

Epsilon Net Group of Companies Financial results 2021.

Turnover €50.51 million (+ 133%). Net Profit €10.78 million (+ 222%)

Continuation of solid growth with estimated sales over € 75,000,000 in 2022

Epsilon Net Group of Companies has consistently completed its investment plan for 2021, which had as its main objectives:

A) Achievement of **strong growth rates**. In particular, in 2021 the **Turnover increased by 133% and the Net Profit by 222%**. This impressive performance in the Group's Financial Figures came from both the **significant rate of organic growth (over 50%) and the contribution of targeted acquisitions**

B) Significant increase of the active installed customer base with more than 100,000 customers, to whom it provides specialized solutions, appropriately adapted to the size of each business and the specific needs of every vertical market.

C) Expansion of the portfolio of solutions it offers with integrated systems **E-invoicing, Accounting, ERP, CRM, RETAIL, WMS, MOBILE, MIS, PAYROL, HRMS, PMS** in combination with services of **certified Electronic invoicing Provider and myDATA**, providing all in one solutions to end customers.

D) **More active involvement in the ongoing digital transformation of the private sector**. The Group, which is the largest business software provider in the Greek market, further strengthens its leading position, with continuous development & evolution of innovative applications, technological solutions and specialized services, while along with targeted acquisitions accelerates its strategic goal for continuous expansion of its share in the IT market while achieving high economic performance.

Following the successful completion of the strategic acquisitions of **DATA COMMUNICATION S.A.** and **SINGULARLOGIC S.A.**, the creation of **Epsilon SingularLogic** and their operational integration, the Group proceeded to the acquisition of a majority stake in **Technolife, iQom** and **PCS**, significantly expanding its overall customer base and his portfolio of solutions for vertical markets. Also on January 2022, completed the acquisition of 100% of **CSA**, a specialized company with a leading position in the development of information systems for Pharmacies and Pharmaceutical Warehouses.

Basic Financial Figures

According to the Consolidated Financial Statements for the year 2021, which were prepared based on the International Financial Reporting Standards (IFRS), the main financial figures of **Epsilon Net Group** are as follows:

Basic Financial Figures of 1/1/2021 – 31/12/2021:

GROUP FINANCIAL FIGURES (in thousand €)	1/1/2021- 31/12/2021	1/1/2020- 31/12/2020	%
Revenue	50,511.28	21,696.90	132.80%
EBITDA	15,093.58	5,234.82	188.33%
Net Profit	10,778.82	3,348.96	221.86%

It should be noted that the significant expansion of our figures through the important acquisitions of the previous period is not reflected in its entirety in the financial results of 2021, since the participation of Epsilon SingularLogic in the Group's numbers concerns only 10 months of the year, Technolife 7 months (acquisition June 2021), iQom 4 months (acquisition September 2021), PCS 2 months (acquisition November 2021), while the recently acquired CSA Pharmakon does not participate at all in the results of 2021 (acquisition January 2022).

More specifically, **Group's Revenue** in 2021 amounted to € 50.51 million compared to € 21.70 million in 2020, recording increase of 132.80%, Group **EBITDA** amounted to € 15.09 million compared to € 5.23 million in 2020, recording an increase of 188.33%, while **Net Profit** increased by 221.86% amounting to € 10.78 million compared to € 3.35 million in 2020.

Respectively, in 2021 the **Company's Revenue** amounted to € 18.95 million compared to € 14.62 million in 2020, recording an increase of 29.67%, **EBITDA** amounted to € 8.10 million compared to € 3.36 million in 2020, recording an increase of 141%, while **Net Profit** increased by 192.76% amounting to € 5.64 million compared to € 1.93 million in 2020.

Condensed Statement of Financial Position

GROUP FINANCIAL FIGURES (in thousand €)	1/1/2021- 31/12/2021	1/1/2020- 31/12/2020
Cash and Cash Equivalents	23,354.16	20,788.88
Long-Term Borrowing	8,910.04	10,865.13
Long-Term Leasing Liabilities	1,563.49	1,973.24
Short-Term Borrowing	6,797.81	4,185.47
Short-Term Leasing Liabilities	607.24	584.35
Net Borrowing	-5,475.57	-3,180.69
Equity	41,454.66	23,577.05
Total Employed Capital	35,979.10	20,396.36
Leverage Rate	-0.1522	-0.1559

Group's cash and cash equivalents in 2021 amounted to € 23.35 million, long-term borrowing amounts to € 8.91 million, short-term borrowing to € 6.80 million and **positive net cash to € 5.48 million**, despite the significant acquisitions of last year.

Group's equity in 2021 amounted to € 41.45 million.

Key factors for the increase of the Group's size and the continuous expansion of the Group's market share were:

- Strategic investments in state-of-the-art web and cloud systems that ensure remote work;
- Dominant position of the company in the field of e-invoicing and **myDATA** e-books of AADE as well as
- Significant acquisitions that create large synergies and economies of scale

The business model that the Group successfully follows, focuses on areas with great growth prospects and high added value. It should be noted in particular (something that is **consistently reflected** throughout the company's course to date) that the growth strategy is based on the business model of the sale (to a large extent) standardized product as well as **web & cloud** solutions based on the **SaaS model**. This strategy maximizes the benefits of increasing turnover, achieving continuous improvement of profit margin and net profitability.

Epsilon Net, consistent with the shareholder reward policy, will proceed this year to the **distribution of dividend**, the amount of which will be derived on the basis of the distributed profits and will be decided at the Ordinary General Meeting of shareholders.

Goals and Prospects for 2022

The management estimates that the Group will also play a leading role in the **digital transformation of the private sector** of the Greek economy in 2022, the wide acceptance of all group products and services will be expanded and the increase in turnover will continue at a strong pace due to the **expansion of organic growth** and the **new acquisition program**.

The **main objectives** of operational planning for 2022 include:

- 1) Continuation of the excellent course of the series of cloud applications "**Epsilon SMART**" for the **electronic invoicing** and the adaptation of micro-enterprises & freelancers to myDATA
- 2) utilization of the Group's enhanced know-how in business software for medium and large enterprises (ERP, CRM, WMS, MOBILE, MIS, in combination with the solutions of a **certified Provider of electronic invoicing and myDATA**) as well as the specialized applications for **vertical markets** (Retail, Gas Stations, Hospitality, Pharmacies & Pharmaceutical Warehouses)
- 3) Further strengthening its existing leadership position in **payroll and HRMS systems**
- 4) Provision of **FINTech solutions through the subsidiary company PCS** in the fields of systems for investment houses, investment management and insurance organizations
- 5) Execution of a new targeted program of **strategic partnerships and acquisitions**, with emphasis on the development of the Group's solutions in new vertical markets
- 6) Combined use of aid & financial tools for the digital transformation of enterprises initially of the **Development Fund** and then of the **Development Law** and the **NSRF 2021-2027**, which are estimated to contribute to the acceleration of the implementation of investments in new information systems

For the financial year **2022**, the management estimates that **Group sales** will exceed **€75 million** and **EBITDA margin** will be more than **30% of Annual Turnover**.

Mr. Ioannis Michos, Founder of the Group, President of the Board of Directors – CEO of Epsilon Net, commenting on the results, made the following statement:

*"2021 was a **landmark year** for the large Epsilon Net family, not only for what we have achieved but because it allows us to start **a new creative cycle in Greece and abroad**.*

Guided by the anthropocentric approach, the corporate vision and the commitment to our customers, we continue with consistency all together to create the next day. We methodically build a Group based on the all in one solution creating a strong working relationship with our customers. We are making a decisive contribution to the digital transformation of the Greek economy and entrepreneurship. At the same time, the solid increase of our customer base is the starting point for the achievement of a significant degree of annual recurring revenues, increasing positive operating cash flow, which is the basis for the continuous growth of our Group.

*Our strategy was, is and will be to **produce daily value for our people, partners and shareholders**. The results of 2021 give us the strength and responsibility to continue our growth path as the largest Software Group for businesses in Greece."*

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