



22/2/2021

## **Financial Results – Net Profit Increase by 133% for 2020**

**EPSILON NET Group of Companies** during 2020, successfully met the challenges and the special conditions created by the pandemic. With steady steps the Group proceeded to the implementation of its investment plan, utilizing its know-how and product portfolio in the field of business software (Accounting applications, ERP systems and Payroll applications and HRM systems) and marked a significant increase in all financial figures.

With the development of innovative information systems for Greek companies and the implementation of specialized services, Group participates decisively in the digital transformation of the country, strengthening its strategic goal for continuous growth of market share while achieving high financial performance in the coming years.

It is important to mention that after the recent acquisitions of **DATA COMMUNICATION S.A.** and **SINGULARLOGIC S.A.**, the Group has over doubled its client base from **30.000** clients in the beginning of 2020 to **over 70.000 active customers** today. The effect of this significant increase is not obvious in the financial results of 2020, because the participation of **DATA COMMUNICATION** concerns only the last 2 months of the year (completion of the acquisition at the end of October 2020), while it is noted that



**SINGULARLOGIC S.A.** does not participate at all in the annual results of 2020 as its acquisition was completed in January of this year (11/1/2021).

According to the Consolidated Financial Statements for the year 2020, which prepared based on the International Financial Reporting Standards (IFRS), the main financial figures of the EPSILON NET Group are as follows:

**Basic Financial Figures of 1/1/2020 – 31/12/2020:**

<b>GROUP FINANCIAL FIGURES</b> (in thousand €)	<b>1/1/2020- 31/12/2020</b>	<b>1/1/2019- 31/12/2019</b>	<b>%</b>
Revenue	21.696,90	17.977,98	<b>20,69%</b>
EBITDA	5.143,88	3.264,87	<b>57,55%</b>
Profit After Taxes	3.279,40	1.408,28	<b>132,86%</b>

More specifically, **Group's Revenue** in 2020 amounted to € 21.70 million compared to € 17.98 million in 2019, recording an increase of 20,69%, **Group EBITDA** amounted to € 5,14 million compared to € 3.26 million in 2019, recording an increase of 57,55%, while **Profit After Taxes** increased by 132.86% amounting to € 3.28 million compared to € 1.41 million in 2019.

Respectively, in 2020 the **Company's Revenue** amounted to € 14.62 million compared to € 13.65 million in 2019, recording an increase of 7.08%, EBITDA amounted to € 3.30 million compared to € 2.63 million in 2019, recording an increase of 25.41%, while Profit after taxes increased by 79.24% amounting to € 1.88 million compared to € 1.05 million in 2019.



### Condensed Statement of Financial Position

<b>GROUP FINANCIAL FIGURES (in thousand €)</b>	<b>1/1/2020- 31/12/2020</b>	<b>1/1/2019- 31/12/2019</b>
Cash and Cash Equivalents	20.788,88	8.593,95
Long-Term Borrowing	10.865,13	4.252,79
Long-Term Leasing Liabilities	1.973,24	1.439,56
Short-Term Borrowing	4.185,47	2.552,05
Short-Term Leasing Liabilities	584,35	348,42
Net Borrowing	-3.180,69	-1,12
Equity	22.205,64	13.506,55
Total Employed Capital	19.024,95	13.505,43
Leverage Rate	-0,1672	-0,0001

Group's cash and cash equivalents in 2020 amounted to € 20.79 million, long-term borrowing amounts to € 10.86 million, short-term borrowing to € 4.19 million and positive net cash to € 3.18 million.

Group's equity in 2020 amounted to € 22.21 million.

It should also be mentioned that the Group, despite the significant amount of continuous investments in Research and Development, applies a conservative approach to the capitalization of such investments. The amount of capitalization in Research and Development during 2020 was € 0.50 million. At the same time in 2020, the depreciation was € 1.50 million .

Basic factors for the increase in size and the ambitious growth path in the future is the continuous expansion of market share, as a result of strategic investments in recent years in cutting-edge web and cloud systems technologies which ensure remote work, the dominant position of the company in the field of electronic invoicing, as well as the significant acquisitions that create large synergies and economies of scale.

Business model of the Group is focused in markets with high growth potential and increased added value. It should be noticed (element imprinted through all the



company's history till today) that the growth strategy is based on the business model of selling mainly standard product and web & cloud solutions, according to SaaS. model. It is worth mentioning that enterprises in a global scale, following this business model do not have significant cost for every new customer, creating multiplicative profitability much more than the sales increase. This strategy maximizes the benefits from the increase in revenues with continuous improvement of the profit margin and net profit.

At the same time the size of the Group and its strategic positioning in the market ensures that it will be a protagonist in the challenge for the transition of companies to the digital era.

**EPSILON NET**, consistent in its policy of rewarding shareholders, will proceed this year to dividend distribution, the amount of which will be based on the distributed profits and will be announced at the Ordinary General Meeting of Shareholders.

**Mr. Ioannis Michos**, Chairman of the BoD and CEO of **EPSILON NET Group**, commenting on the results proceeded with the following statement:

*"2020 was an important and developmental year that ended with very positive results, despite the intense problems created by the pandemic. I want to thank the executives & employees in all companies of our Group for their substantial contribution to our successful course and our customers & shareholders for the long-standing relationship of trust that we have developed.*

*"We work daily and consistently to achieve our strategic goal which is the steady course of development and the creation of the largest Software and IT Business Group in Greece with an ever-expanding market share both in the Greek market and abroad."*

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