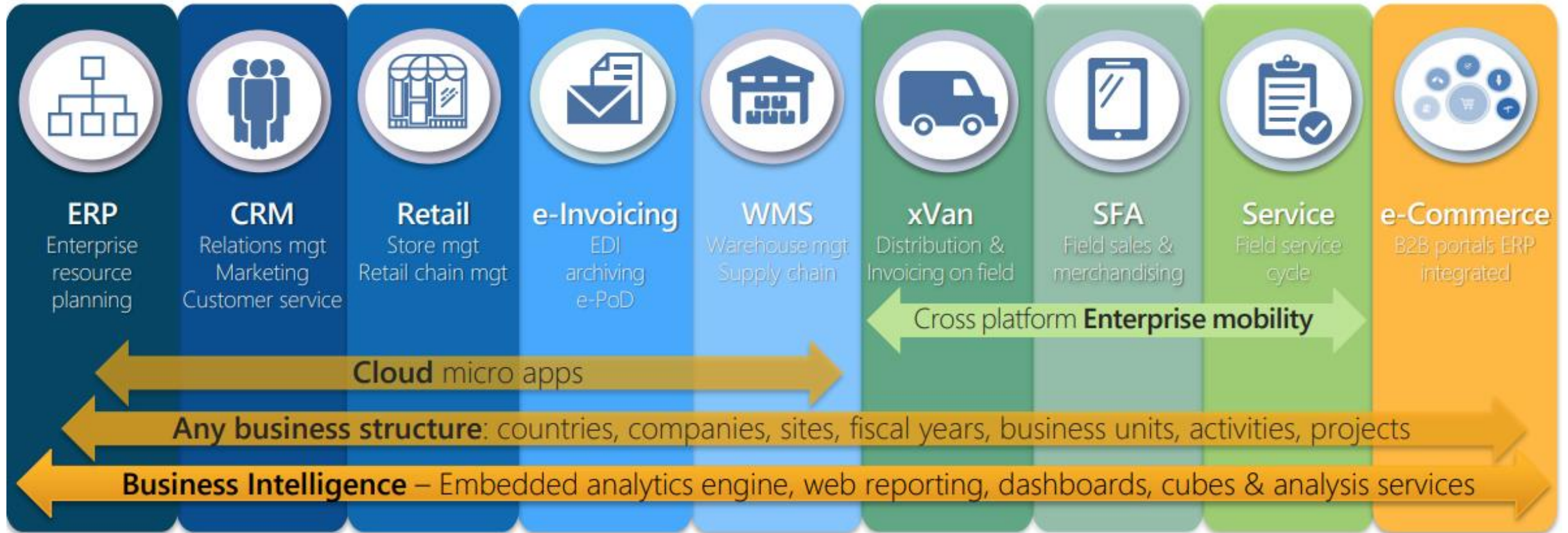
Revenue breakdown FY 2021



Revenue by geography FY 2021

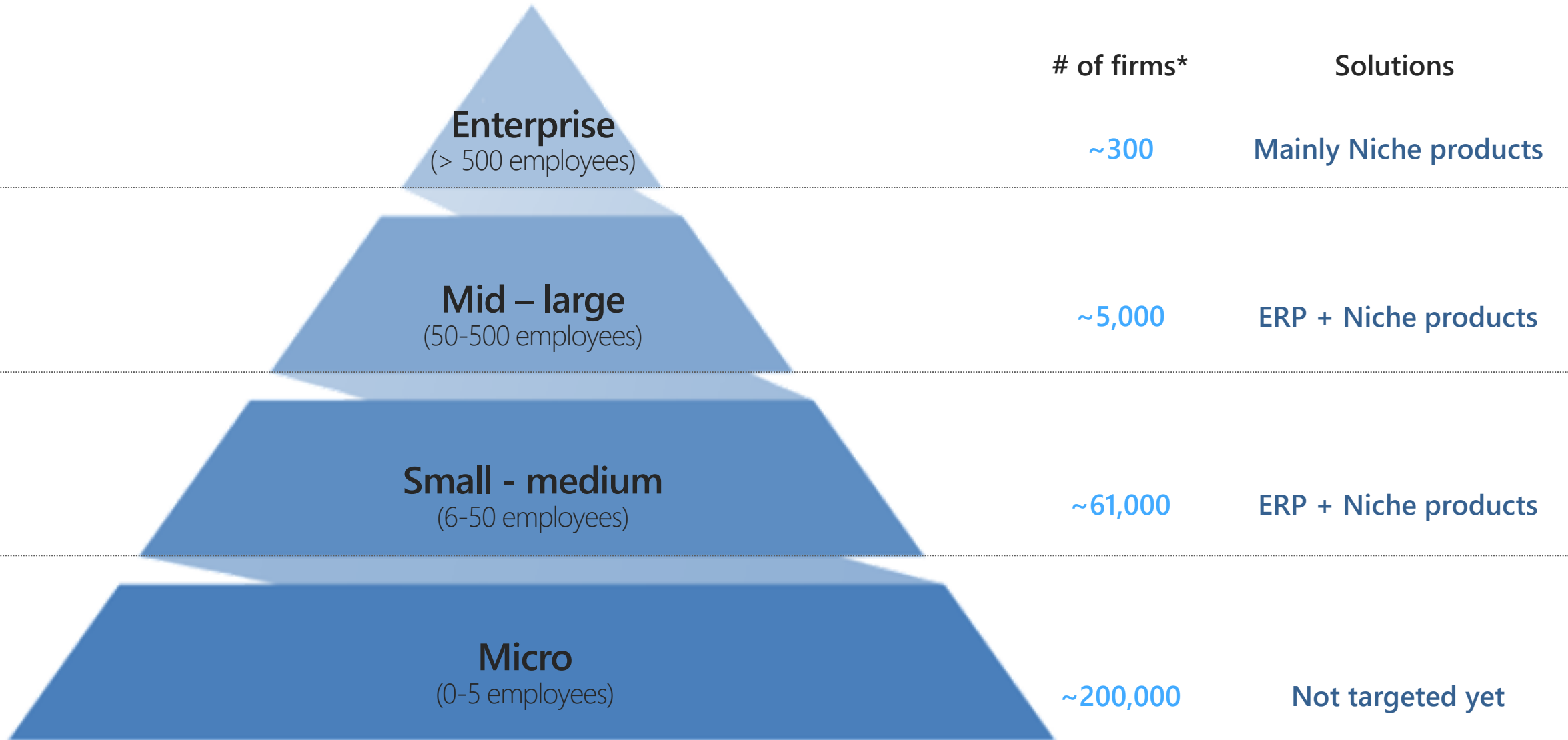


Wide product range

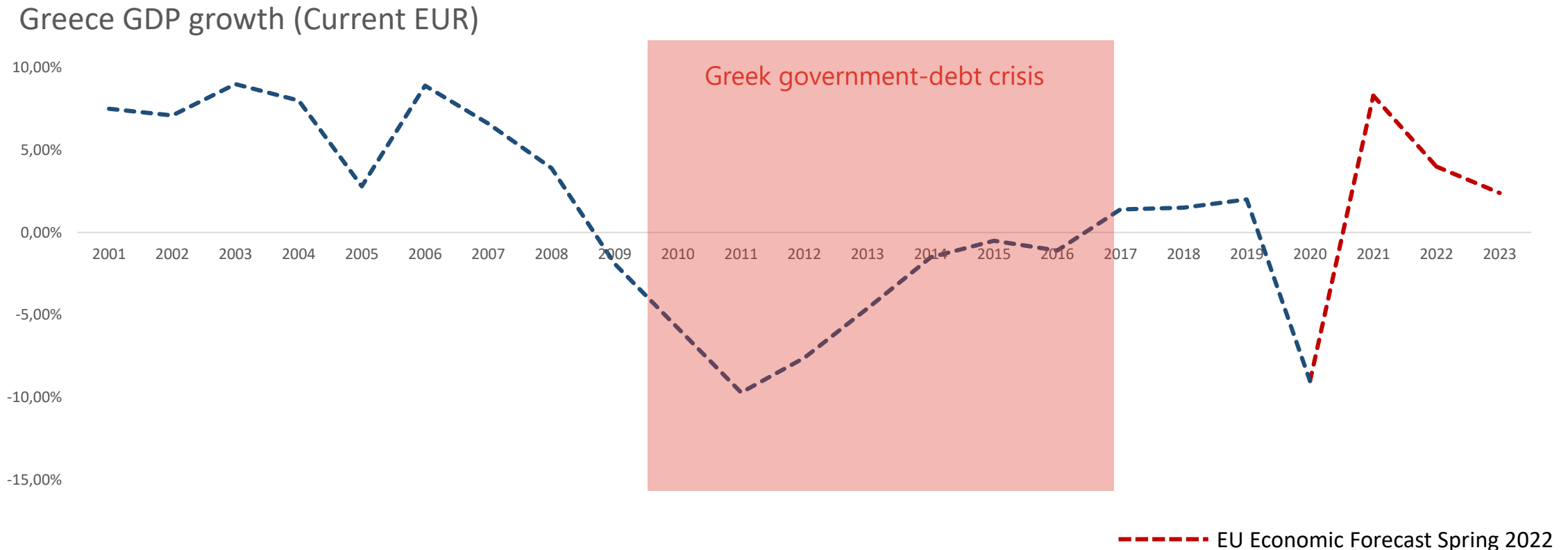


Common - unified platform

Market segmentation (only Greek data)

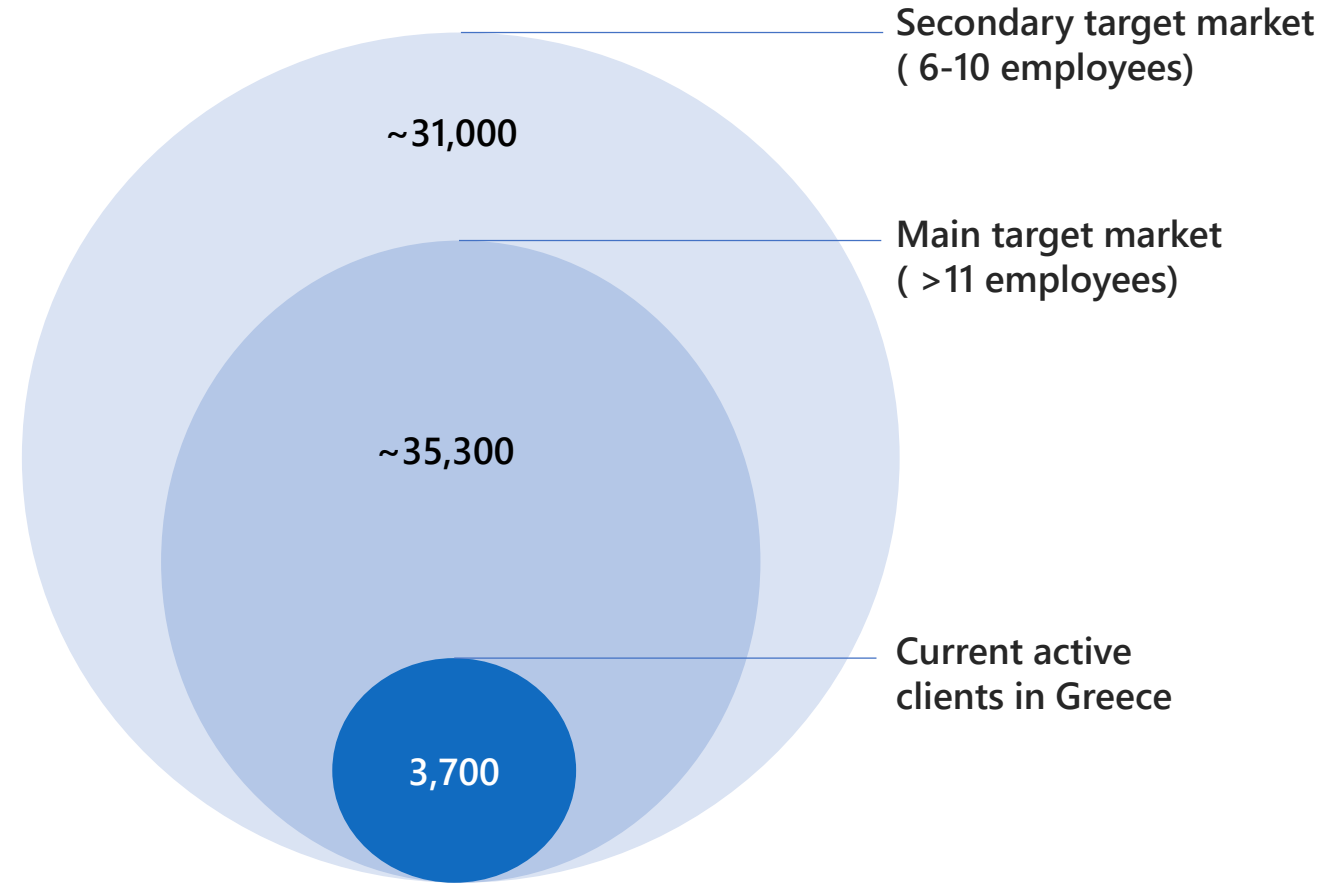


Greek financial crisis and the pandemic left a 10-year **technological gap** to Greek enterprises that needs to be bridged



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%

Entersoft EDI & e-Invoicing 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 Entersoft'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



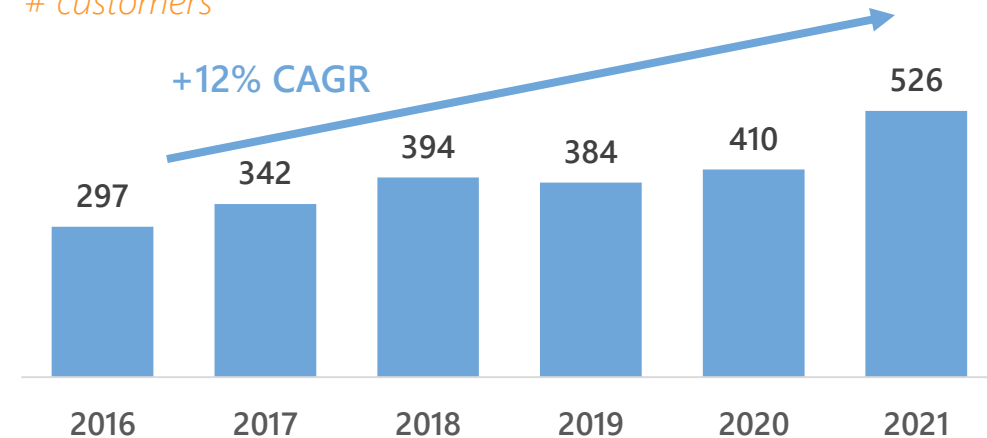
12 countries



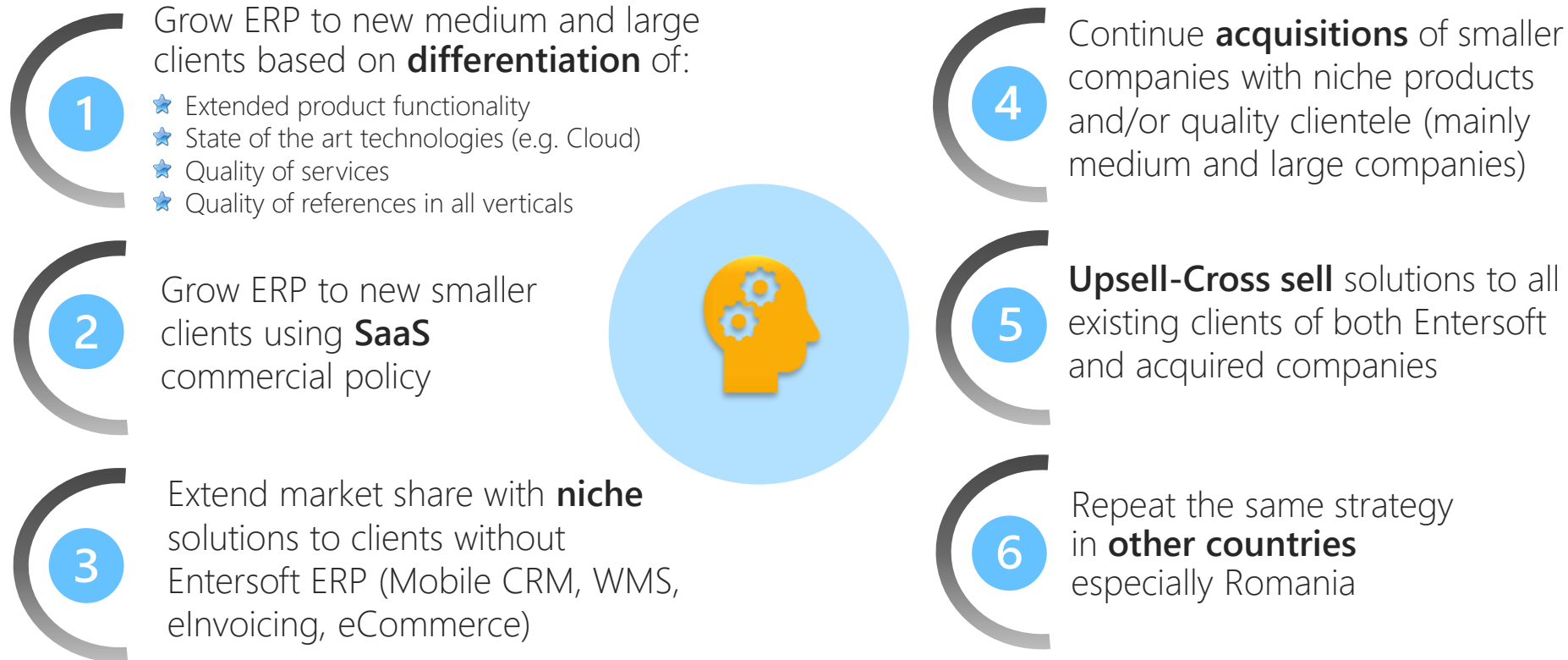
6,000,000 EDI Messages

e-Invoicing & EDI customers

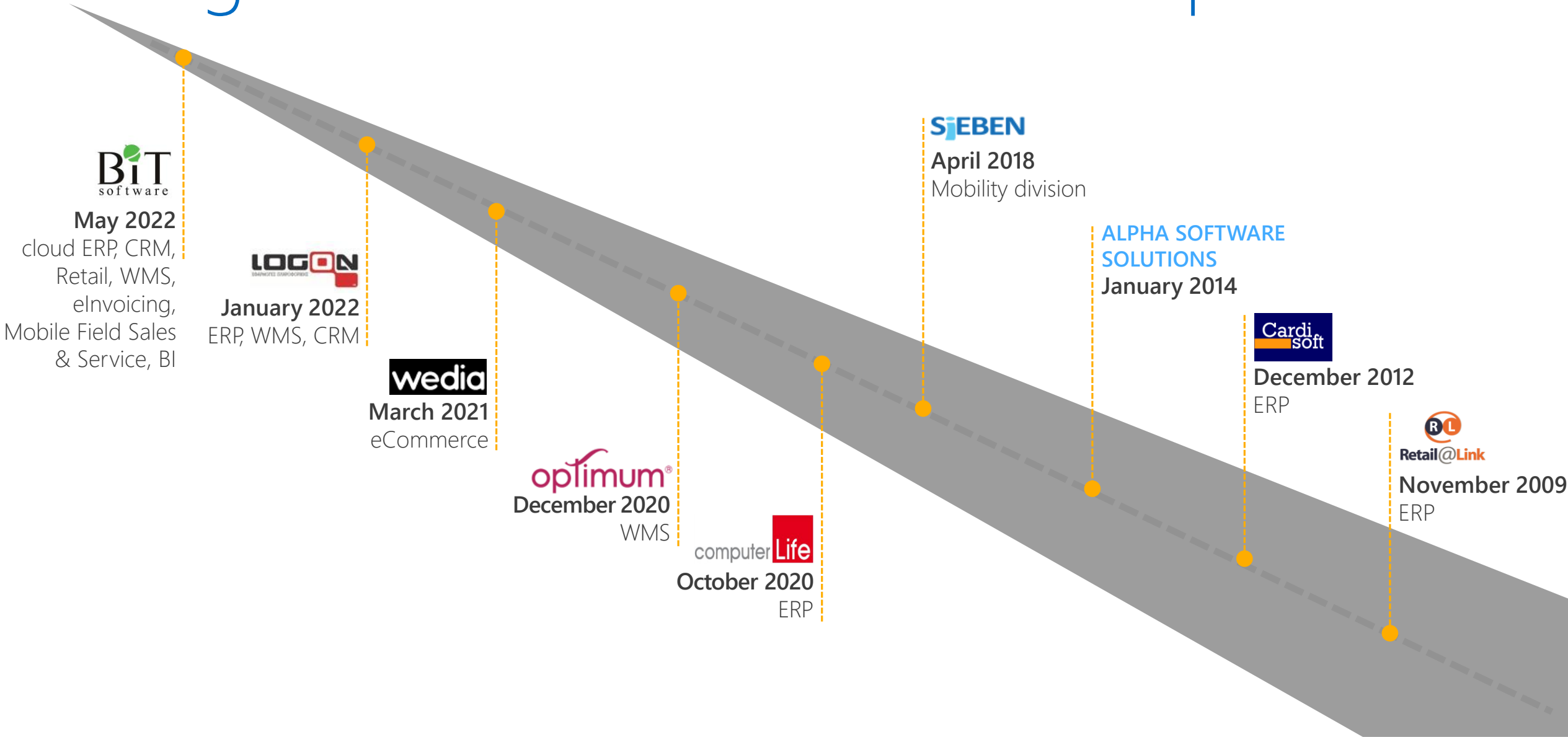
customers



Algorithm for continuous Growth & Profitability

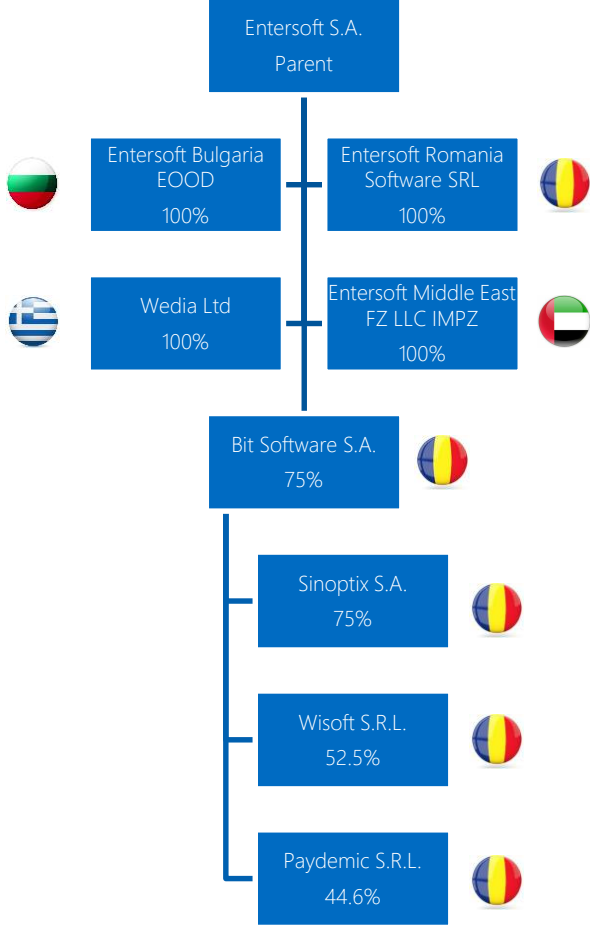


Strong track record of accretive acquisitions



Appendix

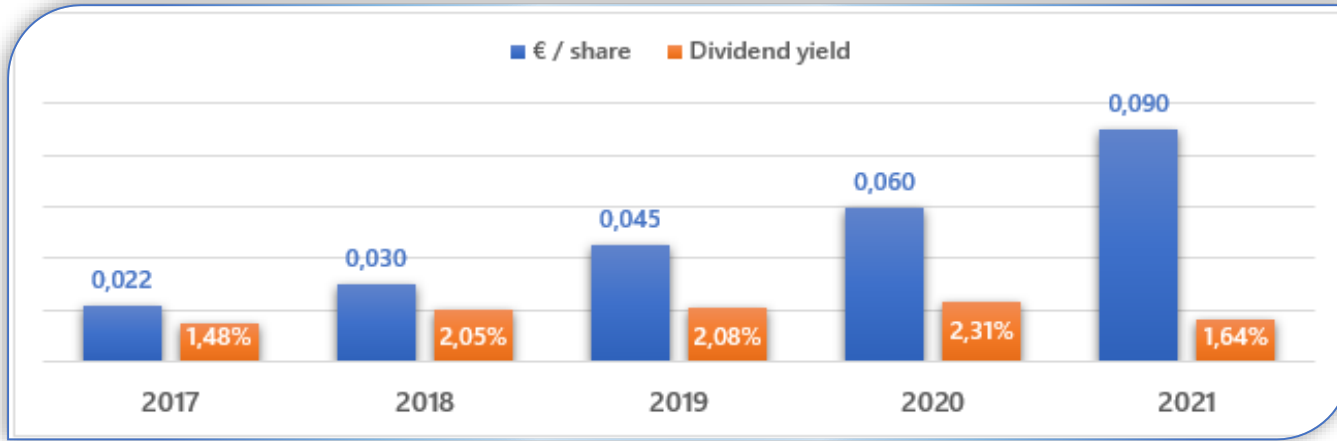
Entersoft Group Structure



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

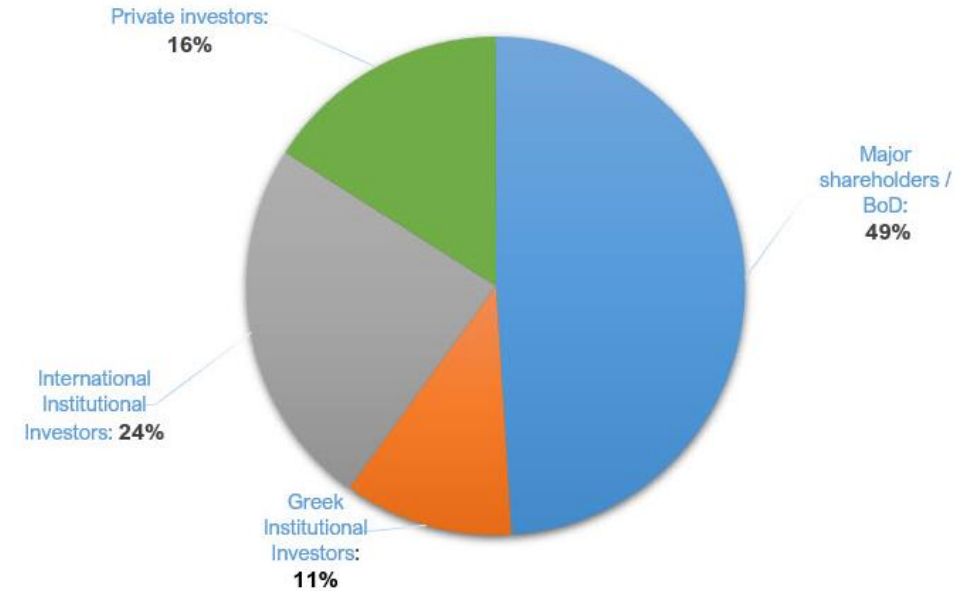
Share information

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

	30/06/2022	14/04/2022	15/02/2022	14/10/2021	29/07/2021
Capitalization	119.100.000	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	30.000.000
HiLo Chg	3,65%	1,84%	3,52%	1,23%	3,38%
Marketability	0,0461%	Last 6 months (avg)			

THANK YOU!

Contact us

info@entersoft.gr



Athens | Thessaloniki | Sofia | Bucharest | Dubai



www.entersoft.gr



+30.211.101.5000

