



EPSILONNET

Corporate Presentation

November 2020

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Our Facilities



Epsilon Net Group at a glance

7 Subsidiaries

**66% EBITDA
Growth** (2017-2019)

+30.000 Clients



+370 Employees

+35 Products

**+300
Partners/Resellers**

12.000 Accountant offices

1H 2020 Group Sales

+7,30 %

€8.45 mn.

1H 2019: € 7.87 mn.

1H 2020 EBITDA

+17,07%

€1.83mn.

1H 2019 : €1.56 mn.

1H 2020 EBIT

+39,97%

€1.13 mn.

1H 2019 : €0.80 mn.

1H 2020 Net Income

+54,03%

€1.00 mn.

1H 2019 : €0.65 mn.



Best Workplaces



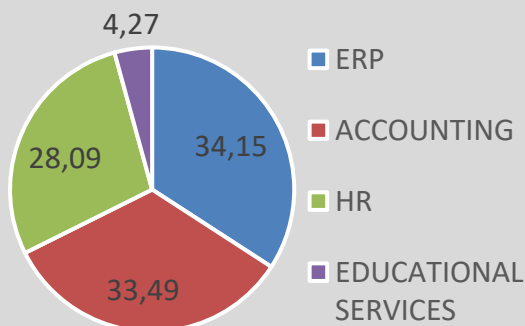
**European Business
Awards**



**No 1 "Client Support
Services"**

'High Quality Support & Market Engagement'

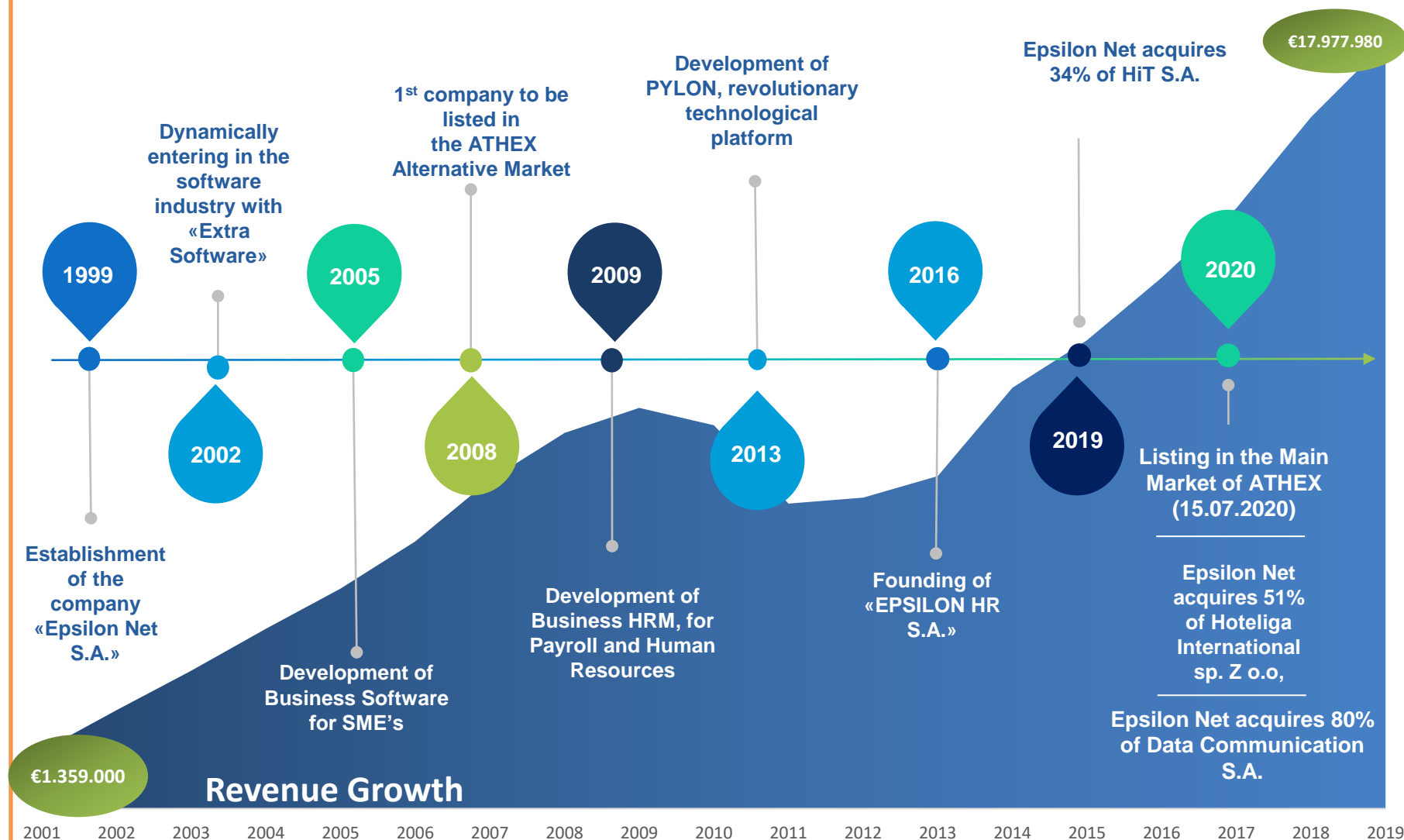
Sales breakdown



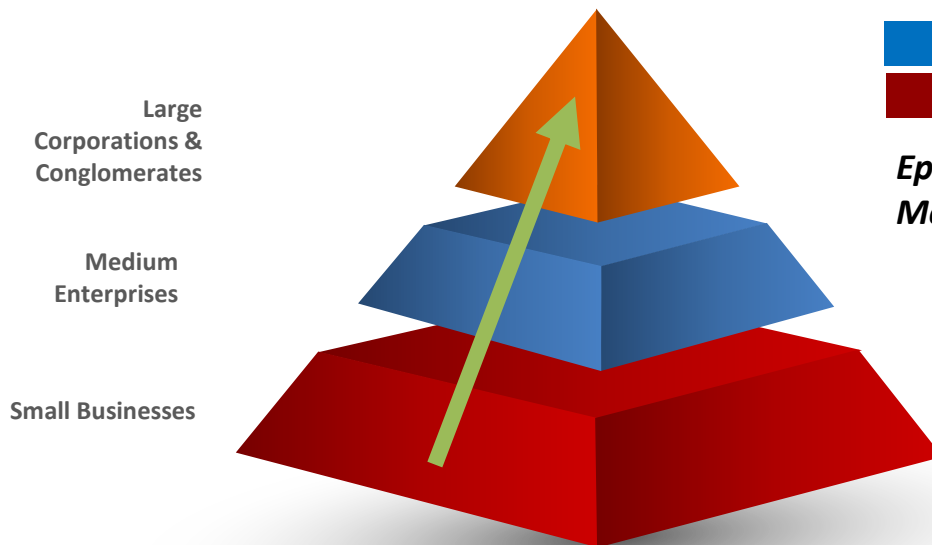


EPSILONNET
GROUP OF COMPANIES

Epsilon Net Timeline



Epsilon Net Flexible Business Model



Medium and Small enterprises are connected with accountant offices

Epsilon Net penetrates in the market of Large and Medium enterprises through HRM & Payroll system

Traditional Software Business model

- Unable to manage upgrade of enterprises
- Difficult to readjust to new business size
- Complex data migration process
- Limited interface according to user

Epsilon Net Competitive Advantages

- ✓ Customizable as the business grows
- ✓ Flexible Cost Policy / Pay-as-you-go model
- ✓ Negligible migration costs
- ✓ Fully integrated online & cloud platforms

Epsilon Net Group Activity

Group activity is concentrated in IT& Innovation, with PYLON as the main platform for developing Business and IT solutions



Software & Innovation

PYLON Technology – Programming Software

Accounting & Tax office Software

Payroll & HR Software

Business Software Solutions

Custom Software & Fintech Projects

Information Database Systems

PYLON Technology has been a milestone for Epsilon Net, paving the way for a multitude of IT solutions and expanding the company's innovation potential



Specialized information, 24/7 and advanced research tools for labor and tax issues



<https://www.e-forologia.gr/>

Leading online resource for accounting offices and accountants

96% of Revenues



Educational Services

- Sector trains Sustainable ecosystem between new professionals and Epsilon Net software line

4% of Revenues



Epsilon Net Product Portfolio & Customer Base (Dec.2019)



Accounting & Tax Office Software

8 Products

12.180 Clients



PYLON Software

12 Products

10.813 Clients



Payroll & HRM Software

7 Products

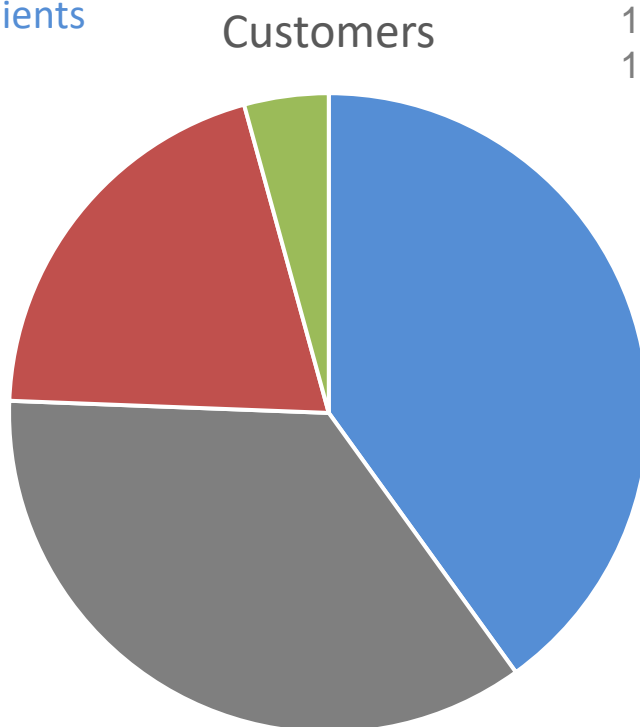
6.120 Clients



Vertical Markets (Hotel – Restaurant – Auto – Gas Station)

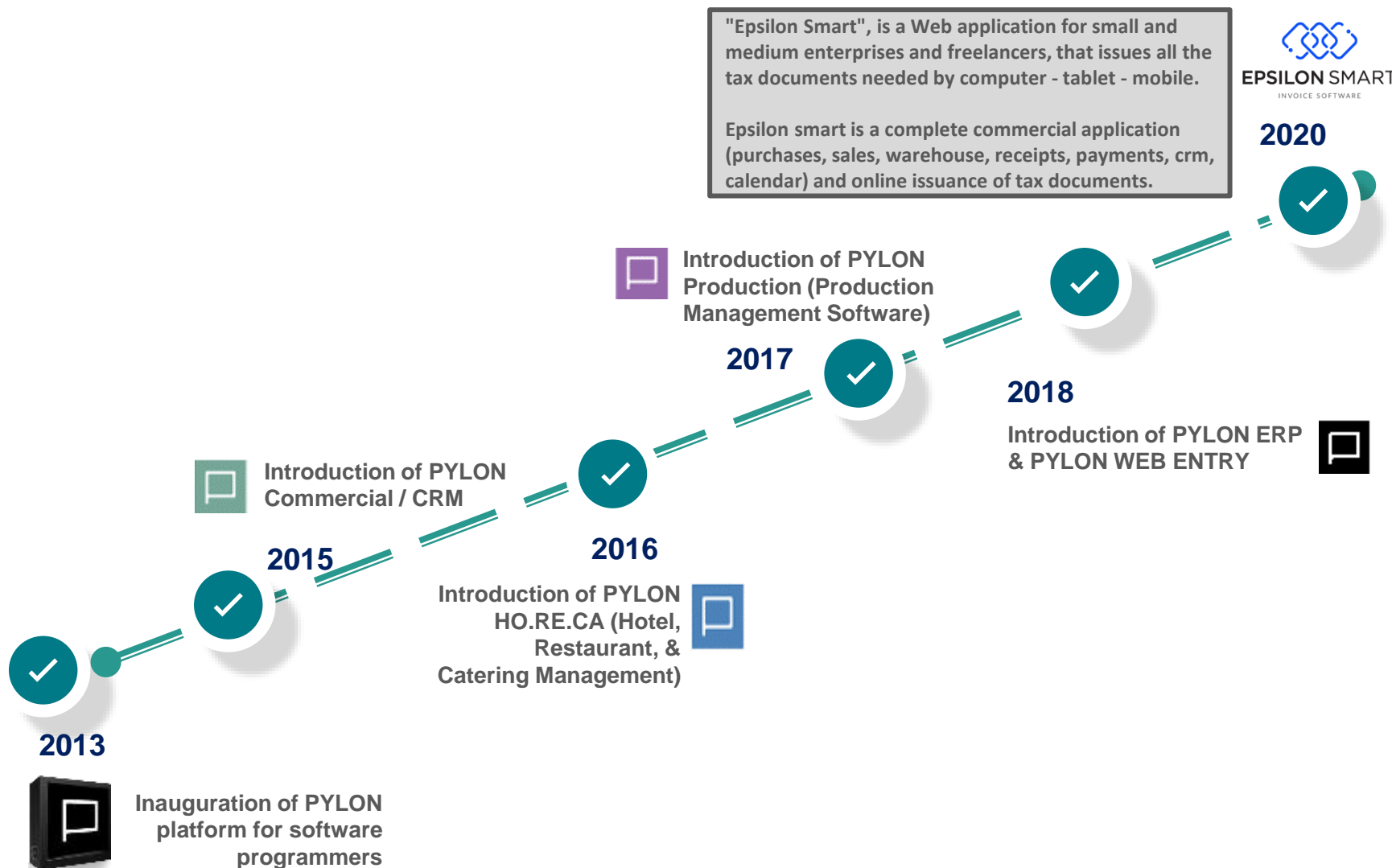
9 Products

1.298 Clients



■ Accounting & Tax Office ■ PYLON ■ Payroll & HRM ■ Vertical Markets

PYLON Development & Key Milestones



PYLON at a glance



What is it?

PYLON is a uniquely integrated, unified, pioneering software development platform developed by Epsilon Net. The PYLON system offers a series of unique advantages to all applications developed on it, extremely important and essential for the success of a business

How does it work?

Pylon Development Framework provides a foundation on which developers can rapidly build standalone, individual applications as well as fully integrated solutions adjustable to any future technology changes.

What can it be used for?

Pylon Hybrid Technology provides the ability to build cross-environment, low-cost and sophisticated solutions which meet modern business requirements and needs.

PYLON Main Product Portfolio



EPSILON SMART
INVOICE SOFTWARE

Full Web Application for small and medium enterprises



PYLON Commercial

Commercial Store Management



PYLON ERP

Business Management



PYLON CRM

Customer Relationship Management



PYLON Business Accounting

Accounting Office Audit Functions



PYLON Shop

SOHO Retail Management



PYLON Hotel

Hotel Management



PYLON Restaurant

Restaurant Management



PYLON Auto

Auto Service & Spare Parts Management



PYLON Entry

Simplified Small Business Management



PYLON Web Entry

Online Simplified Business Management



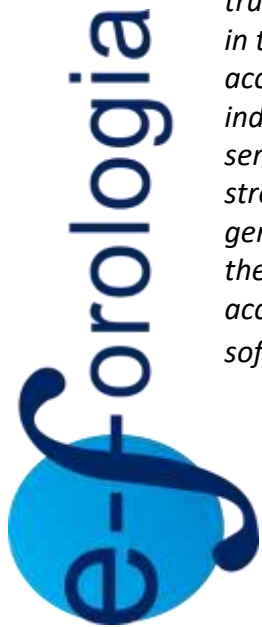
PYLON Retail

Retail Store Management

e-Forologia.gr



**Leading Financial, Tax & Labor Legislation
Portal with +65k monthly visits & +15k
scientific Q&A's**



*Strong and
trusted brand
in the Greek
accounting
industry
serving as a
strong lead
generation for
the core
accounting
software.*



New users per annum

• 1,593,047

Pageviews per annum

• 11,544,340

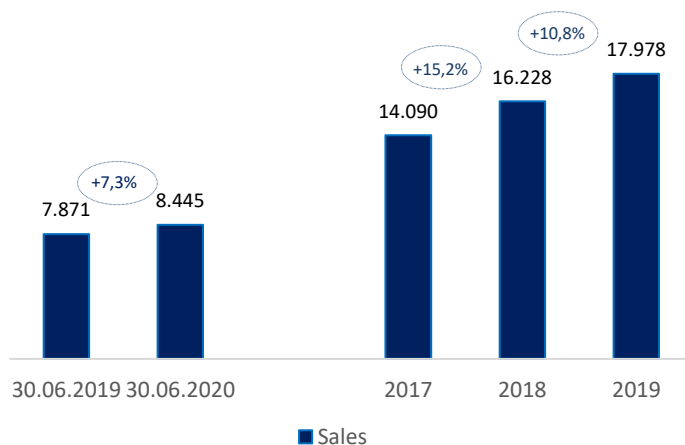
Sessions per annum

• 7,693,946

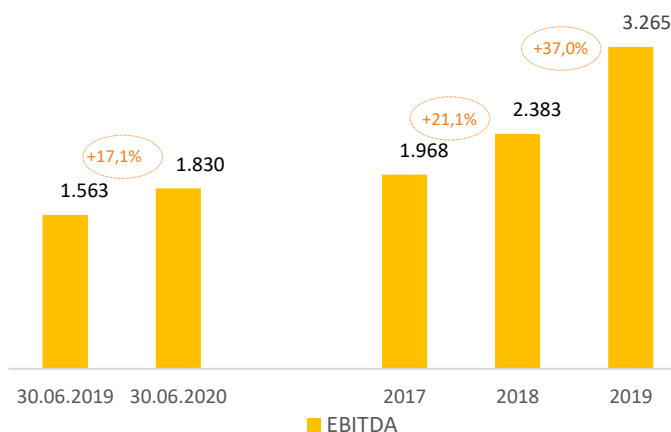
Increasing Profitability Trends

- Increasing profitability trends showcased by a steady increase in Gross and pre-tax profit, sales and EBITDA.
- Steady increase of ROE exemplifies efficient capital employment & profit generation.

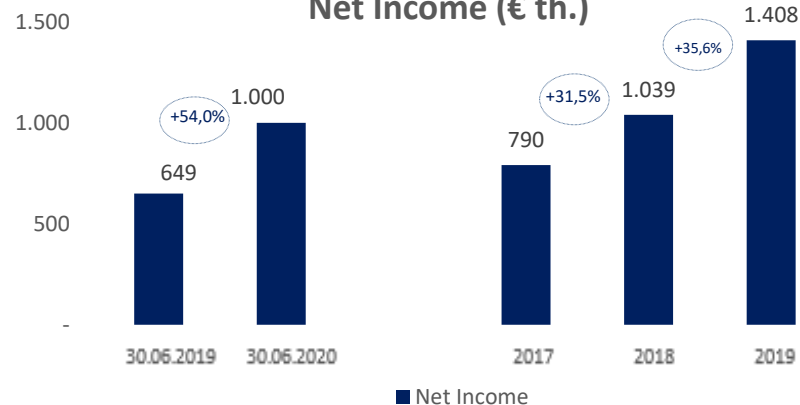
Sales (€ th.)



EBITDA (€ th.)

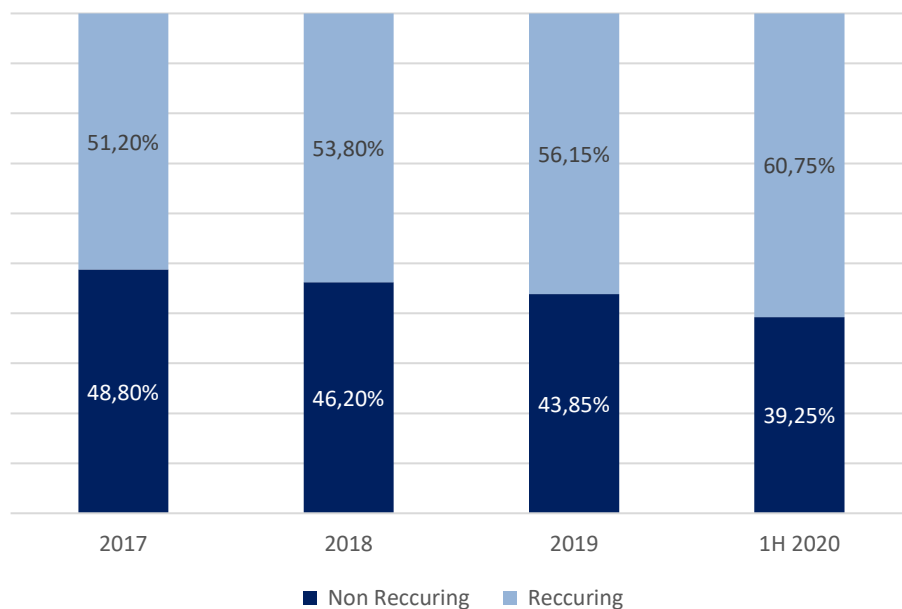


Net Income (€ th.)



Robust base of recurring revenue

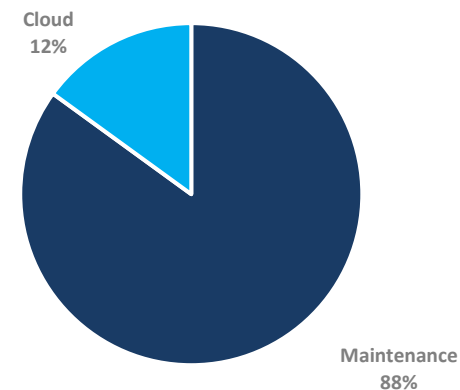
Strong customer retention builds resilient base of recurring revenue



Customer Retention

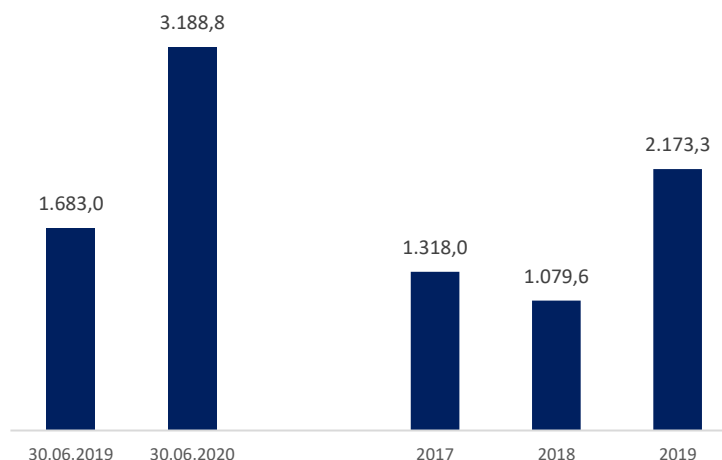
97,5% 97,8% 98,2% 98,5%

Recurring Revenue



Efficient cash conversion

Operating Cash Flows (€th)



- **Positive cash flows throughout the period 2017 – June 2020 despite large investing cash flows.**
- Increasing trend in operating cash flows.

30.06.2020	€	FY 2019	€
Total Intangible Assets	4.633	Total Intangible Assets	4.837
01.01.2020-30.06.2020	€	01.01.2019-30.06.2019	€
Period Intangible Assets	188,4	Period Intangible Assets	938,8
30.06.2020	€	FY 2019	€
Depreciation	703,8	Depreciation	1.511

Epsilon Net has steadily been investing significant amounts in R&D over the years, to optimize product growth and amplify innovation.

Company's strategy focuses that the biggest part of R&D costs finally are driven to Expenses account

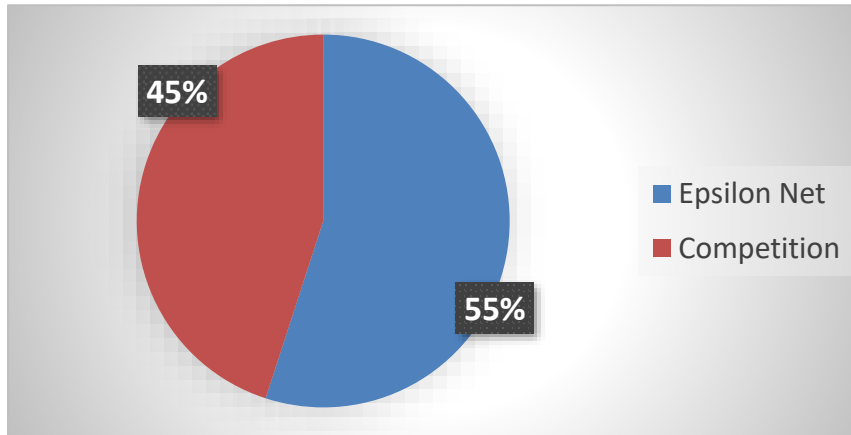
The background of the slide features a light gray field with a pattern of binary digits (0s and 1s) in a slightly larger, semi-transparent font. Overlaid on the right side of this field is a soft, out-of-focus bokeh effect consisting of numerous light gray circles of varying sizes.

Corporate Strategy

Corporate Strategy – ACCOUNTING OFFICES

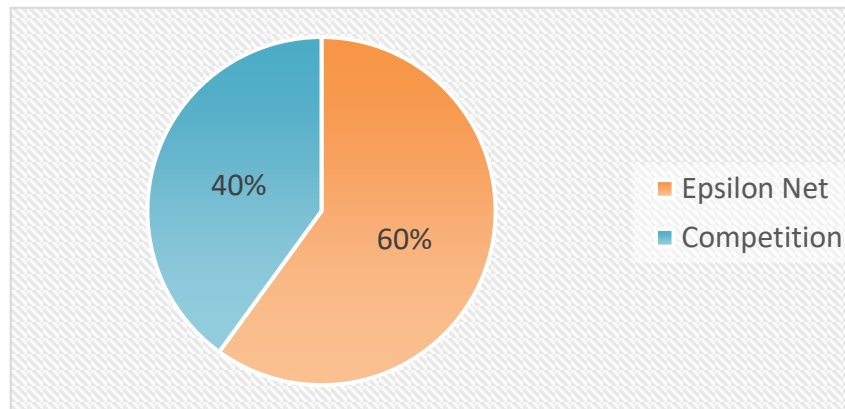
Positioning

Total
Market
Share



Penetrating potential clients via Accounting Offices

Small & Medium
Enterprises
(+800k)



Competitors



Singular Logic



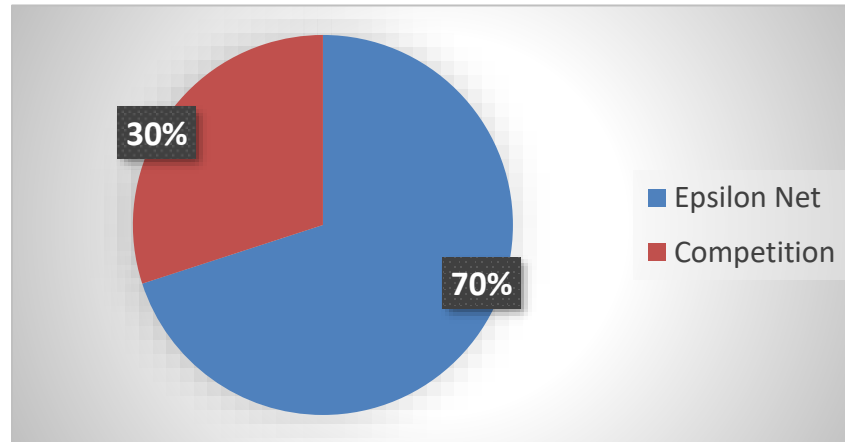
software
Anaconda

PROSVASIS

Corporate Strategy - HR

Positioning

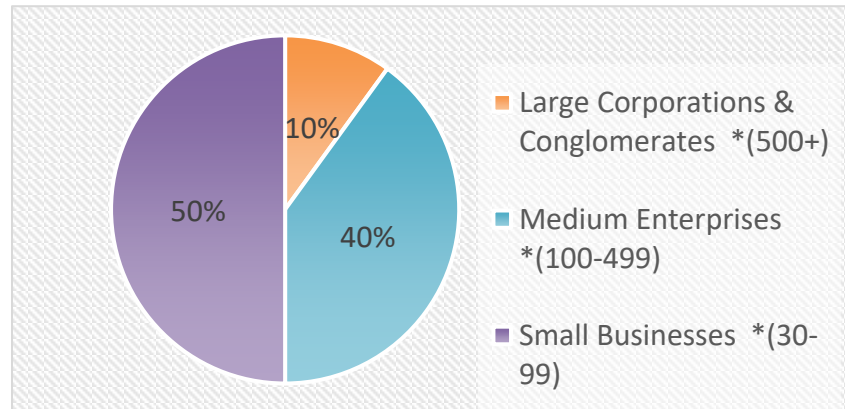
Market Share



Competitors



Epsilon Net Market Share breakdown

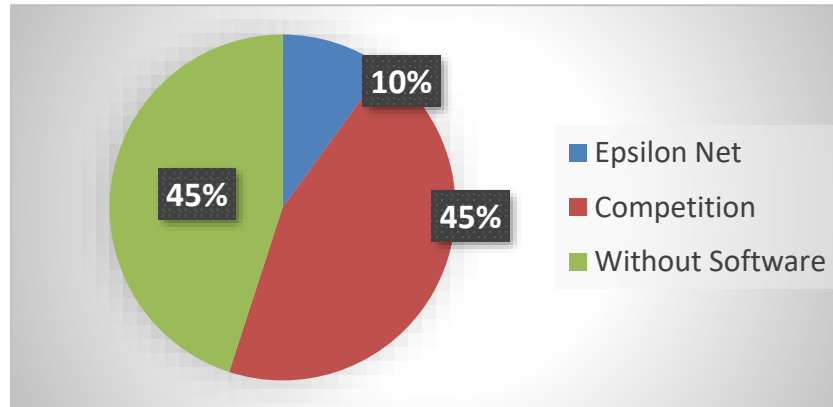


* Number of Employees

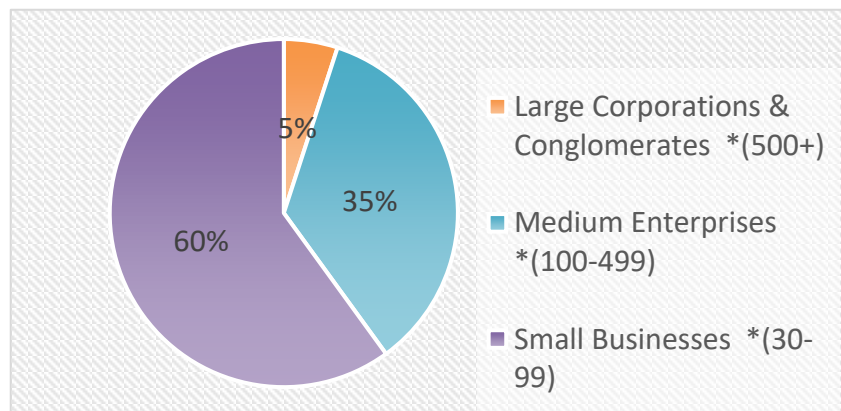
Corporate Strategy – Commercial Software – ERP

Positioning

Total Market Share
(Small, Medium & Large Enterprises)



Epsilon Net
Market Share
breakdown



* Number of Employees

Competitors



Other
Competitors in
Vertical Markets



Epsilon Net Acquires 80% of Data Communication (Oct. 2020)



TOTAL INVESTMENT €6,3m

SOLID CLIENT BASE

EXCELLENT BRANDNAME

EFFICIENT MANAGEMENT & WORKING FORCE

Accounting & Tax Office Software

- **3,500 Clients**

Payroll & HRM Software

- **800 Clients**

Commercial Software for SME

- **2,000 Clients**



Business Opportunity

Strategy of increasing Market Share in Greece



Significant increase of Pylon ERP products through the penetration of existing clientele.



Enlargement of market share in HRMS products and Accounting Offices. Non-stop investments for new PYLON sub products.



Transfer of all existing clientele into new PYLON Cloud & Web technology .



Strengthening vertical markets

Digital Transformation



Utilizing the broadening of the market due to digital transformation of SME's and new legislation of e-invoicing (official start Jan.2021)



e- invoice

On line data sending to



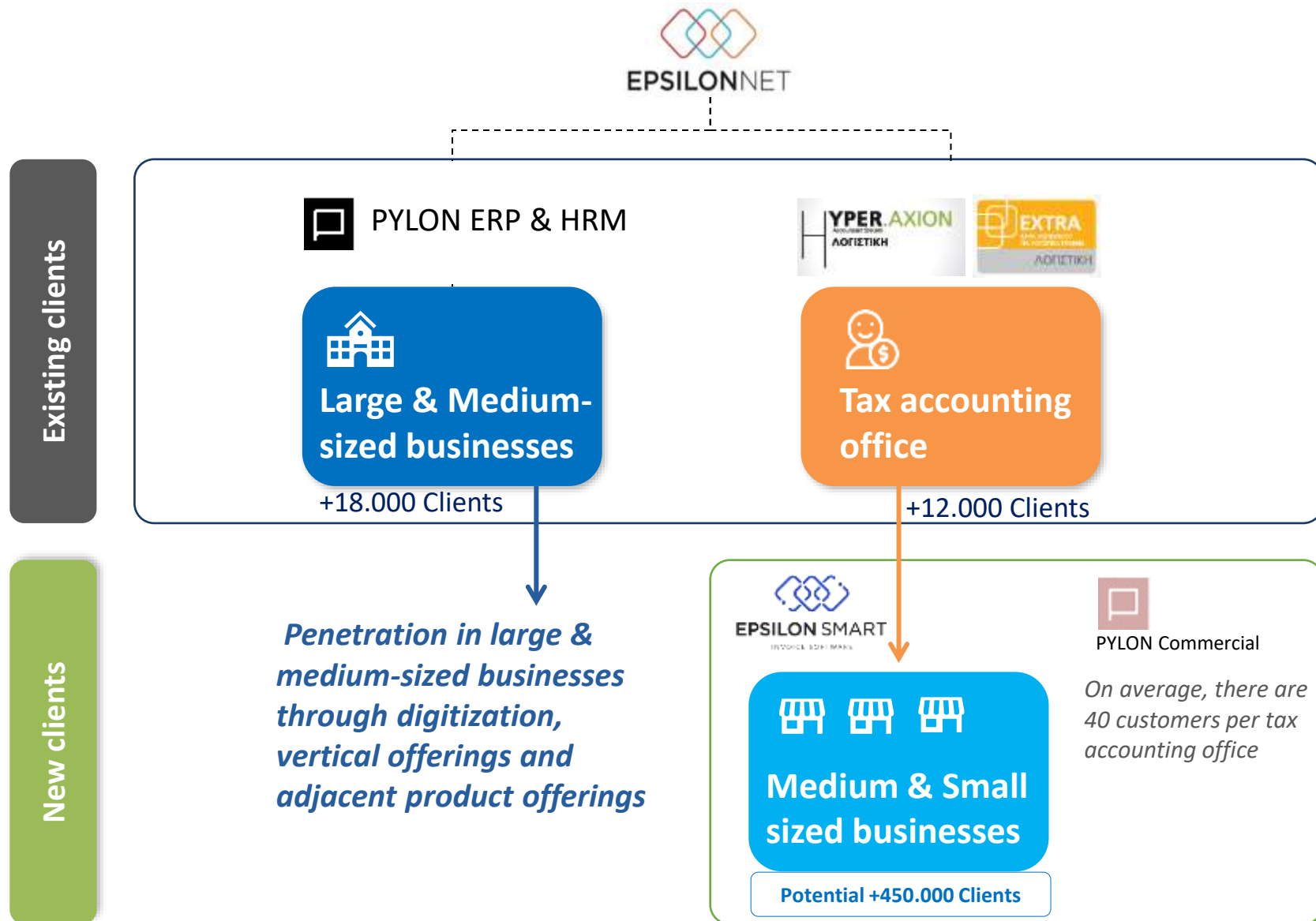
ΑΑΔΕ

Independent Authority
for Public Revenue (IAPR)

Major Business Opportunity!

Official Launch Jan.2021

Leveraging superior route to market



Uniquely positioned to navigate complicated regulatory environment

Constantly changing tax
framework for businesses

**450 new directives that
change the tax obligations of
companies in 2020**

Constantly changing
framework of labor and
insurance legislation

**280 new directives on labor
and insurance regulations in
2020**

**41 new versions of software
applications for accounting
offices**

+

**Live Phone Support
Daily from 09:00-21:00**

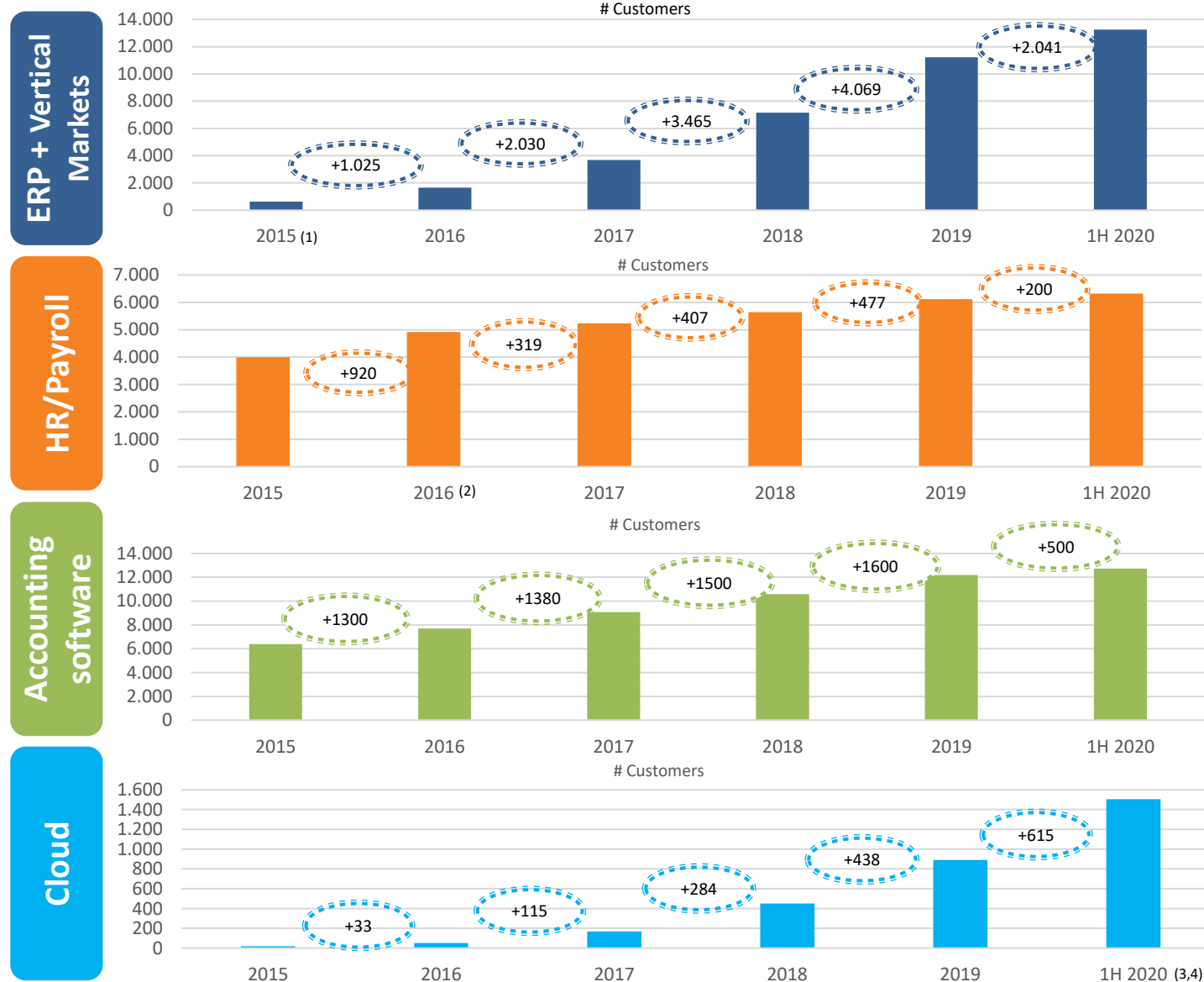
}

**55% market
share in
Accounting
offices**



EPSILONNET
GROUP OF COMPANIES

Evolution of customer growth



1. The production of Pylon Platform began 2013 and the first products were launched 2015.

2. Consolidation of Scan HRMS - 2016

3. Launch of Smart web platform for Small Businesses – Mar. 2020

4. Smart Clients Oct. 2020 – 1.819.

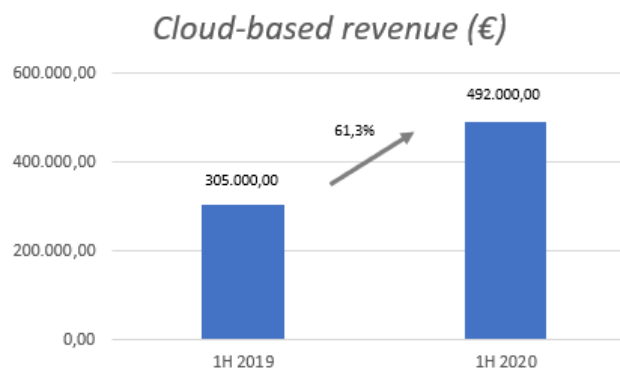
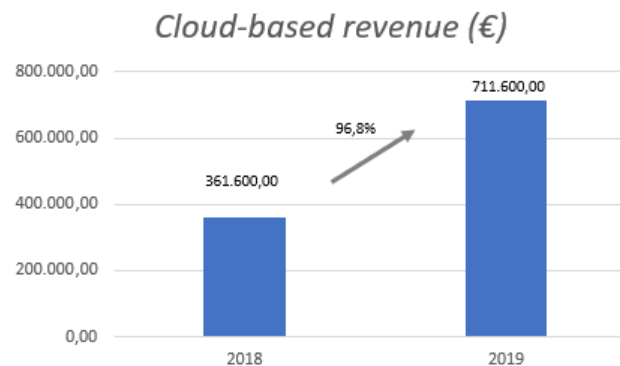
Strictly Private & Confidential

Offering leading cloud-based software solutions

cloud-based software products and platform simplifies the business and modernizes the control of a company. Revolutionary online services for accountants and accounting firms that combines information, and expense savings.

cloud-based software solutions offers:

- ☐ 24/7 ACCESS
- ☐ REGISTRATION OF EXPENDITURES
- ☐ OMNI-CHANNEL SUPPORT
- ☐ CUSTOMER / SUPPLIER LEDGERS
- ☐ E-DATABASE OF TAX RETURNS ETC.
- ☐ TRANCACTION DATA
- ☐ PAYROLL DATA
- ☐ FINANCIAL DATA OF THE COMPANY
- ☐ HR PAYROLL



Leading provider of e-invoice solutions

Epsilon Smart is a web application that has been developed with the most modern development tools to make the most of the latest technologies.

The result of these technologies is the unique user experience and the necessary functionality for professionals, in a web environment guaranteed by Microsoft Azure.

Through flexible subscription models for both self-employed and small and medium-sized enterprises:

- ✓ Communicate with the my DATA platform of Independent Authority for Public Revenue
- ✓ Issue the all required tax documents
- ✓ They issue retail receipts even without the use of a tax mechanism
- ✓ They operate with an integrated circuit of documents and warehouse monitoring
- ✓ They have an immediate view of their financial situation at a glance (cashier, receipts, payments)
- ✓ Organize their All the above are functioned via pc, tablet, smartphone, from any web browser and with Android & i / OS native applications through a flexible CRM



Epsilon Smart offers:

- ✓ Complete control of the company with Commercial & Financial Management
- ✓ Organization and security of the Company's data, offered by the Microsoft Azure cloud platform
- ✓ 4 flexible types of subscriptions to choose the one that meets your needs



6. Financial Overview



P&L Statement 2019- June 2020

<i>in thousands of €</i>	1.1-30.06.2019	1.1-30.06.2020	1.1-31.12.2018	1.1-31.12.2019
Sales	7.870,96	8.445,36	16.227,74	17.977,98
Cost of sales	-3.642,10	-3.649,25	-7.676,29	-7.773,93
Operating income	4.228,86	4.796,11	8.551,45	10.204,05
Other operating income	29,79	29,30	143,37	55,14
Administrative expenses	-139,11	-134,71	-300,21	-301,68
R&D expenses	-1.750,27	-2.322,98	-3.894,87	-5.567,95
Distribution expenses	-1.482,27	-1.170,02	-3.174,67	-2.343,65
Other operating expenses	-82,78	-71,99	-56,83	-291,59
EBIT	804,22	1.125,70	1.268,24	1.754,32
Financial income	20,62	16,09	19,55	39,00
Financial expenses	-176,87	-214,05	-245,98	-391,18
Associates	-13,48	54,95	6,77	-34,08
Net income before tax	634,49	982,69	1.048,59	1.368,06
Tax	14,82	17,41	-9,65	40,22
Net income after tax (A)	649,30	1.000,10	1.038,94	1.408,28
<u>Divided into:</u>				
Shareholders	508,80	932,07	824,72	1.161,89
Non-controlling interests	140,51	68,02	214,22	246,39
Total	649,30	1.000,10	1.038,94	1.408,28
Other Comprehensive Income after tax				
Actuarial gains and losses from Personnel Benefit Programs			-	-71,80
Tax			-	17,23
Other Comprehensive Income after tax (B)			-	-54,57
Total Comprehensive Income after tax (A)+(B)	649,30	1.000,10	1.038,94	1.353,71
<u>Divided into:</u>				
Shareholders	508,80	932,07	824,72	1.108,81
Non-controlling interests	140,51	68,02	214,22	244,90
Total	649,30	1.000,10	1.038,94	1.353,71



Balance Sheet 2019- June2020

<i>in thousands of €</i>	30.06.2020	31.12.2018	31.12.2019
Assets			
Non-current assets			
Tangible fixed assets	2.723,87	1.095,07	2.881,60
Intangible Assets	4.633,32	5.542,69	4.837,22
Investments in Subsidiaries	-	-	-
Investments in Associates	1.200,84	179,97	1.145,89
Other equity instruments	3,52	3,52	3,52
Deferred Tax Assets	132,86	-	79,21
Investment Instruments	-	-	-
Other long term receivables	78,36	68,61	73,17
Total	8.772,75	6.889,86	9.020,61
Current Assets			
Inventory	35,31	33,96	20,14
Accounts receivable	8.014,75	7.567,25	8.668,13
Financial Assets at fair value through Profit and Loss Statement	259,49	265,51	268,92
Other current assets	1.328,68	336,9	535,03
Cash and cash equivalents	11.127,54	7.708,63	8.593,95
Total	20.765,76	15.912,26	18.086,17
Assets total	29.538,52	22.802,12	27.106,78
Equity and Liabilities			
Equity			
Equity Capital	4.020,00	3.352,63	3.352,63
Treasury Shares	-35,86	-	-35,86
Share Capital Premium	0,01	0,01	0,01
Revaluation difference - investment grant	-	-	-
Other Reserves	1.415,49	1.327,91	1.415,49
Retained Earnings	9.382,07	7.168,15	8.204,74
Total Equity attributed to shareholders	14.781,70	11.848,70	12.937,00
Non-controlling interests	404,26	226	569,55
Total Equity	15.185,96	12.074,70	13.506,55
Long-term liabilities			
Borrowings	5.140,43	4.961,96	4.252,79
Leasing liabilities	1.338,16	-	1.439,56
Deferred tax liabilities	-	36,3	-
Pension provisions	1.218,40	938,47	1.107,87
Other long-term liabilities	132,90	134,54	133,27
Total Long-Term Liabilities	7.829,89	6.071,28	6.933,49
Short-term liabilities			
Accounts payable	1.581,48	1.236,26	1.439,56
Short-term loans	-	-	-
Short-term part of long-term loans	1.494,43	900,84	2.552,05
Short-term part of long-term leasing liabilities	365,25	-	348,42
Taxes payable	1.602,61	1.176,91	1.415,20
Other short-term liabilities	1.478,91	1.342,13	911,51
Total Short-Term Liabilities	6.522,67	4.656,15	6.666,74
Total Liabilities	14.352,56	10.727,42	13.600,23
Total Equity and Liabilities	29.538,52	22.802,12	27.106,78



Cash Flow Statement 2019- June 2020

	1.1-30.06.2019	1.1-30.06.2020	01.01 - 31.12.2018	01.01 - 31.12.2019
<i>in thousands of €</i>				
Operating activities				
Profit before tax	634,49	982,69	1.048,59	1.368,06
<i>Reconciliation adjustments:</i>				
Depreciation	758,50	703,84	1.114,43	1.510,55
Provisions	67,89	180,66	62,11	372,89
Currency effect on operating activities	0,04	(9,43)	0,09	3,42
Results of investment activities	(16,02)	(28,55)	5,88	-28,49
Interest and other expenses	175,03	227,91	245,98	397,15
<i>Plus/minus changes in working capital</i>				
Change in inventory	10,34	(15,17)	7,17	13,82
Change in assets	1.609,00	(324,32)	34,26	-994
Change in liabilities-excluding loans	(1.429,81)	1.722,30	-1.102,57	-68
(Minus):				
Interest and other expenses	(121,21)	(203,95)	-283,69	-344,05
Taxes paid	(5,21)	(47,20)	-52,64	-58,06
Cash flows from operating activities	1.683,04	3.188,78	1.079,60	2.173,29
Investing activities				
Acquisitions of subsidiaries, associates, joint ventures and other investments	-	(64,38)	-6,77	-1.000,00
Purchase of fixed and intangible assets	(1.007,80)	(251,33)	-587,55	-493,89
Proceeds from sale of fixed and intangible assets	-	2,00	18,26	8
Interest payments received	14,32	25,97	19,01	54,62
Proceeds from Grants	-	1,88		
Other	15,22	9,43	60,65	-1,63
Cash flows from investing activities	(978,26)	(276,43)	-496,4	-1.432,90
Financing activities				
Proceeds from share capital increase			-	98,65
Share capital decrease payments	(446,20)	-	-	-446,2
Treasury Shares	(35,86)	-	-	-35,86
Debt issuances	95,41	-	3.803,29	2.195,52
Loan repayments	(480,38)	(172,65)	-802,41	-1.294,72
Amortization	(185,32)	(206,11)	-	-372,45
Cash flows from financing activities	(1.052,36)	(378,76)	3.000,88	144,93
Change in cash and cash equivalents	(347,58)	2.533,59	3.584,09	885,31
Cash and cash equivalents beginning of period	7.708,63	8.593,95	4.124,55	7.708,63
Cash and cash equivalents end of period	7.361,06	11.127,54	7.708,63	8.593,95

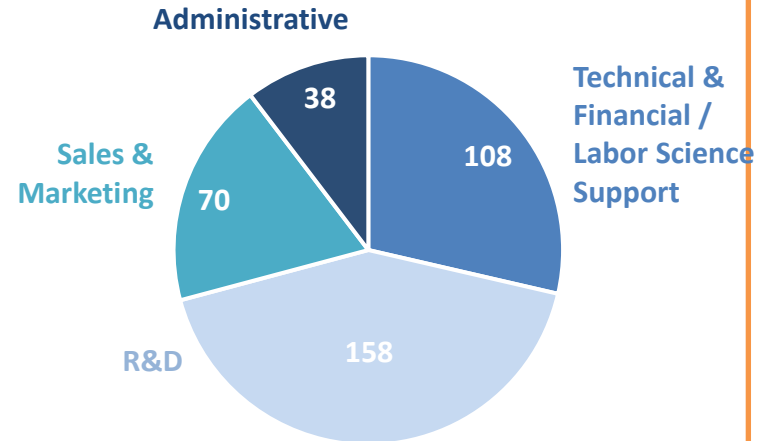
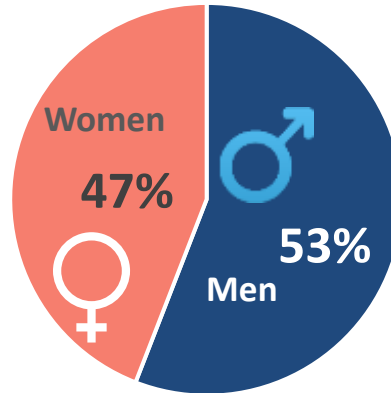
Data Communication Financial Overview



	30.06.2017	30.06.2018	30.06.2019
Turnover (Sales)	5.933.653,52	6.285.874,51	6.153.820,22
Gross Operating Results Profit / - Loss	2.071.330,41	2.281.212,43	2.267.922,48
Operating Results Profit / - Loss	117.376,29	106.945,64	94.219,81
Net Income Before Taxes	56.253,21	68.235,74	51.937,52
Net Income After Tax	16.432,44	11.265,12	8.887,51

Appendix

Epsilon Net Management & HR Overview



49%

Of employees
under 38



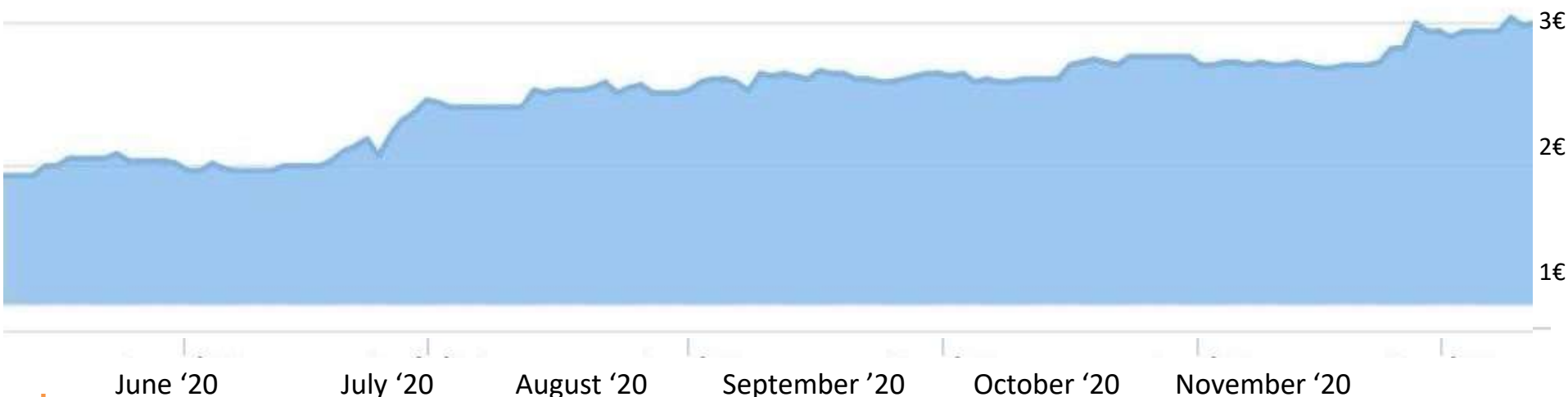
87%

Of employees
under 50



*more than **20** Years Experience
in Information Systems Technology*

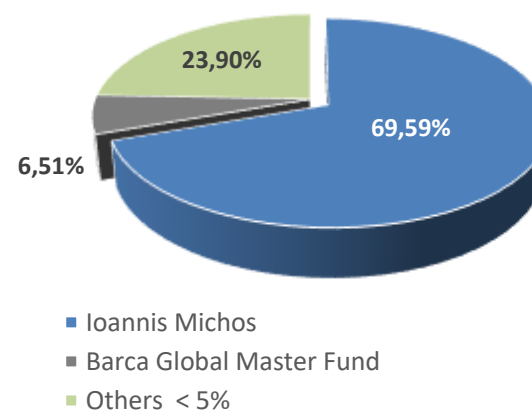
Stock Statistics



General Information

Capitalization (31.10.2020 €2,94)	€ 39,396,000
Shares Outstanding	13.400.000
ISIN	GRS498003003
Bloomberg	EPSIL:GA
Listing Day Main Market ATHEX	15.07.2020

Shareholders Structure - 31.10.2020





Thank you

Epsilon Net A.E.

<https://www.epsilonnet.gr/>

Contact Person: John Koutkoudakis –

0030 211 5007000

gk@epsilon.net.gr