

Thessaloniki November 21, 2023

**EPSILON NET Group: Significant increase in the 2023 Nine Month Figures**  
**+30% on Turnover**

EPSILON NET Group of Companies, consistently implementing its business planning, recorded during the nine months of 2023, a significant increase in its total financial figures, continuing its growth course as the leader in the field of Business Software & Technology Systems in Greece.

**1. KEY FINANCIAL FIGURES FOR THE PERIOD**

The main financial figures of EPSILON NET Group for the Nine Month Period of 2023 are as follows:

**Key financial data for the period 01/01/2023 – 30/09/2023**

after applying accounting treatment based on the "fair value" method for Stock Options according to IFRS 2

<b>GROUP FINANCIAL FIGURES</b> <b>(in thousand €)</b>	<b>01/01/2023- 30/09/2023</b>	<b>01/01/2022- 30/09/2022</b>	<b>Change</b>
Revenue	59,450.28	45,725.15	<b>30.02%</b>
Earnings before Taxes*	15,726.10	5,782.37	<b>171.97 %</b>

*\*In "Earnings Before Taxes" of the period a **financial income of € 2.03 mil.** has been recognized **from the sale of 40% of SingularLogic**. Excluding this extraordinary result, EBT for the Nine Months of 2023 amounts to **€13.69 mil.** and the change in EBT compared to the corresponding period of 2022, **stands at 136.82%**.*

It is further clarified that:

- I. the estimation of the accounting impact based on the "fair value" method for IFRS 2 Stock Options in the nine months of 2023 amounts to €1.6 mil. while the corresponding Group figures for the **fourth quarter of 2023** will be **€ 0.29 mil.** (total for 2023 will amount to **€1.91 mil**) and for the **first semester of 2024** will be **€0.39 mil.**

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- II. for subsequent financial years after 2024, there is no further impact from the specific treatment resulting from the application of the fair value method to IFRS2 Stock Options.

The corresponding financial figures of the Group (which are presented for information purposes) **without applying the "fair value" method of IFRS 2** and relate to the accounting treatment of stock options are as follows:

**Key financial data for the period 01/01/2023 – 30/09/2023**

without applying accounting treatment based on the "fair value" method for Stock Options according to IFRS 2

<b>GROUP FINANCIAL FIGURES (in thousand €)</b>	<b>01/01/2023- 30/09/2023</b>	<b>01/01/2022- 30/09/2022</b>	<b>Change</b>
Revenue	59,450.28	45,725.15	<b>30.02%</b>
Earnings before Taxes*	17,342.54	10,619.68	<b>63.31%</b>
Adjusted EBITDA	<b>17,908.96</b>	<b>13,719.93</b>	<b>30.53%</b>

*\*In "Earnings Before Taxes" of the period a **financial income of € 2.03 mil.** has been recognized **from the sale of 40% of SingularLogic**. Excluding this extraordinary result, EBT for the Nine Months of 2023 amounts to **€15.31 mil.** and the change in EBT compared to the corresponding period of 2022, **stands at 44.17%**.*

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**Condensed Statement of Financial Position**

<b>GROUP FINANCIAL FIGURES</b> <b>(in thousand €)</b>	<b>01/01/2023- 30/09/2023</b>	<b>01/01/2022- 30/09/2022</b>
Cash and Cash Equivalents	23,420.54	21,489.02
Long-Term Borrowing	11,155.68	6,798.41
Long-Term Leasing Liabilities	3,134.82	2,848.32
Short-Term Borrowing	2,921.97	10,931.14
Short-Term Leasing Liabilities	911.79	730.48
Net Borrowing	(5,296.28)	(180.66)
Equity	52,620.94	49,703.09
Total Employed Capital	47,324.66	49,522.43
Leverage Rate	(0.1119)	(0.0036)

**Group's liquidity** continues to be at very satisfactory levels (Cash and Cash Equivalents of € **23.4 mil.**), providing the Group's Management with the possibility of uninterrupted continuation of the expansion program through acquisitions and implementation of new business initiatives.

Group has **negative net debt of €5.30 mil.** despite significant disbursement within the period, amounting to **€11.49 mil** which resulted both from the **significant acquisitions** implemented during the nine months of 2023 (NETERA G.P., DIGINET LTD, OROSIMO S.A., SCAN SA) as well as the **acquisition of minority rights** in the strategic subsidiaries (Epsilon SingularLogic & Epsilon HR). In addition, an amount of **€3.15 mil. has not been included** in the calculation of negative borrowing. euro, invested in fixed-income securities.

Finally, it should be noted that the significant growth rate in the Group's overall financial figures was the result of the strong **organic growth rate (+72%)** and the targeted acquisitions implemented by the Group, confirming its strategy and growth prospects for the coming years.

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## 2. ACQUISITIONS

During **the nine months of 2023**, the Group's acquisition program continued successfully with the aim of expanding the products and services provided. In this context, the parent company acquired in the first half of this year a majority participation in the companies, OROSIMO PLIROFORIKI SA, NETERA OE & DIGINET Ltd.

It should also be noted that within the last three months:

- a) the acquisition of 60% of **SCAN INFORMATION SYSTEMS S.A.** (provision of technology systems and specialized business solutions for access control and personnel monitoring) and
- b) the acquisitions of minority stakes in two of the Group's main subsidiaries, significantly increasing the Group's value. Specifically, the following were acquired by the minority shareholders:
  - **35.00%** of the total shares of **EPSILON HR S.A.**, forming the total percentage of the parent company to **100.00%** of the company
  - **39.97%** stake in the Group's subsidiary company **Epsilon SingularLogic S.A.**, bringing the total percentage of the parent to **99.97%** of the company

The management of the parent company considers that the **acquisition of the absolute majority in the Group's main subsidiaries** constitutes a strategic business step that ensures to the fullest for its shareholders, the expected benefits from increased sales due to the ongoing digital transformation of Greek businesses, the leverage of funding sources and the products & services developed in the context of the implementation of the strategic partnership with National Bank of Greece.

Finally, an important move for the Group is also the acquisition this month by **Epsilon SingularLogic** (a subsidiary of the Group) of the entire activity of the integration, sales and customer support software sector **Retail & Fuel** addressed to retail businesses as well as gas stations of SingularLogic (a subsidiary of the SPACE HELLAS Group). This transaction, worth €3.0 million. It is expected to complete the Group's solutions in these markets and add year-on-year sales of more than 5.5 million euros with significant profitability.

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### 3. PILLARS OF GROWTH

Group's management estimates that the upward trend in **sales will continue for both 2024 and 2025** with main pillars:

- ✓ the extension of Electronic Invoicing to public suppliers (**B2G**), which concerns a significant number of businesses and freelancers
- ✓ the **mandatory interconnection of POS** with invoicing software and the utilization of the Group's innovative solutions (Soft POS, digital cash registers, Certified Provider services)
- ✓ further promotion of the **Digital Work Card system** and the mandatory interconnection with the ERGANI II information system
- ✓ **the evolution of the portfolio of products and services** in collaboration with NBG (like **Epsilon Pay**) in the fields of Business Software, eCommerce and Fintech
- ✓ strengthening the integrated value-added ecosystem and providing an "**all in one solution**" for end customers
- ✓ providing more solutions in vertical markets (**Hospitality, Pharmacy, Retail & Fuel**)
- ✓ the strategy for continuous increase of "**final revenue per customer**" by providing new solutions & services
- ✓ the gradual expansion of the **Group's** operations **abroad** through subsidiaries (Cyprus & Romania) and online sales (Epsilon Hospitality)

Group estimates that Greek businesses will accelerate their investments in the field of digital transformation through the funding programs of the **RECOVERY FUND** and the **NSRF 2021-2027**. Specifically, the Group's sales teams and the member companies of the Network are expected to make further use of the aid (through vouchers) of the Recovery Fund's **DIGITAL AID** program (for the modernization of retail pricing, EFT/POS interconnection and invoicing systems on cars with total aid (amounting to €160 mil.), **the special financing tools** of the banking sector (also with the cooperation of the National Bank of Greece).

The **3 Actions of the DIGITAL TRANSFORMATION** of the new NSRF (which started accepting applications from 15/02/2023 with new grants amounting to €300 mil.) and the grants of the expected second cycle of the **DIGITAL TOOLS** program (amounting to €40-50 mil.) and the support programs of "**YOUTH ENTREPRENEURSHIP**" (amounting to €350 mil.) are also of significant value.

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Based on the positive results for the nine months of 2023, the Group's Management estimates that the portfolio of integrated solutions & products, the dynamic acquisition program and the expected benefits from the strategic partnership with NBG, form the basis of business planning **for the period 2023-2025** with a revenue target of €150 million in 2025 and EBITDA margin over 30%. The strategic goal of the management remains the continuous creation of value for the company's staff, partners and shareholders, as the largest Business Software & Technology Solutions Group in Greece.

For more information, please contact:

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