



**ENTERSOFT**

Corporate Presentation  
Q3 2022

October 14, 2022

Software for ambitious enterprises

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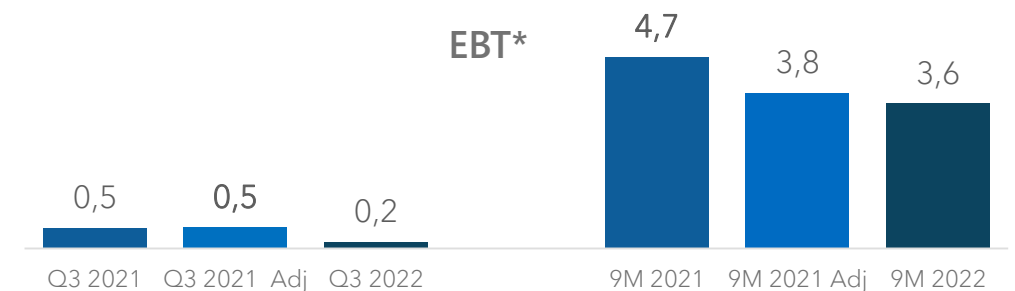
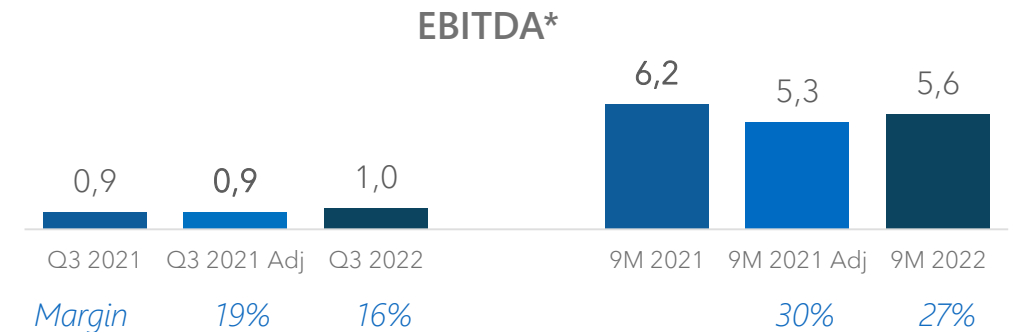
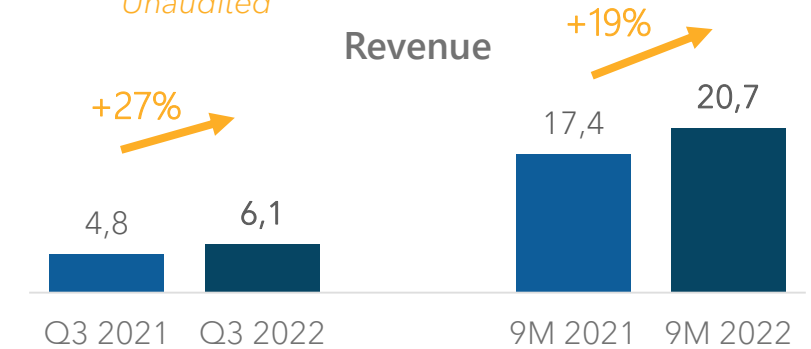
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# Q3 & 9M 2022 at a glance

- 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

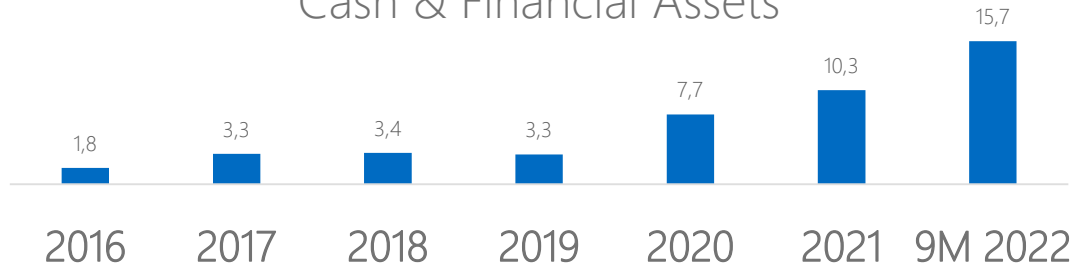
(amounts in millions €, Consolidated)  
Unaudited



\* 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"

# Strong liquidity

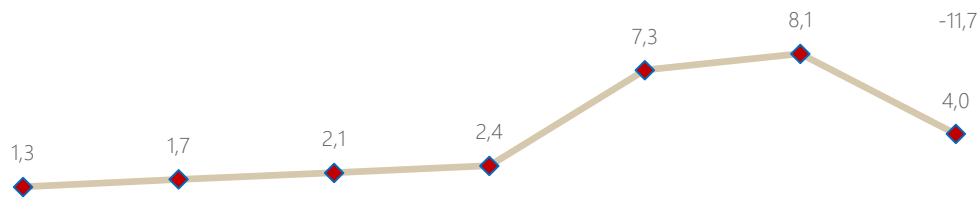
Cash & Financial Assets



Bank borrowings

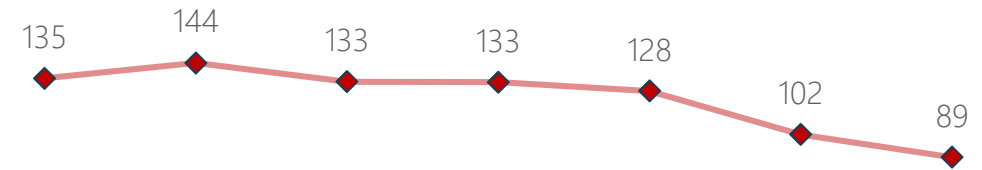


Net Cash



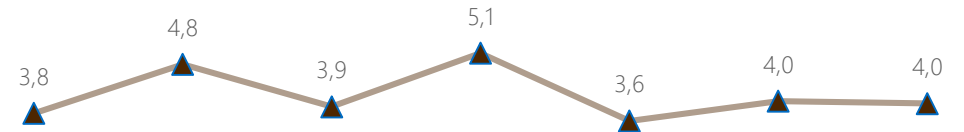
- Net cash position in 9M 2022 affected by outlays for M&A (€4,2m) and dividends (€2,7m)
- Balance sheet optionality to remunerate shareholders or fund acquisitions organically

DSO (Adjusted for VAT)



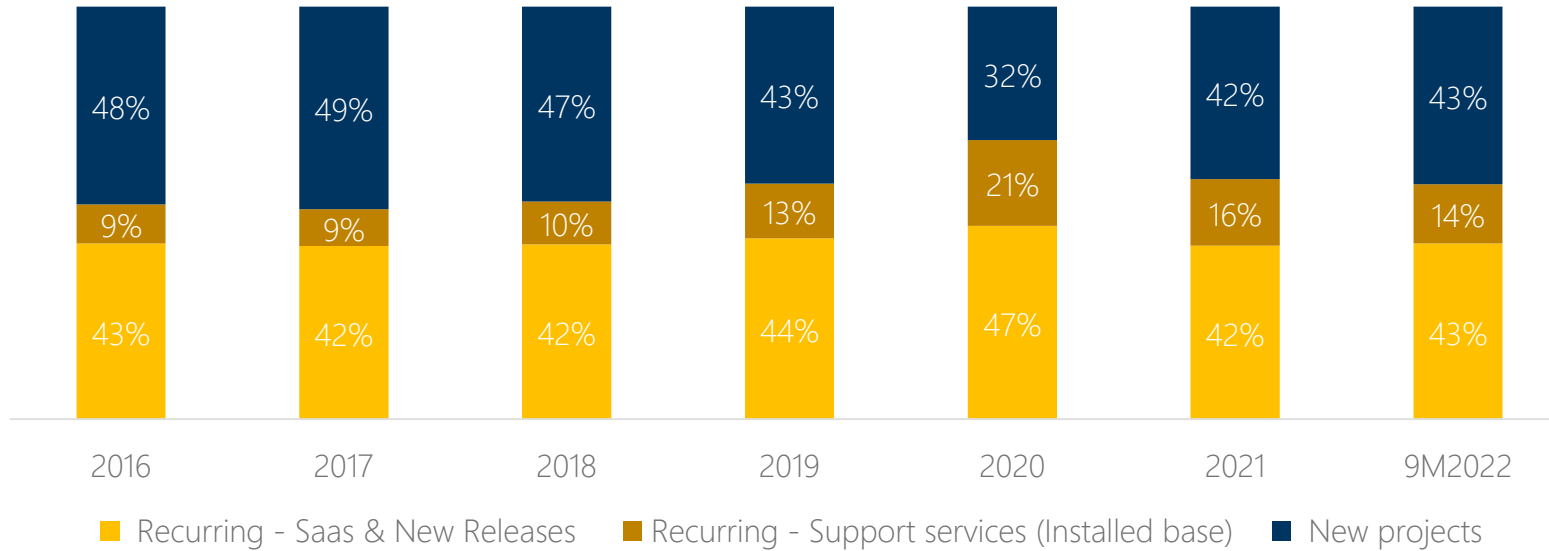
2016 2017 2018 2019 2020 2021 9M 2022

NWC

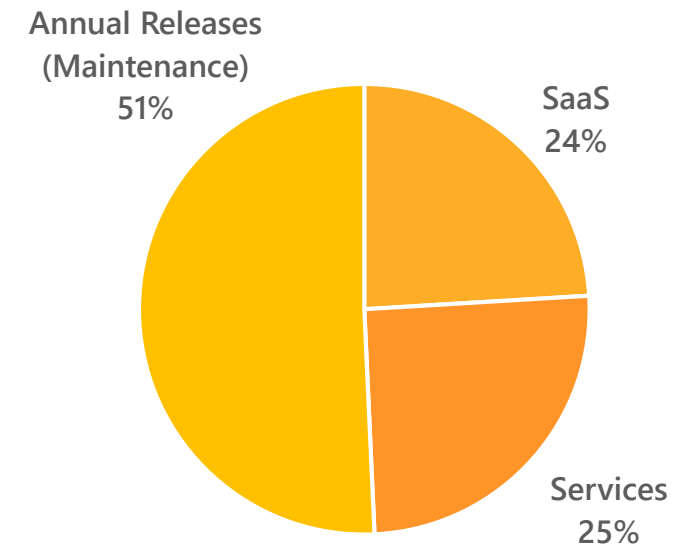


- Significant improvement in DSO with good quality receivables and minimal bad debts

# Strong base of recurring revenue



Recurring revenue breakdown (9M 2022)

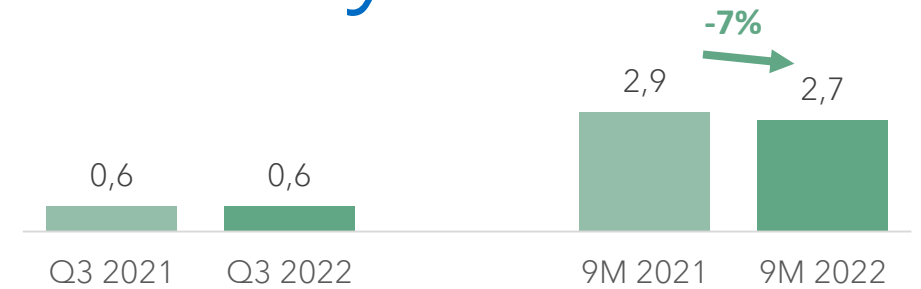


- 11,8 million Euro recurring revenue in 9M 2022 (57% of total) versus 10,1 million Euro in 9M 2021 (58% of total)
- Increase of new projects and new clients due to organic growth forms the basis for stronger recurring revenues in the future

# Revenue breakdown by activity

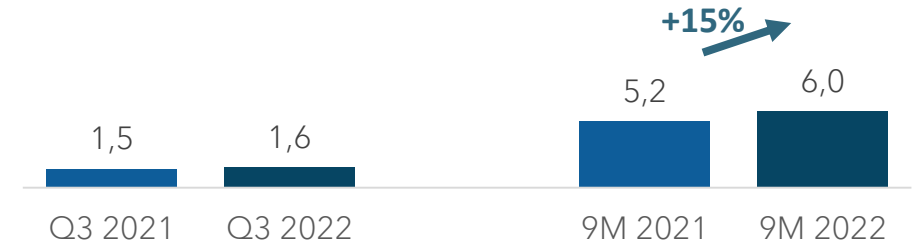
## Licenses

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



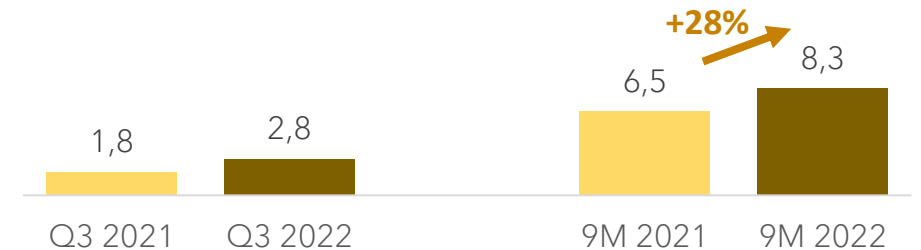
## Annual Releases (Maintenance)

Very high renewal rate and impact from the acquisition of LogOn



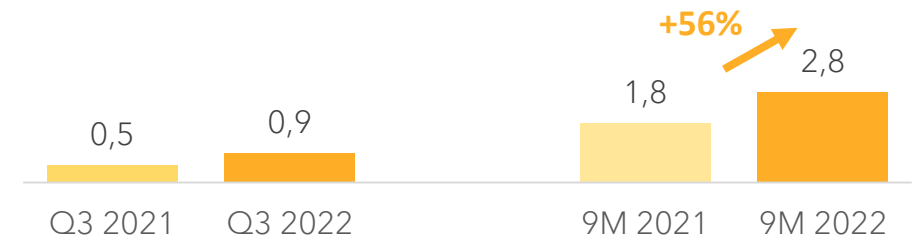
## Services

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



## SaaS

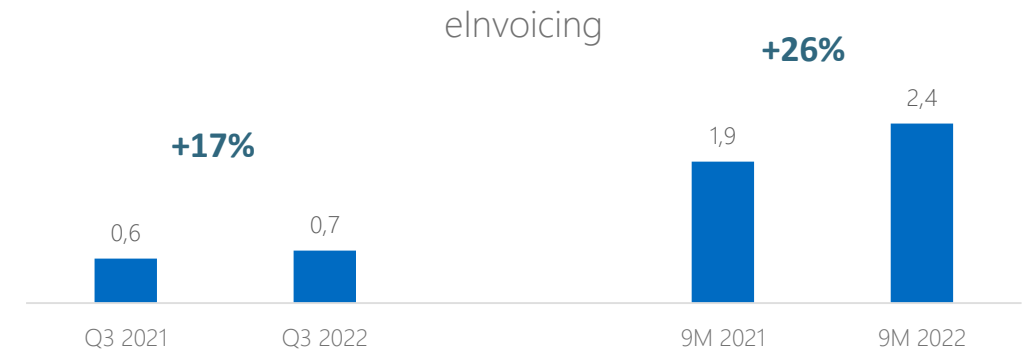
Growth driven mainly from eInvoicing, as well as from the acquisition of Bit, whose main product is a cloud only SaaS ERP-CRM



# Revenue breakdown by product family



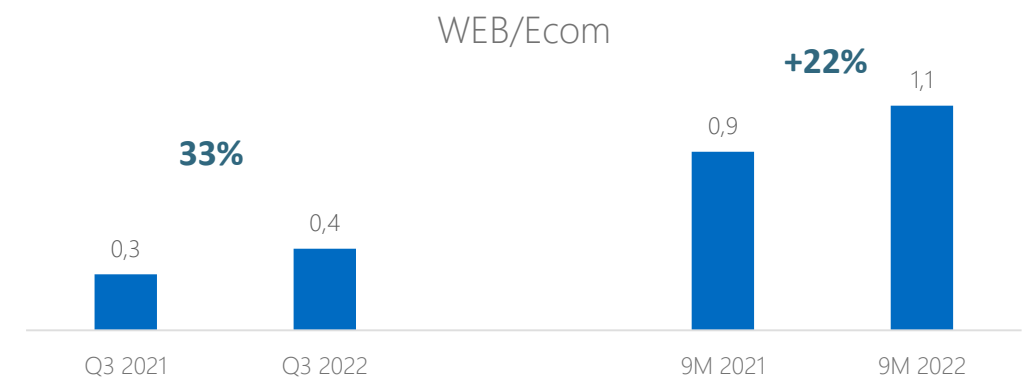
*Impacted by a growing number of new projects as well as the acquisition of BIT Software.*



*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*

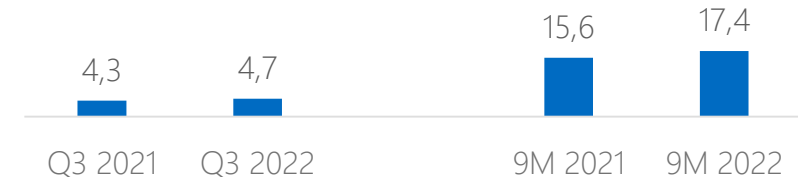


*Significant growth although still not influencing the total growth significantly*

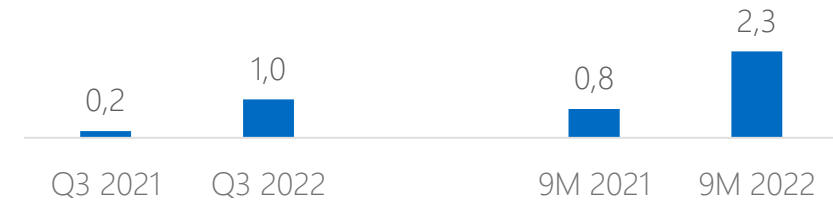
# Geographies

- 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

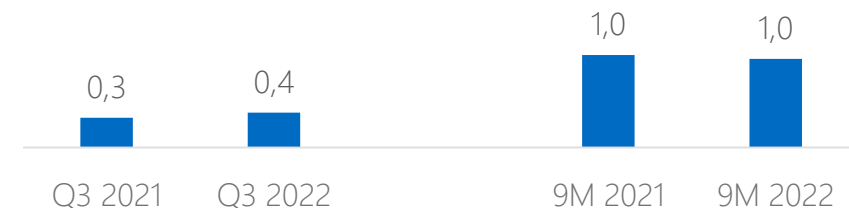
## Greece



## 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

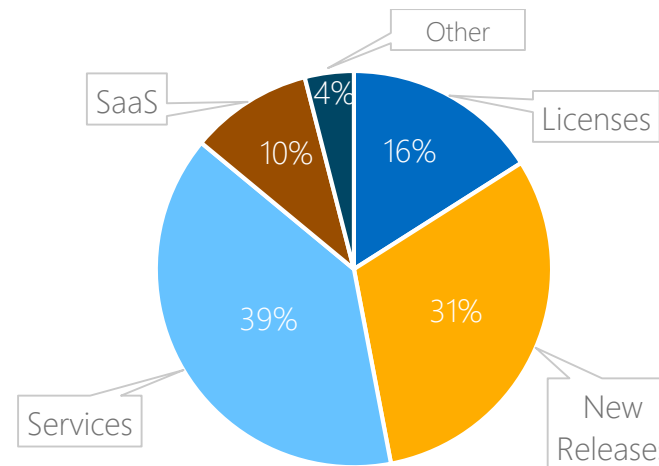
40 countries

400+ certified consultants

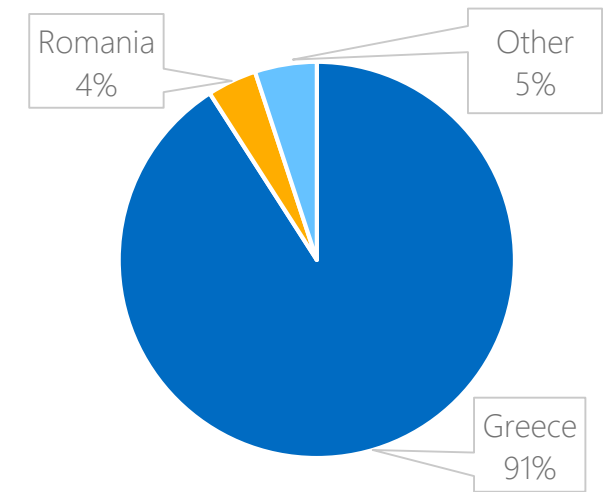
80+ certified partners

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

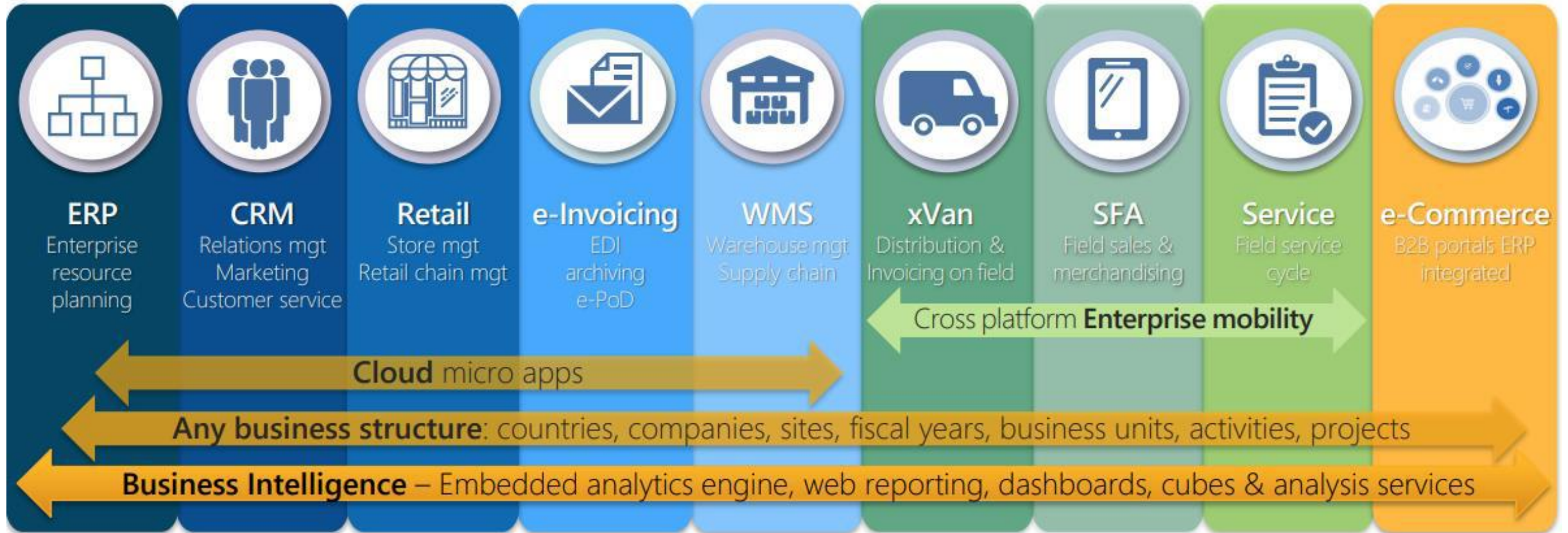
Revenue breakdown FY 2021



Revenue by geography FY 2021

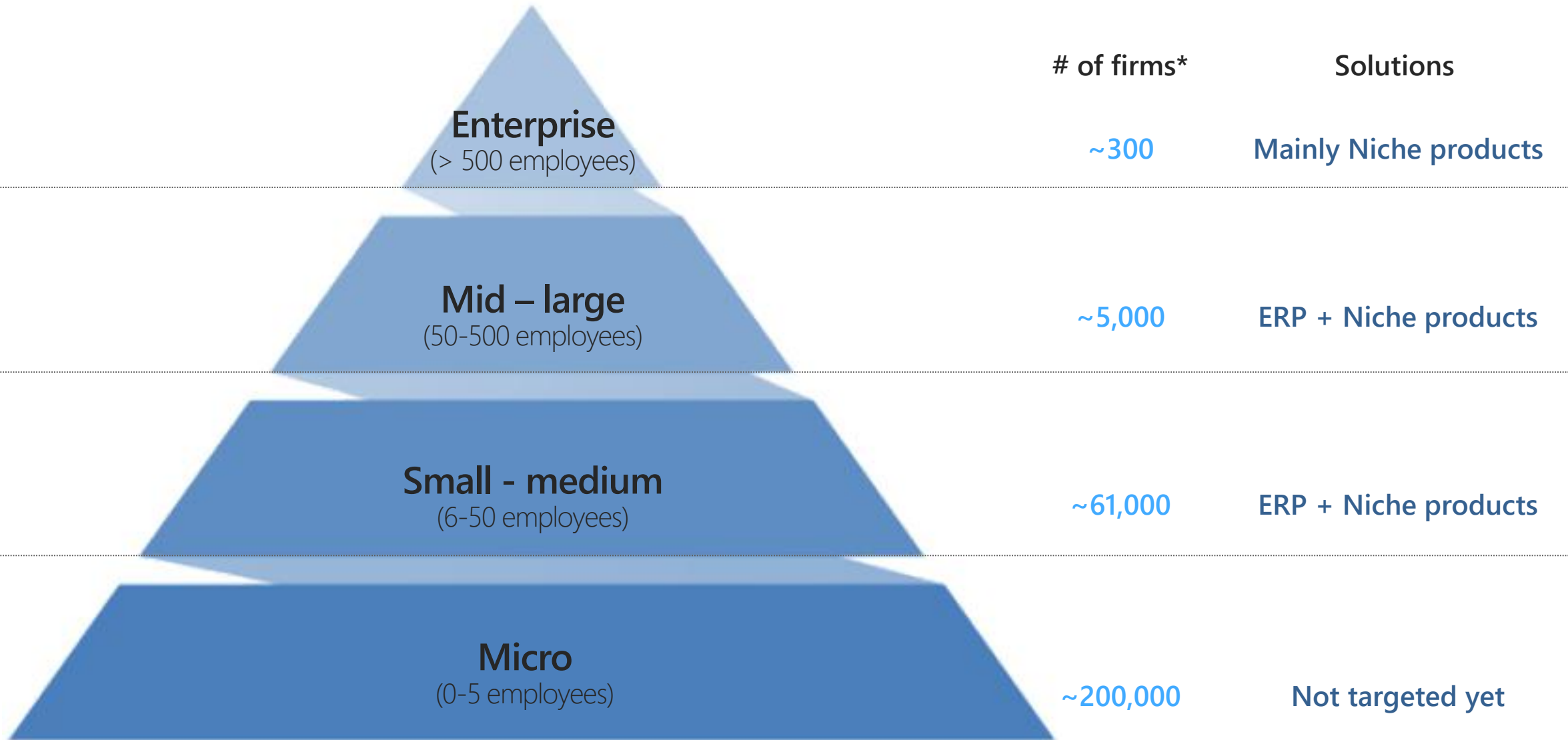


# Wide product range

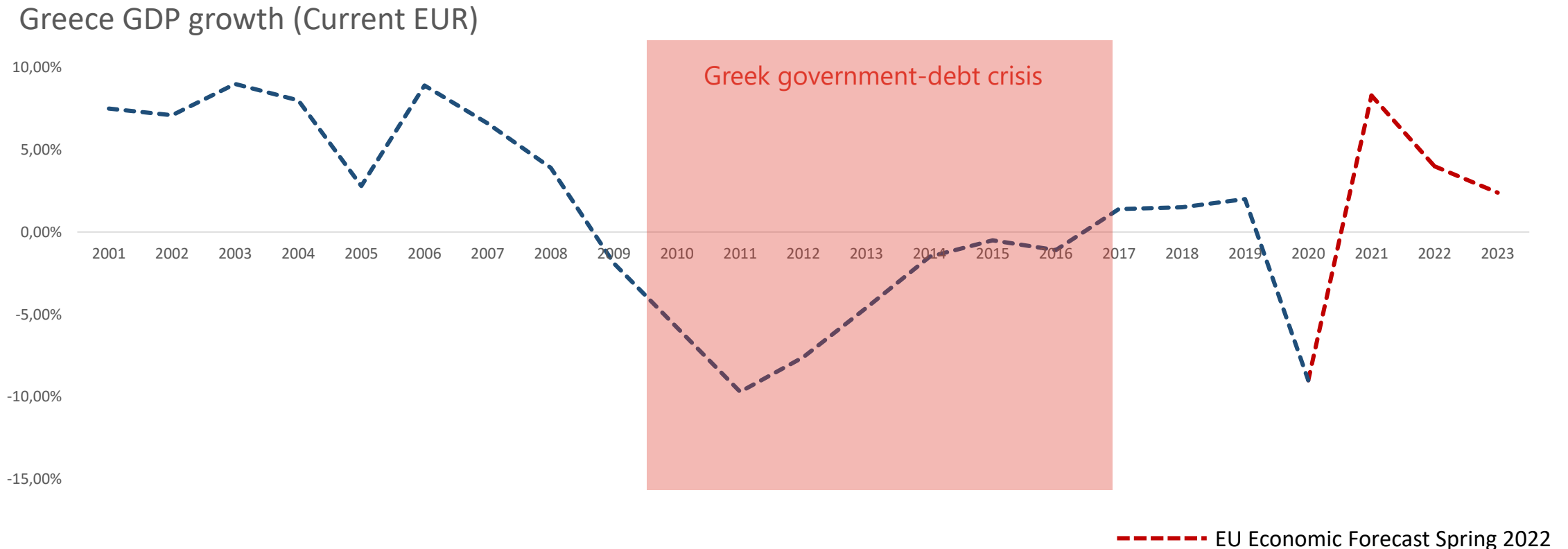


Common - unified platform

# Market segmentation (only Greek data)

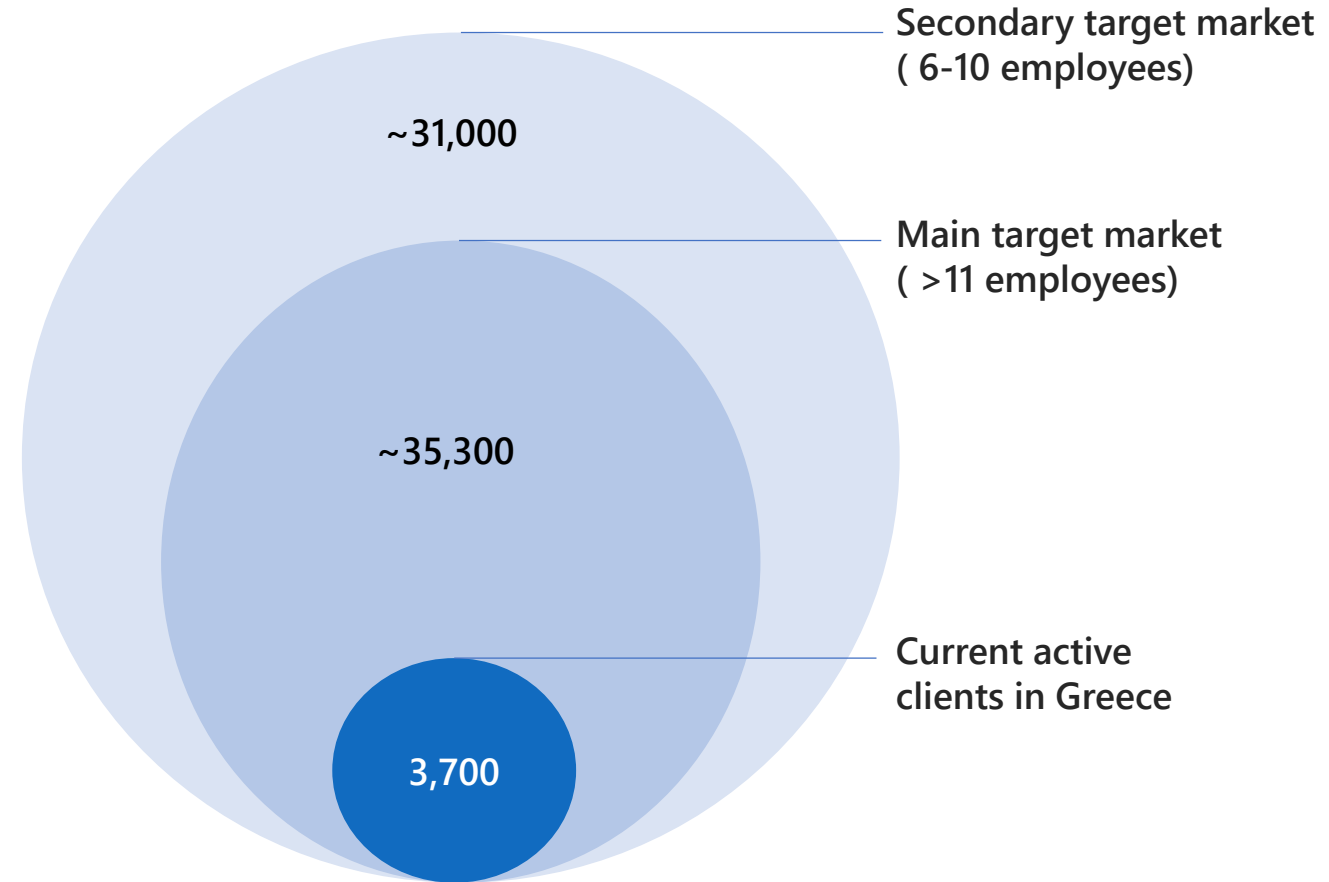


# Greek financial crisis and the pandemic left a 10-year **technological gap** to Greek enterprises that needs to be bridged



# 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



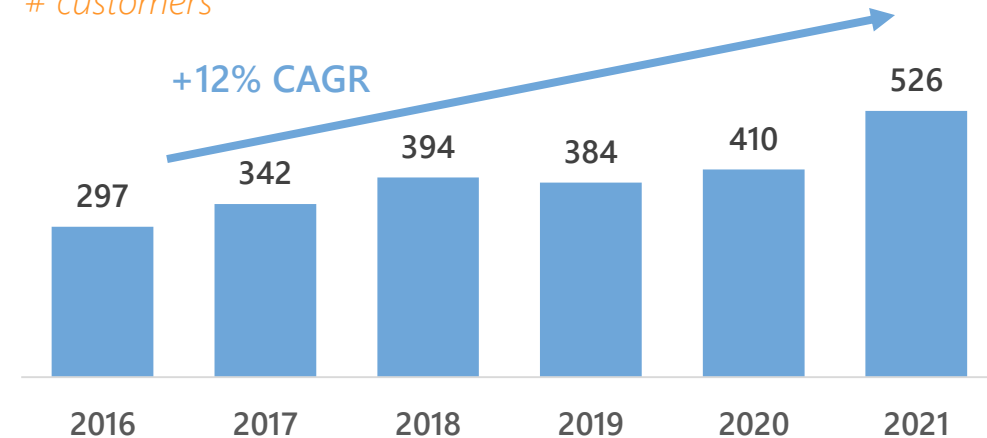
12 countries



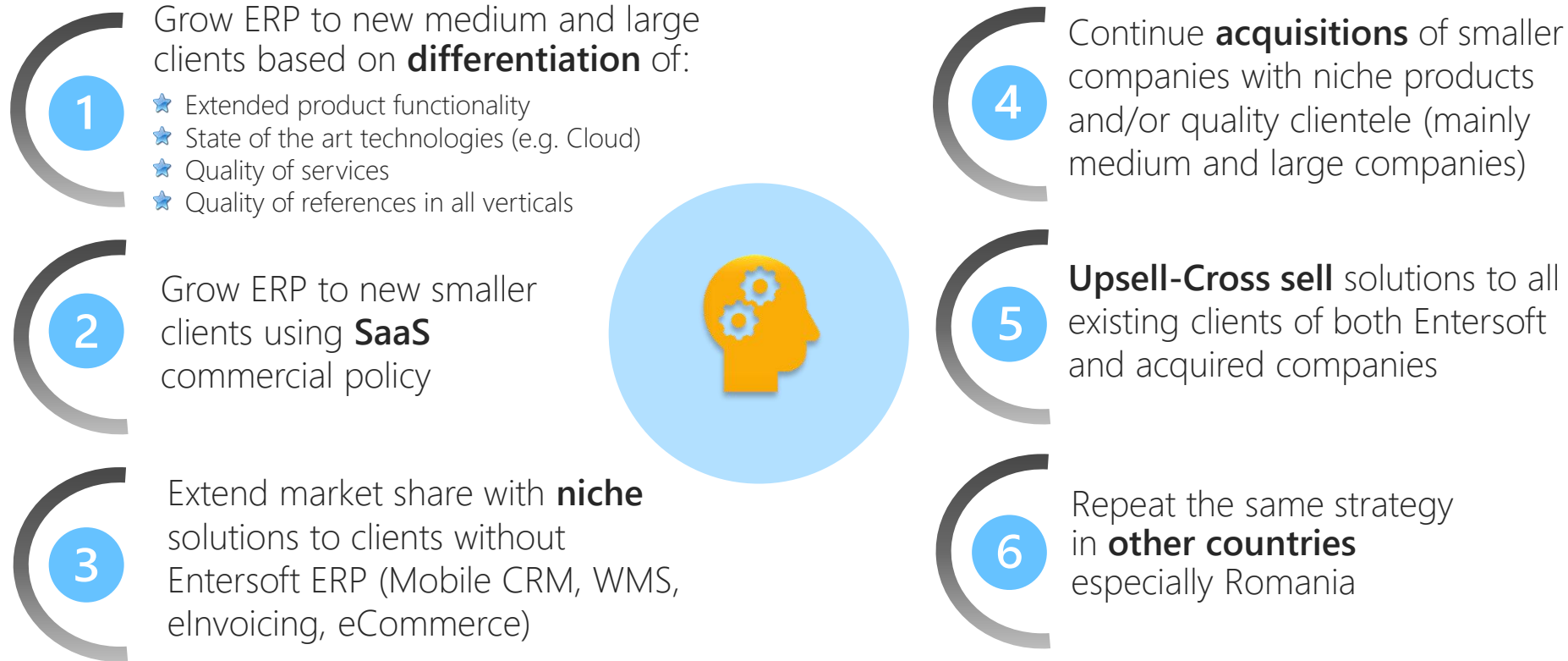
6,000,000 EDI Messages

## e-Invoicing & EDI customers

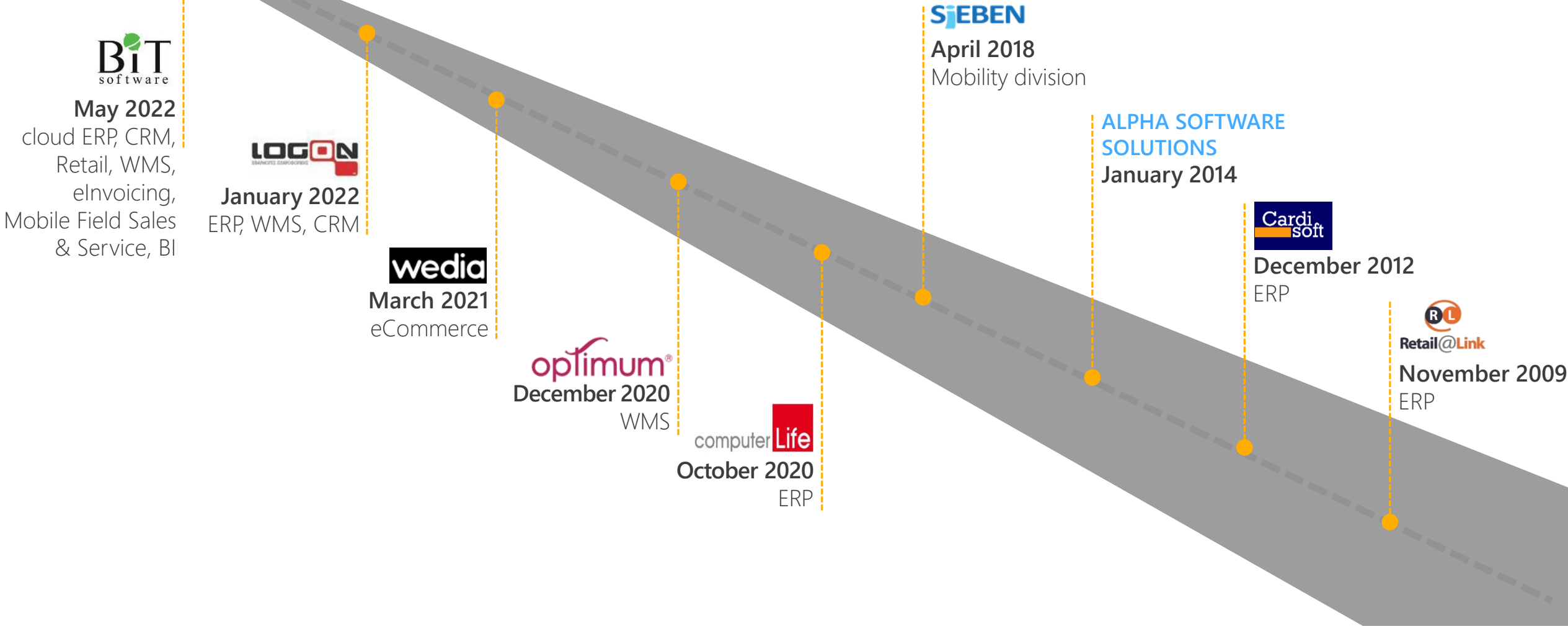
# customers



# Algorithm for continuous Growth & Profitability

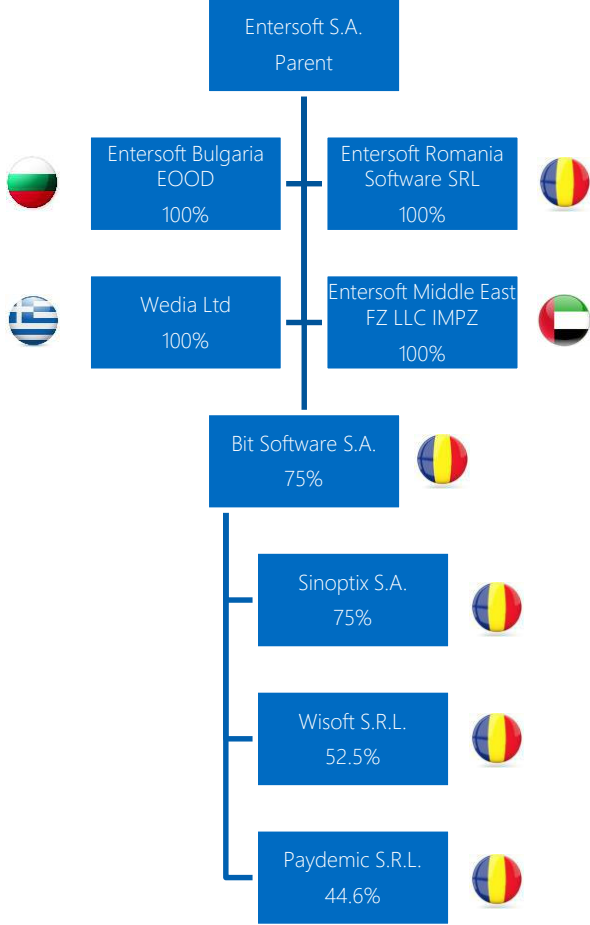


# Strong track record of accretive acquisitions



# Appendix

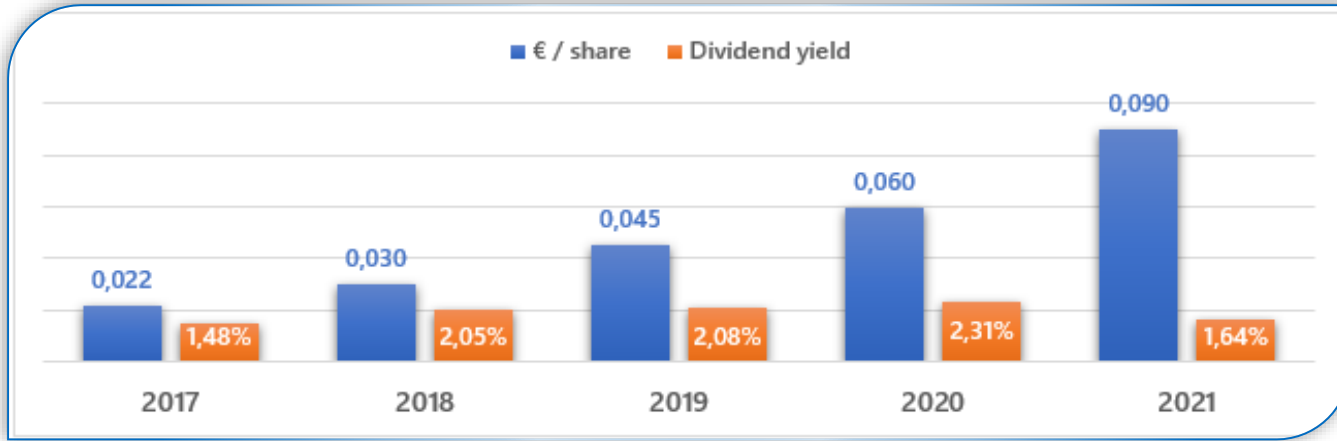
# Entersoft Group Structure



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

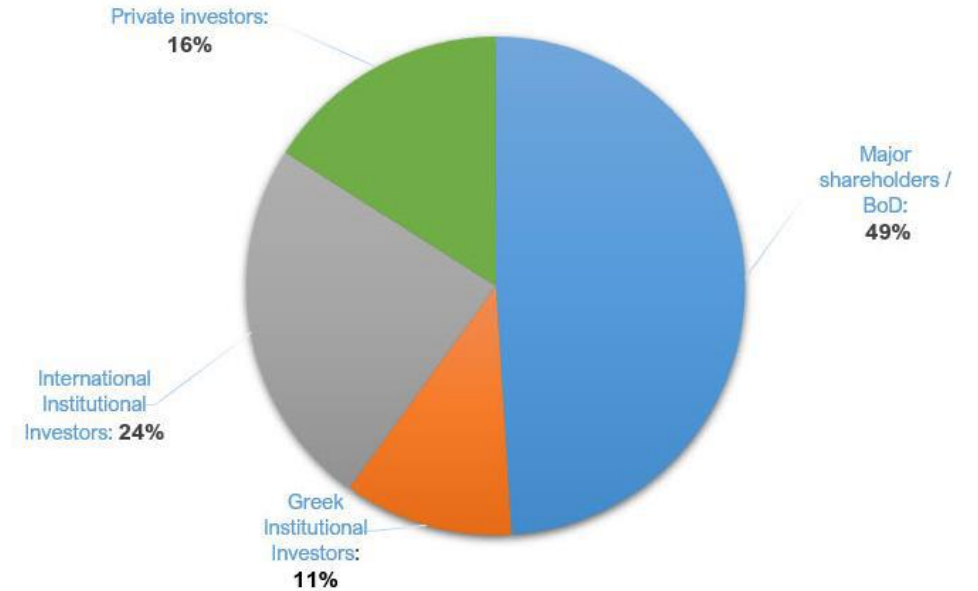
# Share information

## 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!

Contact us

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