

Q2/H1 FY2022 trading update

Sergey Chernovolenko, CEO

Burak Ozer, CFO

Steve Salter, VP Investor Relations

29 November 2022



Disclaimer

The financial results set out in this release are unaudited. The "constant currency" metric excludes the effect of foreign currency exchange rate fluctuations by translating the current period revenues into U.S. dollars at the weighted average exchange rates of the prior period of comparison. This document may constitute or include forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as "plans", "targets", "aims", "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" and similar expressions. These forward-looking statements reflect, at the time made, the Company's beliefs, intentions and current targets/aims concerning, among other things, the Company's or the Group's results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of the Company's or the Group's markets; the impact of regulatory initiatives; and the strength of the Company's or any other member of the Group's competitors. Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records (and those of other members of the Group) and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual outcomes and the results of operations, financial condition and liquidity of the Company and other members of the Group or the industry to differ materially from those results expressed or implied in this document by such forward-looking statements. No representation or warranty is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. Undue influence should not be given to, and no reliance should be placed on, any forward-looking statement. No statement in this document is intended to be nor may be construed as a profit forecast.

Strong growth while investing & transforming our business at unprecedented pace and scale

Driving Profitable Growth



- Q2 constant currency **turnover growth of 48%**, with **gross profit growth of 77%**
- Services reported growth of **105%** in Q2, driving **63% share of gross profit**
- **Recurring turnover now 73%** in H1, up from 60% in H1 last year

Transforming & Investing @ scale



- **Successful completion of demerger** of Russian business
- Rebranded to **Noventiq**... \$691M turnover YTD with growth of 44% in CC
- Destination for talent, **3.9K** people, up **54%** YoY overall, and **76%** in Services
- Enhancing **Microsoft** capabilities and expanding in existing and new geographies
- Innovation growth with key vendors including **AWS, Apple, Google**

Strategic growth & diversified business



- **M&A** – announced 4 transactions in FY22, enhancing our geographic footprint and our global capabilities
- Expanded geographic footprint entering **4 new countries in Q2**
- **Broad based growth**, including **India**, with **\$315M** turnover YTD growing **43%** in CC
- Accelerating move to multi-cloud... to Services... to multi-vendor... cyber... DX...

Creation of **NOVENTIQ**: A leading global solutions & services provider in digital transformation and cybersecurity

Our key differentiator is a combination of scale, capabilities & offerings

\$1.15b

FY2021 turnover
1 Apr 21 – 31 Mar 22

\$146m

FY2021 Gross profit
1 Apr 21 – 31 Mar 22

3.9k

Employees deliver value to customers

12

M&A transactions* since 2020 to expand capabilities and to be closer to customers

At the centre of Digital Transformation (DX)

Microsoft

Leading partner of Microsoft in the Emerging Markets

c.75k

B2B customers to draw DX experience from

Full suite

of DX solutions for any organisation

Own R&D

Producing complementary products

Global presence with a focus on emerging markets

c.60

countries of operation

London

headquarters of the global organisation, incorporated in Cyprus, listed at LSE

>25

years of experience in the IT market

14

delivery centres, serving customers 24x7 in 13 languages

Delivering digital transformation, not just tech

'00s Vendor Partners connected by Noventiq's solutions & services with c.75,000 Customers



Focused on technology & revenue



Top vendors - the majority of organizations' spend

Sales, Support, Implementation,
 Training, Marketing, Payments,
 Compliance, Technical &
 Business Expertise, Engineering
 & Talent, Own R&D, Systems
 Integration, Own Solutions,
 Platforms

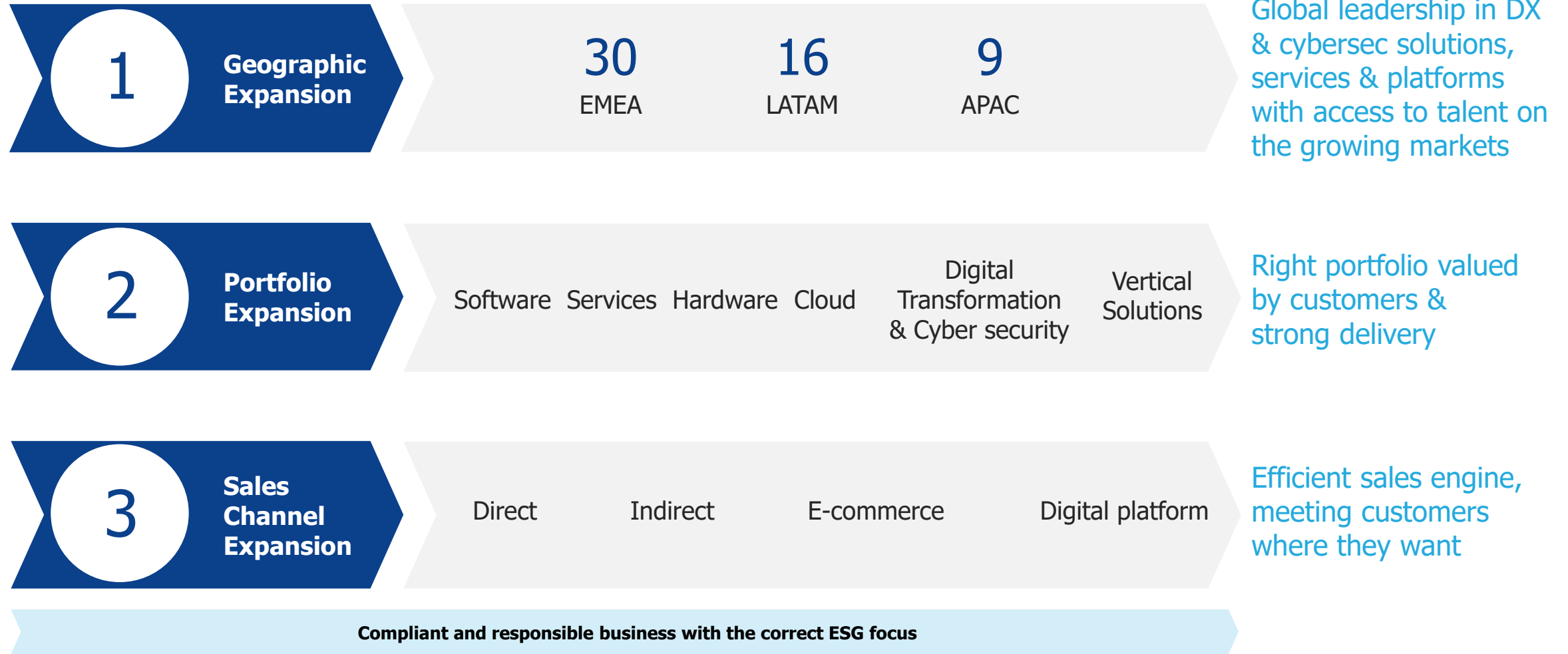
Focused on business outcomes



Most demanding organizations historically trust Noventiq















Global ~\$3.6tn* market
 Global IT spend 8% Forecast CAGR 20-24

Continuing three-dimensional strategy



M&A strategy and execution recap

Following through on M&A strategy as planned – multiple new acquisitions announced in FY22

	FY20	FY21	FY22YTD
 Geographic Expansion	Scale in priority markets  Scale and services diversification in India	 JV with a leading MSFT partner in Egypt	 Rounded-off SMB play in Turkey – MSFT CSP
 Portfolio Expansion	New geographies  SAM capability and strategic foothold in Europe	 Baltics route to wider Europe  Advanced AWS and Citrix capabilities	 UAE as a cornerstone of MEA operations  Cybersecurity build-up and infra diversification
 Sales Channel Expansion	Vendor and service portfolio expansion Own IT solutions	 FinTech COE	 Balkans expansion Rich vendor scope and new capabilities Own digital products for FinTech sector
	Custom software development	 Custom software development business build-up	

Welcoming new family members

Strength in Europe – CSP empowerment in Turkey – cybersecurity and infrastructure build-up in India

Key FY22YTD acquisitions

SAGA Saga Group
new frontier group Serbia

makro net Makronet
Turkey

VALUE POINT SYSTEMS VPS
India

Company highlights

- **25+ countries** sales footprint
- **1,500+ specialists' certifications** with global IT vendors: Microsoft, HP, Cisco, VMWare, Oracle, many others

- **MSFT CSP-T1 and -T2** and Gold Partner
- **MyAdmin platform** 2022 Microsoft Partner of the Year Award – “Modern Workplace for SMB”

- **Leading cybersecurity player** cybersecurity ~40% of revenue
- **Vast vendor portfolio** top vendor making up only ~10% of FY21 revenue

Strategic rationale

- Further geographic expansion – Balkans region, Eastern Europe
- Abundant immediate and mid-term synergies, including:
 - MSFT and Oracle collaboration
 - Pan-European service delivery
 - FinTech solutions portfolio

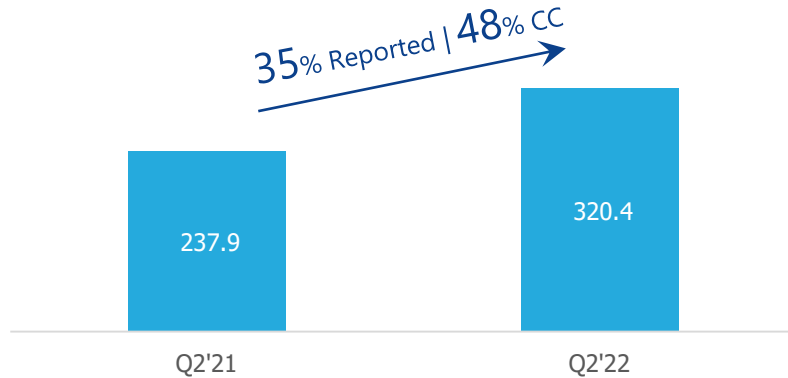
- Positioning in Turkey:
 - Joint approach to SMB segment
 - MSFT capability build-up
 - Well-rounded portfolio
- Replication of Makronet's CSP and platform model in other geos

- Foundation for Noventiq's global cybersecurity business
- Diversification of India portfolio with end-to-end infra solutions
- Regional complementarity – South India focus

Q2'22 profitable growth

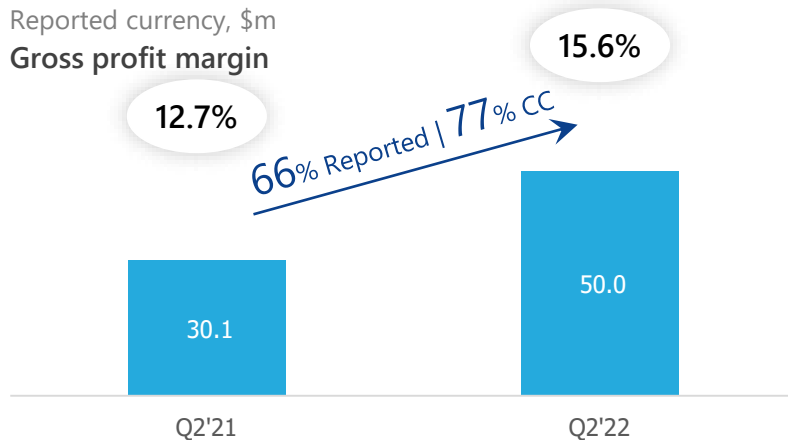
Strong growth of the business...

Reported currency, \$m



...with even stronger Gross profit dynamics...

Reported currency, \$m
Gross profit margin



Q2 FY22 Highlights

48% YoY turnover growth rate in constant currency

Broad based growth including **double digits in all 4 regions**

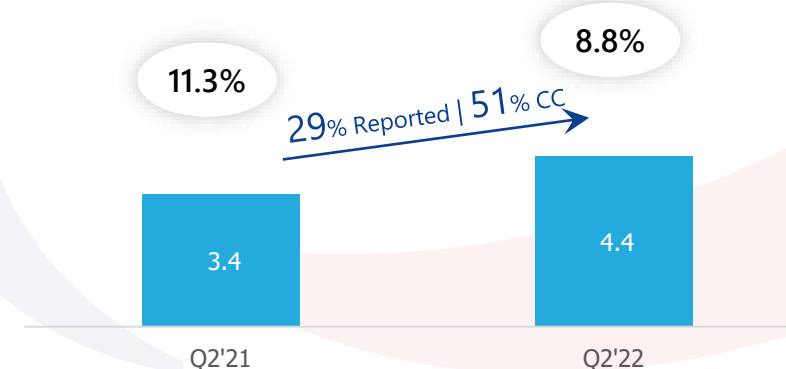
Gross profit **growth ahead of turnover**

Significant **investments** in the business

...resulting in Adj. EBITDA growth in Q2'22

Reported currency, \$m

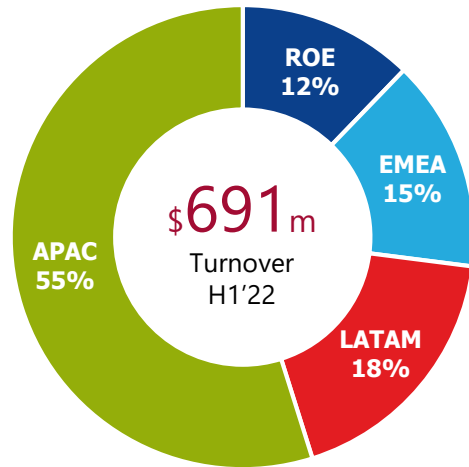
Adj. EBITDA* and Adj. EBITDA Margin (from GP)



H1 turnover and gross profit highlights

Diversified Turnover & Gross Profit split (Reported)

Breakdown by geography



Growth H1'22 over H1'21	
	Reported
APAC	33%
LATAM	26%
RoE*	35%
EMEA	37%

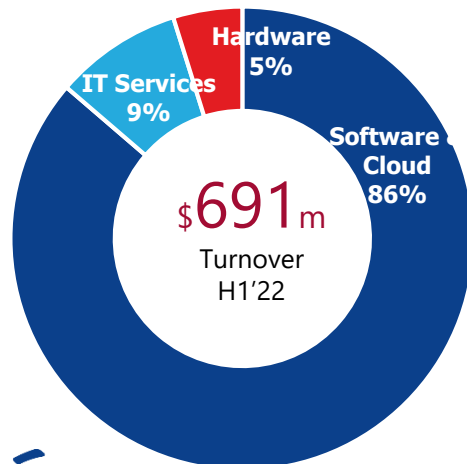
H1 FY22 Highlights

44% YoY turnover growth rate in constant currency

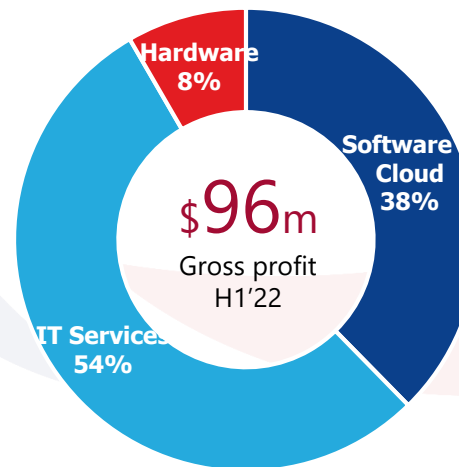
Double digit turnover growth in services and hardware

Services represents **9%** of Turnover, and accounts for a **growing proportion of Gross profit in H1'22 at 54%** of total Gross Profit, up from 40% in H1'21.

Breakdown by product



Growth H1'22 over H1'21	
	Reported
Software & Cloud	25%
Hardware	146%
Services	101%



Growth H1'22 over H1'21	
	Reported
Software & Cloud	4%
Hardware	307%
Services	115%

FY2022 Business outlook

Turnover growth

at least 28%

YoY growth in FY2022 (ending 31.3.2023)

At least 39% in constant currency

Gross profit margin

13% to 14%

FY2022 (ending 31.3.2023)

Targeting upper end of the range

Adj. EBITDA margin
Gross profit based

Close to double digit

FY2022 (ending 31.3.2023)

High teens adj. EBITDA margin including the impact of FY22 M&A proforma and IPO investments

Noventiq is well positioned for growth, with a proven strategy & ability to execute at scale and at pace

Right People & leadership



- Industry leading **Long-term employee partnership programme**
- Access to **strong talent globally at lower cost** with **3.9k team members** currently & growing
- **Visionary leadership** complemented by **international management with global mindset**

Right Markets & timing



- Software, SaaS, Cloud, Cyber and Digital Transformation **megatrends**
- Need for **rapid digital transformation in Emerging Markets**
- Targeting a growing **>\$350bn** underlying **addressable market**

Right Platform & value add



- **Preferred partner** to vendors and **one-stop Digital Transformation platform** for customers
- **Comprehensive value**-added services built around vendors' stacks
- **Simplifies complexity** for both vendors and customers

Right Experience & track record



- **25+ years in the IT industry with Emerging Markets experience**
- **One of 10** Globally-managed Microsoft partners, **25+ years** of experience with Microsoft
- **Consistent and efficient growth** by realising opportunities in the changing IT industry



H1 FY22 Profit & Loss

Group P&L kUSD	6m'22 Actual	6m'21 Actual	6m'22 vs 6m'21		6m'22 (constant currency)	6m'22 (constant currency) vs 6m'21	
			kUSD	%		kUSD	%
Turnover	691 089	522 542	168 548	32%	750 014	227 473	44%
Gross profit	95 801	60 759	35 042	58%	101 517	40 758	67%
<i>Gross profit, %</i>	<i>13,86%</i>	<i>11,63%</i>			<i>13,54%</i>		
OPEX ¹	-89 591	-49 764	-39 827	-80%	-94 089	-44 325	-89%
Operating profit¹	6 210	10 996	-4 786	-44%	7 428	-3 567	-32%
Net profit	-10 370	2 788	-13 159	<-100%	-10 657	-13 445	<-100%
<i>Net profit after tax margin, %</i>	<i>-1,50%</i>	<i>0,53%</i>			<i>-1,42%</i>		
<i>Net profit after tax margin (GP), %</i>	<i>-10,83%</i>	<i>4,59%</i>			<i>-10,50%</i>		
EBITDA adj	8 124	11 833	-3 709	-31%	9 355	-2 478	-21%
<i>EBITDA adj margin (GP), %</i>	<i>8,48%</i>	<i>19,47%</i>			<i>9,22%</i>		

¹ exc. depreciation and amortization and Other expenses/income

Turnover by product, kUSD	6m'22 Actual	6m'21 Actual	6m'22 vs 6m'21	
			kUSD	%
Software & Cloud	596 418	478 549	117 868	25%
Services	61 344	30 465	30 879	101%
Hardware	33 327	13 528	19 800	146%

Recurring turnover:
6m'22 – 73% (501 kUSD)
6m'21 – 60% (316 kUSD)

Strong Balance Sheet

as of 30 September 22, kUSD

Assets		Liabilities	
Cash and cash equivalents	221 625	Trade and other payables	224 001
Trade receivables	209 122	Advances from customers	17 837
Other receivables	41 187	Short-term borrowings	47 414
Inventory	13 696	Short-term lease liabilities	2 925
Advances issued	5 082	Short-term tax payables	2 509
Assets held for sale	462 550	Liabilities directly associated with the assets held for sale	446 607
Other current assets	① 22 710	Other short-term liabilities	39 142
Total current assets	975 971	Total current liabilities	780 435
Property, plant and equipment, net	6 086	Long-term borrowings	9 554
Goodwill & Intangibles	② 170 215	Long-term lease liabilities	2 724
Investments in associates and JV	805	Other long-term liabilities	45 617
Lease assets rights	4 450	Total non-current liabilities	57 895
Other non-current assets	③ 31 688	Total liabilities	838 330
Total non-current assets	213 245	Total equity	350 886
TOTAL ASSETS	1 189 216	TOTAL LIABILITIES AND EQUITY	1 189 216

Net Debt: \$-159.0m

1. Other current assets include income tax receivables, loans issued and other
2. Goodwill and intangibles mainly relate to several recent acquisitions
3. Other non-current assets include long-term loans issued, deferred tax, long term deposits and other
4. Negative net debt is thanks to raising funds from the IPO
5. The balance of cash and cash equivalents from IPO at 30.09.22 is 153 416 kUSD

Financial assets		Financial liabilities	
Cash and cash equivalents	221 625	Borrowings	56 968
		Finance leases	5 649
Total Financial assets	221 625	Total Financial liabilities	62 616

Cash flow statement

kUSD	6m2022	6m2021
Net profit/(loss)	-10 370	3 743
Adjustments to reconcile net profit to net cash flows:		
Income tax expense	696	1 289
Depreciation and amortization	5 554	9 778
Finance costs and income	5 017	8 508
Foreign exchange loss/(gain)	5 385	1 367
Other	1 968	402
Operating profit before working capital changes	8 250	25 086
Working capital adjustments:		
(Increase)/decrease in inventories	5 451	-11 670
(Increase)/decrease in advances issued	-4 744	-10 450
Increase/(Decrease) in advances received	12 782	-926
(Increase)/Decrease in trade and other receivables	-26 777	-51 976
(Increase)/decrease in other current assets	-8 933	5 567
Increase / (Decrease) in trade and other payables	-50 037	-15 130
Cash generated from operations	-64 009	-59 498
Income tax paid	-168	-975
Net cash generated from operating activities	-64 177	-60 473

kUSD	6m2022	6m2021
Cash flows from investing activities		
Purchase of property, plant and equipment	-590	-4 429
Creation and purchase of intangible assets	-3 591	-9 179
Investments in subsidiaries and joint ventures	-47 429	-26 125
Disposal of subsidiaries	-	-1 411
Sale of Crayon shares	42 268	35 650
Treasury shares	-4 420	-
Interests received (loans and deposits)	1 197	695
Loans collected	9 256	12 160
Loans issued	-9 932	-17 784
Net cash used in investing activities	-13 241	-10 425
Cash flows from financing activities		
Repayments of borrowings	-54 853	-468 527
Receipts from borrowings	70 676	517 470
Overdrafts and revolving credit lines cash turnover	5 145	8 150
Financial lease payments	-1 212	-5 037
Interest paid (borrowings and financial leasing for internal use)	-1 155	-7 821
Redemption of shares	0	-2 476
Dividends paid	-619	0
Net cash used in financing activities	17 982	41 760
Foreign exchange difference	-4 144	-2 831
Net increase/(decrease) in cash and cash equivalents	-63 580	-31 969

Recognition



A visionary in the 2022 Gartner Magic Quadrant for SAM Managed Services

Softline Vietnam and Softline Cambodia recognised Microsoft the Partner of the Year Award

Embee recognised with the Microsoft India Area Award 2022 – MWP Partner of the Year

Softline India was recognised by Microsoft as the leading Cloud Solution Provider (CSP) in India

Key Investment Highlights



1

At the **heart of the Digital Transformation \$3.6T ecosystem** with advanced cloud capabilities

2

Addressing a large \$360B underlying market with focus on most attractive segments globally with the focus on lower-penetrated emerging regions

3

Accelerated growth (3x the market) of multi-cloud segment driven by our strategic relationship with Microsoft and others

4

Multiple additional levers for increasing growth rate, complementing multi-cloud

5

Major opportunity from the industry consolidation. Strong M&A track record (12 companies acquired since 2016) and balance sheet

6

People-first customer-centric 3.9k-strong organisation with sales & services (2.5k engineers) DNA with top-notch experienced & motivated international management team

7

Rapidly growing business (30%+ CAGR) underpinned by expanding recurring revenue base with consistently growing margins



Novelty, innovation

Entrepreneurial, Enterprise

Intelligence

NOVENTIQ

Energy

Technology
Transformation
Team
Tomorrow

Information,
Quality