Enfusion 1Q 2023 Shareholder Letter

May 2023

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Disclaimer

Forward-Looking Statements

Statements we make in this presentation may include statements which are not historical facts and are considered forward-looking within the meaning of Section 27A of the Securities Act of 1933 (Securities Act) and Section 21E of the Securities Exchange Act of 1934 (Exchange Act), including expectations regarding future financial performance. These forward-looking statements are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "could," "will," and variations of such words or similar expressions. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act and are making this statement for purposes of complying with those safe harbor provisions.

These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control, such as those set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 that was filed with the SEC on March 30, 2023 and our subsequent Quarterly Reports on Form 10-Q. We assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Dear Shareholders,

Since Enfusion's founding, navigating challenging environments has been a part of our journey. From the Global Financial Crisis to the COVID pandemic, following each instance of macroeconomic uncertainty, we have emerged a stronger company. I expect the impact of this current environment to be no different. As it always has, Enfusion creates compelling and unique value for our clients and, in doing so, allows us to maintain our leading position in cloud-native, end-to-end investment management software.

1Q23 Highlights: During the first quarter, Enfusion continued to grow revenue at double-digit rates and further established itself as the partner of choice for investment managers. Two key areas that I am particularly proud of are:

- **Our first quarter client wins demonstrate our ongoing strength in conversions and further our global expansion.** We signed a multi-billion-dollar venture capital fund that was looking to replace its outdated technology with a cloud-native, end-to-end platform. I am also particularly proud that we signed a credit hedge fund through our relationship with a dedicated managed-account platform, Innocap Global Investment Management. Further, we signed a multi-billion dollar Chinese hedge fund based in Singapore that chose Enfusion to consolidate its incumbent providers onto one platform.

- **We delivered healthy growth and profitability in the face of macro challenges.** For the first quarter, we delivered double-digit revenue growth, which was driven by new sales across our products and services. Our focused expense discipline allowed us to maintain a solid margin profile. Further, our strong cash conversion translated to another quarter of positive adjusted free cash flow.

Enfusion continues to disrupt the investment management solutions space by creating unparalleled value for all of its clients, which include new hedge fund launches, large complex multi-manager platforms, institutional investment managers, wealth managers, and family offices.

Our compelling value proposition centers around our cloud-native, multi-tenant SaaS model, which allows us to grow and scale with our clients, drive efficiencies, lower the total cost of ownership, and empower investment managers and asset owners to make better decisions. As one of the few SaaS-based companies with the unique combination of high growth and proven profitability, I am confident that Enfusion remains well-positioned to create long-term shareholder value.

Sincerely,

Oleg Movchan
Chief Executive Officer

Our mission

To help solve investment managers' evolving business and operational challenges through next generation technology

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We simplify and unify the investment management lifecycle

We manage complex workflows…

- Fills
- Orders
- Reconciliations
- Allocated Trades
- Reporting
- Statements

…empowering teams to operate in concert

- CFO
- COO
- CIO
- Portfolio Manager
- Analysts
- Traders
- Compliance Officer
- Investor Relations
- Middle Office
- Back Office

Serving clients across the investment management industry

Alternative Investment Managers	
Hedge Funds	Private Equity
Private Credit	Family Offices

Institutional Investment Managers	
Wealth Managers	Traditional Asset Managers
Mutual Funds	Sovereign Wealth Funds

Purpose-built end-to-end solution

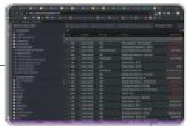
Mission critical systems integrated with a suite of technology-powered services

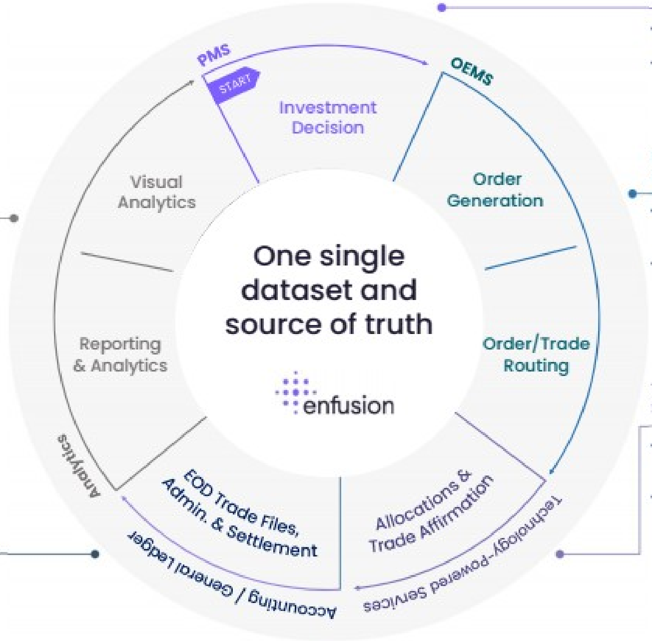
Analytics

- Connected in real-time with our PMS and OEMS
- Comprehensive client data insights to analyze portfolios through time horizons and automate customized visualized reports

Accounting / General Ledger

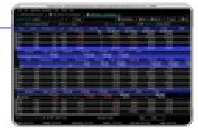
- Double-entry ledger that automates the posting of general ledger journal entries directly from PMS
- Complete, real-time Accounting Book of Record ("ABOR")





Portfolio Management System

- Live details of portfolio positions
- Real-time Investment Book of Record ("IBOR")



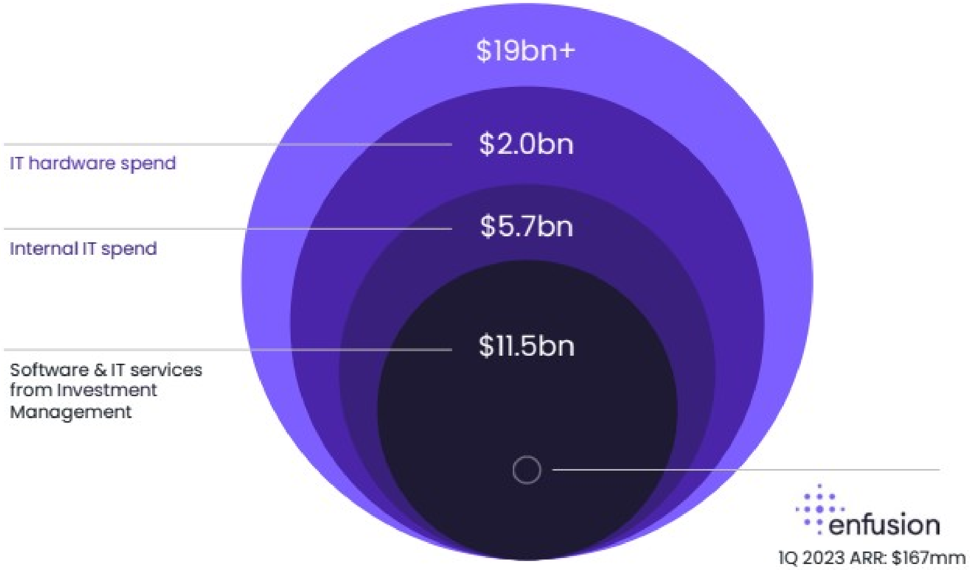
Order Execution Management System

- Electronically communicate and manage trade orders
- Systemically enforce trading regulations and internal guidelines

Technology-Powered Services

- Expert teams empowered by technology
- Front-, middle- and back-office time consuming, administrative tasks

Addressing a large and growing market



Robust growth in Underlying industry

40% total growth

in global AUM 2015-2020

8% annual growth

of alternatives AUM projected

6% annual growth

of total AUM projected

$145 trillion

in global AUM by 2025

Source: IDC's Worldwide Capital Markets IT Spending Guide (2023); PwC Asset and Wealth Management Revolution (2020)

Why we win

Client-centric approach

One end-to-end solution, one single dataset and source of truth

Rapid pace of delivery and evolution

Open, flexible and tailored

Cloud-native, multi-tenant SaaS

Drive efficiencies and lower total cost of ownership

Unique ability to lead with a single solution – and then adjust to a client's growing complexity, scale with its size, evolve with its operational workflows, and continuously adapt to customer business dynamics

Q1 2023 key financial highlights

$ in millions

Highly attractive SaaS model with combination of scale, growth and profitability

Total Revenue	$41.0	20.0% YoY Growth
Gross Profit	$27.7	67.5% Gross Margin
Adjusted Gross Profit (1)	$27.9	68.2% Adjusted Gross Margin
Net Income	$4.7	11.5% Net Income Margin
Adjusted EBITDA (1)	$5.7	13.9% Adjusted EBITDA Margin
Operating Cash Flow	$0.9	2.3% OCF Margin
Adjusted Free Cash Flow (1)	$4.5	79.7% FCF Conversion

(1) See appendix for definition and non-GAAP reconciliations.

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Strong growth trends with ongoing profitability

$ in millions

Revenue

Gross Profit and Adjusted Gross Profit [1]

Net Income and Adjusted EBITDA [1]

Operating Cash Flow and Adjusted Free Cash Flow [1]

YoY Growth

1Q22	2Q22	3Q22	4Q22	1Q23
40.2%	38.2%	34.8%	27.2%	20.0%

Gross Margin and Adjusted Gross Margin

	1Q22	2Q22	3Q22	4Q22	1Q23
Gross Margin	67.8%	70.3%	69.4%	67.2%	67.5%
Adjusted Gross Margin	68.9%	71.2%	70.5%	68.0%	68.2%

Net Income Margin and Adjusted EBITDA Margin

	1Q22	2Q22	3Q22	4Q22	1Q23
Net Income Margin	NM	NM	6.6%	1.9%	11.5%
Adjusted EBITDA Margin	5.4%	14.5%	13.9%	16.7%	13.9%

Operating Cash Flow Margin and Adjusted Free Cash Flow Conversion

	1Q22	2Q22	3Q22	4Q22	1Q23
Operating Cash Flow Margin	NM	7.9%	20.0%	18.6%	2.3%
Free Cash Flow Conversion	NM	NM	87.6%	53.4%	79.7%

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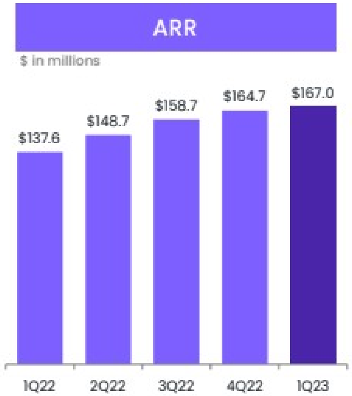
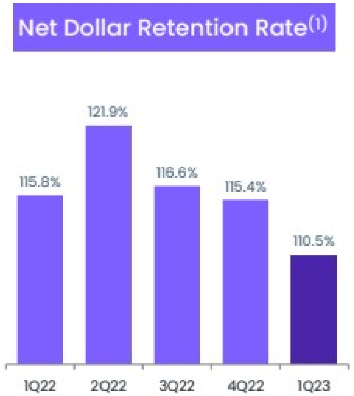
(1) See appendix for non-GAAP reconciliations.

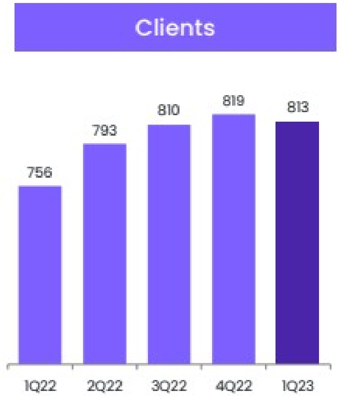
Organic, sticky expansion at scale



YoY Growth

1Q22	2Q22	3Q22	4Q22	1Q23
37%	*38%*	*33%*	*30%*	*21%*





% Conversions

1Q22	2Q22	3Q22	4Q22	1Q23
67%	*74%*	*60%*	*51%*	*59%*

YoY Growth

1Q22	2Q22	3Q22	4Q22	1Q23
9%	*12%*	*10%*	*13%*	*10%*

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(1) Net Dollar Retention Rate excludes involuntary churn.

Appendix

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ENFUSION, INC. CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except shares and unit amounts and par value)

	As of March 31, 2023 (Unaudited)	As of December 31, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 54,598	$ 62,545
Accounts receivable, net	24,356	25,855
Prepaid expenses	5,600	6,105
Other current assets	2,093	2,303
Total current assets	86,647	96,808
Property and equipment, net	16,879	15,759
Right-of-use-assets, net	13,438	6,732
Other assets	4,529	4,484
Total assets	$ 121,493	$ 123,783
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,290	$ 1,685
Accrued expenses and other current liabilities	7,403	11,665
Current portion of lease liabilities	5,013	4,030
Total current liabilities	13,706	17,380
Lease liabilities, net of current portion	8,642	2,959
Total liabilities	22,348	20,339
Stockholders' Equity:		
Class A common stock, $0.001 par value; 1,000,000,000 shares authorized, 74,081,623 and 70,859,711 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	74	71
Class B common stock, $0.001 par value; 150,000,000 shares authorized, 41,198,767 and 43,198,767 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	41	43
Additional paid-in capital	240,075	244,260
Accumulated deficit	(176,012)	(178,863)
Accumulated other comprehensive loss	(473)	(504)
Total stockholders' equity attributable to Enfusion, Inc.	63,705	65,007
Non-controlling interests	35,440	38,437
Total stockholders' equity	99,145	103,444
Total liabilities and stockholders' equity	$ 121,493	$ 123,783

ENFUSION, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands) (Unaudited)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
REVENUES:		
Platform subscriptions	$ 37,998	$ 31,551
Managed services	2,744	2,230
Other	229	360
Total revenues	40,971	34,141
COST OF REVENUES:		
Platform subscriptions	11,675	9,311
Managed services	1,564	1,615
Other	63	57
Total cost of revenues	13,302	10,983
Gross profit	27,669	23,158
OPERATING EXPENSES:		
General and administrative	14,473	22,295
Sales and marketing	4,086	8,432
Technology and development	4,431	4,802
Total operating expenses	22,990	35,529
Income (loss) from operations	4,679	(12,371)
NON-OPERATING INCOME (EXPENSE):		
Other income (expense)	411	(3)
Total non-operating income (expense)	411	(3)
Income (loss) before income taxes	5,090	(12,374)
Income taxes	396	150
Net income (loss)	4,694	(12,524)
Net income (loss) attributable to non-controlling interests	1,749	(5,259)
Net income (loss) attributable to Enfusion, Inc.	$ 2,945	$ (7,265)
Net income (loss) per Class A common shares attributable to Enfusion, Inc.:		
Basic	$ 0.04	$ (0.10)
Diluted	$ 0.04	$ (0.10)
Weighted Average number of Class A common shares outstanding:		
Basic	88,863	83,384
Diluted	132,346	83,384

ENFUSION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands) (Unaudited)

	Three Months Ended March 31, 2023	2022
Cash flows from operating activities:		
Net income (loss)	$ 4,694	$ (12,524)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Non-cash operating lease expense	(40)	—
Depreciation and amortization	1,868	1,340
Provision for credit losses	475	123
Amortization of debt-related costs	6	6
Stock-based compensation expense	(1,147)	12,682
Change in operating assets and liabilities:		
Accounts receivable	878	(5,310)
Prepaid expenses and other assets	(1,153)	(13)
Accounts payable	(395)	(1,339)
Accrued expenses and other liabilities	(4,262)	938
Net cash provided by (used in) operating activities	924	(4,097)
Cash flows from investing activities:		
Purchases of property and equipment	(2,550)	(3,171)
Net cash used in investing activities	(2,550)	(3,171)
Cash flows from financing activities:		
Settlement of tax receivable acquired in reorganization transaction	1,501	—
Payment of withholding taxes on stock-based compensation	(7,579)	(805)
Other	(275)	—
Net cash used in financing activities	(6,353)	(805)
Effect of exchange rate changes on cash	32	(86)
Net decrease in cash	(7,947)	(8,159)
Cash and cash equivalents, beginning of period	62,545	64,365
Cash and cash equivalents, end of period	$ 54,598	$ 56,206

Reconciliations To Non-GAAP Financial Measures

The following table reconciles gross profit to adjusted gross profit:

($ in thousands)		Three Months Ended					
		December 31, 2021	March 30, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
GAAP Gross profit	$	**21,689**	**23,158**	**25,693**	**27,177**	**27,221**	**27,669**
Add back stock based compensation expense		377	354	341	406	321	270
Adjusted Gross profit	$	**22,066**	**23,512**	**26,034**	**27,583**	**27,542**	**27,939**
Adjusted Gross Margin		69.3%	68.9%	71.2%	70.5%	68.0%	68.2%

The following table reconciles net income to Adjusted EBITDA:

($ in thousands)		Three Months Ended					
		December 31, 2021	March 30, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Net income (loss)	$	**(293,894)**	**(12,524)**	**(4,125)**	**2,598**	**788**	**4,694**
Interest expense (income)		307	6	1	4	(424)	(492)
Income taxes		(125)	150	219	287	418	396
Depreciation and amortization		1,316	1,340	1,615	1,699	1,690	1,868
EBITDA	$	**(292,396)**	**(11,028)**	**(2,290)**	**4,588**	**2,472**	**6,466**
Adjustments:							
Stock-based compensation expense		289,803	12,432	7,523	833	4,205	(1,147)
Loss on debt extinguishment		1,215	—	—	—	—	—
Taxpayment on stock-based compensation		4,570	434	50	14	87	163
Effects of foreign currency		—	—	—	—	—	82
Other non-recurring items[1]		—	—	—	—	—	139
Adjusted EBITDA	$	**3,192**	**1,838**	**5,283**	**5,435**	**6,764**	**5,703**
Adjusted EBITDA margin		**10.0%**	**5.4%**	**14.5%**	**13.9%**	**16.7%**	**13.9%**

[1] Represents severance charges for restructured executives in the quarter

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Reconciliations of Non-GAAP Financial Measures

The following table reconciles operating cash flow to unlevered free cash flow and adjusted free cash flow:

($ in thousands)		Three Months Ended December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Net Cash provided by (used in) operating activities	$	**(5,812)**	**(4,097)**	**2,890**	**7,842**	**7,521**	**924**
Purchase of property and equipment		(1,641)	(3,171)	(2,092)	(922)	(1,746)	(2,550)
Unlevered Free Cashflow		**(7,453)**	**(7,268)**	**798**	**6,920**	**5,775**	**(1,626)**
Adjustments:							
Bonus timing and related employer taxes		4,389	(2,160)	(2,160)	(2,160)	(2,160)	6,173
Adjusted Free Cash Flow	$	**(3,064)**	**(9,428)**	**(1,362)**	**4,760**	**3,615**	**4,547**

The Company's stock compensation expense was recognized in the following captions within the consolidated statements of operations:

($ in thousands)		Three Months Ended March 31, 2023
Cost of revenues	$	270
General and administrative		(230)
Sales and marketing		(1,581)
Technology and development		394
Total stock compensation expense	$	**(1,147)**

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Definitions

Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with GAAP, this presentation and the accompanying tables include Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Margin, Unlevered Free Cash Flow, and Adjusted Free Cash Flow, which are non-GAAP financial measures. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Margin, Unlevered Free Cash Flow , and Adjusted Free Cash Flow are supplemental measures of our operating performance and liquidity that are neither required by, nor presented in accordance with, U.S. GAAP, and our calculations thereof may not be comparable to similarly titled measures reported by other companies.

These measures are presented because they are the primary measures used by management to evaluate our financial performance and liquidity, and for forecasting purposes. This non-GAAP financial information is useful to investors because it eliminates certain items that affect period-over-period comparability and provides consistency with past financial performance or liquidity and additional information about underlying results and trends by excluding certain items that may not be indicative of our business, results of operations or outlook. Additionally, we believe that these and similar measures are often used by securities analysts, investors and other interested parties as a means of evaluating a company's operating performance.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Margin, Unlevered Free Cash Flow, and Adjusted Free Cash Flow are non-GAAP financial measures, are not measurements of our financial performance or liquidity under U.S. GAAP and should not be considered as alternatives to net income, income from operations, gross profit, gross margin, or any other performance measures determined in accordance with U.S. GAAP. These non-GAAP financial measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP, but rather as supplemental information to our business results. In addition, these non-GAAP financial measures may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items or events being adjusted. Furthermore, other companies may use different measures to evaluate their performance, all of which could reduce the usefulness of these non-GAAP financial measures as tools for comparison.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization, adjusted to exclude stock-based compensation expense, the effect of foreign currency fluctuations, and certain non-recurring items. Adjusted EBITDA Margin represents Adjusted EBITDA divided by total net revenues.

Unlevered Free Cash Flow

Unlevered Free Cash Flow represents net cash provided from operating activities less purchases of property and equipment and other assets, plus cash interest expense. However, given our non-discretionary expenditures, Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures.

Adjusted Free Cash Flow

Adjusted Free Cash Flow represents Unlevered Free Cash Flow adjusted to exclude certain annual employee bonuses that are accrued on a quarterly basis and paid in the following year.

Adjusted Gross Profit and Adjusted Gross Margin

Adjusted Gross Profit represents gross profit, excluding the impact of stock-based compensation. Adjusted Gross Margin represents Adjusted Gross Profit divided by total net revenues.

Definitions Continued

Key Metrics:

In connection with the management of our business, we identify, measure and assess a variety of key metrics. The key metrics we use in managing our business are set forth below.

Annual Recurring Revenue

We calculate Annual Recurring Revenue, or ARR, by annualizing platform subscriptions and managed services revenues recognized in the last month of the measurement period. We believe ARR provides important information about our future revenue potential, our ability to acquire new clients and our ability to maintain and expand our relationship with existing clients. ARR is included in a set of metrics we calculate monthly to review with management as well as periodically with our board of directors.

Net Dollar Retention Rate

We calculate Net Dollar Retention Rate as of a period end by starting with the ARR for all clients as of twelve months prior to such period end, or Prior Period ARR. We then calculate the ARR from those same clients as of the current period end, or Current Period ARR. Current Period ARR includes expansion within existing clients inclusive of contraction and voluntary attrition, but excludes involuntary cancellations. We define involuntary cancellations as accounts that were cancelled due to the client no longer being in business. We identify involuntary cancellations to be excluded from our Net Dollar Retention Rate calculation based on representations made by the client at the time of cancellation.

Our Net Dollar Retention Rate is equal to the Current Period ARR divided by the Prior Period ARR. We believe Net Dollar Retention Rate is an important metric because, in addition to providing a measure of retention, it indicates our ability to grow revenues within existing client accounts.

Average Contract Value

We calculate Average Contract Value, or ACV, by dividing ARR by the number of clients that are billed at the end of the measurement period. We believe ACV is an important metric because it provides important information about the growth of our clients' accounts.

Investors should not place undue reliance on ARR or Net Dollar Retention Rate or Average Contract Value as an indicator of future or expected results. Our presentation of these metrics may differ from similarly titled metrics presented by other companies and therefore comparability may be limited.

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