



# Spyrosoft. Shaping technology, together.

We are technical experts with  
business integrity





# Agenda

1. Spyrosoft S.A. Q1 2022 financial results.
2. Spyrosoft S.A. 2022-2026 strategy.



# 1. Spyrosoft S.A. Q1 2022 financial results



# About Spyrosoft



## Key facts



Q1 2022 revenue at **PLN 60m** (+69% y-o-y), net profit of **PLN 5m** (+25% y-o-y)



**88%** of our Q1 2022 revenue comes from foreign customers



We worked for **98 clients** in Q1 2022



We're **global** – 14 offices in 8 countries on 4 continents



In March 2022 we've entered **Warsaw Stock Exchange** main market



Our team already consists of **964 people** (as of the end of March 2022). Our strength is also our **experienced management team**



## Who we are and how we work

Spyrosoft is a group of companies developing custom software for clients around the world.

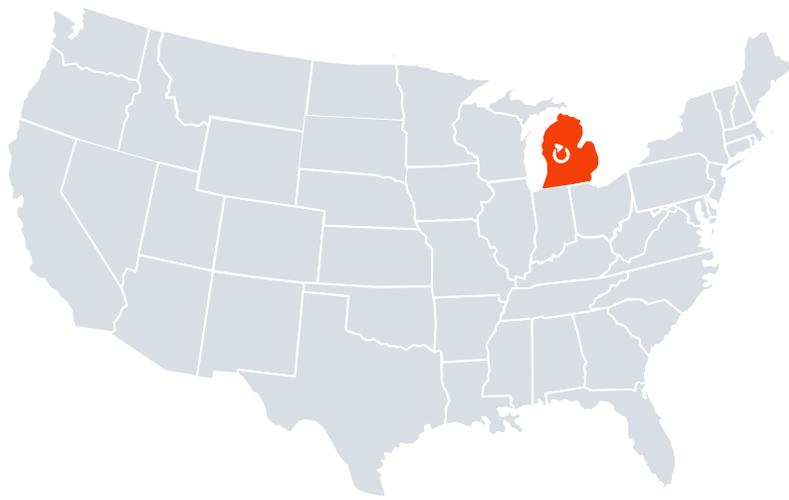
The companies within the Group specialise in various business sectors, are geographically dispersed and their services offering complement each other.

Our business model is based on decentralisation and a clear distribution of responsibilities among the companies. This approach allows for rapid scaling of the group achieved both with the organic growth of each company and adding new enterprises to the Group.





## Our locations

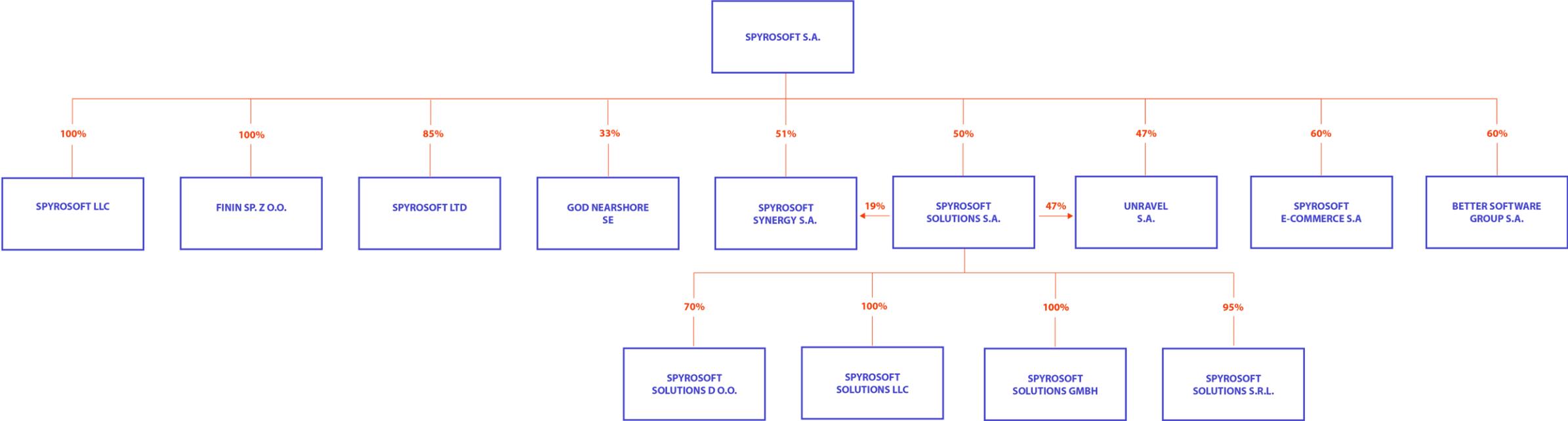


## Our expertise

-  Automotive
-  Employee Experience & Education
-  Financial Services
-  Geospatial Services
-  Healthcare & Life Sciences
-  Industry 4.0
-  Robotics



# Spyrosoft S.A. Capital Group's structure





## Spyrosoft's vision

The goal is to maintain our position as one of the fastest growing custom software development companies in Europe.





# Q1 2022 summary

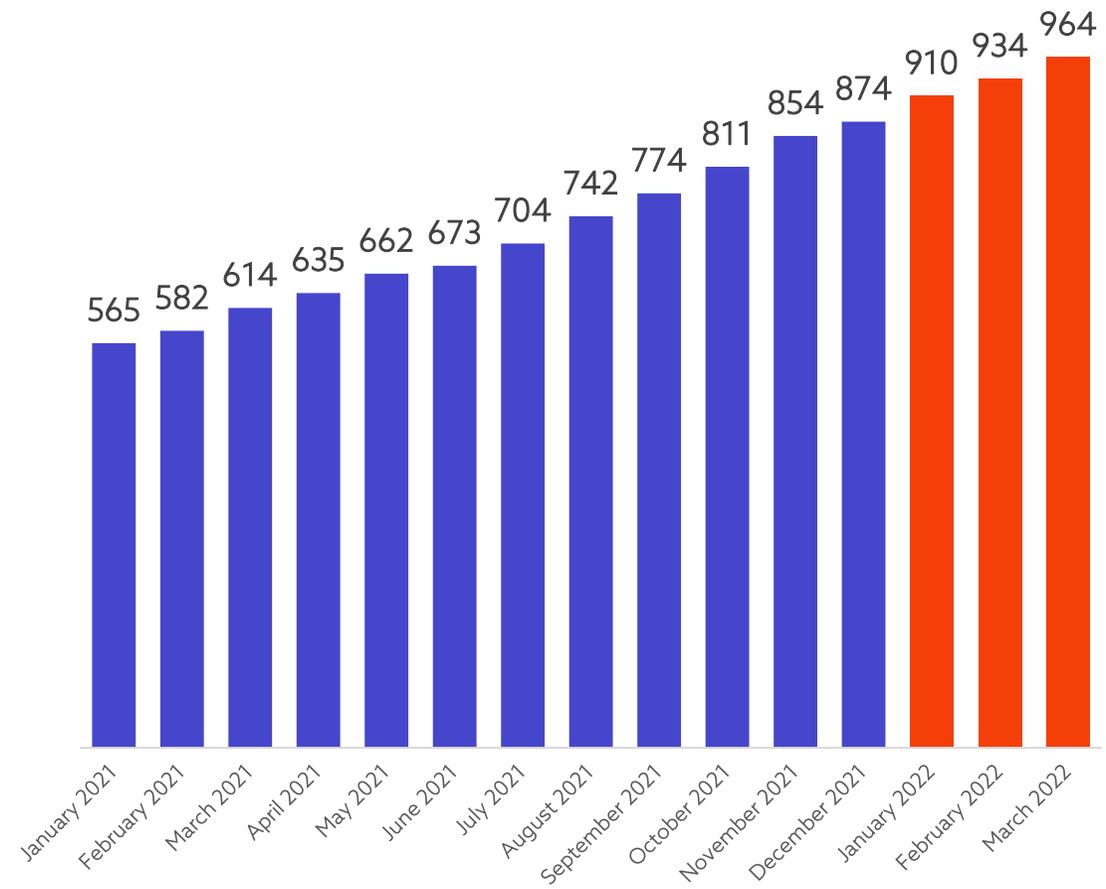


## Q1 2022 summary

- We are accelerating - we already employ 964 people. In 1Q 2022, the average number of new hires increased to 50 per month, 5 new recruiters joined the team.
- The number of clients increased by a record 21 in Q1 2022. The number of projects rose by 66.
- In Q1, the Group hired its first employees at its newly launched office in Argentina.
- A development center in Timisoara (Romania) was established in March - 21 people were hired.
- Due diligence of Better Software Group, which Spyrosoft acquired in April, was completed.
- The group expanded with the newly created Spyrosoft E-commerce company.
- The Russian invasion of Ukraine did not affect Spyrosoft's business operations.
- The group saw increased interest in Spyrosoft's services among customers looking for IT providers to replace those from Russia, Ukraine and Belarus.
- In March Spyrosoft also debuted on the main market of the Warsaw Stock Exchange, after two years of listing on the NewConnect.



# Employment growth



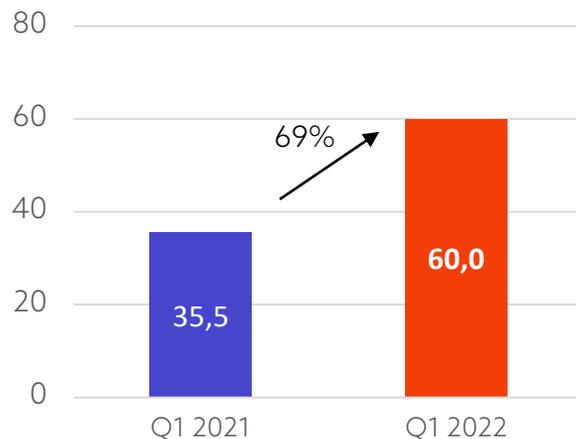


# Q1 2022 financial results

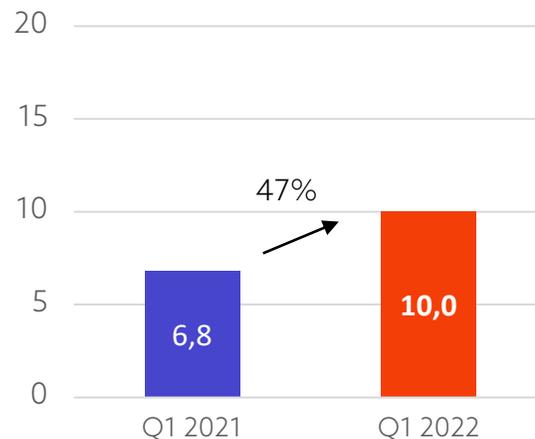


# Key financial data (PLN mln)

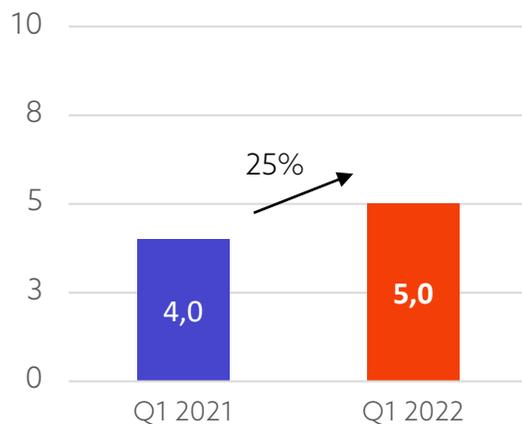
Revenue  
Q1 2021 vs. Q1 2022



EBITDA  
Q1 2021 vs. Q1 2022



Net profit  
Q1 2021 vs Q1 2022



- Strong revenue growth is an effect of a sustainable high demand for IT services and constantly growing client portfolio, as well as increased rates for services offered.
- In Q1 2022 Spyrosoft acquired 21 new clients, this is the highest quarterly result in a history.
- 66 new project were started for Group's existing and new clients in Q1 2022.
- EBITDA rose by 47% y-o-y to PLN 10m in a period.
- Group's net profit rose in Q1 2022 by 25% y-o-y to PLN 5m.



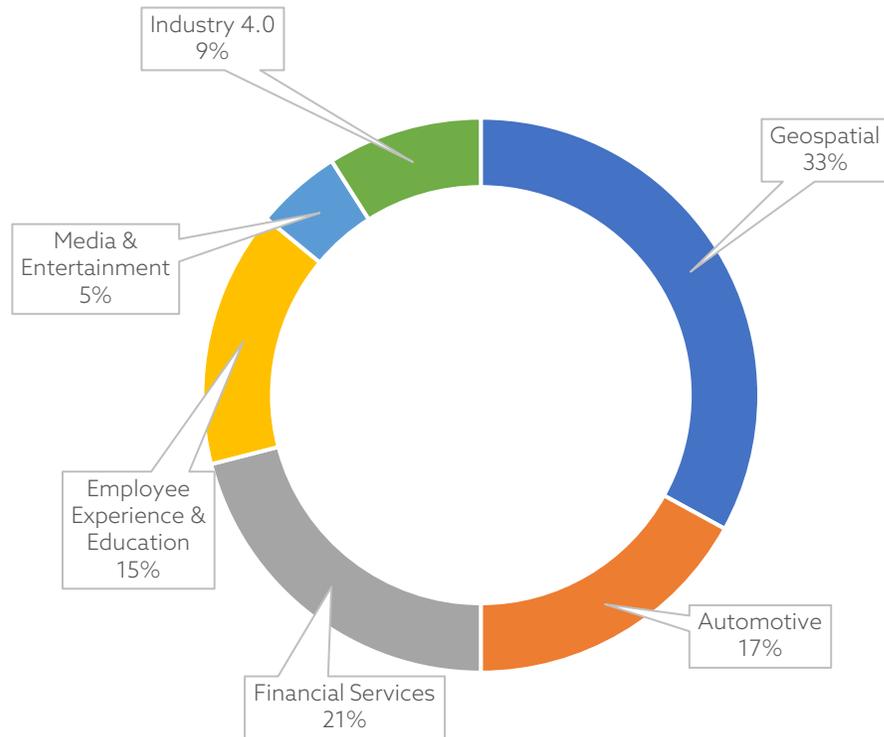
# Profit and loss account

Profit and loss account (PLN mln)	Q1 2021	Q1 2022
Revenues from sales	35.51	60.03
Cost of sold products, services, goods and materials	22.48	38.21
Gross profit from sales	13.02	21.83
Cost of general management	7.69	13.66
EBITDA	6.83	10.0
Operating profit (EBIT)	5.47	8.04
Financial revenues	0.40	0.41
Financial costs	0.22	0.22
Gross profit	5.73	8.47
Income tax	1.29	1.90
Net profit attributable to minority shareholders	0.44	1.55
Net profit	4.01	5.02

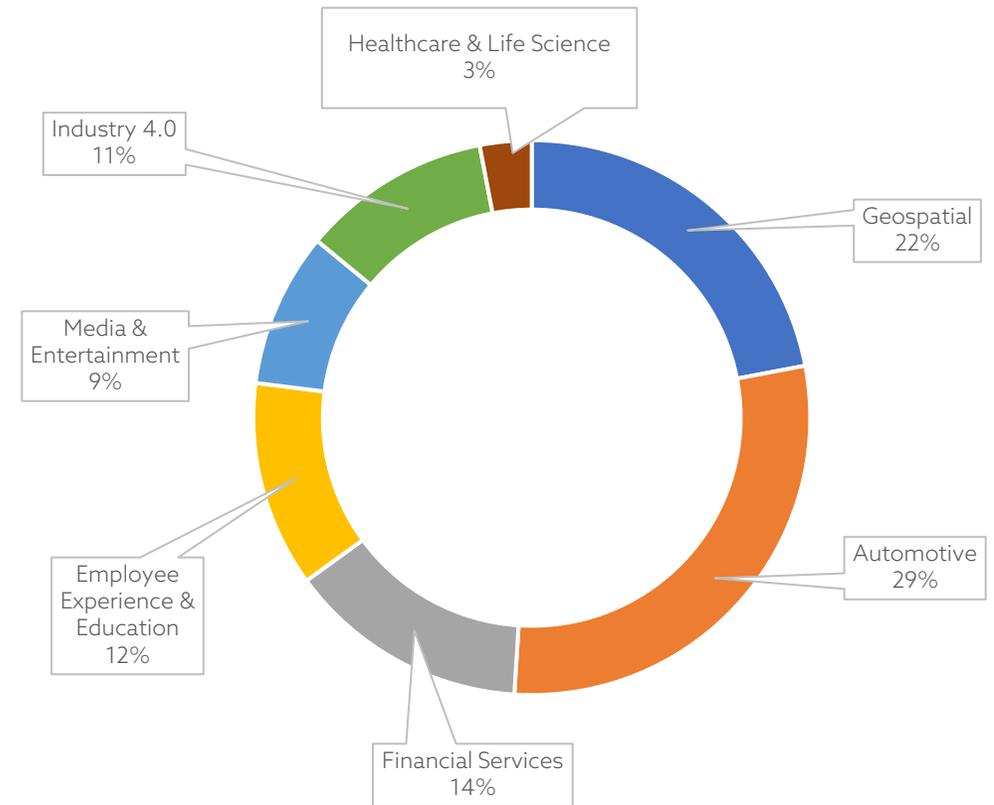


# Revenue structure

Q1 2021

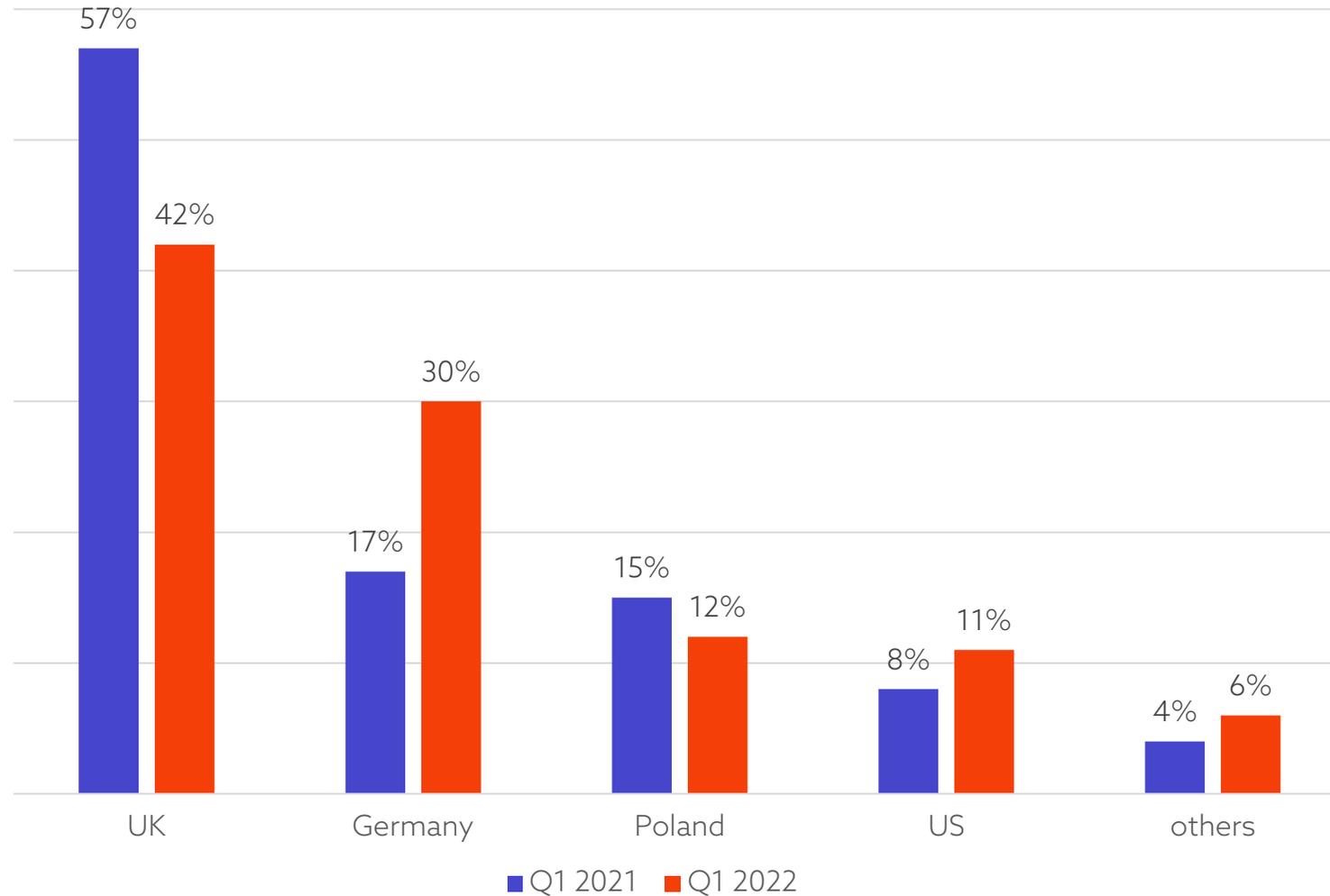


Q1 2022





# Revenue structure – geographic diversification





## 2. Spyrosoft S.A. 2022-2026 strategy



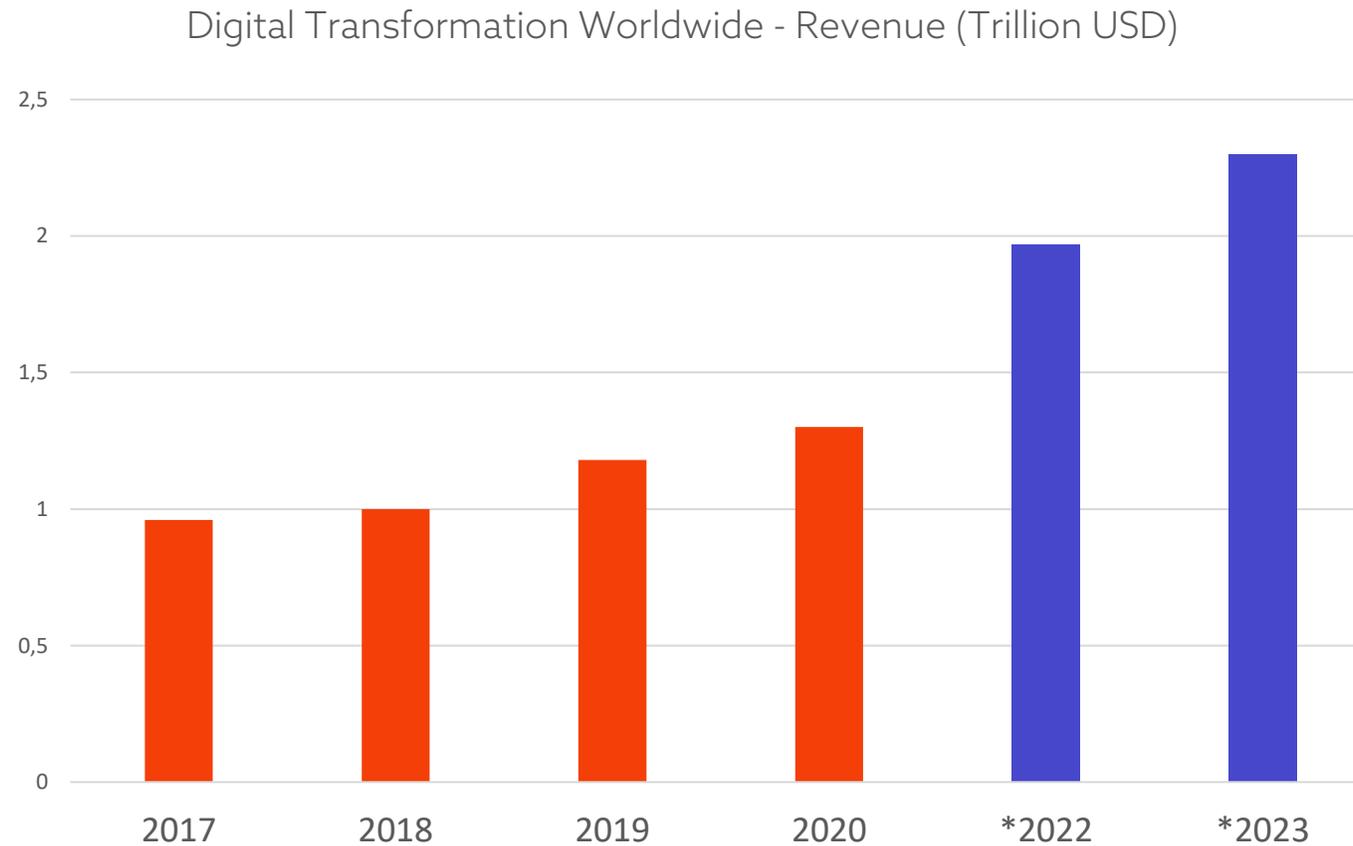
## Business environment

- The increasing need for digital transformation services is reflected in the extensive demand for custom software development
- Operating on a global scale means that the pool of potential customers is unlimited
- Increased globalisation of IT services – after the Covid-19 pandemic delivering services remotely is a standard
- Demand for domain knowledge and technology consulting
- Global increase of wages in IT
- Access to tech specialists is key for succeeding
- Increased need for public cloud, cybersecurity and low-code platforms





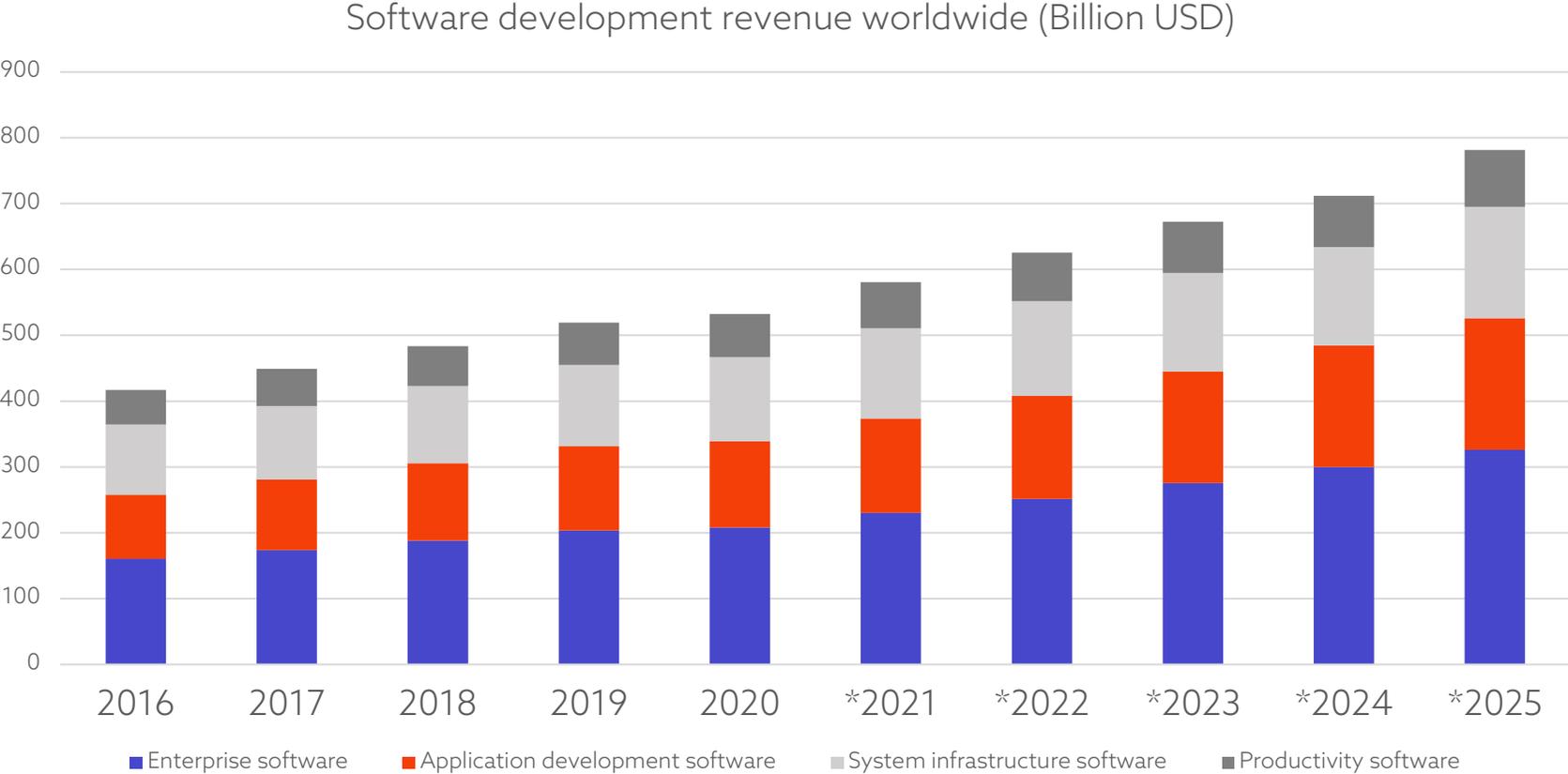
# The increasing need for digital transformation services



Source: Statista Estimates, 2020



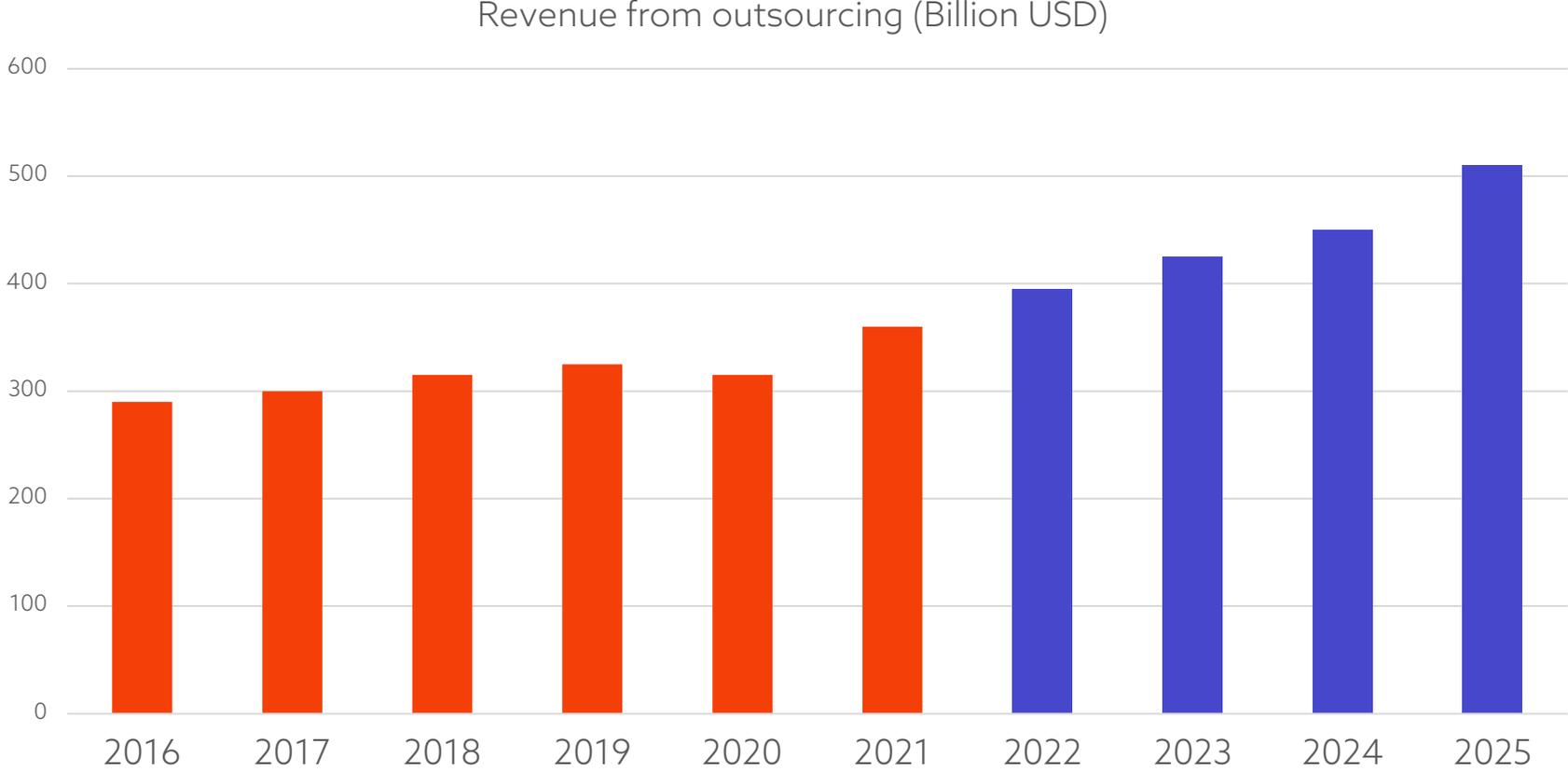
# Global custom software development revenue -by segments



Source: Statista Estimates, 2022



# Growth of tech outsourcing services during and after the Covid-19 pandemic

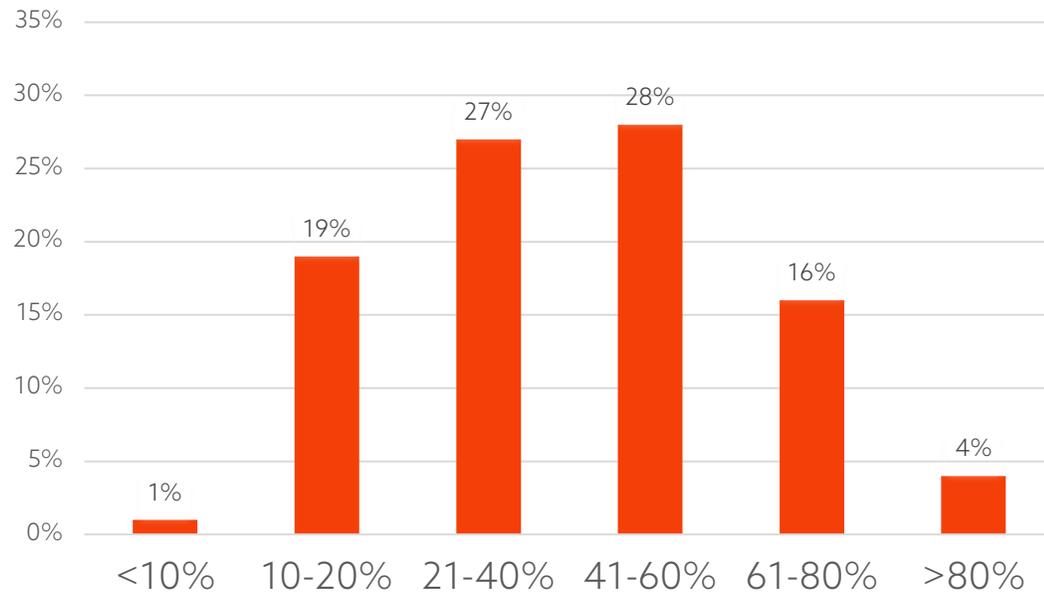


Source: Statista Technology Market Outlook , March 2022



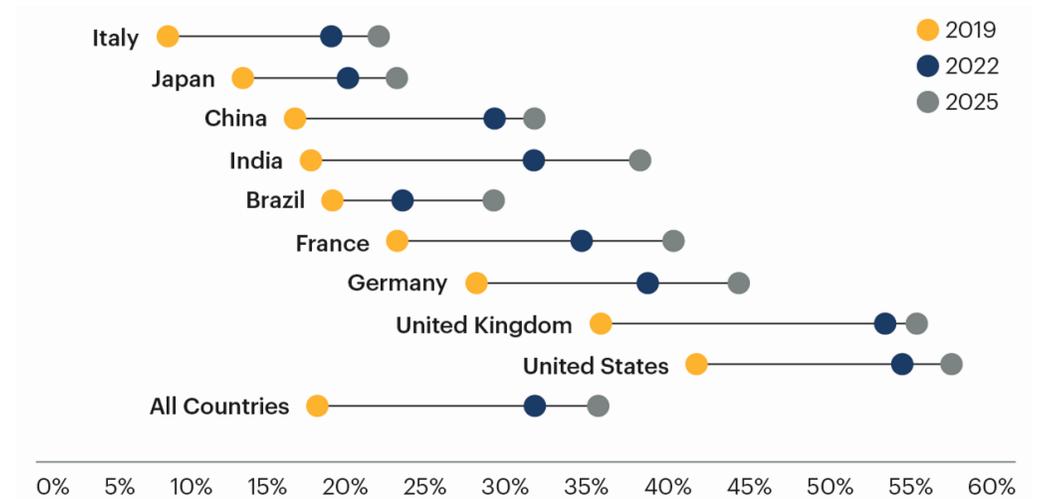
# The popularisation of remote work after the Covid-19 pandemic

Tech specialists' responses by the expected work week time spent working remotely



Source: Statista Estimates, 2020

Share of remote work for all employees in each country



Source: Gartner, 2021

The popularisation of remote work allows for unlimited access to talent pool in IT. It also further increases the globalisation of services provided to customers.



# Domain knowledge in global tech organisations

Leading large and mid-sized companies delivering custom software offer their services to clients from various business segments.

## Large companies

With more than 20 000 employees



## Mid-sized companies

With between 1 500 and 20 000 employees

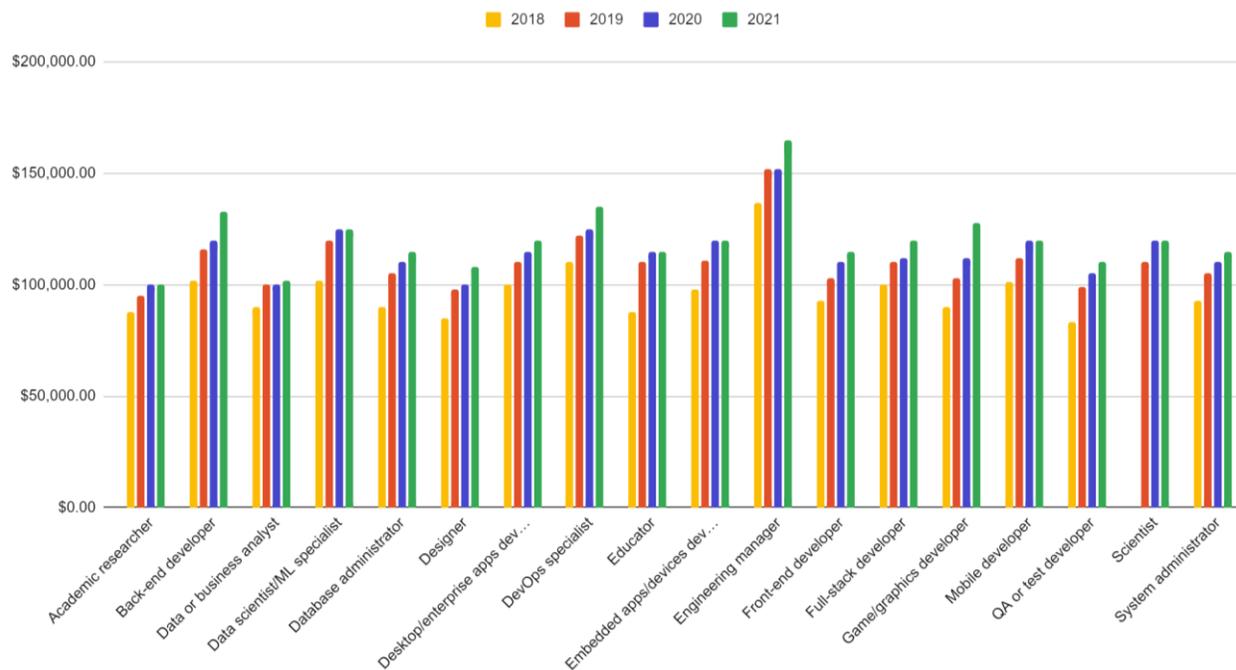




# Global increase of salaries in IT

The global increase of salaries will be balanced by the growing demand for IT services.

Developers' salary on average (US, 2018 - 2021)

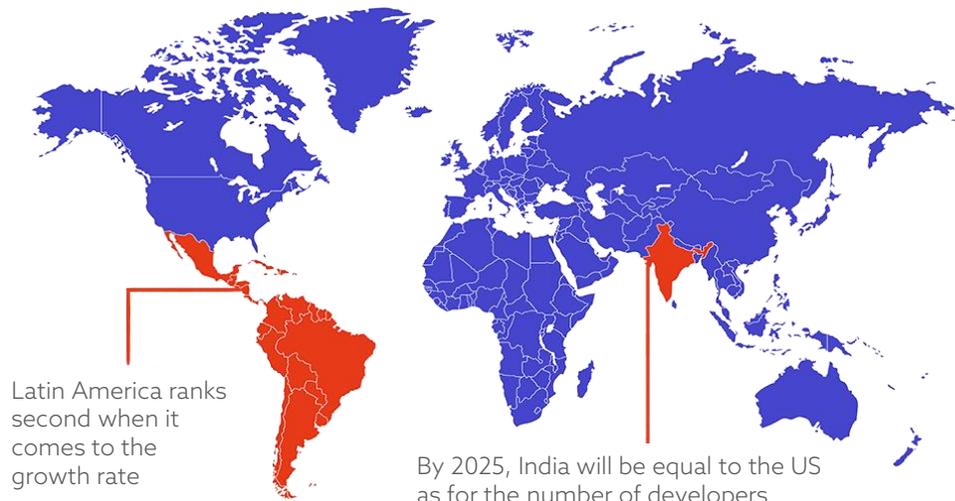


Source: StackOverflow, 2021



# The number of IT specialists will be growing

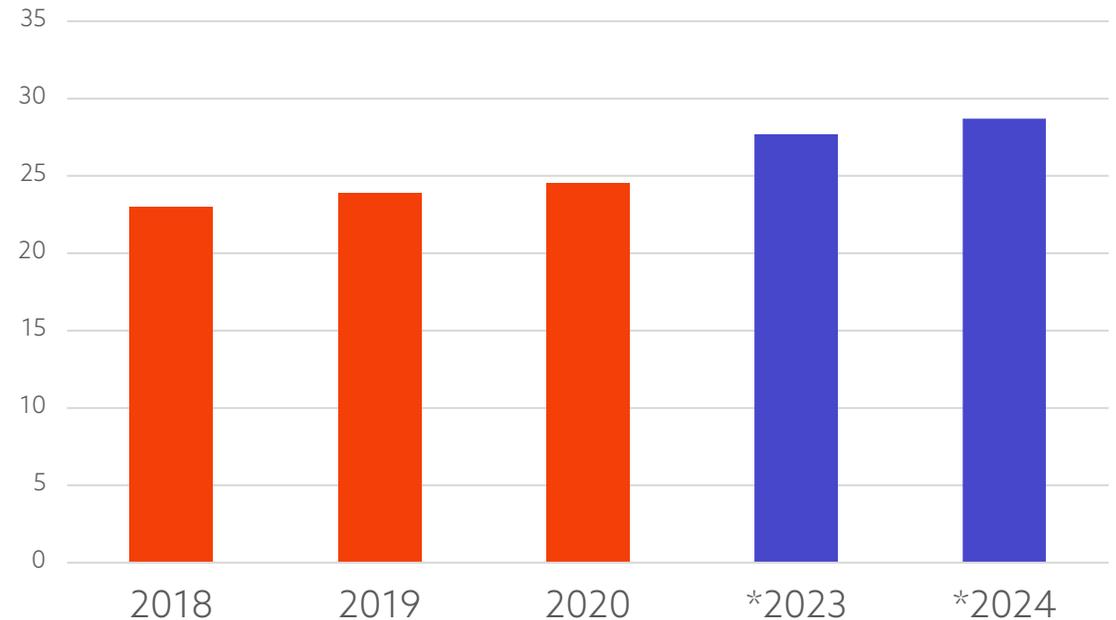
Demographic research and global population of developers



2022: 25 million developers  
2025: 30 million developers

Source: Evans Data Corporation, 2020

Number of developers worldwide [in million]



Source: Statista, 2021



## Global economic crisis

We predict a relatively small impact of the impending economic crisis on the condition of the Spyrosoft Group - digitalisation is a key global trend, which makes the IT industry a stable sector of the global economy.

The two previous crises (financial and Covid) only increased the demand for IT services.

The diversification of clients allows us to mitigate possible risks.





## War in Ukraine

The war does not directly affect the condition of the Spyrosoft Group - we do not have development centres in Russia or Ukraine, nor we provide services for these markets.

Expected effects:

- We are seeing an increase in demand for IT services - new clients want to replace lost suppliers,
- We expect greater competition on the labour market,
- In the short term, we will not increase the employment of workers from the East due to formal obstacles.





# The advantages of Spyrosoft - Knowledge



## | Domain knowledge

Technological and business consulting

- Automotive
- Financial Services
- Geospatial Services
- Industry 4.0
- Healthcare & Life Sciences
- Employee Experience & Education
- Media
- Cybersecurity
- E-commerce
- Customer Experience

## | Technologies

A pragmatic approach to innovation  
Technological diversification

- AI
- Public cloud
- Mixed Reality
- Embedded software
  
- Mainstream technologies:
- Java, .NET, Python, JavaScript, C/C++, Mobile

## | Managerial staff

Experienced specialists

- Managerial staff with 20 years of experience in the IT industry, gained in international IT companies
- The main shareholders work as members of the management boards of the Group's companies on a daily basis
- The top-level managerial staff are co-owners of the company, which guarantees long-term commitment and motivation



# The advantages of Spyrosoft - People

## Human capital

Most of the employees are specialists with mid-senior experience

Effective recruitment and marketing processes: % increase in 2021

## Localisations

Access to qualified specialists in various time zones

Development centers not only in PL, but also in the UK, CRO, RO, DE, IND and ARG.

## Good workplace

High referral rate - 52% of new hires in 2020-2021 came from the referral program

Employee survey:

Good working atmosphere - 84%

Employment stability - 80%

Good teams - 81%





# The advantages of Spyrosoft – Business model

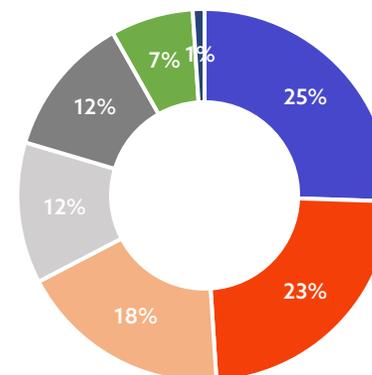
## E2E offer

Technological and business consulting

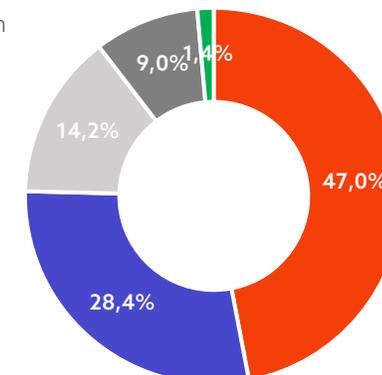
- Automotive
- Financial Services
- Geospatial Services
- Industry 4.0
- Healthcare & Life Sciences
- Employee Experience & Education
- Media
- Cybersecurity
- E-commerce
- Customer Experience

## Industry and geographic diversification

- Automotive
- Geospatial
- Financial Services
- Employee Experience & Education
- Industry 4.0
- Media & Entertainment



- United Kingdom
- DACH
- Polska
- United States
- Other



Dane za 2021

## Efficient scaling

Scaling the organisation is based on building a network of companies in various locations, taking into account:

- Clients' time zones
- Talent availability (cost diversification)
- Relationships with experienced managers
- Domain knowledge

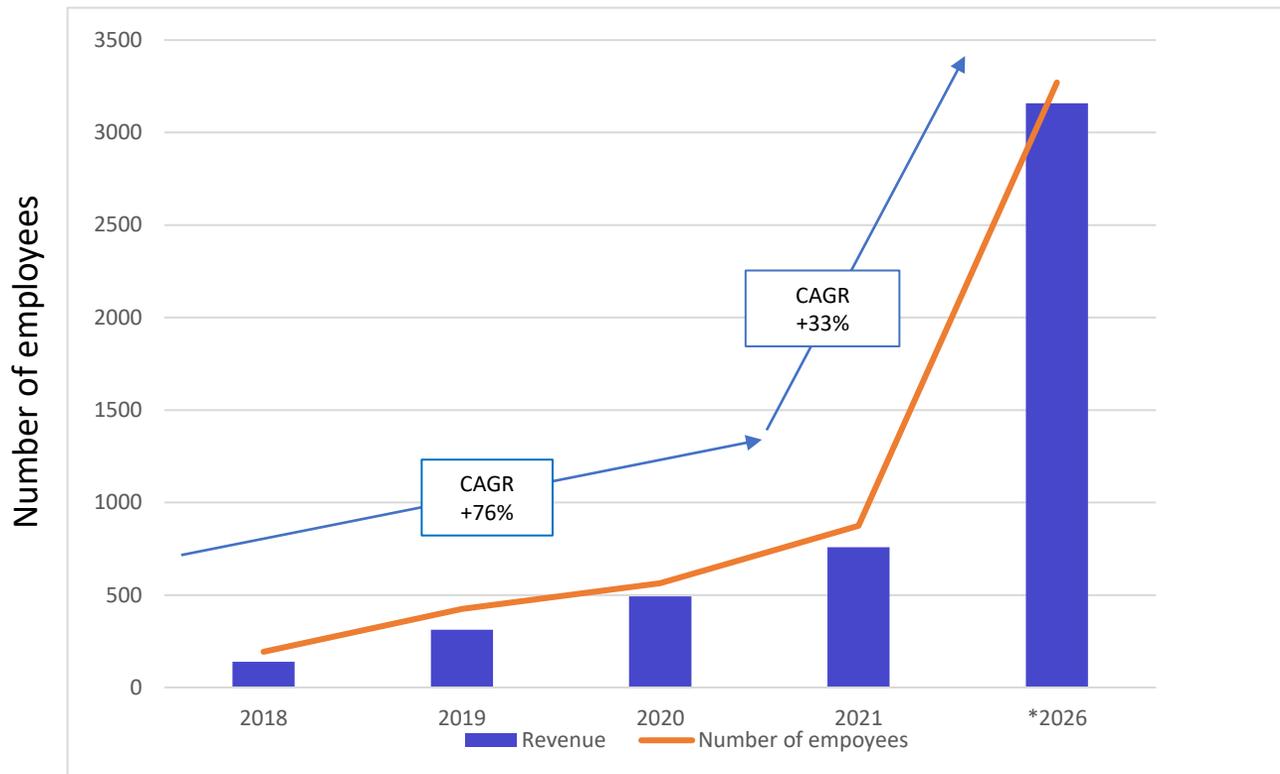
Agile and flexible processes that guarantee effective management of operations (decentralised decision-making process).



## Goals for 2022-2026

Planned organic growth rate:

- Revenues: average annual growth of 33% (from 25% to 35% annually)
- EBITDA margin ranging between 11% - 14%
- A minimum of 3 000 associates, including contractors, subsidiaries and joint ventures





## Implementation of Spyrosoft Group strategy

- Organic growth of companies in the Group through the acquisition of new customers and cross-selling to existing partners
- Establishing new, specialised companies to complement our portfolio
- Opening and development of R&D centres beyond Poland – Romania, Argentina, Far East
- Investments in marketing and sales activities to acquire new customers – with particular focus on the USA, UK, DACH and Nordic markets
- Acquisitions of other entities aimed at extending the Group's portfolio with new fields and technological competencies and geographical reach





## Strategy implementation: ESOP

The five-year motivational share option programme will cover the key Spyrosoft Group employees - from the point of view of the organisation's development technical and management positions.

The aim of the programme is to encourage employees to implement the strategy and become even more connected to the Group.

The programme will result in the issue of shares (approx. 5% of the shares).

The programme will start in 2022 and will cover current and future employees.

The programme does not include co-founders.

The impact of the programme on the results will be reported quarterly.





## Strategy implementation: Consolidation of shares within the Spyrosoft Group

The consolidation will be conducted based on share exchange parities based on the EBITDA of the subsidiaries for 2026 and market multipliers.

The exchange is planned for 2027 with the aim of building and maintaining a high motivation to achieve the objectives contained in the Group's strategy.

Following the consolidation, the Group plans an overseas stock exchange listing.





## Prospect for shareholders

We need 5 years to achieve the objectives set out in the strategy.

Focus on business development and revenue growth in the short term.

Possible profit fluctuations due to investments in the growth of the organisation and its technological development.

Payment of dividends will be incidental – reinvestment of profit is a top priority in the Group's development strategy.

Planned debut on a foreign stock exchange (American or European), which will allow:

- Increase the company value for shareholders
- Acquisition and retention of top specialists (incentive option programme)
- Acquisition of large, global customers.

Measure of the Group's objective: revenue growth of 25-35% per annum (by 2026).



## Summary

1. The Spyrosoft Group operates in a favourable environment of stable demand for IT services.
2. The business model and market advantages on which the Group relies not only enable rapid scaling, but also mitigate potential market risks.
3. Spyrosoft's track record to date is a good predictor for the achievement of its business objectives.
4. In the long term, the Spyrosoft Group, through its planned foreign expansion, will fit into the trends of globalisation and consolidation of the world IT sector.

