

EPSILON NET Group: Basic Financial Figures for the Nine Months of 2022

Significant increase by 60% in Turnover and 92% increase in EBT

EPSILON NET Group of Companies, consistently and continuously implementing its business plan, recorded during the nine months of 2022, a significant increase in its total financial figures, proving its leading position in the field of Business Software in the Greek market.

The continuous growth and financial results (despite the particular international geopolitical conditions and the impact on the Greek economy) confirm the Group's strategic choices for:

- high rates of organic growth based on recurring revenues and utilization of existing clientele
- integrated exploitation of the digital transformation of Greek businesses
- continuous development of the product portfolio with the aim of providing an "all in one solution" for each area of activity
- a dynamic plan of targeted acquisitions, to further strengthen the customer base and penetrate vertical markets.

The basic financial figures of EPSILON NET Group for the nine months of 2022 are as follows:

Basic Financial Figures 1/1/2022 – 30/9/2022:

<i>Group (thousand €)</i>	1/1/2022- 30/09/2022	1/1/2021- 30/09/2021	(%)
Turnover	45,725.15	28,564.81	60.08%
EBITDA	13,719.93	7,832.21	75.17%
EBIT	11,080.20	5,819.28	90.41%
EBT	10,619.68	5,525.61	92.19%

Basic Financial Figures 1/7/2021 – 30/9/2021:

<i>Group (thousand €)</i>	1/7/2022- 30/09/2022	1/7/2021- 30/09/2021	(%)
Turnover	14,973.22	10,736.30	39.46%
EBITDA	2,977.15	1,637.73	81.79%
EBIT	2,096.97	615.06	240.94%
EBT	2,026.59	549.34	268.91%

The high growth rates of the financial figures with a total increase of 60.08% in Turnover, an increase of 75.17% in EBITDA and an increase of 92.19% in Earnings before Tax are the result of both the **dynamic organic growth** of the company (55% of the total increase in Turnover for the nine months), as well as the contribution to sales and profitability of the **targeted acquisitions** implemented by the Group in 2020-2021 and continued consistently in 2022.

The significantly improved financial results of the third quarter of 2022 include for the first time the results of Hotel Availabilities and BookOnLineNow (from 01/08/2022 to 30/09/2022) and the results of HotelonCloud for just one month (from 08/09/2022 to 30/09/2022).

Basic Figures of Financial Position

<i>Group (thousand €)</i>	1/1/2022- 30/09/2022	1/1/2021- 30/09/2021
Cash & Cash equivalents	21,489.02	18,120.46
Long – Term Borrowing	6,798.41	9,509.61
Long – Term Leases	2,848.32	1,691.39
Banks – long term liabilities payable in the next fiscal year	10,931.14	6,331.26
Long term lease liabilities payable in the next fiscal year	730.48	570.20
Net Borrowing	(180.66)	(17.99)
Equity	49,703.09	35,410.42
Total Used Capitals	49,522.43	35,392.43
Leverage Rate	(0.0036)	(0.0005)

Group's liquidity continues to move at very satisfactory levels (Cash and Cash Equivalents of € 21.49 million), despite the significant acquisitions that have been fully repaid during the nine months of 2022, (CSA, DIGITAL 4U, TAXHEAVEN, Hotel Availabilities BookOnlineNow, HotelonCloud) providing the Group's Management with **the ability to continue the expansion program through acquisitions** and implement new business moves. Furthermore, during the nine months of 2022, the **Group's Equity (+40%)** was significantly strengthened and amounted to € 49.70 million.

The Group has a negative net debt of € 0.18 million. An amount of EUR 2.89 million has not been included in the calculation of the negative net debt and it is invested in fixed-income securities.

Assessment of the potential effects due to increase in rates, inflation

& energy costs

EPSILON NET Group maintains a sound financial structure (negative net debt) so that the rise in interest rates does not have a significant impact on its business activity and the implementation of the investment plan. It is emphasized that most of the loan obligations have been concluded on favorable terms, as a result of the very good financial situation and the prospects of the Group.

The Group has already adjusted its operation to ensure to the maximum extent that the **increase in energy and raw material costs** will not significantly affect its financial results, since due to the nature of the sector of activity of its companies, **these costs do not participate** to a substantial extent in production costs, the development of new information systems and the provision of services.

At the same time, the continuous increase in sales of Greek companies in the third quarter of 2022 supports the expansion of investments in the field of **digital transformation**, which are expected to **intensify due to the provision of incentives through financial programs** (from the RECOVERY FUND for the private sector, which is already in progress and the new NSRF 2021-2027 and is expected to start at the end of 2022). The Group's management estimates that demand for technological products and services will continue to fluctuate at high levels, with the result that the inflationary pressures observed in the general economy in Europe and Greece (and especially in consumption) will not be a factor in halting the Group's target for turnover growth for 2022.

Strategy – Perspectives

Important events for the third quarter of 2022 were:

- the acquisition of the majority stake in three companies in the Hospitality sector (BookOnlineNow, HotelOnCloud, Hotel Availabilities) with the aim of strengthening the product portfolio (**Booking Engine, Channel Manager**) in the Hospitality sector, which is a strategic sector for the Group's expansion in Greece and abroad.

- the completion of the new solutions for the implementation of the new legislation of the **"DIGITAL WORK CARD"** and their interconnection with the ERGANI II system of the Ministry of Labor and their functional interconnection and integration into the existing portfolio of PAYROLL / HRMS applications of the Group and
- the strengthening of technological cooperation with **SKROUTZ**, the largest e-commerce platform in Greece.

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** on an annual basis. At the same time, the Group's management consistently implements the evolution of the product and service portfolio, taking advantage of the continuous expansion of the clientele with the ultimate goal of gradually increasing the **"final revenue per customer"**. With the same consistency, it plans to expand the integrated value-added ecosystem and provide "all in one solution" to its customers.

In addition, as already announced by the Group's management a few days ago, **the signing of a Memorandum of Understanding (MoU) with the National Bank of Greece**, which will expand and complete the "all in one solution" strategic approach by utilizing the combination of:

- the Group's **"Business Software"** and **"Ecommerce"** information systems, with
- the innovative capabilities of the technological systems **"Embedded Finance"** and **"Banking as a Service"** of National Bank of Greece.

The implementation of the strategic agreement, will lead to the creation of **a unique for Greek standards "technological ecosystem"**, which will give through the Group's tools the possibility of integrated services to the end customer – business (regardless of its size) with indicative capabilities:

- ✓ automation of transactions
- ✓ execution of payments and money transfers

- ✓ acceptance of payments through multiple electronic methods
- ✓ speeding up the procedures for assessing lending requests
- ✓ simplification of rolling financial assessment procedures
- ✓ utilization of B2B systems and customer loyalty
- ✓ microfinance of suppliers and customers
- ✓ comprehensive information
- ✓ utilization of e-wallet systems

On an operational and financial level, the strategic partnership will enable the EPSILON NET Group to:

- leveraging and utilizing the existing clientele of the two groups
- attracting new customers
- **creation of new revenue lines, "on top"** in the existing revenue categories of Business Software products.

Finally, the Group's management, following the significant increase (despite the difficult conditions that have been created in the European and Greek economy) of the financial figures for the nine months, **emphatically confirms its estimate for an increase of + 50% in the Group's annual revenue for 2022** compared to 2021 and reaching an EBITDA margin on an annual basis of more than 30%. At the same time and based on the consistent execution of the business plan for 2022 and the strategic cooperation with NBG, the Group's management estimates that the foundations have been laid for the detailed planning of the **new development cycle in Greece and abroad for 2023-2025**.

Mr. Ioannis Michos, CEO of EPSILON NET, commenting on the results, made the following statement:

"As I have stated, 2022 is for EPSILON NET Group, a year of confirmation of our leading position in the field of Business Software in Greece. The achievement of our strategic partnership with the NBG Group is now the basis for the evolution of our Group and our comprehensive expansion in the field of FinTech.

The Management of the Group, our engineers and our executives, we are already planning the next day. With passion and vision, we continue our new development course."

For more information, please contact:

Investor Relations Department:

email: ir@epsilon.net.gr