



TRADING UPDATE

for the period 01.01.2020 - 31.03.2020

This announcement is a translation of the original Danish version.
In case of discrepancies, the Danish version prevails.

- **Growth slowdown**
- **Actions resulting from the Covid-19**
- **Expectations for 2020 affected by the current market situation**

Growth slowdown

In the first quarter of the year, the Esoft Group realized a minor decrease in revenue, despite overall growth until the last half of March, where the markets were affected by the Covid-19 situation.

The Danish market started out lower than Q1 last year, which also has been noticeable among Esoft's customers. The fall is due to the Covid-19 impact in the last part of the quarter. The slowdown is expected to continue, and therefore the expectations are lowered despite the increase in customers.

The Swedish market is still characterized by the slowdown in recent quarters. Despite the slowdown, Esoft is gaining new customers in the market, and Q1 is realized at a level above last year. Despite this, Esoft does not maintain the expectations for revenue growth in 2020, as the Covid-19 is expected to impact the Swedish market during Q2.

On the markets in North America, Australia and the rest of Europe, Esoft is experiencing a total revenue growth for Q1 compared to last year. The significant impact of Covid-19 starting from mid-March has been noticeable among the customers of Esoft., especially where countries/states have been shut down. The expectations for revenue are also lowered on these markets.

Actions resulting from the Covid-19

The Esoft Group has, due to the world-wide growth slowdown, made the necessary adjustments to accommodate the lower level of activity and the expected recession. The actions range widely and includes, among other things, activating the governmental aid packages in Denmark and Sweden, implementing cost savings and cash flow optimization. Esoft is operating in a cyclical and seasonal market therefore has a scalable setup, which is adjusted to the current situation, but is also ready to scale up again.

The Tech-development remains on top of the agenda and there is an increased demand for Esoft's innovative solutions within artificial intelligence, digitization and virtual reality. Despite the downgrades, focus on the continued digital development in the world is maintained, as new opportunities and an increasing demand for Esoft's solutions is shown due to the current situation.

Expectations for 2020 affected by the current market situation

The market-situation is expected to result in a decline in terms of revenue and earnings, therefore the profit for the year is expected significantly lower than last year.

Furthermore, it is expected that the before-mentioned adjustments will be sufficient to make it through in terms of cash flow, but the situation will be followed closely and adjustments to the overall plans will be made accordingly.

The board of directors

The Esoft Systems A/S board of directors is composed of:

- Torben Frigaard Rasmussen, chairman of the board
- Michael Vinther
- René Dines Hermand

Board decisions

Except for the messages already communicated through First North, no fundamental decisions have been made during the period in question.

The company's shareholdings

Esoft Systems A/S holds 205.055 shares in the company.

The board and management – direct and indirect shareholdings

Group CEO René Dines Hermand, 2.500.000 shares.

The company had an average of approximately 220 shareholders during the period in question.

Certified Adviser and the adviser's employees – direct and indirect shareholdings

Certified Adviser holds no shares in the company.

Next trading update

Next trading update will be published on August 14th, 2020.

Further information:

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Om Esoft:

Esoft is a Tech company in the real estate industry, with offerings for both brokerage chains and individual brokers around the world.

Esoft specializes in innovative solutions in picture editing, 3D-visualisations and online marketing.

Customers choose Esoft for the fast service, the innovative and inventive solutions, as well as the consistently high quality of the services provided by Esoft.

Since Esoft was founded in the year 2000, the company has had continuous growth, and today consists of more than 650 colleagues in offices in Denmark, Sweden and Vietnam.

Read more at www.esoft.com