Key startup metrics

Monthly Recurring Revenue (MRR): With an MRR of €123.816 in 2024, Softech® demonstrates strong recurring revenue, which is vital for the company's financial health and predictability of income.

Annual Revenue (AR) 2024: An AR 2024 of €1,450,800 indicates a solid yearly revenue stream. The addition of grants points towards recognition and support from external entities, possibly fueling further innovation and growth.

Customer Acquisition Cost (CAC): The reduction of CAC from €300 in 2023 to €200 in 2024 is a significant improvement. This reduction implies increased efficiency in the company's marketing and sales strategies.

Customer Lifetime Value (CLV): The zero churn rate suggests customers find continued value in Softech's products, contributing to a potentially high CLV.

Churn Rate: A zero churn rate is outstanding and indicates that once Softech® acquires a customer, they retain them – a sign of excellent customer satisfaction and product stickiness.

Customer Retention Rate: At 100%, Softech® is maintaining its customer base, which is a testament to the company's value proposition and customer service quality.

Average Revenue Per User (ARPU): The average annual license fee paid by companies is €37.200.

Lead Conversion Rate: A conversion rate of 3 out of 5 leads indicates a highly effective sales process, with 60% of potential customers turning into actual customers.

Net Promoter Score (NPS): We can measure NPS from the perspective of recommending the use of the software solution in other countries within the user license group. In that context, we can say that the NPS is exceptionally high, given that numerous clients have recommended the solution to other countries within the group

Expansion Revenue (ER): In accordance with the NPS, the (ER) is exceptionally high since our license users are our best distributors. Good practices in one country are quickly transferred to other countries where the company operates.

Gross Margin: A gross margin of 65%+ is robust for a SaaS company, indicating that Softech retains two thirds of its revenue after direct costs associated with service delivery.

Burn Rate: Already profitable.

Runway: Already profitable. The investment necessary for further growth.

Product Qualified Leads (PQLs): A strong presence in 12 European countries and an innovative product offering suggests that Softech® likely has a high number of PQLs, which are crucial for continued sales growth.

Capital Efficiency: Softech® aim for high capital efficiency, demonstrating its ability to generate AR with minimal capital investment.

Company & Product executive summary

Softech® - an innovative and award-winning startup company founded in Belgrade, Serbia. Since our establishment in 2019, we have been dedicated to developing various B2B SaaS products, with our flagship fintech digital product, Digital Spark™, becoming an indispensable link in the sales chain among multinational companies. In 2023. Softech® opened first business development office in Madrid, Spain as first step toward global

At Softech®, we are driven by scalable processes and a commitment to innovation, helping companies digitize their sales processes and increase revenue. We understand that sales is an extremely demanding process that involves many different stakeholders, from sales teams and merchandisers to the retail network and frontline employees whose behavior matters the most to sales outcomes. Our B2B product strengthens the relationship between product manufacturing companies and frontline employees. By utilizing our products, companies can improve revenue, track sales in real-time, build strong relationships, effortlessly train frontline employees, measure ROI, and quickly engage tens of thousands of salespersons.

So, how does Digital Spark™ work? According to McKinsey, there is no better way to boost sales than by incentivizing frontline employees. Our fully automated marketing field toolkit, Digital Spark™, is available as a private label B2B SaaS product that includes a variety of trade programs. Enterprises can select the trade programs applicable to their industry. Among the most frequent trade programs are:

- **SalesDrive™** is a product designed to revolutionize the management of sales and the rewarding of retail team performance. It employs process-driven innovation to enhance revenue and profit margins. This program appears to be focused on educating sales teams and ensuring they embody excellence in sales and brand representation.
- **HyperCare™** is a trade program that streamlines the interactions for sales representatives, field sales teams, and frontline employees. This program is designed to optimize workforce management and motivate teams by providing task delegation, performance tracking, and incentive schemes. It also includes a Virtual Merchandiser module to improve in-store merchandising quality and provides data-driven insights for continuous improvement**SmartMetrics™** is a business intelligence (BI) tool that automates the reporting process for businesses. This customizable solution consolidates sales reporting under a single user- friendly interface, providing detailed and timely insights into sales performance, efficient stock management, and revenue optimization. It aids in decision-making and planning, ultimately leading to enhanced customer satisfaction and increased ROI.
- **BonusWise™** is a trade program that automates the calculation of compensation models for in-house sales teams. It integrates various commission structures, bonuses, and incentives, providing a streamlined approach to incentivizing sales performance. This program aims to redefine how incentives drive sales excellence, offering a tailored incentive approach, and providing insights into sales performance for strategic planning.

These products are part of Softech's suite of solutions aimed at transforming and digitizing the sales processes of companies, enhancing efficiency, and driving growth through innovative technological approaches.

Our sweet spot customers include brand manufacturers, distribution firms, wholesale companies, financial and insurance companies. Our product is suitable for both brands and retailers alike. Digital Spark™ has proven its concept in five of the most progressive industries, ranging from telecommunications and pharmaceuticals to wholesale distribution and consumer electronics goods. We currently have a presence in 12 European countries, with 105,000 active frontline employees utilizing our software solution in their everyday sales activities. It's worth noting that we provide our service on the Oracle cloud platform, which is a leading industry standard suitable for companies of all sizes.

Over the years, we have continuously improved our product portfolio and scaled our business to an

international level. World-class brands such as LG Electronics, Samsung, Philip Morris International, HP Enterprise, Wurth, Sika, Hisense, IQOS, TCL, Huawei, Sika, and many others rely on Digital Spark™ for their everyday sales activities. We are proud to state that we have achieved a zero churn rate among our clients.

Our market rollout strategy takes place in three steps. After initially covering the SEE region where we were headquartered, we are currently in the second phase of market development, expanding our reach to Central and Western European countries. By opening our first business development office 2023. in Madrid, Spain we are one step closer to our ultimate goal of expanding into Latin America and the United States.

Our revenue model is based on a pure B2B SaaS model, allowing us to scale rapidly. Our clients pay per store unit where frontline employees utilize our software. We are on an exciting journey and have achieved a consistent monthly recurring revenue (MRR) of 123,816 euros in 2024. Comparing this to an average MRR of 100,000 euros in 2023, we increased our revenue significantly. On our roadmap, we have already achieved significant milestones, including reaching 100,000 users.

The Digital Spark™ solution exhibits a high level of innovativeness, particularly in the realm of process-driven innovation. Here's an overview of its innovativeness, emphasizing its process-oriented approach, along with objective criteria that can contribute to the approval of its application:

Process-driven Innovation

Digital Spark™ is centered around digitizing and optimizing the sales process for companies. It recognizes the complexities and challenges inherent in sales, involving multiple stakeholders, such as sales teams, merchandisers, retail networks, and front-line employees. By streamlining and enhancing these processes, Digital Spark™ enables companies to boost revenue, track sales in real time, build strong relationships, effortlessly train front-line employees, measure ROI, and efficiently engage a large salesforce.

Comprehensive feature set

The solution's trade programs, including Sales Drive, BonusWise, SmartMetrics and Hypercare, offer a comprehensive suite of features designed to address various aspects of the sales process. This integration of multiple functionalities within a single platform enhances efficiency, collaboration, and data-driven decision-making, further driving innovation.

Industry recognition and adoption

The fact that Digital Spark™ has gained traction and established partnerships with world-class brands in progressive industries, such as telecommunications, pharmaceuticals, wholesale distribution, and consumer electronics, indicates its innovative approach to addressing the sales challenges faced by multinational companies. Objective criteria for approval can include evidence of successful deployments and testimonials from renowned brands, showcasing the impact and effectiveness of Digital Spark in improving sales processes.

Technological advancements

Digital Spark™ leverages advanced technologies, such as AI and machine learning, to optimize and recommend incentives through its SartMetrics module. By employing collaborative filtering techniques, it intelligently analyzes data and provides personalized recommendations, enhancing the effectiveness of incentive programs. The integration of cutting-edge technology demonstrates a commitment to innovation and staying at the forefront of industry advancements.

Scalability and market potential: With a presence in 12 European countries and an active user base of 105,000 frontline employees, Digital Spark™ has demonstrated its scalability and market reach. The ability to serve companies of all sizes, coupled with plans for expansion into new geographic regions, such as Central and Western Europe, Latin America, and the United States, signifies the solution's potential for widespread adoption and further market growth. These factors highlight its uniqueness, effectiveness, and potential impact, making it an attractive option for support and endorsement by relevant authorities seeking to foster innovative entrepreneurship and digital transformation in the sales domain. Patents The Digital Spark™solution has successfully progressed through the development phase, establishing a solid foundation and demonstrating its viability in the market.

Proven concept

Digital Spark™ has validated its concept in the market by gaining significant traction and adoption among multinational companies in the SEE and CE region. Its track record of successful deployments and active users across industries such as telecommunications, pharmaceuticals, wholesale distribution, and consumer electronics provides strong evidence of the solution's effectiveness and market demand.

With over 100K active frontline employees currently utilizing the software solution in their everyday sales activities, the product has gained significant user engagement and acceptance. The substantial number of active users demonstrates the value proposition and the positive impact that Digital Spark™ brings to the sales processes of its clients.

The team behind Digital Spark™ has recognized the importance of safeguarding their intellectual property rights. They have taken steps to protect the company name, ensuring its uniqueness and preventing unauthorized use by others. Additionally, the team is actively engaged in the process of protecting the name of the software solution, reinforcing its brand identity and market positioning. By emphasizing the proven concept of Digital Spark™ in the market, supported by an active and growing user base, and highlighting the team's proactive approach to protecting their intellectual property rights, the development phase of the product is positioned as a significant milestone in the company's journey. This showcases the solution's market readiness, user acceptance, and the commitment of the team to secure and maintain a competitive edge in the industry.

Digital Spark™ has been meticulously built from the ground up, with a strong emphasis on various technical aspects to ensure a robust and innovative solution. The development process encompasses several key areas, including software architecture, software development, product management, legal feasibility, and quality assurance (QA) testing. Each of these elements contributes to the uniqueness of the product and strengthens the company's ownership rights over its technical segments.

The Digital Spark™ solution has been developed using a well-defined software architecture that provides a solid foundation for its functionality and scalability. The architecture is designed to support the complex requirements of the sales process, integrating various modules and trade programs seamlessly. This thoughtful approach to software architecture enables the product to deliver a comprehensive and cohesive user experience.

The development of Digital Spark™ involves a dedicated team of software engineers and developers who possess the necessary expertise in building robust and reliable software solutions. The team follows industry best practices and utilizes modern development frameworks and technologies to create a cutting-edge product. This iterative development process ensures that the solution meets the highest standards of performance, security, and user satisfaction.

Effective product management is integral to the success of Digital Spark™. The team works closely with stakeholders, including clients and sales professionals, to understand their needs and translate them into features and functionalities. Through a user-centric approach, the product management team ensures that Digital Spark™ addresses the specific pain points of the sales process and provides tangible value to its users.

The development of Digital Spark™ takes into account the legal aspects and regulatory requirements of the markets it operates in. The team conducts thorough research and analysis to ensure compliance with relevant laws and regulations, particularly regarding data privacy and security. By addressing legal feasibility early on, Digital Spark™ demonstrates a commitment to ethical practices and establishes a solid foundation for its long-term growth.

Quality assurance is a critical aspect of Digital Spark™'s development process. Rigorous QA testing is conducted at various stages to identify and resolve any potential issues or bugs. This iterative testing approach ensures the stability, reliability, and performance of the software solution, guaranteeing a seamless user experience and minimizing disruptions in the sales process. Throughout the development process, Digital Spark™ 's uniqueness is carefully nurtured and protected. The company takes ownership rights seriously, safeguarding its technical segments and intellectual property. This approach ensures that Digital Spark™ remains distinct from competitors and provides the company with a competitive advantage in the market. By emphasizing the comprehensive development approach, strong ownership rights, and commitment to uniqueness, Digital Spark™ establishes itself as a technologically advanced and innovative solution in the B2B SaaS market.

Differentiation in processes, differentiation in the product, differentiation in the business model Digital Spark™ stands out in the market due to its highest level of differentiation in processes, product, and business model. These aspects contribute to its uniqueness and competitive advantage over other solutions in the B2B SaaS industry.

Digital Spark™ is built on a scalable and process-driven innovation that revolutionizes the way companies digitize their sales processes. The solution offers a comprehensive suite of trade programs and modules that streamline sales activities, enhance frontline employee engagement, and drive revenue growth. By integrating real-time sales tracking, learning management systems, virtual merchandising, AI-powered recommendations, and employee reward systems, Digital Spark™ optimizes sales processes and improves overall sales performance. This process-driven approach differentiates Digital Spark™ by providing companies with a holistic and efficient solution that covers the entire sales chain.

Digital Spark™ is designed to strengthen the relationship between product manufacturers and frontline employees, addressing the critical link in the sales chain. The product offers a wide range of features that empower frontline sales teams, such as real-time sales reporting, seamless training capabilities, AI-driven insights, and a dedicated rewards feature. This comprehensive suite of functionalities distinguishes Digital Spark™ from its competitors, as it provides a one-stop solution for companies to digitize their sales processes and maximize revenue generation. The product's user-friendly interface, scalability, and compatibility with Oracle cloud platform further enhance its differentiation in the market. Differentiation in Business Model: Digital Spark™ adopts a pure B2B SaaS revenue model that offers scalability and rapid growth potential. Unlike traditional sales enablement solutions, Digital Spark™ charges clients based on the number of store units where frontline employees use the software. This innovative pricing approach aligns with the value provided to clients and allows for flexible scalability as companies expand their sales operations.

The pure B2B SaaS model also facilitates fast adoption and onboarding, enabling Digital Spark™ to reach a broader customer base and penetrate new markets efficiently. This unique business model sets Digital Spark™ apart from competitors and positions it as a forward-thinking and customer-centric solution. By excelling in processes, product features, and business model, Digital Spark™ differentiates itself as a leading solution in the B2B SaaS market. Its focus on process-driven innovation, comprehensive product offerings, and scalable revenue model provide significant advantages to companies seeking to digitize their sales processes and drive revenue growth. Level of market attractiveness The market attractiveness of Digital Spark™ is high due to several key factors that contribute to its success and growth potential. Demand for Sales Digitization: The market demand for digitizing sales processes is significant and continues to grow. As companies strive to increase efficiency, improve sales performance, and adapt to changing consumer behavior, the need for innovative sales enablement solutions becomes crucial. Digital Spark™ addresses this demand by offering a

comprehensive suite of tools and functionalities that streamline sales activities, enhance frontline employee engagement, and drive revenue growth.

Its ability to digitize sales processes, track sales in real-time, and provide actionable insights positions it as a valuable solution for companies across various industries.

Digital Spark™ has already established itself as an indispensable link in the sales chain among multinational companies in the SEE and CE region. This demonstrates the market acceptance and success of the product within a specific geographic area. By proving its concept in progressive industries such as telecommunications, pharmaceuticals, wholesale distribution, and consumer electronics, Digital Spark™ has gained credibility and a solid customer base. This success sets the stage for expansion into other markets and regions, further enhancing its market attractiveness

Revenue model and growth potential

Digital Spark™ operates on a pure B2B SaaS revenue model, which offers scalability and rapid growth potential. The model of charging clients based on the number of store units where frontline employees use the software provides a clear revenue stream and aligns with the value provided to customers. With a strong growth trajectory, Digital Spark™ showcases its potential for financial success and attractiveness to investors. In conclusion, the market attractiveness of Digital Spark™ is high due to the strong demand for sales digitization, its success among multinational companies in the SEE region, scalability for international expansion, established partnerships with renowned brands, and a sustainable revenue model. These factors position Digital Spark™ as an innovative and promising solution in the B2B SaaS market with significant growth potential and opportunities for further success. The stage of the company's life Softech® is currently in the growth stage of its life cycle as a company. After being founded in 2019, the company has dedicated itself to the development of various B2B SaaS products, with Digital Spark™ serving as its flagship digital product in the fintech sector. During its early stages, the company focused on refining and improving its product portfolio, conducting market research, and establishing a presence in the market. It successfully proved the concept of Digital Spark™ by gaining traction and adoption among multinational companies. This early success has helped solidify its position as an indispensable link in the sales chain for these companies.

The company is actively scaling up its business operations, expanding into new markets, and targeting larger customer segments. It has demonstrated its ability to adapt and cater to the needs of various industries, from telecommunications and pharmaceuticals to wholesale distribution and consumer electronics goods. To support its growth, Digital Spark™ has opened a business development office in Madrid in 2023., signaling its strategic move into Central and Western European countries.

This expansion aligns with its long-term vision of entering the Latin American and US markets, highlighting its ambitions for global scalability. With a strong focus on a pure B2B SaaS revenue model, Digital Spark™ has achieved significant monthly recurring revenue (MRR) milestones, showcasing its financial growth and stability. As Digital Spark™ continues to evolve, it is actively seeking investments and partnerships to support its expansion plans and accelerate its growth.

Business model Digital Spark™ operates on a pure B2B (business-to-business) SaaS (Software as a Service) revenue model, which has allowed the company to scale up rapidly and generate significant growth. The business model is designed to provide value to its customers while ensuring sustainable revenue streams for the company.

The scalability, flexibility, and proven success of the product contribute to its market attractiveness and position Digital Spark™ as a leading player in the industry. Competition In the B2B sales enablement market, there are several companies that are dealing with a same problem in a different way. Some of them could be considered as indirect competitors to Digital Spark™.