

Thessaloniki, September 20, 2022

**EPSILON NET: Continuation of the strong growth course
with an increase of 72.5% in the Group's Turnover &
73.4% in EBITDA for the first half of 2022**

EPSILON NET Group of Companies, implementing with consistency & continuity its business plan, recorded in the 1st **Semester of 2022**, a **strong increase** in its total financial figures, proving its leading position in the field of Business Software in the Greek market. The financial results, despite the particular international geopolitical conditions, confirm in the current period the **strategic choices of the Group** for:

- ✓ focus on supporting the digital transformation of Greek businesses
- ✓ continuous development of the product portfolio with the goal of providing "**all in one solution**" for each business sector of activity
- ✓ high rates of organic growth based on recurring revenues and the utilization of the existing clientele
- ✓ dynamic plan of targeted acquisitions, to further strengthen the customer base & penetration into vertical markets.

The main financial figures of **EPSILON NET Group** for the 1st Semester of 2022 are as follows:

Basic Financial Figures 01/01/2022- 30/06/2022

GROUP FINANCIAL FIGURES (in thousand €)	01/01/2022 - 30/06/2022	01/01/2021- 30/06/2021	Change %
Revenue	30,751.93	17,828.51	+72.49%
EBITDA	10,742.78	6,194.49	+73.42%
Earnings before Taxes	8,593.09	4,976.27	+72.68%

The high growth rates of the financial figures are the result of both the dynamic organic growth of EPSILON NET (increase +34%), as well as the contribution of the targeted acquisitions implemented by the Group in 2020-2021 and continues consistently in 2022.

Condensed Statement of Financial Position

GROUP FINANCIAL FIGURES (in thousand €)	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Cash and Cash Equivalents	23,856.93	18,963.50
Long-Term Borrowing	7,425.74	9,988.78
Long-Term Leasing Liabilities	2,991.21	1,833.19
Short-Term Borrowing	10,630.56	5,590.76
Short-Term Leasing Liabilities	709.41	580.77
Operating Cash Flow	7,692.90	5,141.17
Net Borrowing	(2,100.02)	(970.00)
Equity	49,674.16	30,681.01
Total Employed Capital	47,574.14	29,711.01
Leverage Rate	(4.41%)	(3.26%)

It is worth noting that despite the significant acquisitions, the company's **liquidity** is maintained at a **high level** (Cash and Cash Equivalents of € 23.8 million, negative net debt of € 2.1 million while it is noted that the above Cash Resources do not include an amount of € 1.9 million invested in fixed-income securities), ensuring the seamless execution of the next strategic expansion moves while in the specific six months the net Cash Flow from Operating Activities amounted to € 7.7 million. euro. At the same time, during the first half of 2022, the Group's Equity was further strengthened and amounted to € 49.7 million.

ACQUISITIONS - SIGNIFICANT PARTNERSHIPS

During the first half of 2022, targeted actions were made that are part of the company's strategy to expand the products and services provided. In this context, the parent company acquired a majority stake in the following companies:

- **CSA** (health IT systems – pharmacies)
- **DIGITAL4U** (information systems & services in the fields of E-commerce and Digital Marketing)
- **TAXHEAVEN** (scientific documentation and information solutions)

while recently (September 2022) announced the acquisition of a majority stake of three companies in the hospitality sector (**BookOnlineNow, HotelOnCloud, Hotel Availabilities**) creating a strong portfolio of products aimed at businesses in the tourism industry in Greece and abroad (PMS, Booking Engine, Channel Manager).

Moreover, during the particular Semester, concluded strategic cooperation agreements with:

- **National Bank of Greece** and **EUROBANK** for the utilization of the grant's programs by the Recovery Fund for their customer's digital transition improvement, and
- **SKROUTZ**, the largest e-commerce platform in Greece.

At the same time, the parent company proceeded with the purchase of an autonomous building complex in the area of eastern Thessaloniki, on Georgikis Scholis Avenue, close to the airport, which will be upgraded with modern high-quality infrastructure to cover all the functions of the company's headquarters, the new technological structures developed by the Group and also the creation of an incubator of innovative start-ups for the general strengthening of start-up entrepreneurship.

STRATEGY - PERSPECTIVES

The significant increase in the Group's financial figures in the 1st half of the year (despite the special & demanding conditions that have been created in the global & Greek economy), **confirms the management's estimation for an increase of + 50% in the Group's Annual Revenue for 2022 compared to 2021** and the achievement of an EBITDA margin on an annual basis, of more than 30%.

Following the recent acquisitions, the number of active customers of the Group is now over **125,000**, while the implementation of the successful integration model of the new subsidiaries and the operational integration of the business units, contributes decisively to the achievement of **economies of scale and the improvement of the net operating margin**.

The Group's management, with the central goal of continuous development and improvement of an ecosystem of added value and providing an **"all in one solution"** for its customers, implements with consistency the development of the product & services portfolio, while taking advantage of the continuous expansion of the clientele with the ultimate goal of gradually increasing the **"final revenue per customer"**.

A significant impact on the Group's future results is expected from:

- 1) the implementation of the targeted acquisitions program, which continues unhindered in the 2nd Semester of 2022
- 2) the entry into the market of new products & services of the Group that will accelerate the increase of annual revenue per customer
- 3) the complete solutions, integrated in the payroll applications, for the implementation of the new legislation on the "DIGITAL WORK CARD"
- 4) the utilization of the programs to enhance the digital transition of the RECOVERY FUND for the private sector (which is already in progress) and the new NSRF 2021-2027 (expected to start at the end of 2022).

Based on the consistent execution of the business plan for 2022, the Group's management estimates that the further development of the customer base, the increased financial results and the high liquidity will accelerate the Group's dynamics and will be the key drivers for the start of **a new growth cycle in Greece and abroad**.

Mr. Ioannis Michos, Chairman and CEO of **EPSILON NET**, commenting on the results, stated the following:

*"2022, is a year to confirm, as EPSILON NET Group, our leading position in the field of Business Software in Greece and **to be rewarded for our strategy**. Relying on our people, investing in the continuous improvement of our work culture, something that is proved by our recent significant distinction **among the 10 best companies in Europe in relation to our working environment**, by insisting on creating added value to our customers through the **"all in one solution"** strategy, we evolve daily products and services of high added value, actively contributing to the digital transformation and improving the operation of our customers' businesses. At the same time, **the significant increase of our customer base** is the starting point for the achievement of a high degree of annual recurring revenues, increasing positive operating cash flow, which are the fundamental basis for the continuous growth course of our Group".*

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