



Extraordinary Trading Update

June 25th, 2020

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

CVR-nr. 25 36 2195

Esoft Systems · Skibhusvej 52C · DK-5000 Odense C · Phone: +45 70 222 466 · info@esoft.com



In continuation of the First North announcements 128 and 130, where Covid-19 changed the agenda, Esoft now see normalization in the markets of Europe, North America and Australia.

Expectations after Covid-19

The expectations of a significant effect on the current financial year is unchanged, and the uncertainty of a possible second phase is not included in the current expectations. The market situation in the last couple of months have resulted in a significant decline in terms of both revenue and profit, therefore Esoft prepares a structure with further variable costs including a comprehensive freelance setup in Vietnam.

Esoft started out the year with increasing turnover and profits, but the last two months (April and May) have resulted in a decline in revenue and profit of MDKK 11 and MDKK 3 respectively, compared to last year.

Before Covid-19 the company expected a top line growth of 10 % and a positive bottom line result. In the Company Announcement no. 130, the expectations were downgraded due to the Covid-19 to a decrease on both top and bottom., which would lead to a termination of investments and a minor negative bottom line result.

Due to the current normalizations, the expectations for the year are upgraded to a breakeven, which is within the scope of the adjusted requirements of the company's credit facilities.

Development have once again started and selected employment is prioritized to ensure further growth. The original strategy of increased focus on investments and development is resumed in line with the normalization of volume, results and the markets.

Background for proposal of delisting at the extraordinary general meeting on July 1st, 2020

As stated in Company Announcement no. 113 from October 2018, the company changed its strategy, requiring substantial investments going forward to maintain the company's position and follow the technological development.

As a result, the Ordinary General Meeting of 2019, on the recommendation of the Board of Directors, chose to implement dividend payment and buy back program, to ensure the shareholders' opportunity of "getting out" of the share, if they did not wish to participate after the announced strategy change. In 2019 quite a few shareholders accepted the offer to sell their shares.

The company continues to see a great need for further investments in order to keep up with the technological development. In the future, this will mean that the company must either find new capital, enter one or more partnerships or otherwise enter partnerships that can strengthen the company and its platform.

In parallel with these considerations, the company has received inquiries from Nasdaq about the relatively low liquidity of the company's shares.

Taking into account the combination of the low liquidity of the company's shares and the future need for either capital for investment or partnerships, the Board of Directors has determined that it would be better for the company to go private, and therefore a proposal for delisting the company have been put forward.

Process and price

On the Extraordinary General Meeting held as convened by the company on the 1st of July, the matter of delisting the company will be subject to a vote.

Main shareholder René Dines Hermand has informed the company that he is "pro" a delisting, which is in accordance with the recommendations of the Board of Directors. Therefore the proposal is expected to be adopted by the necessary majority. A delisting does not mean a compulsory redemption, but the company must ensure the opportunity to "get out" of the share.

As far as the company is informed, there is currently no plans to compulsory redeem the shares of the remaining shareholders, but the company has received a commitment from René Dines Hermand that he will secure the opportunity for other shareholders to get out of the share.

The pricing of this commitment to buy shares is set based on the recent transaction made by René Dines Hermand in the transaction between major shareholder Dag Schönberg and main shareholder René Dines Hermand for DKK 25 per share. A similar price will be secured for the other remaining shareholders, who wants to get out of the share.

If, as expected, the proposal for delisting is passed at the general meeting on the 1st of July 2020 with the required majority, there will subsequently be a minimum period of 10 weeks during which shareholders have the opportunity to trade shares in the company. After that, it will no longer be possible to trade the shares on the stock market.

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 212.637 shares in the company.

The board and management – direct and indirect shareholdings

Group CEO René Dines Hermand, 2.684.711 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:

Group CEO René Dines Hermand
Mobile: +45 20 300 406

Company address:

Esoft Systems A/S
Skibhusvej 52C , DK - 5000 Odense C
www.esoft.com

Certified Adviser:

Christian Ejlskov Hansen
Ernst & Young P/S
Englandsgade 25
5000 Odense C
www.ey.com

About 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, Spain and Vietnam.

Read more at www.esoft.com