



ENTERSOFT

Corporate Presentation
Q3 2022

October 14, 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.

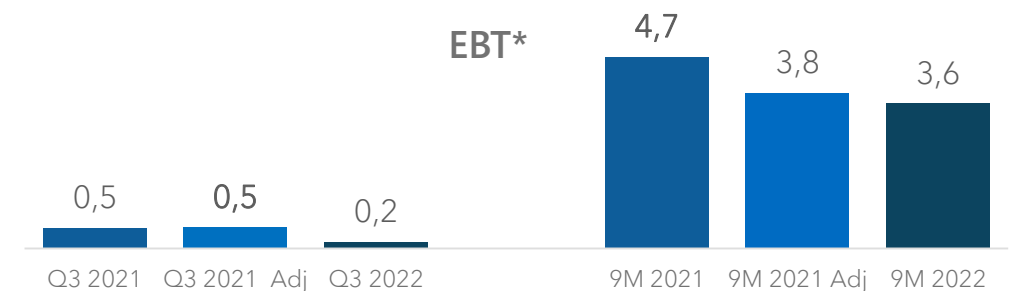
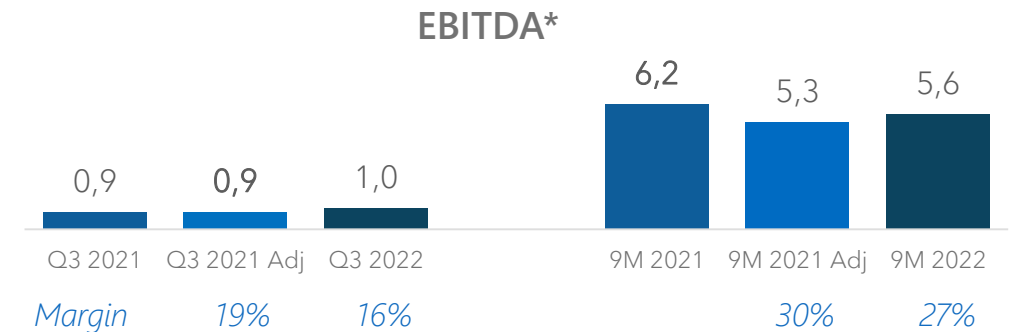
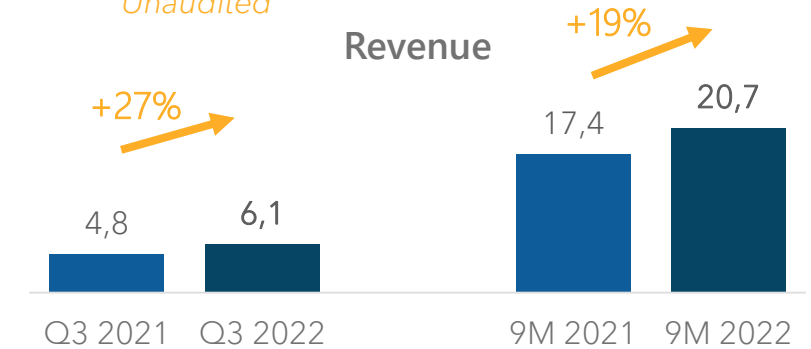
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Q3 & 9M 2022 at a glance

- Increased growth rate during Q3
- At Group level **revenues increased 19%** in a challenging environment. Organic growth affected negatively by postponement of investments due to the uncertainty and anticipation of delayed subsidies from RRF and EU projects
- Revenue growth achieved almost equally organically and from **the acquisitions of LogOn in the beginning of the year and Bit Software at the end of May**
- Additional Opex in 9M 2022 affecting EBITDA margin, mainly attributed to early investments in hiring new people and one-off acquisitions, restructuring and marketing costs
- FY2022 forecast for organic and inorganic revenue growth in low 20%'s, with profitability (EBITDA) margin in mid 30%'s

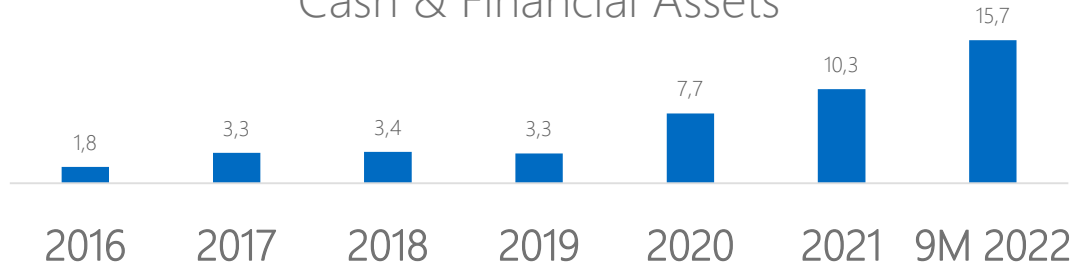
** NOTE: 9M 2022 Operating Expenses have been impacted by payroll accruals of €0,9M. Had comparable accruals been performed in 9M 2021, this would result in lower EBITDA and EBT by €0,9M. These figures are presented here as "Q3 2021 Adj" and "9M 2021 Adj"*

(amounts in millions €, Consolidated)
Unaudited



Strong liquidity

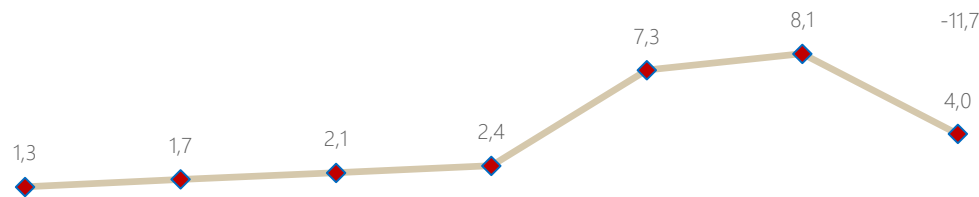
Cash & Financial Assets



Bank borrowings

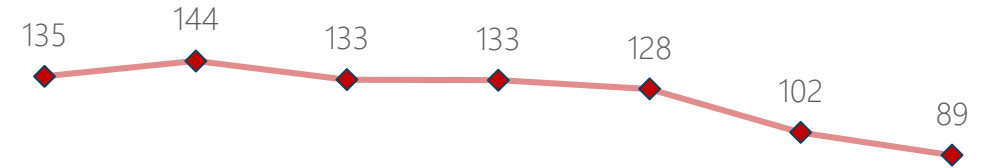


Net Cash



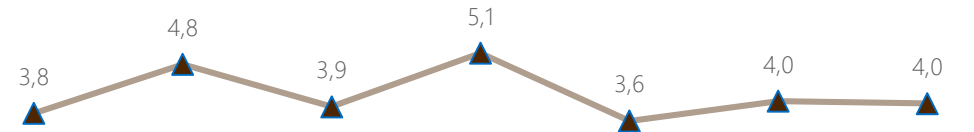
- Net cash position in 9M 2022 affected by outlays for M&A (€4,2m) and dividends (€2,7m)
- Balance sheet optionality to remunerate shareholders or fund acquisitions organically

DSO (Adjusted for VAT)



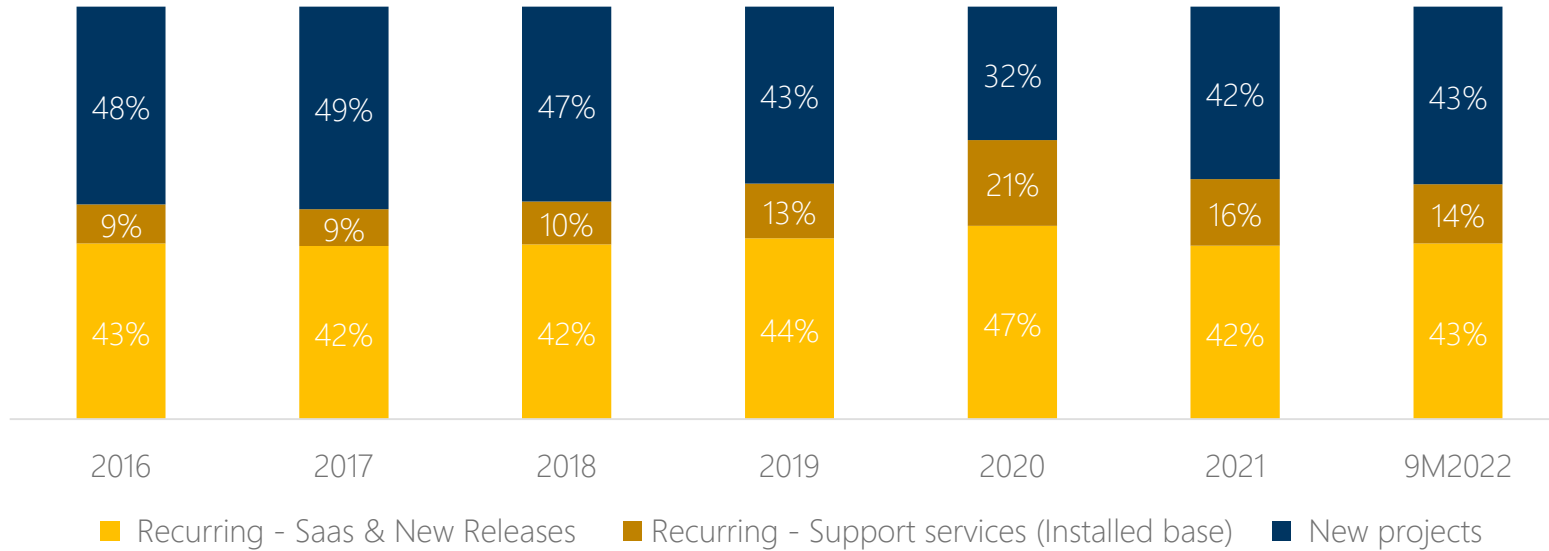
2016 2017 2018 2019 2020 2021 9M 2022

NWC

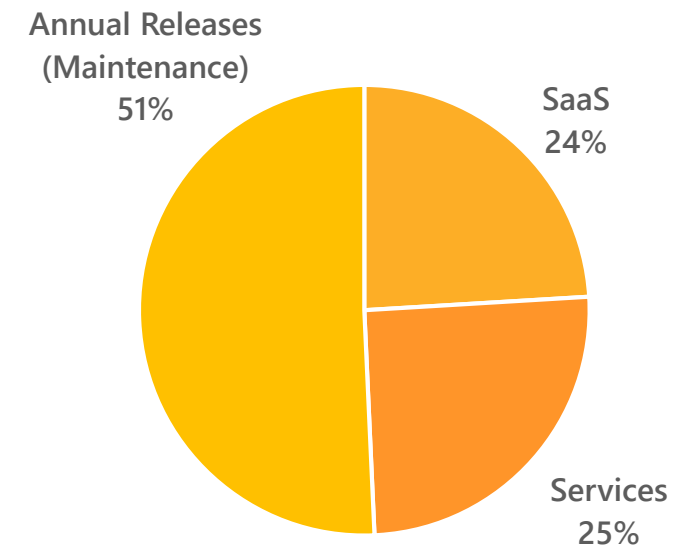


- Significant improvement in DSO with good quality receivables and minimal bad debts

Strong base of recurring revenue



Recurring revenue breakdown (9M 2022)

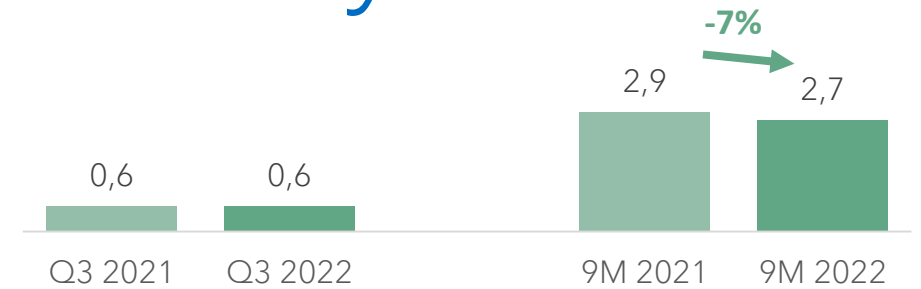


- 11,8 million Euro recurring revenue in 9M 2022 (57% of total) versus 10,1 million Euro in 9M 2021 (58% of total)
- Increase of new projects and new clients due to organic growth forms the basis for stronger recurring revenues in the future

Revenue breakdown by activity

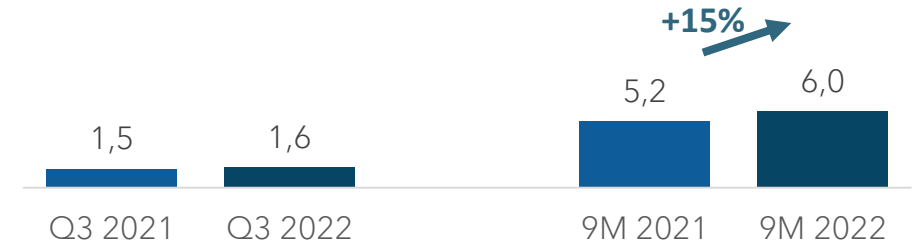
Licenses

Drop attributed mainly to deferral of investment decisions in anticipation of subsidies programs



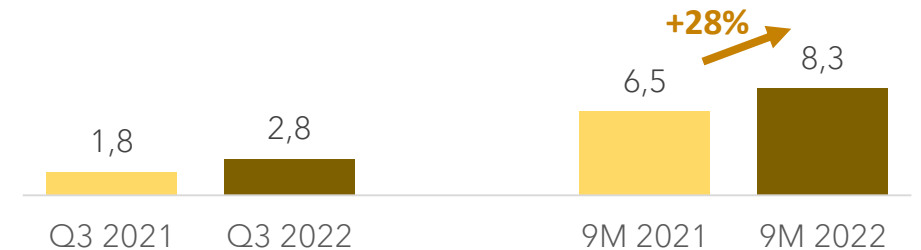
Annual Releases (Maintenance)

Very high renewal rate and impact from the acquisition of LogOn



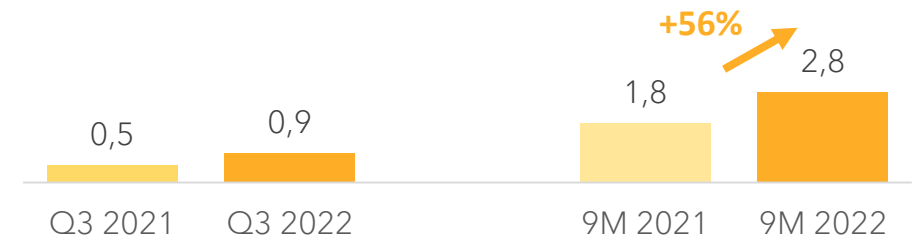
Services

Growth driven by increasing demand from the installed base and the acquisition of LogOn



SaaS

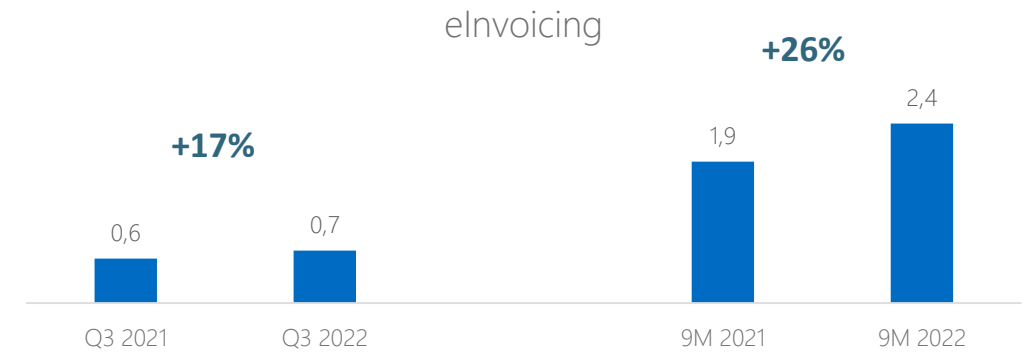
Growth driven mainly from eInvoicing, as well as from the acquisition of Bit, whose main product is a cloud only SaaS ERP-CRM



Revenue breakdown by product family



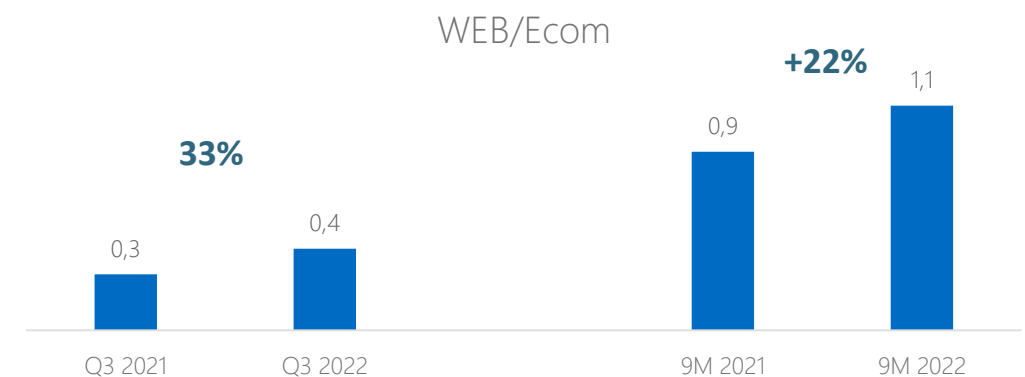
Impacted by a growing number of new projects as well as the acquisition of BIT Software.



Sustainable Growth for another quarter due to B2B eInvoicing adoption. Can be a long-term growth trend



Although growing steadily, we notice a growth slowdown in Q3 due to deferral of investment decisions

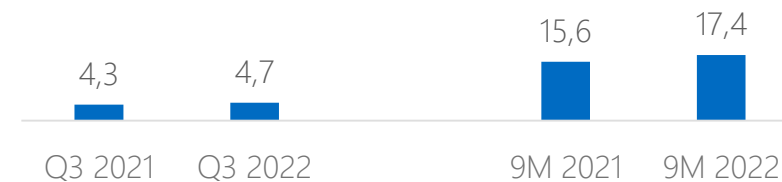


Significant growth although still not influencing the total growth significantly

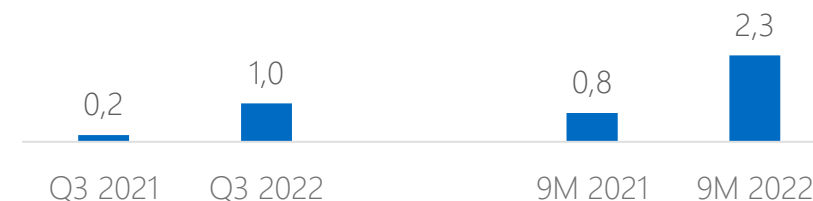
Geographies

- Greek **revenues** of 17,3 mil Euros corresponding to **12% growth YoY**.
- **Organic** growth **6% YoY**.
- 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

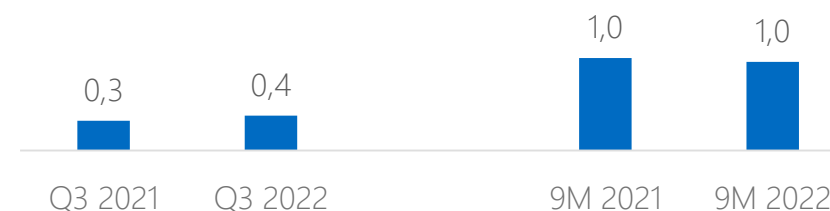
Greece



Romania



Other



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
- Currently in the process of a legal merger between Entersoft Romania and Bit Software, to be followed by an internal restructuring

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)
- New center currently operational, undertaking first implementation projects

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
- Currently being restructured to support the longer-term growth targets of 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 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

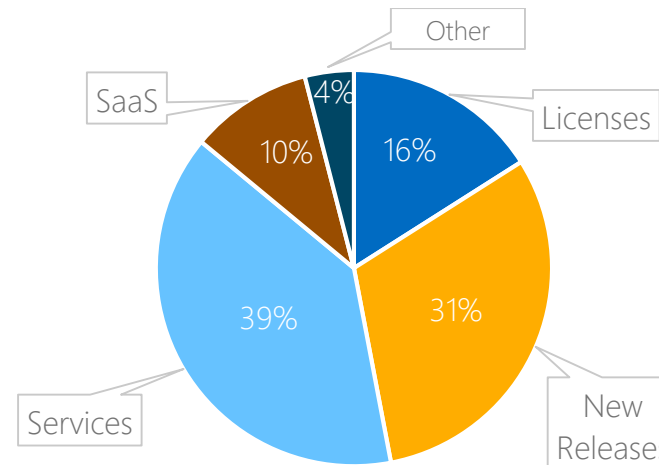
Small, Mid and large businesses

Industries

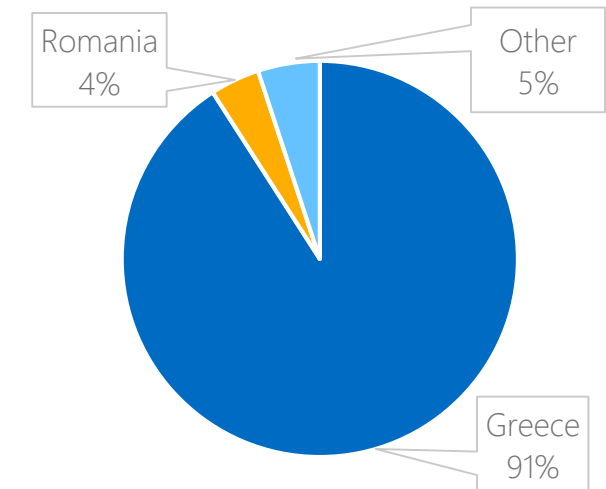
Financial Institutions
Construction
Industrial Products
Pharmaceuticals
Cosmetics

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

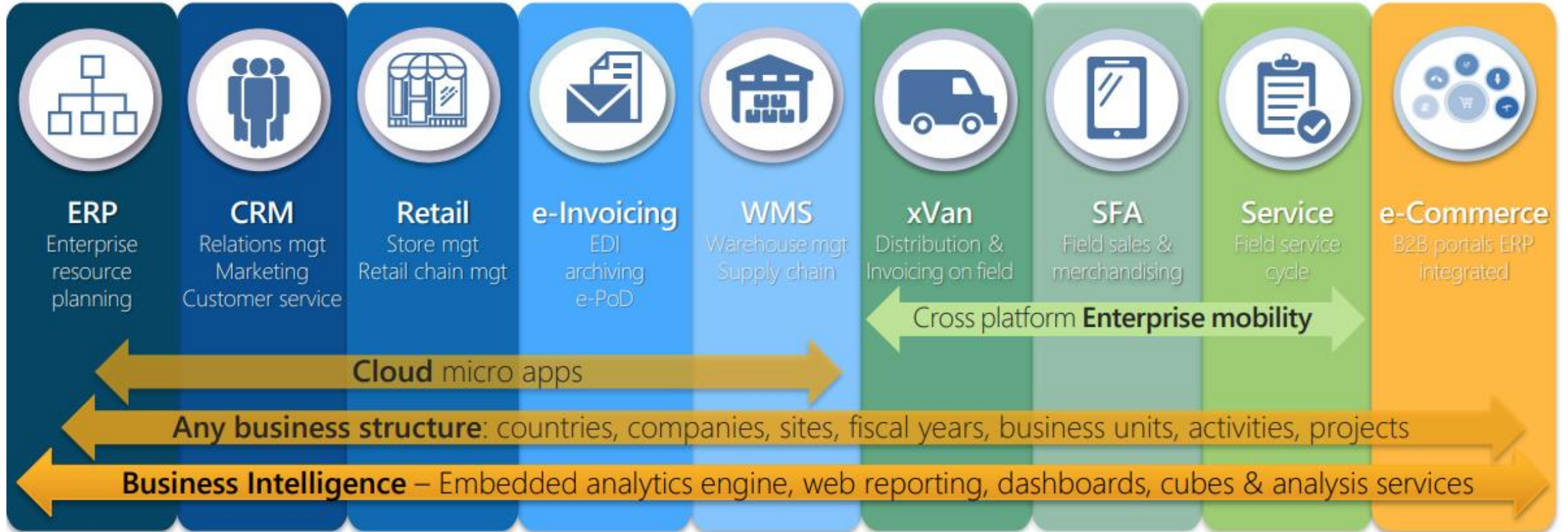
Revenue breakdown FY 2021



Revenue by geography FY 2021

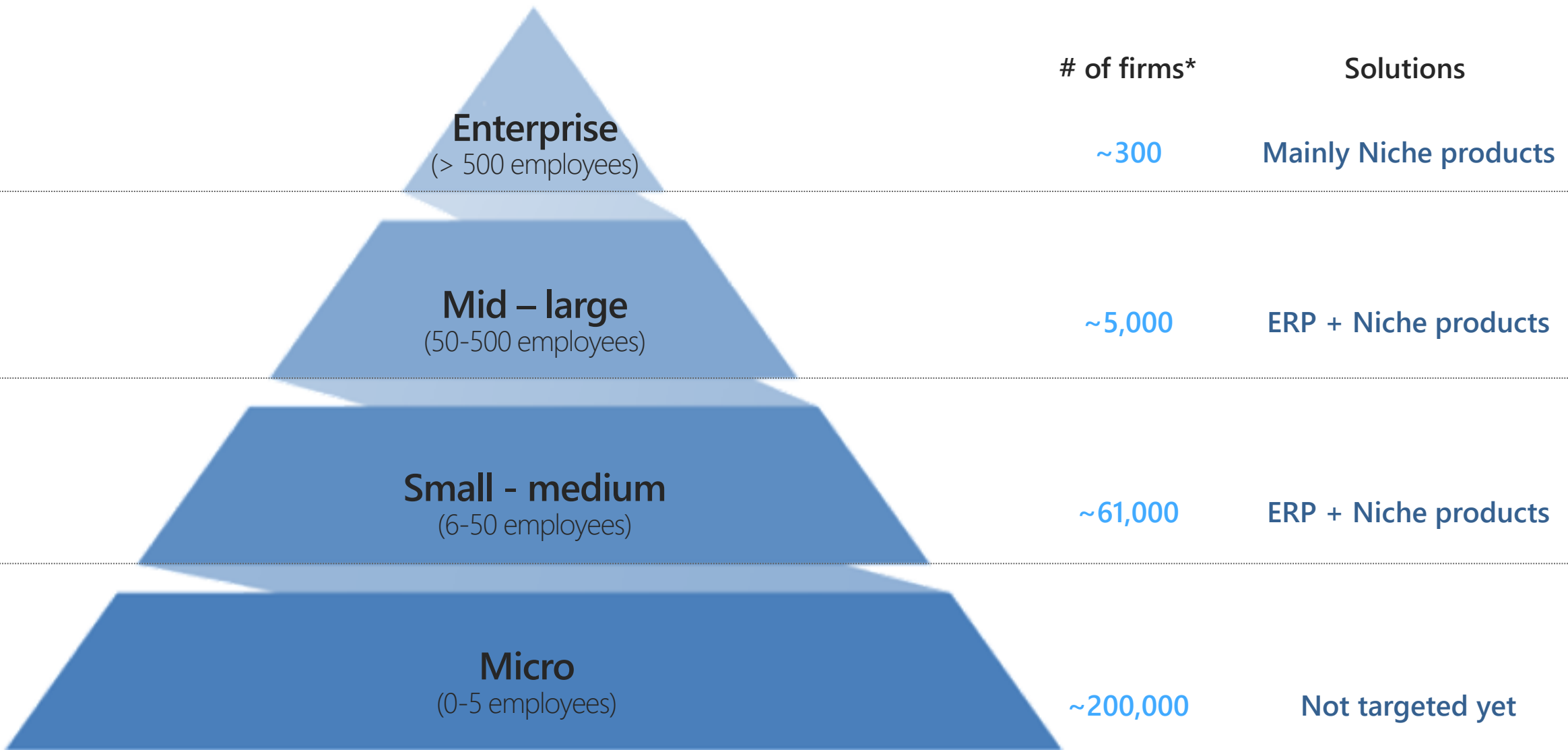


Wide product range

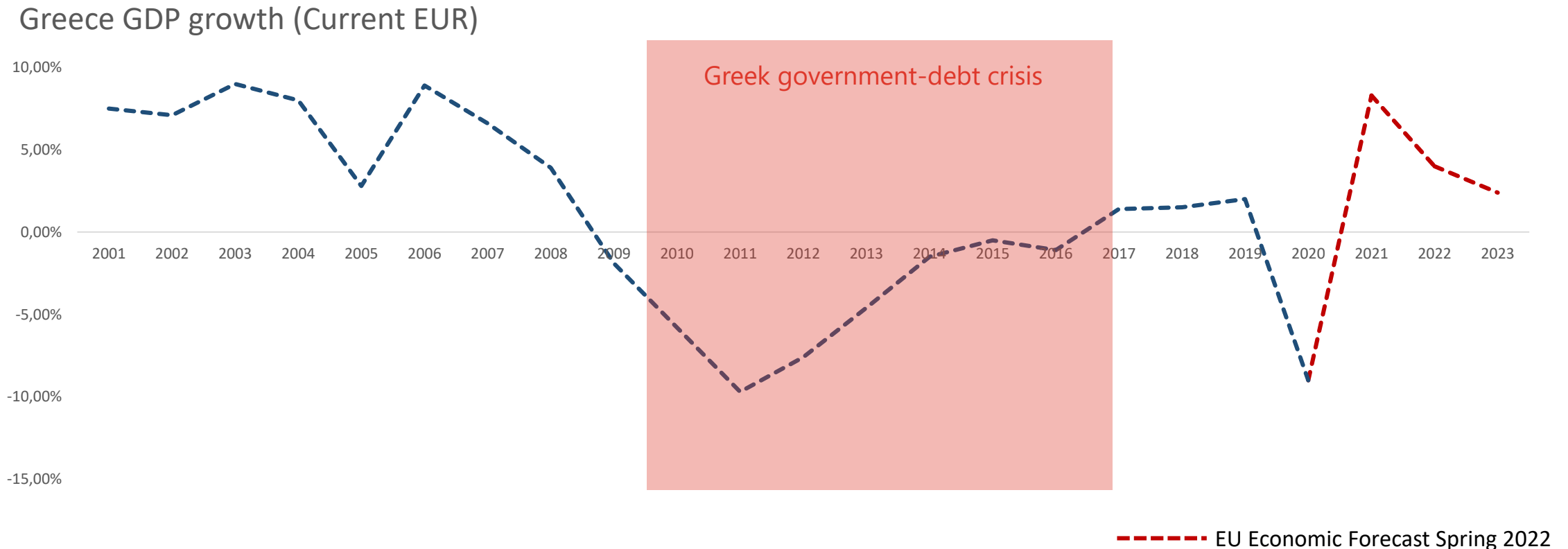


Common - unified platform

Market segmentation (only Greek data)

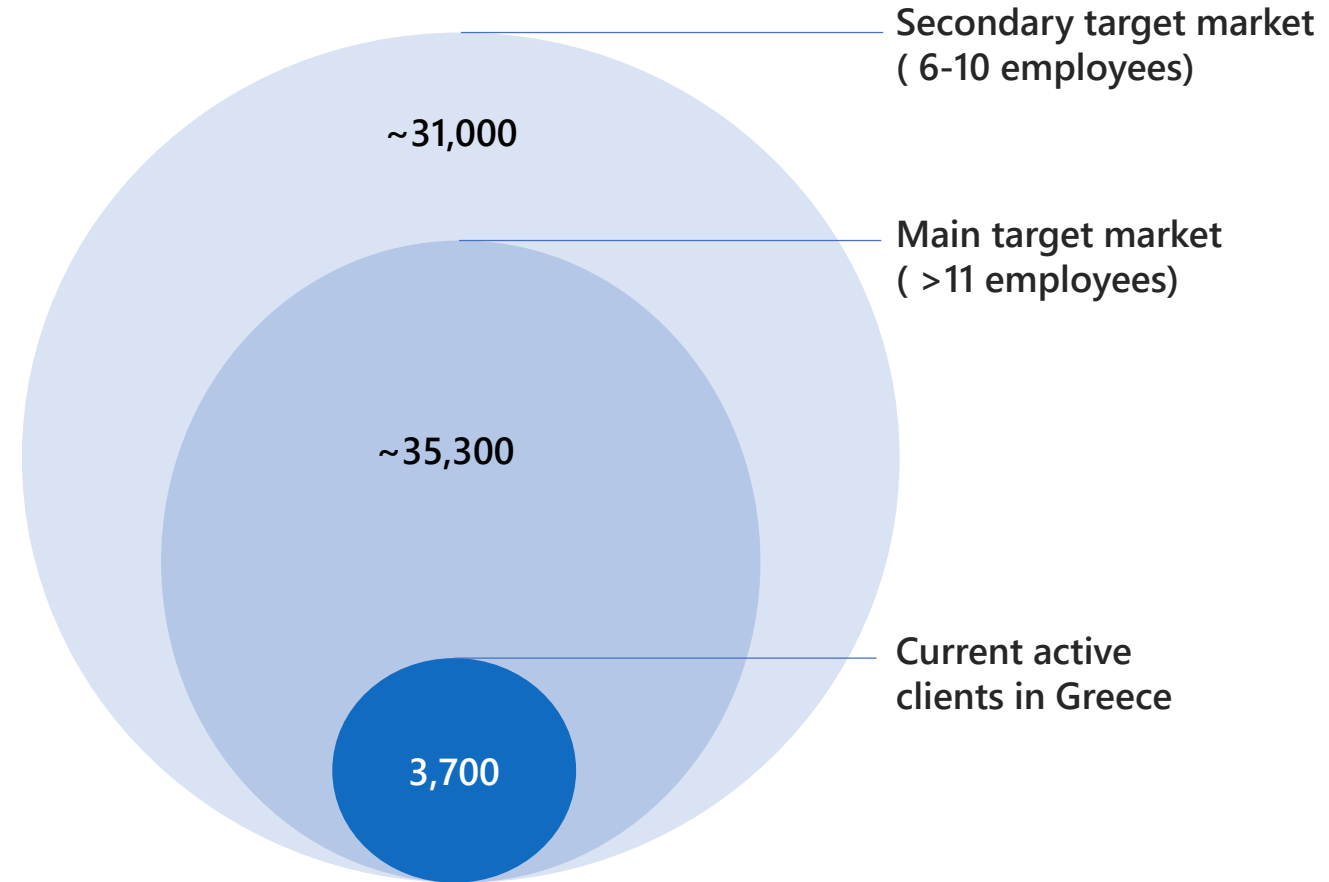


Greek financial crisis and the pandemic left a 10-year **technological gap** to Greek enterprises that needs to be bridged



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



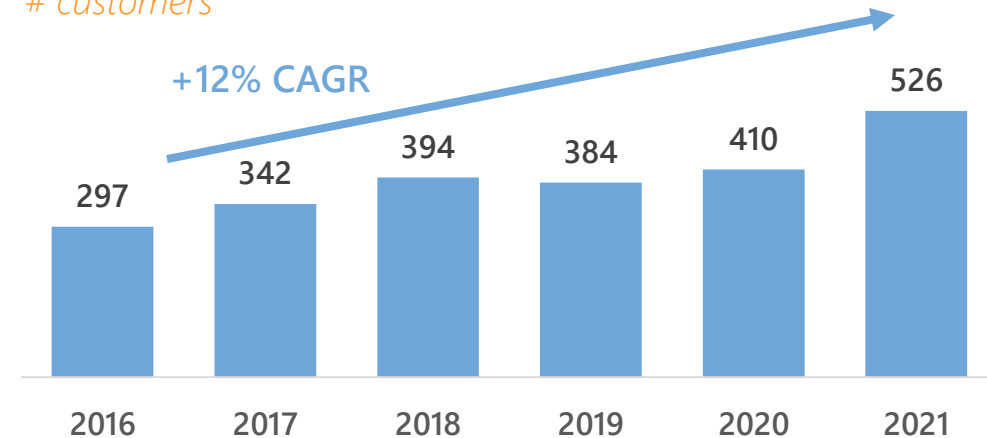
12 countries



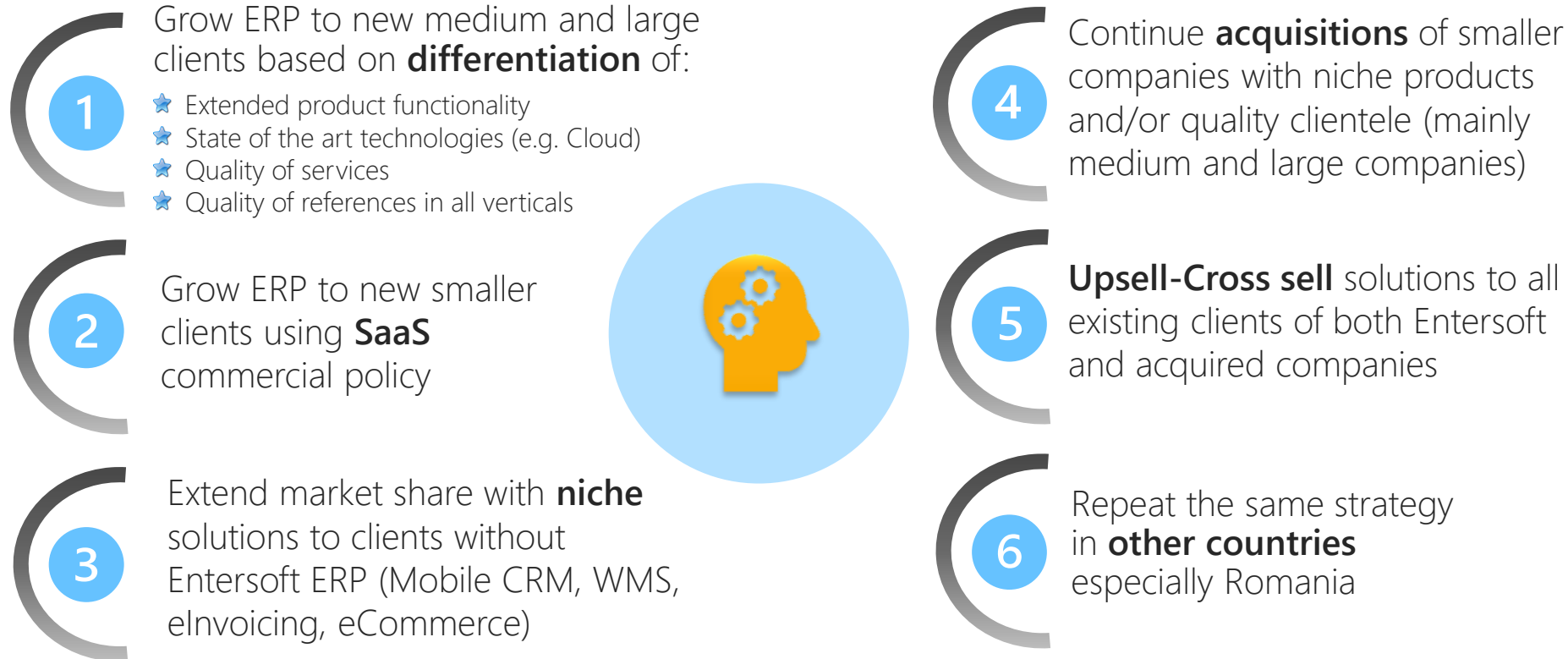
6,000,000 EDI Messages

e-Invoicing & EDI customers

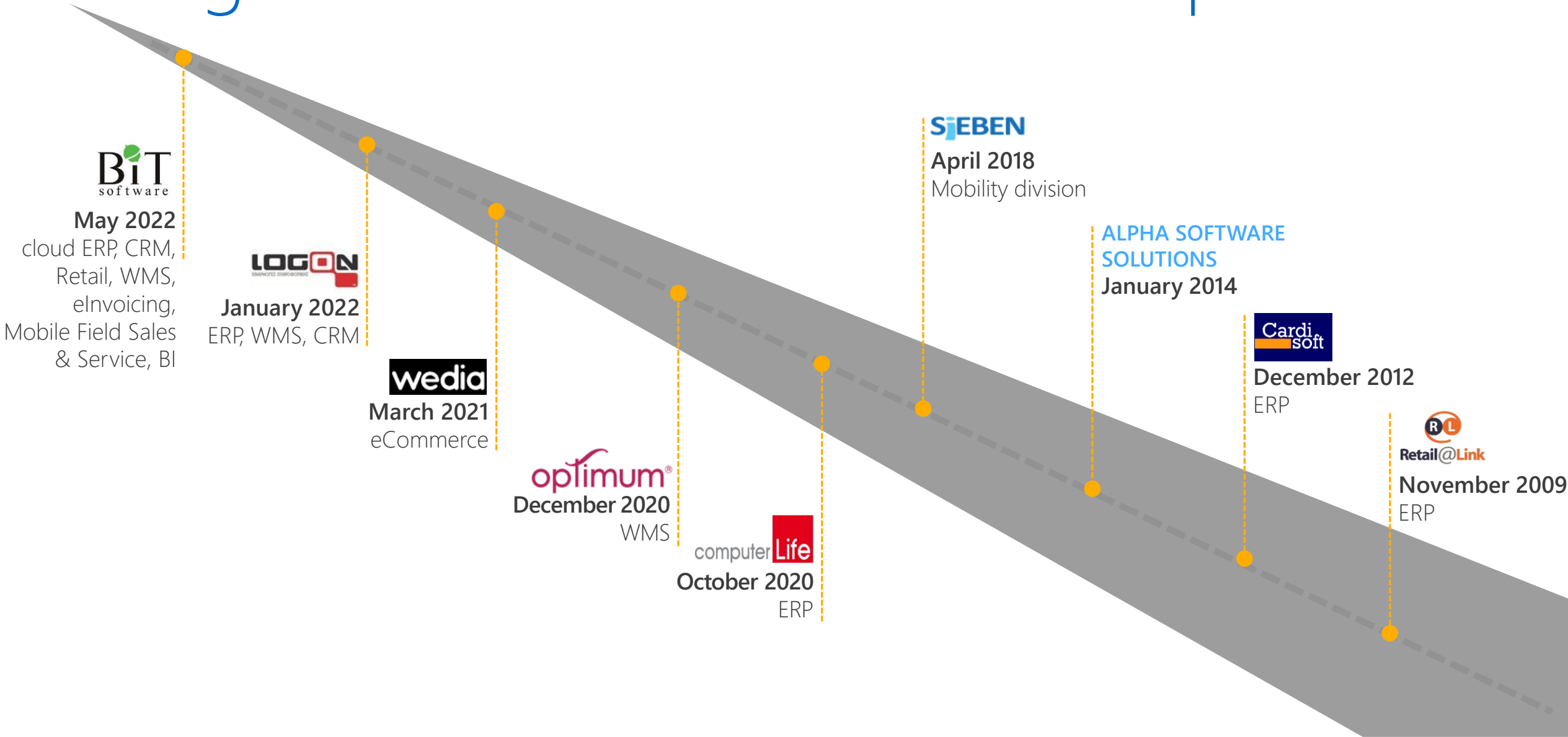
customers



Algorithm for continuous Growth & Profitability

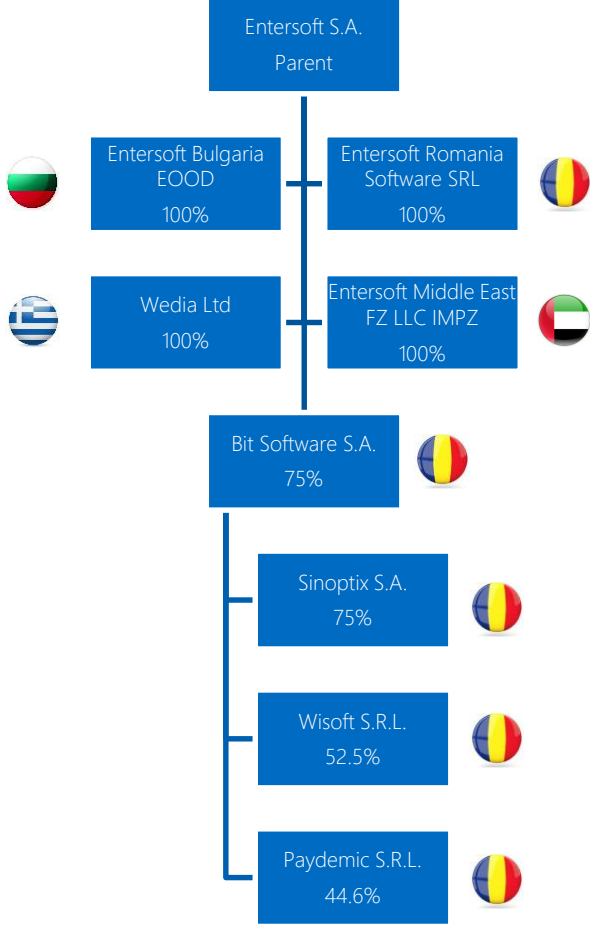


Strong track record of accretive acquisitions



Appendix

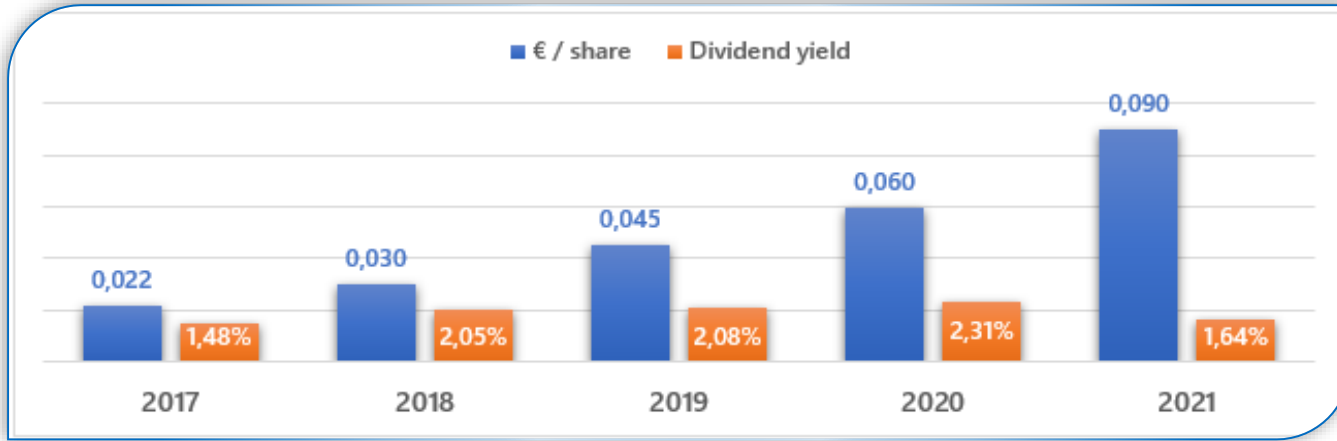
Entersoft Group Structure



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

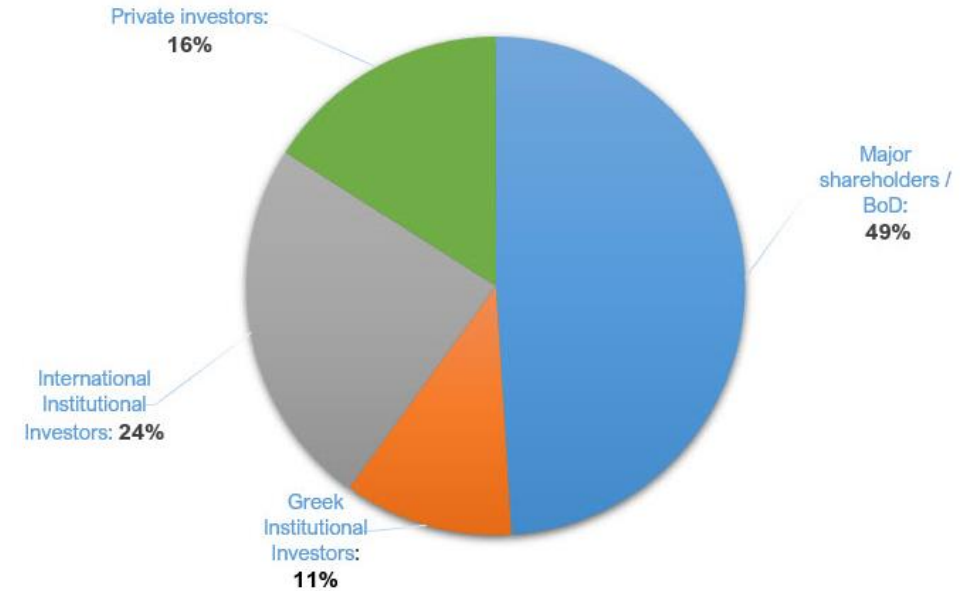
Share information

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

	12/10/2022	30/06/2022	14/04/2022	15/02/2022	14/10/2021
Capitalization	100.200.000	119.100.000	163.800.000	157.200.000	147.000.000
Number of shares	30.000.000	30.000.000	30.000.000	30.000.000	30.000.000
HiLo Chg	3,37%	3,65%	1,84%	3,52%	1,23%
Marketability	0,0352%	0,0461%	Last 6 months (avg)		

THANK YOU!

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