

August 12, 2020



SilverSun Technologies Reports Second Quarter 2020 Results

EAST HANOVER, NJ, Aug. 12, 2020 (GLOBE NEWSWIRE) -- via NEWMEDIAWIRE -- **SilverSun Technologies, Inc.** (NASDAQ: SSNT), a national provider of transformational business technology solutions and services, today announced its second quarter results for the three and six months ended June 30, 2020.

Financial Highlights for Three Months Ended June 30, 2020 Compared to Three Months Ended June 30, 2019:

- Revenues increased to \$9,672,945, increasing 6.1% from \$9,119,448.
- Software sales increased 35.2% to \$1,926,697 for the three months ended June 30, 2020.
- Services revenues totaled \$7,746,248, increasing 0.7% from \$7,694,779.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") were \$220,486, increasing \$390,547 from (\$170,061) in 2019.
- Net income was \$33,514, or \$0.01 earnings per basic and diluted share, compared to net loss of (\$2,890) or 0.00 earnings per basic and diluted share.

Financial Highlights for the Six Months Ended June 30, 2020 Compared to the Six Months Ended June 30, 2019:

- Total revenues rose 7.2% to \$19,752,468 from \$18,426,732.
- Software sales were \$3,695,867, up 22.0% from \$3,030,915.
- Services revenues increased 4.3% to \$16,056,601 from \$15,395,817.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") were \$1,832, increasing \$213,209 from (\$211,377).
- Net loss totaled (\$258,601), or (\$0.06) per basic and diluted share, compared to net income of \$93,146, or \$0.02 per basic and diluted share.
- As of June 30, 2020, the Company had \$6,859,030 in cash and cash equivalents; \$1,966,582 in accounts receivable; long term debt of \$732,955 (excluding the impact of operating lease liabilities), and total stockholders' equity of \$8,642,857.

For more details on SilverSun's second quarter results, please refer to the Company's 10-Q filed today with the U.S. Securities Exchange Commission and accessible at www.sec.gov.

Commenting on the results, Mark Meller, Chairman and CEO of SilverSun, stated, "The ability of the Company to deliver profitable results in the midst of the Covid pandemic is a testament to the hard work and dedication of our employees, who have continued to operate

as valued business partners to our thousands of customers, despite the hardships and uncertainty brought about by the pandemic.”

“This was a solid quarter for the Company, as we now return to positive EBITDA following the sale last August of our MAPADOC EDI division (which was sold for \$11.5 million).

Replacing the margin contribution from MAPADOC was a high priority for the Company. We focused on increasing our monthly recurring revenue (“MRR”), and on increasing recurring revenue as a percentage of total revenue. Towards that end, we merged our managed service provider and application hosting businesses, rebranding them as “Managed Cloud Services” (“MCS”). MCS provides Infrastructure as a Service (IaaS), cloud hosting for business applications, cybersecurity, business continuity and disaster recovery solutions.”

“MCS continues to grow rapidly, helped in part by the new “Work from Home” paradigm imposed by Covid. In addition to organic growth, we now also have channel partners and resellers who are utilizing our platform and selling the service on a white label basis. This division alone now has MRR in excess of \$500,000 and climbing. Our enterprise cybersecurity initiative, which is being offered in partnership with CyberHat, an Israeli-based Security Operations Center (SOC), has closed several transactions, with several large transactions expecting to close in the next few months. Each of these business lines is built on a recurring revenue model.”

Meller continued, “Software sales, which consist of ERP solutions and third party add-ons which extend the functionality of the ERP solutions, grew by 32.5% this quarter, and is now up 22.0% for the first 6 months of the year. Our marketing team is generating new leads at a record pace, and our sales organization is closing those leads with ever greater efficiency. Our team has become adept at remote selling, a must in the current environment.”

“As a result of these efforts, EBITDA (earnings before interest, taxes, depreciation, and amortization) has increased \$390,547 in the second quarter versus the same period last year, and has increased \$213,209 for the first 6 months of the year versus the first six months of 2019. We continue to focus on improving our operating efficiency and reducing expenses, and as a result, the Company’s selling, general and administrative expenses (SG&A) were 38.4% of revenue this quarter, versus 40.0% last year. Similarly, SG&A expense was 39.4% of revenue for the first half of the year, versus 40.4% for the same period last year. The trend is in the right direction. We are intent on increasing our operating margins in the coming quarters as we better manage our costs.”

In conclusion, Meller stated, “Despite Covid, we have been able to deliver a successful quarter. I am grateful to our team for their tremendous efforts in accomplishing this feat in the current environment.”

About SilverSun Technologies, Inc.

We are a business application, technology and consulting company providing strategies and solutions to meet our clients’ information, technology and business management needs. Our services and technologies enable customers to manage, protect and monetize their enterprise assets whether on-premise or in the “Cloud”. As a value-added reseller of business application software, we offer solutions for accounting and business management,

financial reporting, Enterprise Resource Planning (“ERP”), Warehouse Management Systems (“WMS”), Customer Relationship Management (“CRM”), and Business Intelligence (“BI”). Additionally, we have our own development staff building software solutions for Electronic Data Interchange (“EDI”), time and billing, and various ERP enhancements. Our value-added services focus on consulting and professional services, specialized programming, training, and technical support. We have a dedicated network services practice that provides managed services, cybersecurity, application hosting, disaster recovery, business continuity, cloud and other services. Our customers are nationwide, with concentrations in the New York/New Jersey metropolitan area, Chicago, Arizona, Southern California, North Carolina, Washington and Oregon.

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things our plans, strategies and prospects -- both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Many of the forward-looking statements contained in this news release may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated," and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this news release include market conditions and those set forth in reports or documents that we file from time to time with the United States Securities and Exchange Commission. All forward-looking statements attributable to SilverSun Technologies, Inc. or a person acting on its behalf are expressly qualified in their entirety by this cautionary language.

Contact:

Corporate

Mark Meller

SilverSun Technologies, Inc.

973-758-6108

meller@silversuntech.com

Source: SilverSun Technologies, Inc.