

**EPSILONNET**

GROUP OF COMPANIES

## **EPSILON NET**

**INFORMATION TECHNOLOGY, EDUCATION AND HIGH  
TECHNOLOGY PRODUCTS SOCIETE ANONYME**

**General Commercial Registry (GEMI) No.: 038383705000**

## **ANNUAL FINANCIAL REPORT**

*for the Fiscal Year starting from 1<sup>st</sup> January to 31<sup>st</sup> December 2022*

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THESSALONIKI

APRIL 2023

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**STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS OF  
“EPSILON NET INFORMATION TECHNOLOGY, EDUCATION  
AND HIGH TECHNOLOGY PRODUCTS COMPANY”**

In accordance with the provisions of paragraph 2(c) of article 4 of Law 3556/2007, we declare that to the best of our knowledge:

A. The Company's FY 2022 financial statements on a standalone and consolidated basis, which have been prepared in accordance with the International Financial Reporting Standards, present fairly the assets and liabilities, net position and statement of comprehensive income of the Company and the consolidated entities taken as a whole, and

B. The annual management report of the Board of Directors of the Company on the Consolidated and Company Financial Statements for the fiscal year 2022 fairly presents the development, performance and position of the Company and the consolidated companies taken as a whole, including a description of the principal risks and uncertainties they face.

THESSALONIKI, APRIL 10, 2023

**THE CHAIRMAN OF THE BOARD OF  
DIRECTORS & CEO**

**THE DEPUTY CEO**

**THE MEMBER OF THE BOARD**

IOANNIS N. MICHOS  
ID card No.: AN 002369 / 07.10.2016

VASILIKI D. ANAGNOSTOU  
ID card No.: AZ 194497 / 14.12.2007

IOANNIS A. KOUTKOUDAKIS  
ID card No.: AE 368674 / 15.03.2007

## Annual Management Report of the Board of Directors

of “EPSILON NET INFORMATION TECHNOLOGY, EDUCATION AND HIGH TECHNOLOGY PRODUCTS COMPANY SOCIETE ANONYME”

On the Consolidated and Company Financial Statements for the fiscal year 2022

(From 1 January to 31 December 2022)

To the Annual General Meeting

General Electronic Commercial Registry (GEMI) No.: 038383705000

Dear Shareholders,

The present Annual Report of the Board of Directors of the company “EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH TECHNOLOGY PRODUCTS COMPANY SOCIETE ANONYME” (hereinafter referred to as Epsilon Net SA or the Company) refers to the fiscal year 2022. The Report has been prepared and follows the relevant provisions of articles 150-154 of Law 4548/2018, the relevant provisions of Law 4706/2020, Law 3556/2007 (Government Gazette 91A/30.4.2007) and the implementing decisions of the Hellenic Capital Market Commission issued thereon and Decision No. 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission. The Financial Statements of EPSILON NET S.A. Group are presented in accordance with the International Financial Reporting Standards (IFRS), in accordance with the rules applicable to listed companies of the Athens Stock Exchange (ASE) and the rules of consolidation of the financial data of the parent company and its subsidiaries.

This report contains financial and non-financial information about the Group, the Company, its subsidiaries, and affiliated companies for the financial year 2022 and describes significant events that took place in this period. It also describes the main risks and uncertainties that the Company and the Group may face in the coming year and finally lists the significant transactions between the Company and its related parties.

### 1) Report of Operations

#### Financial Developments and Performance for FY 2022

The Company and the Group show high financial performance in their key financial indicators in recent years, effectively coping with the difficult economic environment.

#### Consolidated Results

**Turnover:** The Group's turnover for the financial year 2022 amounted to € 75.11 million compared to € 50.51 million in the previous financial year 2021, i.e., an increase of 48.69%.



**Profit before tax:** Profit before tax for the year 2022 amounted to €21.42 million, compared to €12.22 million in 2021, an increase of 75.34%, while profit after tax for the year 2022 amounted to €18.30 million, compared to €10.78 million in 2021, an increase of 69.81%.

**Earnings before interest, taxes, depreciation, and amortization (EBITDA):** Earnings before interest, taxes, depreciation, and amortization (EBITDA) for 2022 amounted to €25.05 million, compared to €15.09 million in 2021, an increase of 65.99%.

**Tangible and intangible assets:** The total value of Intangible Assets in 2022 amounted to €14.33 million compared to €14.87 million in 2021, while the corresponding value of Tangible Assets amounted to €7.04 million compared to €4.67 million in 2021. The significant difference in fixed assets is due to the acquisition and incorporation into the Group, for the first time in the financial year 2022, of the subsidiaries Epsilon CSA S.A., DIGITAL 4U S.A., TaxHeaven S.A., Hotel Availabilities S.A., The amount of leases that according to IFRS 16 is reflected in the Group's fixed assets, amounts to €3.64 million, the increase of which is due to the readjustment of the lease rates of a subsidiary.

The Group's investments for the current fiscal year 2022 in Fixed Assets by category relate to Building Improvement Works, Furniture, Computers and Servers, purchase of Software from third parties, as well as Investments in Development of new innovative high-tech products and services and acquisitions of new companies in the IT sector.

**Property:** The Company by virtue of the contract of sale No. 18.621/30.03.2022 by the Thessaloniki notary Eftychia Tzermia – Skotida, which was registered in the Thessaloniki Land Registry with registration number 12.716/28.04.2022, acquired in full, exclusive and indisputable ownership and possession, in accordance with the provisions of Law 3741 /1929 and articles 1002 and 1117 of the Civil Code, an autonomous building complex of 7,244 square meters, which has been erected on a parcel (KAEK -NATIONAL CADASTRAL CODE NUMBER 191043207017/0/0), of 2,942.30 square meters, in Municipal Community Pylaia, of the Pylaia – Hortiatis Municipality, in the Thessaloniki Regional Unit, Central Macedonia, at the "Patriarchiko" (Basias Metohi) spot, on no.92, Agricultural School Avenue (formerly 120). The aforementioned property is located just 3.5 km from Thessaloniki International Airport and is intended, after the necessary adjustments, to be the new, modern facility of the group's companies and until then it is leased to third parties and reflected in the financial statements under Investments in Real Estate. Of the Group's subsidiaries, EPSILON CSA S.A. also owns privately owned real estate, while the other subsidiaries did not own any privately owned real estate in the current financial year 2022. It should be noted that under the terms of the notarial deed of leasing No. 6.547/28.06.2005 of the notary public of Thessaloniki Nikolaos Ioannis Nasla, as amended by virtue of the notarial deeds Nos. 8.781/12.11.2007, 11.272/12.04.2011 and 12.412/26.03.2014, "EUROBANK ERGASIAS Financial Leases Societe Anonyme" leased to the subsidiary company named "TECHNOLIFE LIMITED LIABILITY COMPANY" under a leasing contract, with a term until 27.06.2025 and with the right to buy off or renew the said lease, an independent and divided store (with internal number K2) of 109.58 sqm., on the ground floor of a building located in the Municipality of

Thessaloniki, in the settlement "Harilaou" and at the intersection of Agisilaou and Neophytou Vamva streets, with the right to buy off or renew.

**Equity:** The Group's Equity increased in 2022 to € 58.30 million, from € 41.45 million in 2021, an increase of 40.62%, due to the increase in organic growth on the one hand and the new subsidiaries on the other.

A detailed analysis of the composition of assets, liabilities, equity and profit or loss for the year 2022 and the accounting principles applied by the Group is presented in the financial statements as at 31.12.2022.

#### Company's Results

**Turnover:** The Company's turnover in fiscal year 2022 amounted to € 28.70 million compared to € 18.95 million in the previous fiscal year 2021, i.e., an increase of 51.44 %.

**Profit before tax:** Profit before tax for the year 2022 amounted to € 13.83 million, compared to € 6.87 thousand in 2021, an increase of 101.25 %, while profit after tax for the year 2022 amounted to € 11.67 million, compared to € 5.64 million in 2021, an increase of 106.88 %.

**Earnings before interest, taxes, depreciation, and amortization (EBITDA):** Earnings before interest, taxes, depreciation, and amortization (EBITDA) for 2022 amounted to €14.62 million, compared to €8.10 million in 2021, an increase of 80.57%.

**Tangible and intangible assets:** The total value of Tangible Fixed Assets in 2022 amounted to € 1.04 million compared to € 1.15 million in 2021, while the corresponding value of Intangible Assets amounted to € 2.31 million compared to € 2.66 million in 2021. The number of leases that according to IFRS 16 is reflected in the Company's fixed assets amounts to € 0.41 million.

The Company's investments for the current fiscal year 2022 in Fixed Assets by category include Building Improvement Works, Furniture, Computers and Servers, purchase of Software from third parties, as well as Investments in Development of new innovative high-tech products and services and acquisitions of new companies in the IT industry.

**Property:** The Company by virtue of the contract of sale No. 18.621/30.03.2022 by the Thessaloniki notary Eftychia Tzermia – Skotida, which was registered in the Thessaloniki Land Registry with registration number 12.716/28.04.2022, acquired in full, exclusive and indisputable ownership and possession, in accordance with the provisions of Law 3741 /1929 and articles 1002 and 1117 of the Civil Code, an autonomous building complex of 7,244 square meters, which has been erected on a parcel (KAEK -NATIONAL CADASTRAL CODE NUMBER 191043207017/0/0), of 2,942.30 square meters, in Municipal Community Pylaia, of the Pylaia – Hortiatiss Municipality, in the Thessaloniki Regional Unit, Central Macedonia, at the "Patriarchiko" (Basias Metohi) spot, on no.92, Agricultural School Avenue (formerly 120). The aforementioned property is located just 3.5 km from Thessaloniki International Airport and is intended, after the necessary adjustments, to be the new, modern facility of the group's companies and until then, it is leased to third parties and reflected in the financial statements under Investments in Real Estate.

**Equity:** The Company's Equity amounted to € 47.45 million in 2022, from € 37.34 in 2021, an increase of 27.08%.

A detailed analysis of the composition of assets, liabilities, equity and profit or loss for the year 2022 as well as the accounting principles applied by the Company is presented in the financial statements as at 31.12.2022.

## **2) DETAILS OF SHARES - DIVIDEND - DIVIDEND YIELD**

The company's shares are traded on the Main Market of the Athens Exchange since 15.07.2020, following the successful increase of the share capital by Euro 5.34 million at a price of Euro 2.40 per share, which took place in July 2020 and the subsequent transfer of the company's shares from the Alternative Market to the Main Market. The number of shares amounted to 13,400,000.

The Extraordinary General Meeting of the Company's shareholders held on 03.11.2021, decided to reduce the nominal value of each share of the Company from €0.30 to €0.075, with a simultaneous increase of the total number of shares from 13,400,000 to 53,600,000 common nominal shares (split) and the replacement of each one (1) old common nominal share with four (4) new common nominal shares. Following the reduction of the nominal value of the Company's shares, the share capital of the Company remained unchanged and amounts to €4,020,000, divided into 53,600,000 common nominal shares, each with a nominal value of €0.075.

According to the minutes of the Company's Board of Directors dated 05/03/2022, which were registered on 12 - 05 - 2022 in the General Commercial Registry (G.E.MH.) with Registration Number 2859664, the Company's Board of Directors decided to increase its share capital, by the amount of €45,000.00, which will be paid in cash by the beneficiaries within the framework of the established Stock Options Plan and the issuance of 600,000 new common registered shares with €0.075 nominal value each and the difference between the issuing price of the new shares and their nominal value, amounting to €315,000.00, transferred to a special reserve account with the indication "share premium account". According to the minutes of the Company's Board of Directors dated 05/03/2022, which were registered on 05-13-2022 in the General Commercial Registry (G.E.MH.) with Registration Number 2860373, the Company's Board of Directors certified in accordance with articles 20 and 113 of Law 4548/2018 the full and complete coverage and payment of the amount of the aforementioned increase in the Company's share capital. Following these, the Company's share capital amounts to four million sixty-five thousand Euros (€4,065,000) and is divided into fifty-four million two hundred thousand (54,200,000) common registered shares, with €0.075 nominal value.

The closing price of the share of "EPSILON NET S.A." on 31.12.2022 was Euro 6.44, i.e., 24.32% higher compared to the closing price on 31.12.2021 which was Euro 5.18. The share price reached a high of EUR 7.38 (14.04.2022) and a low of EUR 4.11 (18.01.2022). The capitalization of the Company as of 31.12.2022 amounted to EUR 349.05 million.

For the financial year 2021, a dividend of Euro 1,897,000 was distributed in 2022, corresponding to a dividend of Euro 0.035 per share, from which tax was withheld in favor of the Hellenic Republic and therefore the net dividend payable per share amounted to Euro 0.03325.



### 3) FORESEEN WORK SCHEDULE

#### **Information on the Prospects and Development of the Group and the Company**

2022 was a pivotal year for the course of the economy, since after the macroeconomic improvement achieved in 2019, the impact of the effects of the coronavirus that started in 2020 and continued in the first months of 2022, as well as the impact of the energy crisis and the Russian-Ukrainian war from the beginning of 2022 on the international and domestic economy, had an extremely significant impact. The increase in volatility at the international level, combined with the structures of the Greek business environment, did not lead in 2022 to the achievement of the desired shift in the production pattern in Greece and the strengthening of the international competitiveness of the Greek economy.

The IT sector is one of the most important sectors of the Greek economy, due to the increasing demand for automation and digitization that has been observed in recent years in both private and public sectors. At the same time, given that the international competitiveness of the Greek economy is limited due to the low degree of digitization of its small and medium-sized enterprises, emphasis is placed on the digital competences and advanced skills necessary to face global competition and social challenges, as well as to deliver the benefits of digital transformation to every citizen and business.

The Epsilon Net Group's Management monitors developments in the Greek economy and especially the developments in the sector in which it operates and, using the experience of successful management of the previous years, evaluates the existing conditions in order to continuously assess future investment and operational needs and to immediately adjust, where necessary, the Group's business plan, with the aim of maintaining and increasing the operational efficiency of the Group's companies, expanding the Group's business activities and improving its profitability.

At regular intervals, risks related to the Group's activities and operations are assessed and appropriate actions are taken to reduce operational and business risks.

At the same time, the Group continues to move with the long-term interests of the stakeholders of the company in mind, focusing on the penetration of the market of small, medium and large enterprises in Greece, in terms of the overall business software sector, the further penetration of payroll and human resources management software applications (Payroll & HRM Systems) in businesses and the further penetration of the market of accounting firms and freelance accountants - tax consultants with new programs and specialized services as well as new technologically developed solutions that are pioneering in the Greek market such as Digital Accounting, Easy CRM and Easy Property solutions. Of particular interest to the Group and its strategy is the penetration of vertical markets to meet the specialized needs of the businesses operating in them and the ability to adapt rapidly to the demands of digital transformation. At the same time, it develops strategies aimed at growth and investment in the Financial Technology (FinTech) sector. In this context, in November 2022, a Memorandum of Understanding (MoU) was signed between the Parent Company EPSILON NET and the National Bank of Greece, providing for the conclusion of a long-term,

exclusive cooperation for the joint development of technological applications and products in the fields of Business Software, FinTech, the automation of electronic payments and the wider exploitation of the opportunities arising in the context of the digital transformation of the Greek economy.

Furthermore, the decision of the Independent Public Revenue Authority to implement electronic invoicing and the mandatory transmission and implementation of electronic books (myDATA) for all businesses and the Ministry of Labour for the mandatory implementation of digital working hours in all businesses that employ staff and the gradual implementation of the Digital Labour Card, leads the developments of digital transformation of businesses at a faster pace, which the Company has systematically followed and already offers new products, mechanisms and services perfectly adapted to the new legal requirements.

#### 4) GROUP STRUCTURE - SUBSIDIARIES AND AFFILIATED COMPANIES

##### A. Subsidiaries (direct and/or indirect holding)

Company name	TIN	Address of Registered Office	Purpose	Share / Company's Capital	Date of Establishment / Consolidation	Participation rate (%)	Consolidation method
EPSILON HOSPITALITY S.A.	997993030	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of IT Services for Hotels and Tourism Businesses	60,000 shares of 1.00 € each	05.01.2009 (Establishment)	99.98%	Total Consolidation
EPSILON EUROPE PLC	-	2 Agias Fylaxeos & Zinonos Rossidi - Box 596 55 - 4011 - Limassol - Cyprus	Development of Group Activities in Europe	300,000 shares of 1.00 € each	23.01.2009 (Establishment)	99.97%	Total Consolidation
EVOLUTIONSNT PLC	-	80 Strafford Gate Potters Bar - Herts - United Kingdom - EN6 1PG	Development of Group Activities in Europe	2,035,345 shares of £1.00 each	26.09.2012 (Establishment)	99.956% (indirect holding)	Total Consolidation
EVOLUTIONSNT (UK) LTD	GB 196927251	80 Strafford Gate Potters Bar - Hertfordshire - England - EN6 1PG - United Kingdom	Development of Group Activities in Europe	1,000 shares of £1.00 each	02.10.2014 (Establishment)	100.00% (indirect holding)	Total Consolidation
EPSILON HR S.A.	800714373	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Information Technology Services	25,000 shares of 1.00 € each	22.02.2016 (Establishment)	65.00%	Total Consolidation
EPSILON SUPPORT CENTER S.A.	801201067	5-7 Andromachis Street - 562 24 - Evosmos - Thessaloniki	Provision of Information Technology Services	20,000 shares of 10.00 € each	02.08.2019 (Establishment)	51.00%	Total Consolidation
HOTELIGA INTERNATIONAL Sp. Z O.O.	PL 6751621616	Al. Jana Pawla II 43b 20 31-864, Krakow, Poland	Provision of Information Technology Services	143 shares of PLN 50.00 (€) each	21.07.2020 (Acquisition)	51.00%	Total Consolidation
DATA COMMUNICATION S.A.	094394893	P. Tsaldari & 2 Zaimi Streets - 151 27 - Melissa - Attica	Provision of Information Technology Services	3,750,000 shares of 0.53 € each	27.10.2020 (Acquisition)	100.00%	Total Consolidation
EPSILON SINGULARLOGIC S.A.	801490198	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Information Technology Services	10,025,000 shares of 1.00 € each	20.01.2021 (Establishment)	60.00%	Total Consolidation
TECHNOLIFE Ltd	095630714	6 Agisilaou Str. - 542 50 - Charilaou - Thessaloniki	Provision of Information Technology Services	350 shares of 100.00 € each	07.06.2021 (Acquisition)	60.00%	Total Consolidation
SYSTEM SOFT S.A.	094396444	304-306 Mesogeion Avenue- 155 62 - Cholargos	Information Technology and Business Organization	23,182 shares of 2.59 € each	01.03.2021 (Absorption completed on 14.07.2021)	100.00% (indirect holding)	Total Consolidation
IQOM S.A.	998360794	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Retail Trade Information Technology Services	25,000 shares of 1.00 € each	14.09.2021 (Acquisition)	80.00% (indirect holding)	Total Consolidation
PROFESSIONAL COMPUTER SERVICES S.A.	095674330	304-306 Mesogeion Avenue & 1 Dedousis Ave. - 155 62 - Cholargos	Provision of Information Technology Services for the Financial Sector	100,000 shares of 3.00 € each	10.11.2021 (Acquisition)	88.00%	Total Consolidation
EPSILON CSA S.A.	095455041	29 Al. Panagouli Str.- 153 43 - Ag. Paraskevi	Provision of Pharmacy Information Technology Services	7,000 shares of 10.00 € each	11.01.2022 (Acquisition)	100.00%	Total Consolidation
DIGITAL 4U S.A.	800503730	350 Syngrou Avenue, P.C. 176 74, Athens	Internet Marketing	245,000 shares of 1.00 € each	12.04.2022 (Acquisition)	60.00%	Total Consolidation
EPSILON SUPPORT CENTER ATHENS S.A.	801819802	196 Mesogeion Avenue, 155 61 - Cholargos	Provision of Information Technology Services	7,000 shares of 10.00 € each	28.04.2022 (Establishment)	60.00%	Total Consolidation



<b>EPSILON SINGULARLOGIC CYPRUS LTD</b>	<b>CY 10434026G</b>	70 Kyrillou Loukareos Str.- KAKOS TWR 2FL - 4156 - Kato Polemidia	Provision of Information Technology Services	50,000 shares of 1.00 € each	09.05.2022 (Establishment)	100.00%	Total Consolidation
<b>TAXHEAVEN S.A.</b>	<b>998811352</b>	64 Apostolopoulou Street - 152 31 - Chalandri - Attica	Online Information Services	900 shares of 30.00 € each	02.06.2022 (Acquisition)	60.00%	Total Consolidation
<b>HOTELIGA S.A.</b>	<b>801886654</b>	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Information Technology Services	25,000 shares of 1.00 € each	29.07.2022 (Establishment)	51.00%	Total Consolidation
<b>HOTEL AVAILABILITIES LTD</b>	-	178 Seven Sisters Road, London, N7 7PX	Provision of Information Technology Services	100 shares of £1.00 each	01.08.2022 (Acquisition)	70.00%	Total Consolidation
<b>BOOKONLINENOW P.C.</b>	<b>800793950</b>	304-306 Ionias & 124 Perikleous Street - 174 56 - Alimos - Prefecture of Attica	Provision of Information Technology Services	2,000 shares of 10.00 € each	01.08.2022 (Acquisition)	55.00%	Total Consolidation
<b>HOTELONCLOUD LTD</b>	-	3 Archiepiskopou Makariou III, Mesa Geitonias, 4000 Limassol, Cyprus	Provision of Information Technology Services	1,000 shares of 1.00 € each	08.09.2022 (Acquisition)	55.00%	Total Consolidation
<b>HOTEL AVAILABILITIES S.A.</b>	<b>801954225</b>	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Information Technology Services	25,000 shares of 1.00 € each	03.11.2022 (Establishment)	70.00%	Total Consolidation
<b>SINGULARLOGIC ROMANIA COMPUTER APPLICATION SRL</b>	<b>RO 11582087</b>	Str. Dr. Iacob Felix, no.57, Et. 3, Sector 1, Bucuresti - ROMANIA	Provision of Information Technology Services	7,000 shares of RON 13.00 each	22.12.2022 (Acquisition)	60.00%	Total Consolidation
<b>HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.</b>	<b>094524157</b>	350 Syngrou Avenue, 176 74 Kallithea	Provision of Information Technology Services	86,020 shares of 2.93 € each	20.12.2019 (Acquisition)	34.00%	Net Position
<b>SINGULARLOGIC S.A.</b>	<b>997985169</b>	3 Achaïas & Troizinias - 145 64 - Kifissia - Attica	Provision of Information Technology Services	9,000,000 shares of 1.00 € each	11.01.2021 (Acquisition)	39.93%	Net Position
<b>INFOSUPPORT S.A.</b>	<b>094429098</b>	8 Doiranis Street - 113 62 - Kypseli - Attica	Marketing of Computerization Systems	23,196 shares of 30.00 € each	01.03.2021 (Absorption completed on 14.07.2021)	34.00% (indirect holding)	Net Position
<b>SANTORINI DREAMS P.C.</b>	<b>801583538</b>	125-127 Kifissias Avenue - 115 24 - Ampelokipoi	Tourist Agency	1,300 shares of 100.00 € each	12.04.2022 (Acquisition)	40.00% (indirect participation)	Net Position
<b>INFOSUPPORT BUSINESS S.A.</b>	<b>996648536</b>	8 Doiranis Street - 113 62 - Kypseli - Attica	Provision of Information Technology Services	5,000 shares of 30.00 € each	03.10.2022 (Composition by Partial Split)	34.00% (indirect holding)	Net Position

The subsidiaries belonging to the Group are presented below:

The Cyprus-based subsidiary “EPSILON EUROPE PLC” holds a 99.99% stake in “EVOLUTIONSNT PLC” and a 100.00% stake in “EVOLUTIONSNT (UK) LTD”, both based in England.

In addition, the parent company holds a 65% stake in the subsidiary EPSILON HR S.A., which is active in the production and marketing of software specializing in the field of human resources information systems.

In addition, the parent company holds a 99.983% stake in EPSILON HOSPITALITY S.A. (formerly EPSILON PYLON S.A.), which is active in the IT sector for hotels and tourism businesses.

In August 2019, the limited liability company “EPSILON SUPPORT CENTER S.A.” was established with the name “EPSILON SUPPORT CENTER S.A.” and the distinctive title “EPSILON SUPPORT CENTER S.A.”, in which the parent company holds a 51% stake. The purpose of the subsidiary is the development and support of software projects implemented with software produced by the parent company.

In July 2020 the parent company acquired 51% of the shares of HOTELIGA International sp. Z o.o., established in Poland. HOTELIGA International is a specialized IT company, which has successfully created and developed IT products in a web environment. The subsidiary operates in the market of hospitality software, pms, paperless hotel systems and travel technology, a highly demanding market that is changing and evolving rapidly at an international level.

In October 2020, the parent company, consistently following the path of continuous expansion and strengthening its growth model, proceeded with the acquisition of 80% of the share capital of DATA COMMUNICATION S.A., a company active in the provision of integrated IT solutions to businesses and organizations of the private and public sector, as well as to accounting firms. "DATA COMMUNICATION S.A." was included for the first time in the consolidated financial statements of 31/12/2020 using the full consolidation method. Furthermore, on 24/5/2021 the parent company acquired the remaining 20% of the share capital of DATA COMMUNICATION S.A., holding now 100% of the share capital.

On 20/01/2021, the subsidiary company with the name "EPSILON SINGULARLOGIC INFORMATION COMPANY S.A." and the distinctive title "EPSILON SINGULARLOGIC S.A." was established, with an initial shareholding of the parent company of 57.60%. Subsequently, by the decision of the Extraordinary General Meeting of the shareholders of "EPSILON SINGULARLOGIC S.A." of 18/06/2021, the share capital of the company was increased by the amount of 10.000.000,00€, due to the spin-off of the parent company's business, the business and ERP applications developed using the PYLON platform and more specifically the products Pylon Commercial, Pylon ERP, Pylon CRM, Pylon Shop, Pylon Auto Service, Pylon Auto & Moto Cube, Pylon Retail, Pylon Retail, Pylon Entry, and its Contribution to "EPSILON SINGULARLOGIC S.A.". 10,000,000 new ordinary registered shares were issued, all of which were subscribed by the parent company. Following this increase, the parent company's shareholding amounted to 99,89% of the total share capital of EPSILON SINGULARLOGIC S.A. On 29/6/2021, the parent company transferred 32,39% of EPSILON SINGULARLOGIC S.A. to the existing shareholder Space Hellas S.A. Subsequently, by the decision of the Extraordinary General Meeting of the shareholders of "EPSILON SINGULARLOGIC S.A." of 06/07/2021, the share capital of the company was increased by the amount of 7.500.000,00€ due to the Partial Demerger with Absorption of the business of the proprietary software for commercial applications for enterprises and Enterprise Resource Planning (ERP) of "SINGULARLOGIC S.A." and its transfer to EPSILON SINGULARLOGIC S.A. 7,500,000 new ordinary registered shares were issued, all of which were subscribed by the shareholders of the Demerged Company, in proportion to their shareholdings in the Demerged Company (pro rata). Following this increase and the subsequent decision of the Extraordinary General Meeting of the Shareholders of EPSILON SINGULARLOGIC S.A. of 27/08/2021, the participation of the parent company amounted to 60.00% of the total share capital of "EPSILON SINGULARLOGIC S.A.".

Among the components of the self-produced software for business applications and Enterprise Resource Planning (ERP) systems of the company "SINGULARLOGIC S.A." which due to the demerger was transferred/incorporated into the subsidiary EPSILON NET S.A., "Epsilon SingularLogic S.A.", was also the participation of "SINGULARLOGIC S.A." with a share of 66% in its subsidiary company, with the name "SYSTEM SOFT COMMERCIAL SOCIETE ANONYME FOR INFORMATION TECHNOLOGY AND BUSINESS ORGANIZATION" and the distinctive title "SYSTEM SOFT S.A." Subsequently, with the private transfer agreement of 30/12/2021, the remaining 34% share of "SYSTEM SOFT S.A." from "Epsilon SingularLogic S.A." which thus became the sole shareholder of "SYSTEM SOFT S.A." holding now 100% of its shares.

In June 2021, the parent company implemented the acquisition of a 60% majority stake in the company "TECHNOLIFE LIMITED LIABILITY COMPANY" with registered office. "TECHNOlife Ltd" which is active in providing integrated business solutions in the field of business software.

In September 2021, the parent company announced that its subsidiary Epsilon SingularLogic S.A. completed the acquisition of a majority 80% stake in the company "A. Triantaphyllidis - D. Zachos General Partnership" with the distinctive title 'iQom', which at the same time was automatically transformed into a limited partnership in accordance with the provisions of Article 126 par. 1, section a, Law 4601/2019, under the name "IQOMLtd" with the distinctive title "iQom". Subsequently, on 09/12/2021 the above company was converted, in accordance with the provisions of article 104 et seq. of Law 4601/2019 and Law 4548/2018 to a public limited company, with the name "IQOM Information Technology SA" and with the distinctive title: "IQOM SA" The subsidiary company of EPSILON NET S.A., "Epsilon SingularLogic S.A.", holds an 80% stake in the joint stock company "IQOM S.A."

In November 2021, the parent company acquired an 88% stake in the company with the name "PROFESSIONAL COMPUTER SERVICES SA" and the distinctive title "PROFESSIONAL C.S. SA which is active in the provision of specialized IT solutions to companies in the financial sector.

**In January 2022** the Parent Company **EPSILON NET** acquired **100% stake** of the company under the name EPSILON CSA S.A. (formerly "SOTIRIS MATSOUKAS INFORMATION S.A.") and the distinctive title "CSA" which is active in the development of specialized IT solutions and automation systems **for pharmacies** and companies active in the field of marketing & distribution **of medicines** in Greece. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In April 2022**, the parent company EPSILON NET S.A. acquired 51% of the company "DIGITAL 4U S.A., PROVISION OF INTERNET, INFORMATICS AND ADVERTISING SERVICES", with the distinctive title "DIGITAL 4U", a specialized provider of solutions and services in the fields of e-Commerce & Digital Marketing. DIGITAL 4U was founded in 2013, with the aim of developing an integrated Online Communication Strategy for every business.

At the same time, at the General Meeting of DIGITAL 4U S.A. on 14/04/2022, it was decided to increase the share capital of the company, after the completion of which Epsilon Net's share in **DIGITAL 4U**'s share capital increased to **60%**. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In May 2022**, the Group announced the establishment of the 2nd Epsilon Support Center based in Athens, following the significant success of the 1st Epsilon Support Center in Thessaloniki. The parent company EPSILON NET S.A. participates in the new company with a 60% holding. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In the same month**, the Group's new subsidiary, EPSILON SINGULARLOGIC CYPRUS LTD, was founded with headquarters in Limassol, Cyprus, aiming, in direct cooperation with all the companies of the Epsilon Net Group, to promote and support both the existing installed applications of the group in the Cyprus market and the promotion of new software applications aimed at this market. The parent company EPSILON NET S.A. participates in the new company with a 100% holding in its share capital which amounts to 50,000.00. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**At the beginning of June 2022**, the acquisition of a 60% holding in TAXHEAVEN S.A., a provider of information on financial and tax issues, was completed. TAXHEAVEN S.A. was founded in 2007 and is one of the largest Greek companies providing information, training, and database management services for knowledge management systems for businesses, as well as for accounting firms. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In July 2022**, the Epsilon Net group proceeded to the establishment of Hoteliga SA, based in Thessaloniki. Epsilon Net SA has a 51% holding in Hoteliga SA. The company shall operate in the Hospitality Software market with the aim of offering modern technological management solutions to hotels and accommodation in Greece and abroad. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In August 2022**, the parent company EPSILON NET S.A. acquired a 70% holding in the English company "**Hotel Availabilities Ltd**", which is active in the development of **Channel Manager** systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In the same month**, the parent company EPSILON NET S.A. completed the acquisition of a 55% holding in the company "**BookOnlineNow Single-Member Capital Company**", which is active in the development of Online booking (**booking engine**) systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In September 2022**, the parent company EPSILON NET S.A. completed the acquisition of a 55% holding in the Cypriot company "**HotelonCloud Ltd**", a **strategic distributor of BookOnlineNow abroad**. **The company was included for the first time in the consolidated financial statements as of 31/12/2022.**

**In November 2022**, the establishment of HOTEL AVAILABILITIES S.A. based in Thessaloniki was completed. The parent company EPSILON NET S.A. participates in the new company with a 70% holding. The new company

is active in the development of Channel Manager systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

In December 2022, the parent company EPSILON NET S.A. acquired a 60% holding in the Romanian company "Singularlogic Romania Computer Application SRL". The company is active in the promotion of business software applications and the provision of installation and configuration services to companies of all purposes and sizes in the Romanian market. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

### **B. Other Companies Consolidated by the Net Position Method**

By the Share Transfer Agreement dated 20.12.2019 between the main shareholder of the Company "HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA", "HIT EXELIXIS INTEGRATED HOTEL - TOURISM APPLICATIONS AND WEB CONTENT S.A." and the parent company, eighty-six thousand twenty (86,020) registered shares were transferred, with a nominal value of two euros and ninety-three cents (€ 2.93) each, representing thirty-four percent (34%) of the share capital and voting rights of "HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA".

In January 2021 the parent company acquired SINGULAR LOGIC - in the spirit of creative cooperation with SPACE HELLAS SA - acquiring a 49.835% holding each. Further and after the demerger of the proprietary software business of the company "SINGULARLOGIC S.A.", with the transfer to the subsidiary company of EPSILON NET S.A., "Epsilon SingularLogic S.A.", in exchange for the acquisition by the Shareholders of the Demerged Company of a corporate interest in the Transferee Company, and the transfer of shares from the Parent Company in the amount of 10.03% of the total share capital of SINGULARLOGIC S.A.E. to SPACE HELLAS S.A. in the context of the implementation of the strategic plan for SingularLogic S.A. announced on 01.03.2021, the parent company's stake in SINGULARLOGIC S.A., was formed to 39.934% of the total share capital.

Also, among the components of the proprietary software for business applications and Enterprise Resource Planning (ERP) systems, the company "SINGULARLOGIC S.A." which due to the demerger was transferred/incorporated into EPSILON NET S.A.'s subsidiary "Epsilon SingularLogic S.A.", was also the 34% holding of "SINGULARLOGIC S.A." in the company INFOSUPPORT S.A.

On 12-4-2022, the parent company EPSILON NET S.A. completed the acquisition of 51% of the company "DIGITAL 4U S.A." and the distinctive title "DIGITAL 4U", a specialized provider of solutions and services in the fields of e-Commerce & Digital Marketing. At the same time, at the General Meeting of DIGITAL 4U S.A. dated 14/04/2022, it was decided to increase the company's share capital, after the completion of which Epsilon Net's share increased to 60% of the share capital in DIGITAL 4U.

The company DIGITAL 4U also participated in the capital of the private capital company with the name "SANTORINI DREAMS TOURIST AGENCY PRIVATE CAPITAL COMPANY" and the distinctive title "SANTORINI DREAMS TOURIST AGENCY", with the General Commercial Number (GEMI) 159579201000 and VAT 801583538, located in the Municipality of Athens, Attica, at 125-127 Kifissias Street, and legally represented, from the date of establishment of the second on 31-5-2021 with a 40% share.

On 3-10-2022, the decision of the General Commercial Register (G.E.M.I.), with Registration Number 3090858, number 9176 - 03/10/2022 of the GEMI Service of our Chamber of Commerce was registered in the General Commercial Register (Online Posting Number: 6ZHN469HEΘ-3Ξ0), which approved the establishment of a new societe anonyme under the name "INFOSUPPORT BUSINESS S.A.", with the distinctive title "INFOSUPPORT BUSINESS S.A." and with GEMI registration number: 165026101000, which resulted from the partial demerger and transfer of the segment "Production of Software Programs for the Private Sector" of the company named "TRADE IN MACHINE ORGANIZATION SYSTEMS - COMMERCIAL S.A." with the distinctive title "INFOSUPPORT S.A." and G.E.M.I. number 001637601000, pursuant to the provisions of Law 4601/2019, of the Law 4548/2018, of case b of paragraph 3 of article 54 of Law 4172/2013 and article 61 of Law 4438/2016.

The Group's subsidiary company "Epsilon SingularLogic S.A.", participated, as described above, in the company "INFOSUPPORT S.A." with a 34% holding. Following the above actions, Epsilon SingularLogic SA participates with the same percentage in the newly established "INFOSUPPORT BUSINESS S.A.».

The companies that are consolidated using the net position method are listed below:

#### HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.

- Registered office - 350 Syngrou Avenue, P.C. 176 74, Athens, Attica

#### INFOSUPPORT S.A.

- Registered office- 8 Doiranis Street, P.C. 113 62, Kypseli, Attica
- Branch - 64 Evvoias Street, P.C. 113 62, Kypseli, Attica
- Branch - 41 Marinou Antypa, P.C. 555 35, Thermi, Thessaloniki, Greece

#### SINGULARLOGIC S.A.

- Registered office- 3 Achaia & Troizinias - 145 64, Kifissia, Attica
- Branch - 9th km Thermi - Thessaloniki - 570 01, Thermi, Thessaloniki

#### SANTORINI DREAMS Private Capital Company

- Registered office - 125-127 Kifissias Avenue - 115 24 - Ampelokipoi



- Registered office- 8 Doiranis Street, P.C. 113 62, Kypseli, Attica

### **C. Other Equity Interest Companies**

EPSILON NET participates, since its foundation, in Technopolis Thessaloniki S.A., which is the creator of the first High Technology Business Park in Greece. It is estimated that through this participation, in the future, significant synergies and investment opportunities will be achieved, due to the concentration of notable companies in the IT sector in this Park.

Similarly, the Group's subsidiary EPSILON SINGULARLOGIC participates, through the segment that it absorbed from SingularLogic S.A. during the financial year 2021 in the following companies:

- AKROPOLIS S.A. - High Technology and Research Business Park, and
- TECHNOPOLIS THESSALONIKIS S.A. - High Technology Business and Research Park.

The company AKROPOLIS S.A. is also held by the Group's subsidiary DATA COMMUNICATION.

Participation in the above companies is for the same reasons as for the parent company.

## **5) INVESTMENTS - DEVELOPMENT**

### **Research and development activities of the company**

The Company and the Group are actively engaged in Research and Development. In fact, they have an organized department staffed by IT scientists and involved in the different phases of Research & Development of High Technology products.

The Company and the Group have been implementing for many years the Quality Management System (QMS) ISO 9001, the main objective of which is to improve the overall performance of the Group's companies and to create a strong basis for sustainable development initiatives. With the implementation of ISO 9001, the overall framework of the Group's companies' operation is evaluated with the goal of customer service and satisfaction. It also increases productivity and efficiency within the respective legislative and regulatory frameworks and identifies risks and opportunities for improvement. ISO 9001 is in many cases a prerequisite for the participation of the Group's companies in public tenders, cooperation with private companies and the export of products and services.

The scope of application of the QMS in the Group's Companies is: "Marketing, Design and Production of Software and Customer Support Products, as well as the Design, Implementation and Management of Training Programs."

Also, from 2020, the Company applies in its operational activity the ISO/IEC 27001 standard, specifying the requirements for the design, implementation, maintenance, monitoring and continuous improvement of an Information Security Management System. Based on the specifications of this system, the Company can responsibly manage and protect its valuable assets containing business and personal information.

## 6) TRANSACTIONS WITH RELATED PARTIES

The amounts of the parent company's movements arising from transactions with its related parties, in accordance with IAS 24, during the period from 01.01 to 31.12.2022 are as follows:

Company Name	2022										2021												
	Balance at 01.01	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses		
EPSILON NET S.A.	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
... (Other companies listed in the table)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>TOTAL</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>

The following companies are not consolidated with the EPSILON NET Group:

SINGULARLOGIC CYPRUS LTD

SINGULARLOGIC BULGARIA C.A.EOOD.

FINANCIAL AND IT SOLUTIONS Limited Partnership

FINANCIAL PUBLICATIONS Limited Partnership

SCAN S.A.

TAX-RIGHT LTD

The amounts of the Group's and the Company's transactions with directors and members of management, in accordance with IAS 24, at the end of the current period are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
Amounts in €				
Transactions and remuneration of Directors and Management Members	2,730,684.27	1,689,182.93	656,389.80	563,863.14
Claims from Directors and Management Members	40,916.01	42,227.17	8,900.01	4,273.01
Obligations to Directors and Management Members	4,960.00	14,860.32	-	14,860.32

## 7) SHAREHOLDERS - SHARE CAPITAL - POWERS OF THE BOARD OF DIRECTORS - ARTICLES OF ASSOCIATION

### Significant direct or indirect participations according to Law 3556/2007

The shareholders, natural or legal persons, who directly or indirectly hold more than 5% of the share capital are the following:

Shareholder	Number of Shares	% in the Capital Share
Ioannis Michos	34,100,000	62.91%
BARCA GLOBAL MASTER FUND, L.P.	4,384,166	8.09%
Shareholders with % < 5%	15,715,834	29.00%
<b>Total</b>	<b>54,200,000</b>	<b>100.00%</b>

### Restrictions on the transfer of the Company's shares

The transfer of the Company's shares is carried out as defined by the Law and there are no restrictions on the transfer of the Company's shares, as they are intangible registered shares listed on a stock exchange.

### Structure of the Company's share capital

On July 10, 2020, the Public Offering, and the allocation of 2,224,560 new common nominal shares of the Company was completed and the total number of shares of the Company amounted to 13,400,000.

On November 3, 2021, the reduction of the nominal value of each share of the Company from €0.30 to €0.075 was approved, with a simultaneous increase of the total number of shares from 13,400,000 to 53,600,000 common registered shares (split) and the replacement of each one (1) old common registered share with four (4) new common registered shares. Following the reduction of the nominal value of the Company's shares, the share capital of the Company remained unchanged and amounts to €4,020,000, divided into 53,600,000 common nominal shares, each with a nominal value of €0.075.

According to the minutes of the Company's Board of Directors dated 05/03/2022, which were registered on 12 - 05 - 2022 in the General Commercial Registry (G.E.MH.) with Registration Number 2859664, the Company's Board of Directors decided to increase its share capital, by the amount of €45,000.00, which will be paid in cash by the beneficiaries within the framework of the established Stock Options Plan and the issuance of 600,000 new common registered shares with €0.075 nominal value each and the difference between the issuing price of the new shares and their nominal value, amounting to €315,000.00, transferred to a special reserve account with the indication "share premium account". According to the minutes of the Company's Board of Directors dated 05/03/2022, which were registered on 05-13-2022 in the General Commercial Registry (G.E.MH.) with Registration Number 2860373, the Company's Board of Directors certified in accordance with articles 20 and 113 of Law 4548/2018 the full and complete coverage and payment of the amount of the aforementioned increase in the Company's share capital.

Following these, the Company's share capital amounts to four million sixty-five thousand Euros (€4,065,000) and is divided into fifty-four million two hundred thousand (54,200,000) common registered shares, with €0.075 nominal value each.

### **Shares conferring special control rights**

They do not exist.

### **Restrictions on voting rights**

They do not exist.

### **Agreements of the Company's shareholders**

The Company is not aware of any agreements between its shareholders that entail restrictions on the transfer of its shares or on the exercise of voting rights attached to its shares.

### **Rules for the appointment and replacement of Board members and amendment of the Articles of Association**

The rules provided for in the Company's Articles of Association for the appointment and replacement of the members of the Board of Directors do not differ from those provided for in Law 4548/2018.

### **Power of the Board of Directors or certain Members of the Board of Directors to issue new shares or to purchase own shares pursuant to Article 49 of Law 4548/2018**

The Annual General Meeting of the Company's shareholders on 30/06/2022 approved the purchase of own shares by the Company, pursuant to article 49 of Law 4548/2018 and in accordance with the following terms: i) the Company will be entitled, within a period of twelve (12) months from the date of the decision of the General Meeting, i.e. until 30/06/2023, to purchase own shares of up to 5% of the total paid-up share capital of the Company and ii) the maximum purchase price of the Company's treasury shares will be twenty euros (€20.00) per share and the minimum purchase price will be two euros (€2.00) per share. It also authorized the Board of Directors of the Company to determine the specific terms and conditions and the relevant details for the acquisition of own shares and, in general, to take all necessary actions for the implementation of the above mentioned.

In the meantime, on 02/09/2022, the Own Share Purchase Program, which was approved in accordance with the provisions of article 49 of Law 4548/2018 by the Annual General Meeting of the Company's Shareholders on 2 September 2020, was completed and during it the Company did not acquire any own shares.

As of 31 December 2022, the date of the Annual Financial Statements, the Company does not hold any treasury shares.

### **Significant agreements that enter into force are amended or terminated in the event of a change of control following a public offering.**

There are no agreements that come into force, are amended, or expire in the event of a change of control of the Company following a public offering.

**An agreement that the Company has entered with members of its board of directors or with its employees that provides for compensation in the event of resignation or dismissal without just cause or termination of their term of office or employment due to the public offering.**

They do not exist.

## **8) IMPORTANT EVENTS THAT HAVE HAPPENED TO DATE**

### **Important events concerning the financial year 2022**

**10-01-22:** The Parent Company **EPSILON NET** acquired **100% holding** of the company under the name EPSILON CSA S.A. (formerly "SOTIRIS MATSOUKAS INFORMATICS S.A.") and the distinctive title "CSA" (hereinafter referred to as "**CSA**"), which is active in the development of specialized IT solutions and automation systems **for pharmacies** and companies active in the field of marketing and distribution **of pharmaceutical products** in Greece. **CSA** has been developing software for small and large commercial enterprises since 1985, continuously investing in cutting-edge technologies and human resources to ensure that its applications offer a high level of usability and interoperability.

**07-02-22:** Epsilon Net Group announces the certification of Epsilon Training (the Group's business unit for the provision of training services to professionals and business executives) in the wider Microsoft training partner network.

This certification is a focal point in the Group's strategy for providing integrated solutions in technology and digital transformation, confirms the high level of experience and expertise of its executives and its ever-increasing dynamics in the fields of innovation and development. All training programs, which will be delivered by certified Microsoft Certified Trainers (MCTs), are aimed at IT professionals, Developers in Greece & Cyprus and executives who want to advance in the relevant technology fields. A parallel objective of Epsilon Training is the gradual development of online training programs for the entire Southeast European region.

**08-02-22:** Epsilon SingularLogic S.A. and SingularLogic S.A. were awarded the project for the supply of Fuel Retail applications with the Galaxy Retail platform for the 350 self-operated Shell service stations of Coral S.A., following an international tender. The implementation of the project for the 350 Shell stations of Coral S.A. was completed on 31/1/2022, according to the initial 10-month schedule.

**14-02-22:** Epsilon Net Group was awarded 1st place in the category "Business Innovation" in the HRIMA 2021 Business Awards.



**25-02-22:** The subsidiary of PCS Group S.A. was named "FINTECH of the Year", winning eight awards at this year's Digital Finance Awards 2022. The excellent performance of PCS SA for 2021 was rewarded in the best possible way at the annual "Digital Finance Awards 2022".

**23-03-22:** The Board of Directors of the company "EPSILON NET", in execution of the authorization granted by the Annual General Meeting of the shareholders of June <sup>30</sup>, 2021, at its meeting of March 23, 2022, has established a stock option plan (hereinafter the "Plan"), for the allocation of shares through stock options to Executives of the Management and Personnel of the Company and its affiliated companies within the meaning of article 32 of Law 4308/2014, in accordance with the current regulatory framework. The specific terms, procedure and regulations of the Plan were posted in due time on the Company's website.

**05-04-22:** The parent company Epsilon Net S.A. has proceeded with the purchase of a stand-alone building complex of 7,244sqm with a plot area of 2,942sqm, in the area of Eastern Thessaloniki, specifically on 92 Georgikis Scholis Avenue, 3.5 km from Thessaloniki International Airport. The company has already started the study for the development of the property and its reconstruction, according to the necessary technological and architectural specifications. The new building complex, which will feature modern, high-quality infrastructure, will house all the functions of the company's headquarters as well as the new technological structures that the Group is developing and more specifically:

- 1) The Group's headquarters and administrative services as well as all the personnel employed in Thessaloniki
- 2) The Group's Digital Technology Centre, which will initially focus on the areas of INFORMATION SYSTEMS, FINTEC & ANALYTICS
- 3) The Group's incubator, which is currently being established, aiming to attract young scientists in the context of the Group's collaborations with the country's academic institutions, the exploitation of scientific capital and the strengthening of start-up entrepreneurship and small business schemes.

**12-04-22:** The parent company EPSILON NET S.A. completed the acquisition of 51% of the company "DIGITAL 4U S.A." and the distinctive title "DIGITAL 4U", a specialized provider of solutions and services in the fields of e-Commerce & Digital Marketing. DIGITAL 4U was founded in 2013, with the aim of developing an integrated Online Communication Strategy for every business. It has extensive experience in creating e-shop/e-Commerce solutions, both in construction/optimization and promotion, offering a full range of solutions, depending on the objectives of each business.

At the same time, at the General Meeting of DIGITAL 4U S.A. dated 14/04/2022, it was decided to increase the company's share capital, after the completion of which Epsilon Net's share increased to **60%** of the share capital in **DIGITAL 4U**.

**03-05-22:** The Group announced the establishment of the 2nd Epsilon Support Center based in Athens following the significant success of the 1st Epsilon Support Center in Thessaloniki. The parent company EPSILON NET S.A. participates in the new company with a 60% holding. The "Epsilon Support Centers" aim, in direct cooperation with the service departments of the Epsilon Net Group companies, to serve exclusively the partners - members of the Group's network, providing B2B specialized services, enhancing their support at all levels and offering solutions related to the analysis & implementation of projects, after sales support, programming solutions in the Group's technological solutions.

**09-05-22:** The new subsidiary of the EPSILON SINGULARLOGIC CYPRUS LTD group was established with headquarters in Limassol, Cyprus, aiming, in direct cooperation with all the companies of the Epsilon Net Group, to promote and support both the existing installed applications of the group in the Cyprus market and the promotion of new software applications aimed at this market. The parent company EPSILON NET S.A. participates in the new company with a 100% stake, in its share capital amounting to 50,000.00.

**09-05-22:** For eight consecutive years EPSILON NET Group has been among the top companies with the best working environment in Greece, winning the 4th place in the category of companies with more than 250 employees by the internationally recognized organization Great Place to Work.

**26-05-2022:** The parent company EPSILON NET S.A. announces that on Tuesday 31/05/2022 the trading on the Athens Exchange of 600,000 new common nominal shares of the Company, resulting from the recent increase of its share capital by 45,000 euros, which corresponds to the nominal value of the new shares (i.e., 600,000 shares x 0,075 euros) and by 315,000 euros above par. This increase is due to the exercise of the rights of the Stock Option Plan by five hundred and fifty-nine (559) Executives of the Management and Personnel of the Company and its affiliated Companies, at a share issue price of 0.60 euros, in accordance with the decision of the Annual General Meeting of the shareholders of 30.06.2021 and the relevant resolutions of the Board of Directors of the Company of 23.03.2022 and 28.03.2022.

**31-05-22:** At the end of May, the informative workshop held by Epsilon Net Group and Info Quest Technologies with the support of Microsoft on "Recovery Fund: Vouchers Program (VOUCHERS) for the Digital Transformation of Small and Medium Enterprises".

**02-06-22:** At the beginning of June, the acquisition of 60% of TAXHEAVEN S.A., a provider of information on financial and tax issues, was completed. TAXHEAVEN S.A. was founded in 2007 and is one of the largest Greek companies providing information, training, and database management services for knowledge management systems for businesses, as well as for accounting firms.

**15-06-22:** EPSILON NET Group demonstrates in practice the timelessness of its people-oriented management strategy and its emphasis on the values of transparency, cooperation, and equality, by signing the Diversity Charter, an action that promotes the acceptance of diversity and the policy of equal opportunities in the workplace.

**16-06-22:** EPSILON NET Group and skrouz.gr, the largest online shopping platform in Greece, announce their strategic cooperation. The partnership starts with the integration of Epsilon Smart, the No.1 web solution for e-invoicing, and Pylon ERP, the ultimate ERP solution for the digital transformation of businesses, with the skrouz.gr platform, offering the most appropriate sales solution through one application.

**30-06-22:** At the end of June, the Annual General Meeting of EPSILON NET S.A. shareholders was convened and approved all the items on the agenda.

**01-07-22:** Epsilon Net Group provides comprehensive support to businesses in their harmonization with the requirements of the "Digital Job Card". The new Information System ERGANI II launches the implementation of the new measure of Digital Job Card. More than 120,000 employees of companies in the first phase of the new measure (banks and supermarkets with more than 250 employees) now send their starting and finishing times to ERGANI II electronically. The measure will be implemented gradually to all businesses of the country with the aim of having a complete and direct picture, daily, of the employment of all employees in Greece within 2023.

**28-07-22:** Epsilon Net Group, announces the entry of Epsilon Training, the Group's business unit for the provision of training services to professionals and business executives, in the Network of examination centers of Pearson VUE products Microsoft products. As an official body of Technical Education "Microsoft Learning Center" Epsilon Training is now a testing center for the delivery of Certified Technical Training programs for all Microsoft products and technologies, including Azure, SQL Server, SharePoint Server, Windows Server, Exchange Server, Microsoft Security, Visual Studio, Office 365. Pearson VUE, through its global network of testing centers and partnerships, provides exams of high reliability and integrity, helps prepare candidates with counseling, scenario-based workshops, practice tests, and more, and continuously develops leading testing technologies that ensure progress through credentials in virtually every industry.

**29-7-2022:** The Epsilon Net Group proceeded to the establishment of the company Hoteliga SA, based in Thessaloniki. Epsilon Net SA has a 51% stake in Hoteliga SA, as well as Ms. Evangelia Basakari and Mr. Dimitris Van Leusden with a 24.5% stake each. The company shall operate in the Hospitality Software market with the aim of offering modern technological management solutions to hotels and accommodation in Greece and abroad.



**24-08-22:** Epsilon Training, a member of Epsilon Net Group, announces the launch of the new Training Program entitled "Diploma in Advanced Taxation" in Greek, awarded by the Association of International Accountants (A.I.A.) after an examination in Greek. The program leads to international certification, with the award of a professional training qualification in specific tax law and tax planning. The Diploma in Advanced Taxation is fully aligned with the requirements and current developments in the field of Taxation, providing all the specialized knowledge required for the comprehensive practice of the profession of Tax Consultant and Financial Services Executive.

**09-09-2022:** The EPSILON NET Group among the top 10 companies in Europe for the working environment in "Europe's Best Workplaces 2022". The EPSILON NET Group received one of the most important distinctions in its history, as it won the 10th place in the category of large companies (500+ employees) in the Europe's Best Workplaces 2022, among thousands of companies from all over Europe that claimed the distinction. With the motto #PeopleHaveThePower, EPSILON NET Group is among the leading companies with the best working environment in Europe for the third time and even with the highest position of a Greek company in the institution.

**13-09-2022:** EPSILON NET announced the completion of the agreement to acquire a majority stake in three business software companies, specializing in the field of technology systems for the dynamic tourism sector. Specifically, the Group's parent company acquired:

- 70% of the share capital of the English company "HOTEL AVAILABILITIES Ltd", which is active in the development of Channel Manager systems for hotels and tourist accommodation.
- 55% of the share capital of the Greek company "BookOnlineNow IKE", which is active in the development of online booking engines for hotels and tourist accommodation and
- 55% of the Cypriot company "Hotel on Cloud Limited", BookOnlineNow's strategic distributor abroad.

These moves are part of the Group's growth policy in dynamic vertical markets and the creation of an integrated portfolio of product solutions and services, aiming at the full coverage of the needs of the Greek market and the gradual development of corresponding solutions for abroad. With the addition of the new companies' products, the Group now has the most complete palette of "all in one solution" for the tourism industry in Greece.

**15-09-22:** As part of the annual business awards "Thales of Miletus" Mrs. Vasiliki Anagnostou, Deputy Managing Director of EPSILON NET Group, was awarded the business award "Senior Executive". The award ceremony took place on Friday 9 September at the Thessaloniki Concert Hall. A total of 12 awards were presented to Greek women who stood out for their professional, business, and scientific activity in Greece and abroad.

**27-09-22:** Global Distinction for the "Epsilon Smart" family of applications at the "Global Innovation & Tech Excellence Awards WITSA 2022". Recognizing the high level of technological and business innovation of the Epsilon Smart family of applications, the nomination of "Epsilon Smart | On Cloud Platform for SMEs" was named Award Winner by the World Innovation and Technology Services Association WITSA, in the category "Digital Opportunity/Inclusion Award (Private Sector/NGO)",

**29-09-22:** EYDAP S.A. the largest company in Greece operating in the water market, has once again trusted EPSILON NET Group for its complete transition to digital transformation. The company has chosen Epsilon Digital, the automated, technologically innovative and secure SaaS service of a certified Electronic Invoicing Provider, ensuring direct connection with IAPR and optimal management of communication with the myDATA platform of IAPR.

**05-10-22:** More than ten distinctions, including the top distinction "ICT Company of the Year", were awarded to EPSILON NET Group companies at the "BITE Awards 2022", as a reward for the high technological level and the dynamic expansion of the Group. For the 11th consecutive year, the Group confirmed its high level of recognition in the most important awarding institution for technological innovation in Greece, receiving a total of 4 GOLD, 6 SILVER and 2 BRONZE awards for the successful development of the Group, the innovative services and IT systems it offers, as well as the successful implementation of specialized and complex corporate IT projects.

**10-10-22:** 85% of the companies that participated in phase A of the measure have chosen EPSILON HR applications. The Digital Job Card, the most serious reform in the labor sector with a huge impact on the daily life of thousands of employees and businesses, started to be implemented gradually from 1/7/22 in a "special group" of large companies and with full implementation for companies of the first phase from 1/11/2022.

**24-10-22:** Epsilon Smart Ergani: EPSILON NET Group presents the Epsilon Smart Ergani, the new cloud service for the management of the requirements arising from the Digital Time & Labor Card measure for all SME Enterprises, whether they have an internal payroll or are supported by accounting offices. Epsilon Smart Ergani is the only cloud solution on the market for the Digital Work Card that connects Employee-Employer-Comptroller online.

**16-11-22:** EPSILON NET has entered into a strategic cooperation agreement with the National Bank of Greece ("ETE") Group. The Company and the National Bank of Greece signed a Memorandum of Understanding (MoU) that provides for the conclusion of a long-term, exclusive cooperation between EPSILON NET and ETE for the joint development of technological applications and products in the fields of Business Software, fintech, the automation of electronic payments and the wider exploitation of the opportunities arising in the context of the digital transformation of the Greek economy. Among other things, the direct interconnection of EPSILON NET's ERP applications with the systems of NBG, utilizing its advanced Open Banking platform in Embedded Finance.

### **Significant events after the end of the financial year 2022 and up to the date of publication of the Annual Report**

**30-01-23:** EPSILON NET Group, the catalyst of the digital transformation of Greek businesses, and Epsilon SingularLogic, one of the Group's leading companies with many years of experience in large and complex IT projects, present the new PYLON Hybrid platform, the "gamechanger" of the new digital era! The PYLON platform, with more than 20,000 installations and the most award-winning ERP in the market, has been developed with the most modern development tools and already holds a leading position in business software solutions in the private sector of the Greek IT market. The platform's development and evolution team, following the global trend of multi-level technological development, presents the new PYLON platform beard, in which the newest and most important advantage is the complete integration of hybrid technology – Hybrid. The hybrid technology ensures that access, use and operation of all systems can be done both through clients and from Web explorer or mobile apps, while it also contributes to the rapid development of any custom application according to the needs of the business. Regardless of size and industry, every business that adopts the PYLON Hybrid solution, acquires full coverage of its needs, either on premise or in a cloud environment by leveraging MICROSOFT and Microsoft Azure technologies.

**06-03-23:** With the aim of strengthening the presence of the Epsilon Net Group in the global market of information systems for hotels & tourism units, Epsilon Hospitality participates as an exhibitor in the ITB 2023 which will be held by 7 to 9 March at the exhibition center Berlin ExpoCenter City. The exhibition brings together leading tourism companies from around the world to present top-end practices and trends for the tourism industry, providing a comprehensive framework for the networking of tourism businesses and leading industry professionals from around the world.

**14-03-23:** EPSILON NET Group announces the acquisition by the parent company of 80% of the company OROSIMO INFORMATION S.A. . The company was founded in 1992 in Thessaloniki and operates both in Greece and in the Balkans (with emphasis on the Romanian market, where it has a subsidiary). It specializes in the implementation of complex IT projects and installation of ERP, CRM, Supply Chain Management in medium & large enterprises with emphasis on activities in the industry, logistics, transport in Greece & abroad, and in the development of special software solutions & systems that meet the specific needs of its customers.

Specifically, EPSILON NET S.A. acquires 80% of the share capital of OROSIMO INFORMATION S.A. from the founders of the company, Mr. Argyriadis Theodoros and Mr. Argyriadis Dimitrios, who will retain the remaining 20% of the share capital and will continue to exercise their management duties in the same way as before, contributing with their many years of experience to the new development cycle of the company. The total price of the investment amounts to EUR 1,360,000. The completion of the acquisition of OROSIMO INFORMATICS is part of the strategic planning of EPSILON NET Group, for the increase of its clientele and the provision of customized 360o solutions in special categories of activity in Greece & abroad.

### **Impact of the COVID-19 pandemic**

The Group continues to closely monitor the developments regarding the COVID-19 pandemic in order to adapt to the specific circumstances that arise to deal with and limit its spread and has complied promptly and fully with the official instructions of the competent authorities. The operation of the offices was in line with the legislation in force at the time and in accordance with the guidelines and protocols of the National Public Health Organization in Greece (EODY). At the same time, where necessary, management and the relevant managers took appropriate information, prevention and protection measures to limit the spread of the COVID-19 pandemic.

The impact on the Group's financial performance is considered negligible and did not cause any problems in the service of its customers and partners and, more generally, in the operation of the Group's companies throughout 2022.

### **Impact of the energy crisis**

The Group monitors developments related to the energy crisis to adapt to the specific circumstances that arise. The cost of energy for the operation of the Group's facilities is affected by the large increases observed internationally but is a very small part of the operating costs.

## **Impact of the Russo-Ukrainian war**

Regarding developments in Ukraine, the Group states that it has no subsidiaries, parent or affiliated companies based in Russia or Ukraine, nor does it have any significant transactions with related parties from Russia or Ukraine. The Group also declares that it has no significant customers or suppliers or subcontractors or partners from Russia or Ukraine and does not maintain accounts or have loans with Russian or Ukrainian financial institutions.

Apart from the events already mentioned, there are no events subsequent to the Financial Statements as at 31 December 2022 that relate to the Group, to which reference is required by International Financial Reporting Standards (IFRS).

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## **FINANCIAL RISK MANAGEMENT**

### **a) Significant judgments, estimates and assumptions**

The preparation of the Financial Statements requires the use of estimates and assumptions that may affect the carrying amounts of assets and liabilities and the required disclosures of contingent assets and liabilities as well as the amount of income and expenses recognized. The Group's and the Company's activities give rise to various financial risks such as credit risks, liquidity risks and market risks.

The Group's and the Company's strategy and policy is to prevent and minimize the adverse effects that may result from the above risks.

The financial products mainly used by the Group and the Company include trade receivables accounts, deposits with banks, trade receivables discount accounts, investments in securities and accounts payable. The finance department, in cooperation with the other departments facing these risks, is responsible for identifying, assessing and, where necessary, hedging them.

The use of adequate information and the application of subjective judgement are integral to making estimates in asset valuations, employee benefit obligations, impairment of receivables, open tax liabilities and pending litigation. The estimates are considered important but not binding. Actual future results may differ from these estimates. The most significant sources of uncertainty in management's accounting estimates relate mainly to unaudited tax years. Other sources of uncertainty are related to management's assumptions regarding the post-employment benefit plans such as salary increases, remaining years of service, inflation, etc. Another source of uncertainty is the estimate of the useful life of fixed assets. The above estimates and assumptions are based on management's experience to date and are reassessed to ensure that they are updated to reflect current market conditions.

## **(b) Significant contingencies and risks**

### **Current Economic Developments in Greece**

The digital transformation that is currently taking place in both the private and the wider public sector is the most important factor in the development of the market under consideration. The new international trends that dictate the shift of businesses to Cloud Computing (which is a more flexible way of providing software compared to on-premises software) and the utilization of their data also affect the domestic market. Furthermore, the mandatory implementation of the electronic transmission of documents and the implementation of electronic books (myData) for all businesses by the Independent Public Revenue Authority, the mandatory implementation of digital working hours for all businesses that employ staff and the expected universal implementation of the digital work card, is driving the developments of the digital transformation of businesses at a faster pace. The ability to use software applications via mobile applications and the need to operate businesses remotely, especially during the COVID-19 pandemic, are creating new conditions in the business software market. Finally, the global energy crisis and the war between Russia and Ukraine, created serious shortages of raw materials and tradable goods in all European countries and in Greece, which makes it more necessary than ever for businesses to be computerized with modern systems and software applications that help them to better manage their stocks, optimize their operational organization and manage their production structures more efficiently.

### **Risks related to the macroeconomic environment**

On 11 March 2020, the World Health Organization (WHO) officially declared COVID-19, the disease caused by a coronavirus strain, / COVID 19 as a pandemic.

Both the Greek and the global economy are still facing the impact of the COVID -19 pandemic to a lesser extent than in previous years.

The Group's Management has taken care of the appropriate planning to deal with this situation by monitoring and evaluating the current development to respond immediately. In this context, the Group's Management has concluded that the impact of the pandemic on sales and the Group's operation in general is manageable to the extent that it does not raise doubts regarding the Group's ability to continue its activity smoothly.

Furthermore, on February 24, 2022, hostilities between Russia and Ukraine began, which continues to this day and has further exacerbated the increase in energy prices and raw material costs that began in the last months of 2021, creating strong inflationary pressures and great uncertainty at the global level.

The Group and the Company do not operate in these countries, however, in any case, the Group's Management continuously and always examines the conditions created in the Greek economy, which also affect the IT market, adjusts its strategy, and moves with the long-term interests of the company's stakeholders in mind. At the same time,

all the group's companies are not affected by the hostilities between Russia and Ukraine as they are not active in these two countries.

- **Market risk**

Market risk, which includes currency risk, due to changes in exchange rates, the risk of fluctuations in the value of a financial instrument due to changes in market interest rates and price risk, i.e. the risk of fluctuations in the value of a financial instrument as a result of changes in market prices, whether caused by factors specific to the particular instrument or its issuer or by factors affecting traded instruments in the market in general.

Although there is a risk to the Company, which arises mainly from trading in foreign currencies, management does not use financial instruments to mitigate this risk because it does not consider the transactions to be significant due to their value and frequency. However, on an annual basis, the Company's position regarding the above risk is reassessed and the need to use specific financial instruments to mitigate it is evaluated.

*i. Exchange rate risk*

Almost all the Group's and the Company's transactions are denominated in euros whenever there is no exposure to foreign exchange risk.

*ii. Market Interest Rate Risk and Price Risk*

The Group and the Company hold interest-bearing financial assets such as demand and time deposits and equity securities. In addition, it is the management's policy that the Company's and the Group's borrowing products are of variable interest rate. Even though there is a risk for the group and the company, the management does not use financial instruments to reduce this risk, as it uses its high cash reserves as a tool to guarantee long-term loans with the benefit of further reducing the variable interest rate.

However, on an annual basis, the company's position about the above risk is reassessed and the need to use specific financial instruments to mitigate it is evaluated.

*iii. Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

For the Group and the Company, this risk mainly comes from long-term loans, of which those with variable interest rates expose the Group to cash flow risk, while those with fixed interest rates expose the Group to the risk of changes in the fair value of these loans. It is the Group's and the Company's policy to enter loans at variable interest rates, hedging future cash flow risk with changes in the prices of its goods sold when significant changes in interest payments on loans are expected. At the same time, the Group uses its high cash reserves as a tool to guarantee long-term loans, with the benefit of further reducing the variable interest rate.

- **Credit Risk**

Credit risk, where there is a possibility that one party to a financial instrument may default on its obligation, causing financial loss to the other party. The Group and the Company are not significantly exposed to credit risk, because on the one hand, wholesale sales are made to reliable customers with a positive credit history and on the other hand, the method of payment for retail sales is mainly cash.

The Group's and the Company's transactions with customers are developed after assessing their solvency and reliability to avoid problems of late payments and bad debts. Customer credit limits are monitored at regular intervals and reset if necessary. Receivables from customers are highly diversified and therefore credit risk is kept to a minimum. The fair value of financial assets at the close of the balance sheet as at 31/12/2022 is as shown below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Customers and other trade receivables	36,613,940.17	25,759,722.32	11,630,666.34	8,033,171.60
Impairment	(7,803,510.46)	(6,815,105.39)	(1,828,085.36)	(1,264,964.68)
	<b>28,810,429.71</b>	<b>18,944,616.93</b>	<b>9,802,580.98</b>	<b>6,768,206.92</b>

At the close of the Balance Sheet as at 31/12/2022, the Management considers that there is no credit risk that is not covered by an impairment provision.

It should be noted that the increase in the Group's receivables as at 31/12/2022 is due, on the one hand, to the inclusion of the receivables of the new subsidiaries consolidated for the first time using the full consolidation method in the current financial statements and, on the other hand, to the new sales of software applications that peaked in the last 2 months of the financial year.

- **Liquidity risk**

Liquidity risk arises from the potential difficulties in raising funds to cover liabilities related to financial instruments. The Group and the Company have a low exposure to liquidity risk as they have sufficient cash and cash equivalents to cover short-term liabilities and a positive net cash position of EUR 6.37 million. The ratio of current assets to current liabilities for the Group as at 31/12/2022 was 168.14% compared to 164.30% as at 31/12/2021 and for the Company as at 31/12/2022 was 151.20% compared to 163.78% as at 31/12/2021.

The following table presents the maturity analysis of the Group's and the Company's financial liabilities:



**GROUP**

(Amounts in €)

	31.12.2022			
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Lending	8,634,684.04	7,817,013.68	-	16,451,697.72
Lease obligations	777,455.41	1,700,651.77	1,346,438.05	3,824,545.23
Trade and other payables	26,292,363.07	139,425.06	-	26,431,788.13
	<b>35,704,502.52</b>	<b>9,657,090.51</b>	<b>1,346,438.05</b>	<b>46,708,031.08</b>

	31.12.2021			
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Lending	6,797,811.77	8,910,038.66	-	15,707,850.43
Lease obligations	607,241.10	1,439,135.83	124,357.75	2,170,734.68
Trade and other payables	20,193,603.76	141,675.62	-	20,335,279.38
	<b>27,598,656.63</b>	<b>10,490,850.11</b>	<b>124,357.75</b>	<b>38,213,864.49</b>

**COMPANY**

(Amounts in €)

	31.12.2022			
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Lending	4,483,000.00	2,614,107.81	-	7,097,107.81
Lease obligations	255,126.71	457,159.06	106,317.75	818,603.52
Trade and other payables	12,075,799.71	132,897.30	-	12,208,697.01
	<b>16,813,926.42</b>	<b>3,204,164.17</b>	<b>106,317.75</b>	<b>20,124,408.34</b>

	31.12.2021			
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Lending	3,029,302.72	4,358,329.78	-	7,387,632.50
Lease obligations	316,732.77	595,644.10	133,131.16	1,045,508.03
Trade and other payables	9,419,065.69	132,897.30	-	9,551,962.99
	<b>12,765,101.18</b>	<b>5,086,871.18</b>	<b>133,131.16</b>	<b>17,985,103.52</b>

• **Other Operational Risks**

Property and other risks insurance coverage is considered adequate as of 31/12/2022 for the Group and the Company. In addition, the Group and Company's management has established an adequate and reliable internal control system to prevent risks in the context of its commercial operations.

## • Capital Management

The Company's objectives in relation to capital management are to ensure its ability to operate smoothly in the future to provide satisfactory returns to shareholders and other stakeholders and to maintain an ideal capital allocation thereby reducing the cost of capital.

In order to maintain or adjust its capital structure, the Company may change the dividend of shareholders, return capital to shareholders, issue new shares or sell assets to reduce its debt.

In line with similar industry practices, the Company monitors its capital based on its leverage ratio. This ratio is calculated by dividing net borrowing by total capital employed. Net borrowings are calculated as “Total borrowings” (including “Short-term and long-term borrowings” and the balance of lease liabilities as shown in the statement of financial position) minus “Cash and cash equivalents”. Total employed capital is calculated as “Equity” as shown in the balance sheet plus net borrowings.

The leverage ratio as of December 31, 2022, and 2021, respectively, was as follows:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<i>(Amounts in €)</i>				
Total borrowings (Note 22)	16,451,697.72	15,707,850.43	7,097,107.81	7,387,632.50
Lease liabilities (Note 23)	3,824,545.23	2,170,734.68	818,603.52	1,045,508.03
Minus:				
Cash and cash equivalents (Note 20)	26,648,940.18	23,354,155.02	12,878,613.48	12,367,725.81
Net borrowing amount	(6,372,697.23)	(5,475,569.91)	(4,962,902.15)	(3,934,585.28)
Total equity	58,295,000.52	41,454,664.98	47,445,931.56	37,336,092.75
Total employed capital	51,922,303.29	35,979,095.07	42,483,029.41	33,401,507.47
Leverage factor	(12.27%)	(15.22%)	(11.68%)	(11.78%)

## 9) NON-FINANCIAL INFORMATION ACCORDING TO L. 4548 / 2018

### i. Brief description of the business model

Epsilon Net S.A. is a rapidly growing group of companies, which has been active since 1999 in the IT sector, with the development of software applications (Software), the installation and configuration of complex IT projects in the private sector (integration), the creation of digital content on the internet and the provision of integrated scientific information, as well as training and education on issues related to tax and labor legislation and jurisprudence and employs more than 1,200 employees.

The Company has been listed on the Alternative Market of the Athens Exchange since 2008 and from 2020 it is listed on the main market of the Athens Exchange, due to its transfer. The products of the Epsilon Net group of companies are currently trusted by more than 132,000 customers (accounting firms and businesses), while it has an ever-growing network of more than 500 partners throughout Greece.

The business model adopted by EPSILON NET S.A. aims to achieve maximum performance through the partnership of its Business Units and its subsidiaries, maintaining flexibility, competitiveness and strategic moves that will ensure a dynamic response to the challenges of the constantly evolving market, mainly in the field of IT and high-tech products.

## ii. Vision, Objectives, Core Values and Strategy

### Vision:

*"To establish the Group as a reference point in the IT sector - at a national and international level, providing every business unit with modern software applications that will help them in their digital transformation and in the optimal use of information for their maximum growth, as well as unlimited access to scientific information and knowledge, making the most of the possibilities provided by high technology".*

### Mission:

*"To follow the developments in the technology and information society, creating specialized and reliable products and high-quality services, in order to cover the needs of all business units in a comprehensive way".*

### Corporate Values:

- **Reliability and High-Quality products:** In a rapidly changing business environment, businesses need technologically advanced and reliable software systems that provide innovative solutions and security.
- **Commitment to the Customer:** We form not just formal business transactions but build strong relationships of cooperation and trust with our clients.
- **Respect, Dignity & Equality:** We respect every employee, having as our primary concern the assurance of meritocracy, with emphasis on teamwork and cooperation, offering a pleasant working environment.
- **Continuous training and scientific documentation:** We encourage a culture of continuous self-learning and encourage all employees to participate in any activity that develops their skills and knowledge. We stand by our position on scientific documentation that underpins all activity and operation of the organization.
- **Smile and "passion":** They are a source of inspiration and creativity throughout the life of the company and the Group.
- **Optimism:** We see every crisis as an opportunity and a new challenge, and with optimism we find solutions and become better.
- **Creativity:** With positive energy, ingenuity, and passion for technology, we design and create products and solutions for all businesses regardless of size.
- **Value Creation:** Creating value for all stakeholders and shareholders of the Company.

### Comparative advantages:

- We provide integrated solutions that cover all the needs of the business regardless of size and scope.
- Significant investment in new technology (Hybrid Technology) over the last 6 years leading to the creation of the Pylon platform and the software applications developed based on it.
- Products that cover all businesses regardless of size and industry.
- Modern information and knowledge products and services that combine effectively with software products.



- Provision of specialized training services for business executives that enable participants to effectively deepen their understanding of the changes taking place at the tax and employment level and the assimilation of knowledge.
- High-level management team.
- Management with vision and strategy.
- Commitment to the principles of corporate governance.

**Strategy:**

Epsilon Net Group's strategy concerns both the level of business development and expansion and the development and provision of integrated IT solutions and services. In particular, the areas on which it focuses with targeted actions are:

- Strengthening of the people-centric management model and further utilization of the Company's and the Group's human resources, aiming at organic growth and the ability to support the requirements of the Group's growing customer base.
- Expansion in Greece and abroad through technological partnerships for the use of the PYLON platform (ISV partnership agreement).
- Expanding market share in the accounting and tax category through the consistent provision of support services, information, and innovative solutions.
- Development of sales in the areas of Human Resources (HR) and payroll systems by extending solutions to specialized business categories and objects of personnel monitoring, training, and evaluation.
- Development of sales in businesses with needs for new business software systems, which include:
  - a) Enterprise Resource Planning (ERP) systems,
  - b) Customer Relationship Management Systems (CRM), and c) Commercial Applications.
- Comprehensive approach and coverage of the needs of "very small" and "small" and "individual" businesses and traders in the Greek market, which, due to the new framework of "Digital Transformation" implemented by IAPR for electronic books (myDATA) and electronic invoicing, but also the mandatory implementation of digital working hours and the gradual implementation of the digital work card, will also proceed to the digitization and monitoring of their financial activities.
- Expansion of the customer base by covering specialized needs for software applications in vertical markets to modernize and digitally transform these businesses.
- Strengthening cooperation with alternative channels for the distribution of products in the Greek market.
- Exploiting the hybrid technology of the PYLON platform and expanding it to modern technologies and applications in the field of Financial Technology (FinTech).
- Maintaining adequate liquidity by expanding commercial partnerships and exploiting the Group's comparative advantage in the industry.

- Continuous increase in the operational efficiency of the business activities of the Group's companies in combination with the cost advantages that stem from the maximization of synergies within the Group.
- Continuation of acquisitions and business agreements in vertical markets for the dynamic approach of the Group and the provision of modern software applications to all businesses, implementing in the best way the strategic model "all in one solution".

### **iii. Management of Sustainable Development issues**

We incorporate in our business activities the principles of sustainable development, recognizing that they form the basis for both the long-term growth and development of the Group and the parallel well-being of society. In this context, we apply a Sustainable Development Policy, through which the Group's Management is committed to the positive impact of the operation of the Group's companies in the social, human, labor, and environmental fields. The following are defined as fundamental commitments to corporate responsibility and sustainable development:

- In terms of the environment, the pursuit of optimal services with a view to protecting it.
- In terms of human resources, confidence in the abilities of staff and development of their skills, creating equal opportunities with respect for diversity.
- In terms of society, supporting local communities with actions that help to respond to local issues, concerns, and aspirations.
- In terms of the market, a commitment to the continuous improvement of the products and services provided.

### **Policies and Systems**

- The Group, with Sustainable Development in mind, has established and implements specific policies, procedures and codes that frame its responsible operation. They apply to:
  - Sustainable Development Policy
  - Internal Rules of Procedure
  - Code of Conduct and Business Ethics
  - Health and Safety Policy
  - Anti-Bribery and Corruption Policy
  - Anti-Money Laundering Policy
  - Recruitment process for the recruitment of managers & Evaluation of their Performance
  - Training policy for the members of the Board of Directors, the executives, and other executives of the Company
  - Procedure for disclosure of dependency relationships of independent non-executive members of the Board of Directors and persons with close links to them
  - Policy and procedures to prevent and deal with conflict-of-interest situations
  - Policy - Procedure for Transactions with Related Parties
  - Legislative and regulatory compliance framework

- Procedures related to the application of Regulation (EU) 596/2014 on market abuse and Law 3556/2007 on transaction reporting
- Process for evaluating the corporate governance system
- Evaluation policy of the internal control system
- Policy - Risk Management process

#### **iv. Corporate Responsibility in the Epsilon Net Group.**

The Epsilon Net Group, through the Values that it stands for, develops, and creates value, in harmony with actions for society, employees and the environment, with responsibility and sensitivity for people.

#### **Corporate governance, transparency, and anti-corruption**

The Group believes that the proper application of the Principles of Corporate Governance is the key not only to the sustainable development of its Companies, but also to ensuring the satisfaction and safeguarding of the legitimate interests of all those associated with the Group's Companies. In this context, it operates with integrity in all its activities, adopting ethical business practices and conducting its activities in a transparent and reliable manner, consistently following the guidelines and instructions of the Internal Audit Department for all Group companies. Bribery or any other corrupt practices are expressly prohibited in our companies. In any case, the Company's Management is totally opposed to corruption, money laundering, bribery or any other unethical or illegal activity.

#### **Personal Data Protection**

At EPSILON NET the protection of our customers' Personal Data and the respect of the individual's privacy on the internet is an obvious commitment. We take all necessary organizational and technical measures required to ensure the security, availability and validity of our users' and customers' data.

***Personal data we collect:*** The Company collects and processes data solely for the purposes of its legal and proper operation and to offer its customers and internet users the best possible user experience.

***Cookies and Similar Technologies:*** The Company uses cookies (small text files placed on your device) and similar technologies and services that use your IP address to provide its web sites and mobile applications and online services.

***Use of Personal Data:*** The Company uses the data collected exclusively for the conduct of its business activities and the provision (including the improvement and personalization) of the products and services it offers, and for sending communications, including promotional material by e-mail or telephone (marketing, offers, etc.).

We do not share the data we collect with legal or natural persons except with the customer's consent.

***Period of processing of Personal Data:*** The storage and processing of data of customers and users of our services is only permitted by law or in accordance with the express consent of the users only for as long as required.

#### **Responsibility for Employees**

For the Epsilon Net Group, people constitute a wider family and are clearly its most important asset. Traditionally, the Group's approach is people-centric, and the development of an ideal working environment is a commitment of



the Group's Management for all its Companies. All employees of the Group, with a common vision, contribute to the achievement of the business goals set, having the Group always at the heart of technology. The constant concern for employees and their families has created a consistently award-winning work environment.

#### **- Human rights and equal opportunities**

Both the Company and the Group consider human rights to be the cornerstone of its operation. In this context, the Group, upholding the principles and values of human rights, prohibits any recruitment and employment of persons who are under the legal age for employment. The Group's Management is opposed to child labor and condemns all forms of forced and compulsory labor, and there is no question of such incidents occurring in any Group company.

Furthermore, Epsilon Net Group is committed to providing equal opportunities to all individuals regardless of gender, age, color, race, national origin, socio-economic background, religion, or political beliefs.

Proof of the above is that in the 20 years of the Group's operation, there has never been a recorded or reported incident or even a complaint of discrimination due to diversity, nor has there been any incident of child or forced labor or any kind of harassment.

#### **- Respect for workers' rights and freedom of association**

Employees' rights are fully respected and there is a climate of industrial peace. Trade union freedoms are not restricted in any way and every worker is free to join trade unions.

#### **- Education and development**

A key priority is the systematic education and training of employees. The continuous training opportunities that the Group offers to its employees are particularly important, both for the personal and professional development of its executives and employees, as well as for the achievement of business success, since in the constantly evolving IT sector to which the Group's companies belong, the daily enrichment of the knowledge base of its employees is essential. Every year, a training plan is drawn up, with the aim of fulfilling all the needs set by the employees themselves, by participating in training programs, to successfully meet the requirements of the latest technology. To meet the needs of the educational institution of Epsilon Net Training and Epsilon Net College, modern, certified training centers have been created in Thessaloniki and Athens, which with integrated logistical infrastructure and care in every detail, the company's training centers contribute to the goal of providing top-level professional training. In addition, staff are continuously evaluated by the relevant managers and the relevant reports are assessed by the Management for possible promotions, salary increases, employee transfers.

#### **-Health and safety at work**

The Group's Management, bearing the responsibility for the health and safety of its employees, ensures the necessary conditions that guarantee the health and safety of its employees. In this context, the Company and the Group employ an occupational physician, who examines the Company's personnel every month to confirm their fitness for work and in any case is available to all employees for personal health issues. In addition, to ensure

healthy and safe working conditions for all, it provides advice such as frequent breaks for those working at a computer, correct posture, etc.

Finally, the Group continuously invests in building infrastructure and in its facilities in Thessaloniki and Athens, in order to ensure easy access and exit, security and technological excellence, while throughout the year, visits are made by a Security Technician who supervises compliance with security rules.

### **Responsibility for the Environment**

Protecting the environment is everyone's business and Epsilon Net's Environmental Policy is applied to all aspects of the company's activity.

Proof of this is the placement of paper and battery recycling bins within the company, the incorporation of the phrase "think before you print" in the corporate personal signature of employees, the choice of special lamps for lighting the premises to save energy and scattered signs in the premises to remind everyone to turn off electronic devices, are some of the actions it has taken.

In this light and recognizing the criticality of the environmental problem, the Company and the Group do not burden the environment due to the nature of their activities (software development - provision of educational services). The IT sector and the provision of educational services do not provide specific environmental impact prevention procedures.

### **Responsibility for Society**

#### **-Employee volunteering and the Group's contribution to society**

Contribution, respect, and a responsible attitude towards the community is an integral part of the Group's culture and values from the very beginning of its operation.

The staff of the Group's Companies participate voluntarily in its actions, offering material, time, love and, above all, a warm embrace and a smile for all our fellow human beings in need. The actions that the Company organizes mainly concern the collection of essentials for institutions, actions for the protection of the environment and general actions to support institutions and non-governmental organizations.

In particular, the Company and the Group shall ensure and:

- Organize staff blood donations to provide blood and platelets directly to employees or relatives of employees and third parties.
- Collect plastic caps, which are given to associations and organizations to buy wheelchairs for our fellow citizens in need.
- During the Solidarity Week that is organized every year and the "Helping Santa" project that runs every Christmas, they stand by social groups that need help by collecting essentials, clothes, school supplies and toys, to give them to people in need and to the institutions that represent and care for them.



- Provide software programs and free training for their use to associations such as "To Hamogelo Tou Paidiou" (The Smile of the Child), Doctors Without Borders, "Environmental Centre ARCTUROS", "Spastics Society of Northern Greece".
- Organize a charity bazaar on its premises during the Christmas and Easter periods in cooperation with "To Hamogelo Tou Paidiou" (The Smile of the Child).
- Cooperate with educational institutions and provide access to their students to the company's premises to familiarize them with working conditions.
- Provide applications for learning accounting, tax, and labor issues in University Institutions of the country while at the same time, with its contribution, libraries of universities and technical colleges were enriched.
- Provide free training on its premises for new entrants to the labor market in the accounting sector.
- Actively support sports by actively supporting sports clubs through sponsorships.

In the Epsilon Net Group, we apply a business model in which the Group's development coexists harmoniously with corporate responsibility actions, with respect to people!

### **Substantive issues and contribution to the Global Goals for Sustainable Development**

EPSILON NET Group proceeded to the analysis and identification of the essential issues related to its activity, by Sustainable Development axis. This process ranked the material issues according to their impact on the Group's business in relation to the degree of importance assigned by shareholders. The assessment of these issues, which is based on the guidelines of the Global Reporting Initiative (GRI Standards), the Sustainability Accounting Standards Board (SASB) sectoral reporting framework, as well as the AA1000 standard of the international organization Accountability, is an important tool in the formulation and finalization of the Group's annual action plan. In addition, as we have recognized the importance of developing actions to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs), we have proceeded to link our substantive issues to the SDGs.

The Group has published the Sustainable Development Report for the year 2021, which includes the report of its activities in the broader context of ESG and all the actions of EPSILON NET Group companies regarding the Environment, Society and Governance.

The report is based on the standards of the ESG 2022 Disclosure Guide published by the Athens Exchange. ([https://ir.epsilonnet.gr/wp-content/uploads/2022/10/ekthesi-viosimis-anaptyxis\\_etous\\_2021.pdf](https://ir.epsilonnet.gr/wp-content/uploads/2022/10/ekthesi-viosimis-anaptyxis_etous_2021.pdf))

## Notifications according to the European Classification System (EU Taxonomy)

Within the framework of the provisions of the EU Taxonomy, the Group, by relating its economic activities to the activities included in the regulation on the European classification system (<https://ec.europa.eu/sustainable-finance-taxonomy/>), has identified as eligible for the taxonomy, the activity referred to as "62.01 - Computer programming activities" of the economic activity "Information and Communication" and the activity referred to as "85.5 - Other education" of the economic activity "Information and Communication". The specific categories that relate to climate change mitigation and adaptation objectives include the Group's activities related to

- designing the structure and content and/or writing the computer code necessary for the creation and implementation:
  - system software (including updates and code updates)
  - software applications (including updates and code updates)
  - databases
  - Websites
- software customization, i.e., modifying and configuring an existing application so that it is functional in the customer information system environment
- general continuing education and continuing vocational education and training for any occupation, or for self-development purposes.

The table below sets out the percentage of the Group's turnover, capital and operating expenditure relating to the economic activities eligible for classification under the requirements of Article 8 of the Classification Regulation and Article 10(2) of Article 8 Delegated Act:

Amounts in €	Turnover	%	Capital expenditure	%	Operating Expenditure	%
<b>Economic Activities Eligible for Classification</b>						
62.01 - Computer programming activities	73,628,037.18	98.03%	3,059,246.35	100.00%	54,019,114.72	98.53%
85.5 - Other training	1,479,288.73	1.97%	-	0.00%	778,976.56	1.42%
<b>Economic activities not eligible for classification</b>	-	0.00%	-	0.00%	27,513.21	0.05%
<b>Total</b>	<b>75,107,325.91</b>	<b>100%</b>	<b>3,059,246.35</b>	<b>100%</b>	<b>54,825,604.49</b>	<b>100%</b>

**Key performance indicator Turnover:** The percentage of classifiable economic activities as a percentage of total annual turnover has been calculated as the proportion of net turnover from sales linked to classifiable economic activities (numerator) divided by the net amount of consolidated turnover (denominator).

**Key performance indicator Capital Expenditure:** This Indicator is calculated as the ratio of capital expenditure relating to the economic activity eligible for classification (numerator) divided by total capital expenditure (denominator) on a consolidated basis. Total capital expenditure consists of additions to tangible and intangible fixed assets during the year, before depreciation, amortization, depreciation, and any measurement.

**Key performance indicator Operating costs:** This Indicator is calculated as the ratio of operating expenditure relating to the economic activity eligible for classification (numerator) divided by total operating expenditure (denominator) on a consolidated basis. Operating expenditure is defined as expenditure incurred for the purposes of the above activities.

### EU Taxonomy Work Cycle - Alignment of Economic Activities

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Percentage of turnover (4)	Criteria for a significant contribution						DNSH criteria ("no significant harm")						Minimum safeguards (17)	Percentage of turnover aligned with the taxonomy, year N (18)	Percentage of turnover aligned with the taxonomy, year N-1 (19)	Category (favourable activity) (20)	Category ("transition activities") (21)
				Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>		€	%	%	%	%	%	%	%	N/O	N/O	N/O	N/O	N/O	N/O	N/O	%	%	E	M
<b>A1 Environmentally sustainable activities (aligned with the taxonomy)</b>																				
Activity 1	62.01	75,628,037.18	98.03%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	O	O	O	N	O	O	O	100.00%	100.00%	E	
Activity 2	85.5	1,479,288.73	1.97%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	O	O	O	N	O	O	O	100.00%	100.00%	E	

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Percentage of turnover (4)	Criteria for a significant contribution						DNSH criteria ("no significant harm")						Minimum safeguards (17)	Percentage of turnover aligned with the taxonomy, year N (18)	Percentage of turnover aligned with the taxonomy, year N-1 (19)	Category (favourable activity) (20)	Category ("transition activities") (21)
				Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
<b>Turnover of environmentally sustainable activities (aligned with the taxonomy) (A1)</b>		€	%	%	%	%	%	%	%	N/O	N/O	N/O	N/O	N/O	N/O	N/O	%	%	E	M
62.01-85.5		75,107,325.91	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	O	O	O	N	O	O	O	100.00%	100.00%	E	
<b>A2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)</b>																				
Activity 1																				

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Percentage of turnover (4)	Criteria for a significant contribution						DNSH criteria ("no significant harm")						Minimum safeguards (17)	Percentage of turnover aligned with the taxonomy, year N (18)	Percentage of turnover aligned with the taxonomy, year N-1 (19)	Category (favourable activity) (20)	Category ("transition activities") (21)
				Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
<b>Activity 3</b>																				
<b>Turnover of activities eligible for the taxonomy but not environmentally sustainable activities (activities not aligned with the taxonomy) (A2)</b>																				
Total (A1 + A2)		75,107,325.91	100.00%														100.00%	100.00%	E	
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																				
<b>Turnover of activities not eligible for taxonomy (B)</b>																				
Total (A+B)		75,107,325.91	100.00%																	

(1) Activity 1 is eligible for taxonomy in its entirety. However, only a percentage of this is aligned with the taxonomy. Therefore, activity 1 can be reported under both A1 and A2. However, only the percentage referred to in A1 can be calculated as aligned with the taxonomy in the KPI turnover of the non-financial enterprise.

## Capital Expenditure of the EU Taxonomy - Alignment of Economic Activities

Economic activities (1)	Code(s) (2)	Absolute turnover (3)		Percentage of turnover (4)	Criteria for a significant contribution					DNSH criteria ("no significant harm")					Minimum safeguards (7)	Percentage of turnover aligned with the taxonomy, year N (18)	Percentage of turnover aligned with the taxonomy, year N-1 (19)	Category (favourable activity) (20)	Category ("transition activities") (21)
		€	%		Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)					
Operating costs of environmentally sustainable activities (aligned with the taxonomy) (A1)	62.01	3,059,246.35	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	N/O	N/O	N/O	N/O	N/O	%	%	E	M	
A2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																			
Activity 1																			
Activity 3																			

Economic activities (1)	Code(s) (2)	Absolute turnover (3)		Percentage of turnover (4)	Criteria for a significant contribution					DNSH criteria ("no significant harm")					Minimum safeguards (7)	Percentage of turnover aligned with the taxonomy, year N (18)	Percentage of turnover aligned with the taxonomy, year N-1 (19)	Category (favourable activity) (20)	Category ("transition activities") (21)
		€	%		Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)					
Operating costs of taxonomy-eligible but not environmentally sustainable activities (activities not aligned with the taxonomy) (A2)										N/O	N/O	N/O	N/O	N/O	%	%	E	M	
Total (A1 + A2)		3,059,246.35	100.00%																
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																			
Turnover of activities not eligible for taxonomy (B)																			
Total (A+B)		3,059,246.35	100.00%																

\* Activity 1 is eligible for taxonomy in its entirety. However, only percentage of this is aligned with the taxonomy. Therefore, activity 1 can be reported under both A1 and A2. However, only the percentage referred to in A1 can be calculated as aligned with the taxonomy in the KPI of capital expenditure of the non-financial corporations.

## Operating Costs of the EU Taxonomy - Alignment of Economic Activities

Economic activities (1)	Code(s) (2)	Absolute turnover (3)		Percentage of turnover (4)	Criteria for a significant contribution					DNSH criteria ("no significant harm")					Minimum safeguards (7)	Percentage of turnover aligned with the taxonomy, year N (18)	Percentage of turnover aligned with the taxonomy, year N-1 (19)	Category (favourable activity) (20)	Category ("transition activities") (21)
		€	%		Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)					
Operating costs of environmentally sustainable activities (aligned with the taxonomy) (A1)	62.01-63.5	34,790,991.28	99.95%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	N/O	N/O	N/O	N/O	N/O	%	%	E	M	
A2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																			
Activity 1																			
Activity 2																			

Economic activities (1)	Code (2)	Absolute turnover (3)	Percentage of turnover (4)	Criteria for a significant contribution							DNSH criteria ("no significant harm")							Maximum eligible (7)	Percentage of turnover aligned with the taxonomy, year N (18)	Percentage of turnover aligned with the taxonomy, year N-1 (19)	Category (favorable activity) (20)	Category ("transition activities") (21)
				Climate change mitigation (5)	Adapting to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)							
Operating costs of taxonomy-eligible but not environmentally sustainable activities (activities not aligned with the taxonomy) (A2)																						
<b>Total (A1 + A2)</b>		14,798,091.28	99.95%																			
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																						
Turnover of activities not eligible for taxonomy (B)		27,513.21	0.05%																			
<b>Total (A+B)</b>		14,825,604.49	100.00%																			

\*Activity 1 is eligible for taxonomy in its entirety. However, only a percentage of this is aligned with the taxonomy. Therefore, activity 1 can be reported under both A1 and A2. However, only the percentage referred to in A1 can be calculated as aligned with the taxonomy in the KPI operating expenses of the non-financial enterprise.

The accounting policies related to the preparation of the above tables are presented in Note 2 "Accounting Policies followed" of the Annual Financial Statements (Consolidated and Company) as of 31 December 2022. The financial statements of EPSILON NET Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). This section is included for the first time in the Non-Financial Statement, as required by Regulation (EU) 2020/852. The information presented follows the requirements of the Regulation and the delegated acts adopted. The relevant guidelines leave room for interpretation and are evolving, so EPSILON NET Group will monitor the developments and will adjust its approach accordingly in terms of the assumptions and methodology it applies.

## 10) KEY PERFORMANCE INDICATORS

### Financial Performance Indicators

The Company selects Financial Performance Indicators (FPIs) to provide comprehensive information to its shareholders and the investing public. The following FPIs are the most important, are widely used and the data for their extraction are derived from the financial statements:

<b>Group</b>		<b>2022</b>		<b>2021</b>	
1	GROSS PROFIT MARGIN	Gross Profit	48,663,559.05	65%	31,030,174.92
		Sales	75,107,325.91		50,511,276.57
2	NET PROFIT MARGIN BEFORE TAXES	Net Profit Before Taxes	21,419,213.25	29%	12,215,741.97
		Sales	75,107,325.91		50,511,276.57
3	RETURN ON EQUITY	Net Profit Before Taxes	21,419,213.25	37%	12,215,741.97
		Equity	58,295,000.52		41,454,664.98
4	CURRENT ASSETS / TOTAL ASSETS	Current assets	60,033,022.87	56%	45,343,863.71
		Total assets	106,497,744.16		80,820,786.58
5	DEGREE OF FINANCING OF FIXED ASSETS FROM OWN CAPITAL	Equity	58,295,000.52	273%	41,454,664.98
		Fixed assets	21,362,510.29		19,538,837.93
6	CIRCULATING LIQUIDITY INDEX	Current assets	60,033,022.87	168%	45,343,863.71
		Short-term liabilities	35,704,502.52		27,598,656.63
7	DEBT TO EQUITY	Total Liabilities	48,202,743.64	83%	39,366,121.60
		Equity	58,295,000.52		41,454,664.98
8	CONSOLIDATION INDEX	Fixed assets	21,362,510.29	20%	19,538,837.93
		Total assets	106,497,744.16		80,820,786.58
<b>Company</b>		<b>2022</b>		<b>2021</b>	
1	GROSS PROFIT MARGIN	Gross Profit	19,446,538.27	68%	11,590,842.57
		Sales	28,704,913.39		18,954,163.77
2	NET PROFIT MARGIN BEFORE TAXES	Net Profit Before Taxes	13,832,142.10	48%	6,872,944.28
		Sales	28,704,913.39		18,954,163.77
3	RETURN ON EQUITY	Net Profit Before Taxes	13,832,142.10	29%	6,872,944.28
		Equity	47,445,931.56		37,336,092.75
4	CURRENT ASSETS / TOTAL ASSETS	Current assets	25,422,682.40	38%	20,906,127.59
		Total assets	67,688,821.18		55,469,287.93
5	DEGREE OF FINANCING OF FIXED ASSETS FROM OWN CAPITAL	Equity	47,445,931.56	1418%	37,336,092.75
		Fixed assets	3,346,986.53		3,811,840.38
6	CIRCULATING LIQUIDITY INDEX	Current assets	25,422,682.40	151%	20,906,127.59
		Short-term liabilities	16,813,926.42		12,765,101.18
7	DEBT TO EQUITY	Total Liabilities	20,242,889.62	43%	18,133,195.18
		Equity	47,445,931.56		37,336,092.75
8	CONSOLIDATION INDEX	Fixed assets	3,346,986.53	5%	3,811,840.38
		Total assets	67,688,821.18		55,469,287.93

## Alternative Performance Measurement Indicators (APMs)

The Company selects Alternative Performance Measurement Indicators (APMIs) to provide comprehensive information to its shareholders and the investing public. The following APMIs are the most important, are widely used and the data for their extraction are derived from the financial statements:

### 1. EBITDA (Earnings before interest, taxes, financial and investment activities, depreciation, amortization, and impairment)

The EBITDA ratio is calculated from the financial statements as follows: "Gross operating profit" plus "Other operating income" less "Administrative expenses", "Research and development operating expenses", "Other operating expenses" and "Disposal operating expenses" before depreciation and any impairment. Depreciation for the period for the Group is presented in Note 28 of the financial statements.

	2022	2021
Gross operating profit	48,663,559	31,030,175
Other operating income	1,336,010	342,496
Administrative expenses	(2,495,421)	(1,287,127)
Operating costs of development studies	(15,416,252)	(9,737,118)
Disposal operating costs	(9,077,258)	(6,014,675)
Other Operating Expenses	(1,392,907)	(1,994,900)
Depreciation	3,435,757	2,754,729
Profit before tax, financial and investment income activities, depreciation, and impairment	<b>25,053,489</b>	<b>15,093,580</b>

### 2. Net Borrowing

A company's net borrowing or net debt is the difference between the company's total liabilities (short-term and long-term) for (bond and bank) loans and leases and, on the other hand, its cash and cash equivalents and financial investments.

<i><b>FINANCIAL DATA OF THE GROUP (€)</b></i>	<b>From 1<sup>st</sup> January to</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>
Long-term borrowing	7,817,013.68	8,910,038.66
Long-term liabilities	3,047,089.82	1,563,493.58
Short-term borrowing	8,634,684.04	6,797,811.77
Short-term lease liabilities	777,455.41	607,241.10
Cash and cash equivalents	(26,648,940.18)	23,354,155.02
<b>Net Borrowing</b>	<b>(6,372,697.23)</b>	<b>(5,475,569.91)</b>
Investment Portfolio Securities	(2,809,335.89)	0.00
<b>Total Net Borrowing</b>	<b>(9,182,033.12)</b>	<b>(5,475,569.91)</b>

### 3. Leverage factor

The leverage ratio calculates the percentage of a company's debt capital and shows the financial risk a company is exposed to, as excessive debt can lead to financial difficulties. It is derived from the ratio of net borrowing to Total Employed Capital. Total employed capital is equity plus net borrowings.

<i><b>FINANCIAL DATA OF THE GROUP (€)</b></i>	<b>From 1<sup>st</sup> January to</b>	
	<b>31/12/2022</b>	<b>31/12/2022</b>
<b>Net Borrowing</b>	<b>(6,372,697.23)</b>	<b>(5,475,569.91)</b>
<b>Equity capital</b>	58,295,000.52	41,454,664.98
<b>Total Employed Capital</b>	51,922,303.29	35,979,095.07
<b>Leverage factor</b>	-0.1227	-0.1522

## 11) ADDITIONAL INFORMATION

### Branches of the Company and the Group's Subsidiaries (in Greece and abroad)

The Group companies with headquarters in Greece have branches only in Greece, which are listed below:

#### EPSILON NET S.A.

- Headquarters & Thessaloniki Educational Centre - Byroad 87 17th November, P.C. 555 34, Pylaia, Thessaloniki, Greece
- Branch - 350 Syngrou Avenue, P.C. 176 74, Athens, Attica
- Branch / Educational Center of Athens – 120 Syngrou Avenue, P.C. 117 41, Athens, Attica, Greece
- Branch - 2 P. Tsaldari & Zaimi streets, P.C. 151 27, Melissa, Attica





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EPSILON HOSPITALITY S.A.

- Headquarters - 87 17th November Street, P.C. 555 34, Pylaia, Thessaloniki, Greece
- Branch - 350 Syngrou Avenue, P.C. 176 74, Athens, Attica

EPSILON HR S.R.O.

- Headquarters - 87 17th November Street, P.C. 555 34, Pylaia, Thessaloniki, Greece
- Branch - 350 Syngrou Avenue, P.C. 176 74, Athens, Attica

EPSILON SUPPORT CENTER S.R.O.

- Headquarters - 5-7 Andromachis Str., P.C. 562 24, Evosmos, Thessaloniki, Greece

DATA COMMUNICATION S.A.

- Headquarters - 2 P. Tsaldari & Zaimi Str., P.C. 151 27, Melissia, Attica

EPSILON SINGULAR LOGIC S.A.

- Headquarters - 87 17th November Street, P.C. 555 34, Pylaia, Thessaloniki, Greece
- Branch - 350 Syngrou Avenue, P.C. 176 74, Athens, Attica
- Branch - 2 P. Tsaldari & Zaimi streets, P.C. 151 27, Melissia, Attica

TECHNOLIFE S.R.L.

- Headquarters - 6 Agisilaou Str., P.C. 542 50, Charilaou, Thessaloniki, Greece

IQOM S.A.

- Headquarters - 87 17th November Street, P.C. 555 34, Pylaia, Thessaloniki, Greece
- Branch - 2 P. Tsaldari & Zaimi streets, P.C. 151 27, Melissia, Attica

SYSTEM SOFT S.A.

- Headquarters - 300 Mesogeion Avenue, P.C. 155 62, Cholongos, Attica

PCS S.A.

- Headquarters - 304-306 Mesogeion Avenue & 1 Dedousi Str., P.C. 155 62, Cholongos, Attica

EPSILON CSA SA

- Headquarters - 29 Al. Panagouli Str.- 153 43 - Ag. Paraskevi, Attica, Greece
- Branch - 2 Ptolemaiou Str., P.C. 152 38, Chalandri, Attica

DIGITAL 4U S.A.

- Headquarters - 350 Syngrou Avenue, P.C. 176 74, Athens, Attica

EPSILON SUPPORT CENTER ATHENS S.A.

- Headquarters - 196 Mesogeion Avenue, P.C. 155 61, Cholargos, Attica, Attica

TAXHEAVEN S.A.

- Headquarters - 64 Apostolopoulou Str., 152 31, Chalandri, Attica

HOTELIGA S.A.

- Headquarters - 87 17th November Street, P.C. 555 34, Pylaia, Thessaloniki, Greece

BOOKONLINENOW I.K.E.

- Headquarters - 124 Ionias Ave. & Perikleous Str., 174 56 , Alimos, Attica

HOTEL AVAILABILITIES S.A.

- Headquarters - 70 Agiou Nikolaou Str., 382 21, Volos, Magnesia

Similarly, the Group Companies with headquarters outside Greece have branches only in the countries of their headquarters, which are listed below:

EPSILON EUROPE PLC

- Headquarters - Agias Fylaxeos & 2 Zinonos Rossidi Str., P.C. 596 55, Limassol, 3015, Cyprus

EVOLUTIONSNT PLC

- Headquarters - 80, Strafford Gate, Potters Bar, Hertfordshire, EN3 1PG, England, United Kingdom

EVOLUTIONSNT (UK) LTD

- Headquarters - 80, Strafford Gate, Potters Bar, Hertfordshire, EN6 1PG, England, United Kingdom

HOTELIGA INTERNATIONAL SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOŚCIA

- Headquarters - Al. Jana Pawła II 43b 20 31-864, Krakow, Poland

EPSILON SINGULARLOGIC CYPRUS LTD

- Headquarters - 70 Kyriou Loukareos Str.- KAKOS TWR 2FL - 4156 - Kato Polemidia, Cyprus

HOTEL AVAILABILITIES LTD

- Headquarters - 178 Seven Sisters Road, N7 7PX, London, UNITED KINGDOM

HOTELONCLOUD LTD

- Headquarters - 3 Archiepiskopou Makariou III Str., Mesa Geitonia, 4000 Limassol, Cyprus

SINGULARLOGIC ROMANIA COMPUTER APPLICATION SRL

- Headquarters - Str. Dr. Iacob Felix, no.57, Et. 3, Sector 1, Bucuresti, Romania

## **12) EXPLANATORY REPORT OF THE ADMINISTRATIVE BOARD under Article 4, par. 7 of Law 3556/2007.**

### **a. Structure of the Company's share capital**

The share capital of the Company, as of 31 December 2022, amounted to EUR 4,065,000 divided into 54,200,000 common nominal shares, each with a nominal value of €0.075. From 2014 to 31/12/2021 the company's share capital changed as follows:

By the decision of the Annual General Meeting of 30.06.2014, it was decided to increase the Company's Share Capital by the amount of five hundred and two thousand eight hundred and ninety-four euros and eighty cents (€ 502,894.80) by capitalizing part of the reserve "Difference from the Issue of Shares above par" and by increasing the nominal value of each share of the Company by € 0.09. By the decision of the Annual General Meeting of 30.06.2014, it was decided to reduce the Company's Share Capital by the amount of five hundred and two thousand eight hundred and ninety-four euros and eighty-four cents (€ 502,894.80), by reducing the nominal value of each share of the Company by € 0.09. Following the decisions of the Annual General Meeting of 30.06.2014, the Company's Share Capital amounts to one million six hundred and seventy-six thousand three hundred and sixteen Euros (€ 1,676,316.00), divided into five million five hundred and eighty-seven thousand seven hundred and twenty (5,587,720) common nominal shares, each with a nominal value of thirty cents (€ 0.30).

By the decision of the Annual General Meeting of 30.06.2016, it was decided to increase the Company's Share Capital by the amount of five hundred and two thousand eight hundred and ninety-four euros and eighty cents (€ 502,894.80) by capitalizing part of the reserve "Difference from the Issue of Shares above par" and by increasing the nominal value of each share of the Company by € 0.09. By the decision of the Annual General Meeting of 30.06.2016, it was decided to reduce the Company's Share Capital by the amount of five hundred and two thousand eight hundred and ninety-four euros and eighty-four cents (€ 502,894.80), by reducing the nominal value of each share of the Company by € 0.09. Following the decisions of the Annual General Meeting of 30.06.2016, the Company's Share Capital amounts to one million six hundred and seventy-six thousand three hundred and sixteen Euros (€ 1,676,316.00), divided into five million five hundred and eighty-seven thousand seven hundred and twenty (5,587,720) common nominal shares, each with a nominal value of thirty cents (€ 0.30).

By the decision of the Extraordinary General Meeting of 19.12.2018, it was decided to increase the share capital of the company by the amount of € 1,676,316.00, with capitalization of the following reserves: 1) Tax Free Reserve of Law 2601/98, amount 1,371,092.40 €, 2) Special Tax-Free Investment Reserve Article 22 of Law 1828/89, amount 54,438.74€ and 3) Special Tax Free Investment Reserve Article 2 of Law 3220/04, amount 250,784.86€. The said increase will be carried out through the issue of 5,587,720 new registered shares, with a nominal value of € 0.30 each. Following the above decision, the Company's Share Capital amounts to three million three hundred and fifty-two thousand six hundred and thirty two euros (€3,352,632.00), divided into eleven million one hundred and seventy five

thousand four hundred and forty (11,175,440) common nominal shares, each with a nominal value of thirty cents (€0.30).

By the decision of the Extraordinary General Meeting of 19.12.2018, it was decided to increase the Company's Share Capital by the amount of four hundred forty-six thousand two hundred and one euros and seventy-nine cents (446,201.79 €) by capitalizing part of the reserve "Difference from the Issue of Shares above par" and by increasing the nominal value of each share by the amount of 0.039927 €. By the decision of the Extraordinary General Meeting of 19.12.2018, it was decided to reduce the Company's Share Capital by the same amount, i.e. by the amount of four hundred forty-six thousand two hundred and forty-one euros and seventy-nine cents (446,201.79), which has resulted from the capitalization of part of the reserve "Difference from the issue of shares above par", with a reduction in the nominal value of each of its shares by an amount of €0.039927.

Following the above decisions of the Extraordinary General Meeting of 19.12.2018, the Company's Share Capital amounts to three million three hundred and fifty-two thousand six hundred and thirty-two euros (€3,352,632.00), divided into eleven million one hundred and seventy five thousand four hundred and forty (11,175,440) common nominal shares, each with a nominal value of one thirty cent (€0.30).

By the decision of the Extraordinary General Meeting of 15.11.2019, it was decided to increase the Company's Share Capital of up to 667,368.00 euros by issuing up to 2,224,560 new common nominal shares, with a nominal value of € 0.30 each. Furthermore, during the aforementioned General Meeting it was decided: a) to delete all the Shares from the Alternative Market of the Athens Exchange, subject to the approval of their admission to the Regulated Market of the Athens Exchange (in accordance with the provisions of Law no. 3371/2005), b) the abolition of the preemptive right of existing shareholders, pursuant to article 27 of Law no. 4548/2018, in order to achieve the sufficient dispersion required by L. 3371/2005 and the Regulation of the Stock Exchange.

In this context, by its decision of 26/06/2020, the Athens Exchange approved the admission to trading on the Main Market of the Athens Exchange of the total of 13,400.000 common registered shares of the Company, subject to the approval of the listing prospectus by the Hellenic Capital Market Commission, the successful completion of the public offer of the new shares, in accordance with the terms and conditions to be announced by the Issuer and the achievement of sufficient dispersion of the shares, as stipulated in the Regulation of the Stock Exchange. Subsequently, the Board of Directors of the Hellenic Capital Market Commission at its 885th/1.7.2020 meeting approved the content of the Company's prospectus for the public offering of new common, dematerialized, registered, voting shares with cash payment and cancellation of the existing shareholders' rights and the admission to trading on the Athens Exchange Regulated Market of all the shares.

Following the above, the Board of Directors of the Company met on 14.07.2020 and it was established, based on the information provided by ALPHA BANK, that the public offer of up to 2,224,560 new shares of the Company, which took place from Wednesday 8 July 2020 to Friday 10 July 2020 pursuant to the public offer no. 9/687/3.7.2014 Decision of the Hellenic Capital Market Commission and the Regulation of the Athens Exchange (hereinafter "Athens Exchange") through the Electronic Book Building (hereinafter "EBB"), was successfully completed with a

successful capital raising of € 5,338,944, corresponding to 2,224,560 new common nominal shares, with an offering price of € 2.40 per share.

As a result, the Company's share capital now amounts to €4.020,000,00, divided into 13.400.000 common nominal shares with voting rights, with a nominal value of thirty cents (€0.30) each. The difference between the nominal value of the new shares and the issue price of EUR 4.651.576 was credited to the Company's equity account "Difference from the issue of shares above par".

By the decision of the Extraordinary General Meeting of 03.11.2021, it was decided to reduce the nominal value of each share from €0.30 to €0.075 with a simultaneous increase in the total number of shares from 13,400,000 to 53,600,000 common registered shares (split) and the replacement of each one (1) old common registered share with four (4) new common registered shares. Following the reduction of the nominal value of the Company's shares and the increase of the total number of shares, the Company's share capital, which remains unchanged and amounts to €4,020,000, is divided into 53,600,000 common nominal shares, each with a nominal value of €0.075.

According to the minutes of the Company's Board of Directors dated 05/03/2022, which were registered on 12 - 05 - 2022 in the General Commercial Registry (G.E.MH.) with Registration Number 2859664, the Company's Board of Directors decided to increase its share capital, by the amount of €45,000.00, which will be paid in cash by the beneficiaries within the framework of the established Stock Options Plan and the issuance of 600,000 new common registered shares with €0.075 nominal value each and the difference between the issuing price of the new shares and their nominal value, amounting to €315,000.00, transferred to a special reserve account with the indication "share premium account". According to the minutes of the Company's Board of Directors dated 05/03/2022, which were registered on 05-13-2022 in the General Commercial Registry (G.E.MH.) with Registration Number 2860373, the Company's Board of Directors certified in accordance with articles 20 and 113 of Law 4548/2018 the full and complete coverage and payment of the amount of the aforementioned increase in the Company's share capital. Following these, the Company's share capital amounts to four million sixty-five thousand Euros (€4,065,000) and is divided into fifty-four million two hundred thousand (54,200,000) common registered shares, with €0.075 nominal value each.

All shares are ordinary registered shares, held in dematerialized form, listed for trading on the Athens Exchange. Each share carries the right to one vote except for the number of treasury shares that do not carry voting rights.

There are no agreements on the right and/or obligation to acquire an interest in the capital of the Company. Also, there is no pending commitment to increase the Company's share capital.

There are no agreements that provide that the capital of any member of the Group will be subject to an option.

All Shares have the same rights and obligations, and each share carries all the rights and obligations provided by law and the Company's Articles of Association.

**b. Restrictions on the transfer of the Company's shares**

The transfer of the Company's shares is carried out as required by the Law and there are no restrictions on the transfer by the Company's Articles of Association.

**c. Significant direct or indirect participations within the meaning of the provisions of articles 9 to 11 of Law No. 3556/2007**

As of 31/12/2022, the following shareholders held more than 5% of the total voting rights of the Company:

Shareholder	Number of Shares	% in the Capital Share
Ioannis Michos	34,100,000	62.91%
BARCA GLOBAL MASTER FUND, L.P.	4,384,166	8.09%
Shareholders with % < 5%	15,715,834	29.00%
<b>Total</b>	<b>54,200,000</b>	<b>100.00%</b>

**d. Shares conferring special control rights**

There are no shares of the Company that give special control rights to their holders.

**e. Restrictions on voting rights**

There are no restrictions on voting rights in the Company's Articles of Association.

**f. Agreements of the Company's shareholders, known to the Company, that involve restrictions on the transfer of shares or restrictions on the exercise of voting rights.**

The Company is not aware of any shareholder agreements, nor do the Articles of Association provide for the possibility of shareholder agreements that entail restrictions on the transfer of shares or restrictions on the exercise of voting rights.

**g. Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association, which differ from those provided for in L. 4548/2018.**

The rules provided for in the Company's Articles of Association for the appointment and replacement of the members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those provided for in L. 4548/2018.

**h. Power of the Board of Directors or certain members of the Board of Directors to issue new shares or to purchase own shares pursuant to article 49 of Law 4548/2018.**

1. In accordance with the provisions of Article 24 par. 1 of L. 4548/2018 and article 6 par. 1 of the Company's Articles of Association, during a period of five years from the date of the relevant decision by the General Meeting of the Company's shareholders, the Board of Directors shall have the right, by a decision taken by a two-thirds (2/3) majority of all its members, to increase the Company's share capital by issuing new shares, for an amount not exceeding three times the paid-up share capital at the date on which the Board of Directors was granted this power. This authority of

the Board of Directors may be renewed by the General Assembly by resolution, for a period not exceeding five (5) years for each renewal granted. The decisions of the general meeting to grant or renew the power of the board of directors to increase the share capital shall be made public. Increases in the share capital decided in accordance with the above (extraordinary increases) constitute an amendment to the Articles of Association.

Also, in accordance with the provisions of Article 25 par. 2 of L. 4548/2018 and article 6 par. 4 of the Company's Articles of Association, in the event of an increase in the share capital, which is carried out by a decision of the General Meeting, taken by a quorum and majority (ordinary increase), the General Meeting may authorize the Board of Directors to decide on the determination of the price at which the new shares are to be placed. The duration of the authorization shall be specified in the relevant decision of the general meeting and may not exceed one (1) year. In this case, the deadline for payment of the capital according to article 20 of Law no. 4548/2018 shall commence from the adoption of the decision of the Board of Directors, by which the price of the shares is determined. The authorization shall be subject to publicity.

2. The Annual General Meeting of the Company's shareholders on 30/06/2022 approved the purchase by the Company of treasury shares, up to 5% of the paid-up share capital (including the shares previously acquired and retained by the Company), within a period of 12 months from the date of the relevant decision by the General Meeting, i.e., by 30. 06.2023, with a purchase price range from 2.00 Euros per share (minimum) to 20.00 Euros per share (maximum) and authorized the Board of Directors of the Company to determine, within the framework, the exact time, number and price of the shares to be acquired.

As of 31 December 2022, the date of the Annual Financial Statements, the Company does not hold any treasury shares.

3. Pursuant to its unanimous decision dated 23/03/2023, the Board of Directors of the Company, in execution of the decisions of the Ordinary General Meeting dated 30/06/2021 and the Extraordinary General Meeting of the Company's Shareholders dated 03/11/2021, established a Stock Options Plan in the form of granting stock options with the issuance of new shares, in accordance with article 113 of Law 4548/2018, to Officers of the Management and Personnel of the Company and its affiliated companies within the meaning of Article 32 of Law 4308/2014, specifying that the two-year (2-year) duration, as decided by the aforementioned decision of the Ordinary General Meeting of Shareholders dated 06/30/2021, extends until May 2024, in the sense that, until then, the Rights that will be granted to the Beneficiaries can be exercised, in accordance with the specific provisions of the established Stock Options Plan. The number of Rights to be issued within the framework of the Plan may rise to one million six hundred thousand (1,600,000) for the total duration thereof, with an issuing price of the Shares to be granted to the Beneficiaries, sixty-euro cents (0.60). On April 30, 2022, six hundred thousand (600,000) rights were exercised by the Beneficiaries within the framework of the aforementioned Stock Options Plan with payment in cash.

4. The General Meeting of the Company's shareholders on 30/06/2022 decided to extend the duration of the aforementioned Stock Options Plan from two (2) years to four (4) years, with the same general characteristics as those abovementioned (maximum number of options of which, as mentioned above, 600,000 rights have been

exercised by the beneficiaries, issuing price of each new share, etc.), as these were determined by the General Meeting of the Shareholders of the Company on 30/06/2022, providing the authorization to the Board of Directors for the adjustment of the Stock Options Plan, the determination of the more specific terms and the determination of the beneficiaries thereof, making the required disclosures according to the current Legislation.

**i. Any material agreement entered into by the issuer that becomes effective, is amended, or terminates in the event of a change in control of the issuer following a public offer and the effects of that agreement.**

There are no agreements of the Company that become effective, are amended, or expire in the event of a change in control of the Company following a public offering.

**j. Agreements that the issuer has entered with members of its board of directors or staff that provide for compensation in the event of resignation or dismissal without just cause or termination of their term of office or employment because of the public offer.**

There are no agreements between the Company and members of its Board of Directors or its human resources that provide for the payment of compensation specifically in the event of resignation or dismissal.



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**CORPORATE GOVERNANCE STATEMENT**  
**FOR THE PERIOD FROM 01/01/2022 TO 31/12/2022**

This declaration has been prepared in accordance with Articles 152 and 153 of Law No. 4548/2018 and is included in the annual management report of the company "EPSILON NET - Information Technology, Education and High Technology Products Societe Anonyme", with the distinctive title "EPSILON NET S.A." for the fiscal year from 01/01/2022 to 31/12/2022, as a special section of this report and is available through the Company's website <http://www.epsilonnet.gr>. The institutional framework governing the operation and obligations of "EPSILON NET S.A.", as a company domiciled in Greece, is Law 4548/2018 on public limited companies, which entered into force on 1 January 2019, replacing Law 2190/1920 and Law 4706/2020 on Corporate Governance of Public Limited Companies, which incorporated into Greek law Directive (EU) 2017/828 of the European Parliament and of the Council and repealed the provisions of Articles 1 to 11 of 3016/2002, which until recently regulated the corporate governance of public limited companies. Apart from Law 4548/2018, issues such as the scope of work, the purpose, the duration, the powers of the Board of Directors and the General Meetings, the election of Auditors, the liquidation and dissolution of the Company are defined by its Articles of Association which are available through the corporate website. As a Company whose shares are traded on the main market of the Athens Exchange, it has additional obligations in the individual areas of governance, information to the investing public and the supervisory authorities, publication of financial statements, etc.

Based on the above mentioned, the Board of Directors of "EPSILON NET S.A." declares the following:

**A) The Corporate Governance Code to which the Company is subject.**

The Company, in the context of the practical application of its principles and policies in order to safeguard the interests of all those connected with the Company and the Group (personnel, directors, Board of Directors, shareholders, suppliers, customers, credit institutions, government bodies, etc.) and in compliance with the requirements of the Law, as a public limited company with securities listed on the Athens Exchange, complies with the current legislative framework, including Law no. 4706/2020 on corporate governance. According to L. 4706/2020 and Decision 2/905/3.3.2021 of the Board of Directors of the Hellenic Capital Market Commission, the Company has adopted, by decision of its Board of Directors, taken on 16 July 2021, the Hellenic Corporate Governance Code (the "HCGC"), formulated by the Hellenic Corporate Governance Council (the "HCC") for companies with securities listed on a stock exchange, which was issued in June 2021 by the Hellenic Corporate Governance Council ("HCC"). This code has been posted and is available on the company's website, [www.epsilonnet.gr](http://www.epsilonnet.gr).

**B) Deviations from the Corporate Governance Code and justification of reasons for deviation.**

Part A - BOARD OF DIRECTORS

1.FIRST SECTION - ROLE AND RESPONSIBILITIES OF THE GOVERNING BOARD.

Special practice 1.13.

Considering the market sector in which it operates and the constant changes in the digital environment, which requires vigilance and constant monitoring of developments and changes in technology, whose rapid developments affect the business management of the Company's business areas, the Board of Directors meets regularly in the context of corporate governance and transparency, with the presence of its non-executive members. In addition, in the context of the Board of Directors' meeting in view of the Annual General Meeting of the Company's shareholders, the Board of Directors' activities are discussed, and opinions are expressed on the evaluation of the Board of Directors' operation and the performance of all its members as well as proposals for the next financial year. This practice yields, without the need for a special meeting of non-executive members for this purpose, which in the corporate environment is part of the structure of the functioning of the board and the necessity of decision-making with an exchange of views by all members, information, and interactive discussion. The evaluation of board members is foreseen as a procedure (regular and ad hoc) in the policy on the suitability of board members.

Special practice 1.17.

In view of the corporate structure and the peculiarities of the market in which the Company operates, the preparation of a plan, which would be constantly revised and redefined, has been deemed not to serve the operation of the Company. There is no exclusion on the grounds of sex, race, color, ethnic or social origin, religion or belief, property, birth, disability, age, or sexual orientation.

## 2.SECOND SECTION - SIZE AND COMPOSITION OF THE BOARD OF DIRECTORS.

Special practice 2.2.15.

The diversity criteria refer only to the members of the Board of Directors and do not refer to the senior or chief managers with specific gender representation targets, due to the small number of the Company's administrative, management and supervisory bodies, each of which is composed of a small number of members, while respecting, among others, the principle of non-discrimination and equality.

Special practice 2.2.17.

There are no restrictions on the number of Board members on the number of positions they hold on to the boards of other companies. The adequacy of their available time shall be considered at the time of their election.

Special practice 2.2.18.

The participation of non-executive members of the Board of Directors on the boards of other listed companies is considered on a case-by-case basis. In any case, the prohibitions on conflicts of interest apply.

Special practice 2.2.21.

The Chairman of the Board of Directors is an executive member, elected by the Board of Directors when it is constituted, with duties and responsibilities decided in the context of the delegation of powers by the Board of Directors and defined in the Articles of Association and the Company's internal regulations.

Special practice 2.2.22.

The Independent Non-Executive Vice-Chairman of the Board of Directors in accordance with the Company's internal regulations is responsible for the coordination and effective communication of the executive and non-executive members of the Board of Directors.

Special practices 2.3.7, 2.3.8, 2.3.9, 2.3.12, 2.4.7 & 2.4.11.

The Company has a single Nomination and Remuneration Committee but may choose to establish separate committees. The Company has no subsidiaries with shares listed on regulated markets and it is not considered necessary for the Company's subsidiaries to have a Nomination and Remuneration Committee. The (single) Remuneration and Nominations Committee consists of three (3) non-executive members of the Board of Directors, of which at least two (2) are independent (non-executive members) who meet the independence requirements of article 4 of Law no. 3016/2002, as well as article 9 of Law No. 4706/2020. The members of the Remuneration and Nomination Committee are appointed by the Board of Directors. An independent non-executive director is appointed as the Chairman of the Committee. The term of office of the members of the Remuneration and Nomination Committee shall be the same as the term of office of the members of the Board of Directors of the Company, unless otherwise decided by the Board of Directors. There is no provision for not exceeding nine (9) years in total for membership on the Compensation and Nominating Committee, as the committee is newly formed.

Special practices 2.3.10, 2.3.11, 2.4.8 & 2.4.9,

The Nomination and Remuneration Committee operates with specific tasks in accordance with the applicable legislation, the Company's internal rules of operation and the Company's own rules of operation: The responsibilities of the Remuneration & Nomination Committee of the Company regarding the remuneration of the members of the Board of Directors are: a) to review the Company's general remuneration policy, based on the guidelines received from the Board of Directors, which also makes the final decisions, b) submitting proposals to the Board of Directors regarding the content of the Remuneration Policy, in accordance with the provisions of article 110 of Law 4548/2018, which is submitted for approval to the General Meeting of Shareholders. In this context, the Committee periodically assesses the need to update the Company's Remuneration Policy, taking into account market conditions, best practices, corporate strategy and the current employment framework; c) submitting proposals to the Board of Directors regarding the level of the total remuneration and compensation of the persons falling within the scope of the Remuneration Policy pursuant to article 110 of Law 4548/2018, as well as of the Company's executives, in particular the head of the Internal Affairs unit; d) reviewing the level of the remuneration of the Company's executives, in particular the head of the Internal Affairs unit, and the level of the remuneration of the Company's employees. Additional remuneration for members of the Board of Directors of the Company who participate in committees, for reasons of transparency and information, is shown separately in the Remuneration Report of article 112 of Law No. 4548/2018. Similarly, the following are shown in the Remuneration Report of article 112 of Law No. 4548/2018 separately and the regular and extraordinary performance-related remuneration for the executive members of the Board of Directors; and e) reviewing the information included in the Annual Remuneration Report

in accordance with article 112 of Law 4548/2018, providing its opinion to the Board of Directors of the Company before submitting the Report to the Annual General Meeting of Shareholders for discussion.

Special practices 3.3.7 - 3.3.10.

The main responsibilities of the Remuneration & Nomination Committee with respect to the nomination of candidates for the Board of Directors are as follows: a) to identify and recommend to the Board of Directors of the Company candidates suitable to become Directors, as well as to recommend candidates to fill vacancies on the Board of Directors or its Committees or the Audit Committee, as the case may be. In selecting candidates, the Committee shall take into account the factors and criteria of individual and collective suitability determined by the Company, in accordance with the approved Suitability Policy adopted by the Company; b) to review periodically the size and composition of the Company's Board of Directors and its Committees and to submit proposals to the Board of Directors; c) to review the Company's Suitability Policy; and d) to review periodically the fulfilment of the independence requirements in accordance with Article 9 of L. 4706/2020 of the independent non-executive members of the Board of Directors, as well as in the event of the election of a new member to replace a resigned or deceased independent member, as well as on an extraordinary basis, whenever required, and submit proposals to the Board of Directors as to the appropriate actions to be taken.

Special practice 2.4.13.

There is no restriction on the vesting of any options for executive directors, as they are subject to the applicable plans for which publicity is provided.

Special practice 2.4.4.

The liability of the members of the Board of Directors of the Company is defined in article 102 of Law No. 4548/2018.

### 3. THIRD - FUNCTIONING OF THE BOARD OF DIRECTORS

Special practices 3.1.5, 3.2.1 & 3.2.2.

The Board of Directors may appoint a qualified and experienced company secretary. The appointment of a company secretary is not mandatory, as the basic duties of the company secretary are fully serviced by other departments of the Company. However, if appointed, the Company Secretary shall be responsible for keeping the minutes of the meetings of the Board of Directors and its Committees. Its responsibilities are set out in the Company's internal regulations.

Special practices 3.3.3 - 3.3.5 & 3.3.12.

In accordance with the Company's policy on the suitability of the members of the Board of Directors, the Company monitors on a continuous basis the suitability of the members of the Board of Directors (individual and collective) both on a regular basis (regular evaluation) and on an ad hoc basis. Monitoring the implementation of the Suitability Policy is the responsibility of the Board of Directors collectively. The Board of Directors is assisted by the Nomination and Remuneration Committee, which follows and implements the Suitability Policy within the

framework of its relevant responsibilities, organizes the annual self-evaluation of the Board of Directors based on the criteria of the approved Suitability Policy and makes proposals for its harmonization with the corporate governance framework, the corporate culture and the risk appetite defined by the Company. The Internal Audit unit also assists in this process. The Board of Directors conducts an annual self-evaluation of the Board of Directors as a whole and of each individual part, in accordance with the procedure provided by the Company, which is initiated and organized by the Nomination and Remuneration Committee.

Special practice 3.3.11

Members shall participate actively in the meetings of the Governing Board. There is no requirement to disclose information about each director in the corporate governance statement.

Special practices 3.3.13 - 3.3.14.

The re-evaluation of the suitability of the members is deemed necessary: a) when doubts arise regarding the individual suitability of the members of the Board of Directors or the suitability of the composition of the body, b) in case of a significant impact on the reputation of a member of the Board of Directors and c) in any event that may significantly affect the suitability of a member of the Board of Directors, including cases in which the members do not comply with the Conflict of Interest Policy.

Special practices 3.3.15 - 3.3.16.

The Governing Board shall record the results of the assessment of suitability and in particular any shortcomings identified between the intended and actual individual and collective suitability, and measures to be taken to address these shortcomings.

## Part B - COMPANY INTEREST

### 4.FOURTH SECTION - OBLIGATION OF LOYALTY & CONTROL.

Special practice 4.3.

All members of the Board of Directors actively participate in the meetings and make objective, correct and independent decisions and judgments, considering the recommendations or opinions of independent bodies or committees or services operating in the Company.

Special practice 4.5.

In accordance with the Company's suitability policy, professional commitments of board members (including significant non-executive commitments to companies and non-profit institutions) are evaluated after their disclosure as part of the candidate evaluation process and are henceforth considered in the context of the board evaluation.

### 5.FIFTH MODULE - SUSTAINABILITY

Special practice 5.4.

The Company complies with the legislation on corporate governance and complies with its obligations in this context.

## 6. SIXTH MODULE - INTERNAL CONTROL SYSTEM.

Special practice 4.3.

All members of the Board of Directors actively participate in the meetings and make objective, correct and independent decisions and judgments, considering the recommendations or opinions of independent bodies or committees or services operating in the Company.

## 7. SEVENTH SECTION - GENERAL ASSEMBLY.

Special practices 7.5 - 7.6.

The general meeting of the Company's shareholders is conducted in accordance with the applicable provisions. The notice of the general meeting shall include the information required according to Law no. 4548/2018 and is published in the manner prescribed by law, for companies with shares listed on the Athens Exchange. To the extent that the shareholders' questions on agenda items are not answered during the general meeting, the Company may request their submission in writing and reserve the right to answer them after the conclusion of the meeting, always considering the rights of minority shareholders, as defined in Law No. 4548/2018.

### **Practices implemented by the Company in addition to the provisions of the Law.**

The responsibilities of the Chairman are expressly established by the Board of Directors and are described in the Company's Regulations of Operation which are updated, issued, and approved by the Board of Directors and are posted on the Company's website [www.epsilonnet.gr](http://www.epsilonnet.gr)

The Board of Directors, considering the size, nature, scope, and complexity of the Company's activities, has defined and oversees the implementation of the Company's corporate governance system which includes an adequate and effective Internal Audit System (IAS).

The Chairman of the Board of Directors is available to meet with shareholders of the Company and discuss with them issues related to the governance of the Company. The Chairman shall ensure that the views of shareholders are communicated to the Board of Directors.

The Audit Committee shall ensure the functioning of the internal audit unit and the implementation of an internal control framework in accordance with international standards for the professional application of internal control and best practices. The Regulation of Operation sets out the framework for ensuring the independence and objectivity of its internal auditors.

### **b) Description of the main features of the company's internal control and risk management systems in relation to the process of preparing the financial statements.**

The Company has established and applied a procedure for the issuance of the financial statements (consolidated and corporate) and the Financial Report. The Group companies enter their transactions in their information systems and

the consolidation application is updated by automated procedures. A cross-check of data is carried out and the items to be eliminated (intra-group transactions, receivables, and payables, etc.) are checked. The consolidation entries are made, and the financial statements and information tables included in the Financial Report are issued. Once the audit procedures have been completed, the Financial Report containing the financial statements is submitted to the Board of Directors for approval. Prior to the approval by the Board of Directors, the Audit Committee has reviewed the Financial Report to assess its completeness and consistency with the information brought to its attention and with the accounting principles applied by the Company and informs the Board of Directors accordingly. The main features of the internal control and risk management system applied by the Company in relation to the preparation of the financial statements and the Financial Report are:

- Adequacy of knowledge, qualifications and availability of the staff involved.
- The existence of updated procedures related to the issuance of financial statements and an appropriate timetable.
- Use of information systems for financial statements and financial reporting, linked to the Company's ERP, accessible with distinct roles and rights of use to all consolidated Group companies.
- The existence of safeguards relating to the security of the information systems used.
- Regular communication between the Independent Auditors and the Management and the Audit Committee.
- Regular communication of the Audit Committee members with the Chief Financial Officer and the Head of the Internal Audit Unit.
- Confirmation by the Board of Directors that the independence requirements of the independent members of the Board of Directors are fulfilled at least on an annual basis and in any case before the publication of the annual financial report.
- The BoD confirmed that they meet the independence criteria of article 9 of Law 4706/2020, as well as the independence criteria set out in the approved Board Member Suitability Policy.
- The existence of a single accounting plan for all Group companies and its centralized management.

**Report on the Evaluation of the Adequacy and Effectiveness of the Internal Audit System, based on the provisions of Law 4706/2020 and the relevant decisions of the Hellenic Capital Market Commission**

About the Competence Assessment & Effectiveness of the Internal Audit System, following the evaluation of the relevant offers and proposals of the CEO's Office, the Audit Committee recommended to the Board of Directors the assignment of the relevant evaluation of the Internal Audit System of the Parent Company and its significant subsidiaries, with a reporting period from 17.7.2021 to 31.12.2022 to the audit firm "PKF EUROLEGKTIKI S.A."

The Company, by decision of its Board of Directors, entrusted to "PKF EUROELECTRONICS SA" (Independent Auditor) the assessment of the adequacy and effectiveness of the Internal Control System ("ICS") of the Company

and its significant subsidiaries, with a reporting date of 31/12/2022, in accordance with the provisions of section j, par. 3 and par. 4 of article 14 of Law 4706/2020 and Decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission, as in force. The Independent Auditor's work was performed in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than an Audit or Review of Historical Financial Information. The conclusion of PKF EUROELECTRIC, which is included in the final report evaluating the adequacy and effectiveness of the ICS dated 29/03/2023 states the following: "Based on our work, as described above under "Scope of Work Performed", and the evidence obtained, on our assessment of the adequacy and effectiveness of the ICS of the Company and its significant subsidiaries as at 31 December 2022, nothing has come to our attention that might be considered a material weakness in the ICS of the Company and its significant subsidiaries in accordance with the Regulatory Framework."

**c) Information required under cases c', d', f', h' and i' of par. 1 of Article 10 of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.**

The Company is not subject to this Directive.

**(d) Composition and functioning of the administrative, management and supervisory bodies and their committees.**

**d. 1. General Meeting of the Company.**

The General Meeting of the Company's shareholders is the supreme body of the Company and is entitled to decide on any matter concerning the Company. Its legal decisions are also binding on the shareholders who are absent or dissenting. The General Meeting is the only one competent to decide on: a) Amendments to the Articles of Association. The following are considered as amendments increases, regular or extraordinary, and decreases of the capital; b) The election of members of the board of directors and auditors; c) The approval of the overall management according to article 108 of the Law. 4548/2018 and the discharge of the auditors; d) The approval of the annual and consolidated financial statements; e) The allocation of the annual profits; f) The approval of the provision of fees or advance fees in accordance with article 109 of Law No. 4548/2018; g) The approval of the remuneration policy of article 110 and the remuneration report of article 112 of Law No. 4548/2018, η) The merger, division, conversion, revival, extension of the duration or dissolution of the company and i) Appointment of liquidators.

The General Meeting must meet at the company's registered office or in the district of another municipality within the district of the registered office or another municipality adjacent to the registered office at least once every financial year, at the latest by the tenth (10th) calendar day of the ninth month following the end of the financial year, in order to decide on the approval of the annual financial statements and the election of auditors (ordinary general meeting). The Ordinary General Meeting may decide on any other matter within its competence. The General Assembly may also meet in the district of the municipality where the headquarters of the Athens Exchange is located. The General Meeting, without prejudice to par. 2 of Art. 121 of Law 4548/2018 shall meet in extraordinary session whenever the board of directors deems it appropriate or necessary (extraordinary general meeting).



The General Meeting, except for recurring General Meetings and those assimilated to them, must be convened at least twenty (20) days before the date set for its meeting, including non-working days. The day of publication of the notice of the general meeting and the day of its meeting shall not be counted. In the case of a reconvened general meeting, the notice shall be published at least ten (10) full days in advance. However, no further notice is required if the original notice had already set the time and place of the reconvened meeting, provided that at least five (5) days elapsed between the cancelled meeting and the reconvened meeting. The General Assembly shall be convened by the Board of Directors. The General Meeting may also be convened at the request of the minority, in accordance with Art. 29 of these Articles of Association. The company's auditor may also request the convening of a General Meeting by submitting a request to the Chairman of the Board of Directors. This meeting must be convened by the Board of Directors within ten (10) days of the service of the request and shall have as its agenda the matters contained in the request.

A call for a General Meeting is not required if shareholders representing the entire capital are present or represented at the meeting and none of them opposes the holding of the meeting and the adoption of resolutions (universal general meeting). The invitation to the General Meeting is published upon its registration in the Company's register at the General Electronic Commercial Registry (G.E.M.I). In addition to the publication of the invitation in the General Electronic Commercial Registry (G.E.M.I), the full text of the invitation shall be published within the time limit set out in par. 1 of this Article and on the company's website, and shall be made public within the same time limit in a manner that ensures rapid and non-discriminatory access to it, by means that, in the judgment of the Board of Directors, are deemed reasonably reliable for the effective dissemination of information to the investing public, such as in particular by print and electronic media. Ten (10) days before the Annual General Meeting, the company makes available to its shareholders its annual financial statements, as well as the relevant reports of the Board of Directors and the auditors. The company fulfils this obligation by posting the relevant information on its website.

The general meeting (initial meeting and reconvened meeting) may be attended by the person who has the shareholding status at the beginning of the fifth day before the day of the initial meeting of the general meeting (record date). The above record date shall also apply in the case of an adjourned or reconvened meeting, provided that the adjourned or repeated meeting is not more than thirty (30) days from the record date. If this is not the case or if in the case of a reconvened general meeting a new invitation is published, in accordance with the provisions of Art. 130 of L. 4548/2018, the person who is a shareholder at the beginning of the third day prior to the day of the adjourned or reconvened general meeting shall participate in the general meeting. Proof of shareholding may be provided by any legal means and in any case since information received by the company from the Central Securities Depository (CSD) if it provides registry services or through the participants and registered intermediaries in the CSD in any other case. The shareholders may participate in the general meeting in person or by proxy. The members of the board of directors and the company's auditors are also entitled to attend the general meeting. The chairman of the general meeting may, under his/her responsibility, allow the presence at the meeting of other persons, who are not shareholders or shareholder representatives, if this is not contrary to the interests of the company. Such persons

shall not be deemed to participate in the meeting for the sole reason that they spoke on behalf of a shareholder present or at the invitation of the chairman.

The General Meeting is quorate and meets in a valid manner on the items on the agenda when shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented. If such a quorum is not achieved, the general meeting shall reconvene within twenty (20) days from the date of the cancelled meeting, following at least ten (10) full days' notice, unless the procedure of Art. 20 par. 1 last subpar. of this Article. This reconvened general meeting shall constitute a quorum and shall meet in session for the items on the original agenda, whatever the proportion of the paid-up share capital represented at the meeting. The decisions of the general meeting are taken by an absolute majority of the votes represented at the meeting. Exceptionally, the general meeting is quorate and meets validly on the items on the agenda, when shareholders representing at least half (1/2) of the paid-up share capital are present or represented at the meeting, when decisions are concerned: a) the change in the nationality of the company; b) the change in the scope of the business; c) the increase in shareholders' liabilities; d) the regular increase in the share capital, unless required by law or made through the capitalization of reserves; e) the reduction of the share capital, unless made in accordance with par. 5 of Art. 21 or par. 6 of Art. 49 of L. 4548/2018; f) the change in the way of profit distribution; g) the merger, division, transformation, revival, extension of the duration or dissolution of the company; h) the granting or renewal of authority to the Board of Directors to increase the share capital, in accordance with par. 1 of Art. 24 of L. 4548/2018; and i) in any other case specified by law that the general meeting decides with an increased quorum and majority. If the quorum referred to in the previous paragraph is not reached, a new general meeting shall be convened within twenty (20) days of the meeting that was cancelled, convened at least ten (10) days in advance. This reconvened general meeting shall constitute a quorum and meet validly on the items on the original agenda, when shareholders representing at least one fifth (1/5) of the paid-up share capital are present or represented. No further notice is required if the original notice had already set the time and place of the reconvened meeting, provided that at least five (5) days elapsed between the cancelled meeting and the reconvened meeting. Decisions on the matters referred to in par. 1 of this Article shall be taken by a two-thirds (2/3) majority of the votes represented at the meeting.

The discussions and decisions of the General Meeting are limited to the items on the agenda. At the general meeting the voting is open. The general meeting by open vote may decide that voting on any or all items on the agenda shall be by secret ballot. Voting by secret ballot is not permitted in cases where remuneration is paid to board members, and where the law requires open voting. The discussions and decisions taken at the general meeting shall be summarized in a special minute book. A list of the shareholders presents or represented at the general meeting shall be entered in the same book. At the request of a shareholder, the chairman of the general meeting is obliged to record a summary of his/her opinion in the minutes. Copies of the minutes of the general meeting, for which there is an obligation to register them in the G.E.M.I., according to Art. 12 of L. 4548/2018 or other provisions, are submitted to the competent G.E.M.I. department within twenty (20) days from the meeting of the general meeting. Copies and extracts of the minutes shall be certified by the Chairman of the Board of Directors or his/her legal representative.

## δ.2. Composition and functioning of the Board of Directors of the other administrative, supervisory bodies and committees of the Company.

### **Board of Directors.**

The members of the Board of Directors of the Company, their status and their CVs are posted on the Company's website. The Company is governed by a Board of Directors consisting of ten (10) members to ensure diversity of gender, age, knowledge, qualifications, experience that serve the Company's objectives and a balance between executive and non-executive members. Of the members of the Board of Directors, six (6) are executive members, one (1) is a non-executive member and three (3) are independent non-executive members. The status of the members of the Board of Directors as executive or non-executive shall be determined by the Board of Directors. The members of the Board of Directors are elected by the General Meeting, except in the case of the election of a member of the Board of Directors to replace another member who has resigned, died, or lost his/her membership of the Board of Directors in any other way, by the other members of the Board of Directors, in accordance with Art. 12 par. 1 of the Articles of Association. The term of office of the members of the Board of Directors is five (5) years and, exceptionally, it may be extended until the expiry of the period within which the next Ordinary General Meeting must be convened; and until the relevant decision is taken, which may not exceed six (6) years. Members of the Board of Directors may be freely re-elected. The General Meeting directly elects the independent members of the Board of Directors. The General Meeting shall determine the type of Audit Committee, its term of office, the number, and qualities of its members.

Furthermore, at the above General Meeting of 30/06/2021 a new ten (10) member Board of Directors was elected, with a four (4) year term of office, namely until 30/06/2025, which is exceptionally extended until the expiry of the period within which the next ordinary General Meeting must be convened.

Subsequently, the Board of Directors of the company, by its unanimous decision of 30/05/2022, elected Mr. Mani Panteleimon, son of Anastasios, Independent non-executive member, and Vice-Chairman of the Board of Directors, in replacement of the resigned Mr. Spyridon Avdimiotis for a term of office expiring on the date of the next General Meeting in accordance with the provisions of Art. 9 par. 4 of Law 4706/2020.

At the Ordinary General Meeting of the Company's Shareholders of 30/06/2022, Pantelis Manis, son of Anastasios, was elected as a new independent non-executive member of the Board of Directors with a term of office until 30/06/2025, after it was established that he fulfils all the criteria of individual eligibility under the Company's Eligibility Policy, as well as the criteria of independence according to par. 1 and 2 of Art. 9 of Law 4706/2020, and there are no impediments or incompatibilities.

Subsequently, the Board of Directors of the Company, by its decision of 30/06/2022, taking into account that the above has proven to have sufficient knowledge in the sector in which the Company operates, re-elected him as Independent Non-Executive Director and Vice-Chairman of the Board of Directors, i.e., until 30/06/2025.

The Board of Directors is constituted as follows:

1. IOANNIS MICHOS, son of NIKOLAOS and GEORGIA, Chairman of the Board and CEO, Executive Member,
2. PANTELIS MANIS, son of ANASTASIOS and SOFIA, Vice Chairman of the Board, Independent Non-Executive Member,
3. VASILIKI ANAGNOSTOU, daughter of DIMITRIOS and KATINA, Deputy CEO, Executive Member,
4. IOANNIS KOUTKOUDAKIS, son of ANTONIOS and ELENI, Executive Member,
5. VASILEIOS PRASSAS, son of GAVRIIL and IFIGENEIA, Executive Member,
6. PASCHALIS MICHALOPOULOS, son of GEORGIOS and VARVARA, Executive Member,
7. ANDREAS GRIMPELAS, son of DIMITRIOS and EFTHALEIA, Executive Member,
8. AIKATERINI DASKALOPOULOU, daughter of GEORGIOS and DESPOINA, Non-Executive Member,
9. NIKOLAOS KOMNINOS, son of ZACHARIAS and MARINA, Independent Non-Executive Member and
10. ELEFTHERIOS KARAMPINAS, son of MICHAEL and MELACHROINI, Independent Non-Executive Member.

### **CVs of the members of the Board of Directors.**

#### ***Ioannis Michos***

Mr. Ioannis Michos, son of Nikolaos, is the Founder, Chairman and CEO of Epsilon Net Group of Companies. He graduated from the School of Higher Industrial Studies of Thessaloniki and holds a master's degree in Banking Finance. He is a Member of the Association of International Accountants (AIA). After graduation he worked for several years as an Economist-Financial and Tax Consultant for large companies. He was a business consultant and financial analyst specializing in financial organization, analysis, and budgeting. He also has expertise in the organization and management of financial services. Since 1997, he edits and directs the scientific team of the distinguished economic journal EPSILON 7. In addition to his business activities, he has authored five financial books and various financial articles and analyses. At the same time, he was a member of the Board of Directors of the Federation of Industries of Northern Greece (FING) and Vice-Chairman of the Association of Société Anonymes and Limited Liability Companies. He is also distinguished for his teaching experience. From 1997 to date, he has done over 2000 hours of teaching in seminars on economic and tax issues. He was also a scientific collaborator of the Technological Education Institute of Serres. He has been awarded the prize of "Innovative Entrepreneur of Greece" in the Ernst & Young Entrepreneur of the Year competition.

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***Vasiliki Anagnostou***

Ms. Vasiliki Anagnostou, daughter of Dimitrios, is the General Manager and Deputy CEO of Epsilon Net Group S.A. She is an Economist, holds a master's degree "MBA in Accounting" from the University of Athens and is a member of the Association of International Accountants (AIA). At Epsilon Net, she served as Support Manager until 2007 and Production Manager until 2010. She has worked as a business consultant and financial analyst with knowledge of all computer systems and tools. She is an executive with high expertise in information systems and specialization in Audit, Tax, Labor Law, and Human Resources Management. She is a member of the scientific team of Epsilon Net, while she is also a significant author of the book "Practical Labour & Insurance Issues" and as a columnist in the financial magazine Epsilon 7. She is a lecturer in specialized seminars of the National and Kapodistrian University of Athens, while she is also a key speaker in informative and educational events on payroll and HR issues. In 2012, 2013, 2014 she was one of the three finalists in the National Customer Service Awards in the category "Manager of the Year". A milestone for her is Epsilon Net's award as "Best Work Environment" of Best Workplaces, as the executive who designed and implemented the transformation of the corporate philosophy by putting the employee at the center.

***Ioannis Koutkoudakis***

Mr. Ioannis Koutkoudakis, son of Antonios, has been the Chief Financial Officer of Epsilon Net S.A. since July 1, 2013, while he also holds the position of Director of Investor Relations (DIR). He has held the position of Vice Chairman of the Board of Directors and General Manager since 19 June 2008 and has also served as Director of Production. He holds a degree in Economics from the University of Macedonia, an MBA in Accounting from the University of Athens, is a member of the Association of International Accountants (AIA) and has attended a series of seminars on IT systems, project management and tax workshops. In the past, he was Head of Accounting and external consultant to various companies. He has published scientific and economic articles and specializes in income tax, general accounting, VAT and has participated in seminars on accounting and tax issues. He joined Epsilon Net SA in 1998.

***Vasileios Prassas***

Mr. Vasileios Prassas, son of Gavriil, Economist & Consultant on Labour Issues. In 2005 he started working with Epsilon Net, as Head of Analysis of Payroll Applications & HR. From 2009 to 2011 he held the position of Payroll Applications Manager & HR and until today he is the Scientific Officer of Epsilon Net in matters of labour & insurance legislation. In 2010 he took over the Support Division of Epsilon Net. In 2011 he was assigned to the Commercial Management of the Business Units Epsilon Network & Epsilon Training. Since mid-2012 he took over the Sales Department and since March 2014 he is the General Commercial Director of Epsilon Net Group of Companies. He is a member of the Board of Directors of Epsilon Net, a member of the Scientific Team of Epsilon Net and responsible for the editorial team of the "Epsilon Payroll" insert of the monthly magazine Epsilon 7. He is the author of the books "Legislation & Payroll, from Theory to Practice" (10,000 copies), the Practical Guide "An Employer's Guide to Your Services" and the e-magazine "HR Pylon" which has more than 2,500 readers.

He is a lecturer of specialized seminars on Payroll & HR and is the main lecturer of the National Kapodistrian University of Athens in the seminar "Practical Payroll Office".

### ***Paschalis Michalopoulos***

Mr. Paschalis Michalopoulos, son of Georgios, is a graduate of the Law Department of the Faculty of Law and Economics of the Aristotle University of Thessaloniki. He has been a member of the Thessaloniki Bar Association since 1994 and specializes in the field of Civil and Commercial Law, with equally important judicial experience in the Law of Enforcement. He also has many years of significant experience in criminal cases. He worked as a lawyer-external associate in various public limited companies. He has been a lawyer and legal advisor of EPSILON NET SA since 2012 and a member of the Board of Directors since 2014. He is the author of the book "The Guide to Limited Liability Companies" published in 2019 and has published several scientific articles on topics mainly based on civil and commercial law.

### ***Andreas Grimpelas***

Mr. Andreas Grimpelas is the Chief Technology Officer (CTO) of Epsilon Net. Mr. Grimpelas has many years of experience in designing and implementing software for SME, ERP, Retail, CRM, etc., in large companies in the IT sector in Greece. He was Software Platforms Unit Manager at SingularLogic, where he designed the Galaxy application platform. He also served as Technical Director at the Advice Company, while for several years he was Platform Manager and R&D Developer at Unisoft Company, where he participated in the design and implementation of ERP Atlantis, as well as of the product KEFALAIO/3. He started working with Epsilon Net in 2013, where he took over the design and implementation of the new PYLON application platform. He has been a member of the Board of Directors of the Company since November 2014.

### ***Aikaterini Daskalopoulou***

As a member of the company's Board of Directors since the beginning of 2020, Mrs. Aikaterini Daskalopoulou, daughter of Georgios, has participated without fail, showing great diligence, in the introductory training program that the company applies for all new members of the Board of Directors, for the company's business model, for the issues of its business sector and the strategy it applies in combination with the most important business and financial risks it is called upon to face. During her tenure on the Board of Directors of the Company, she participated in the analysis of software applications developed by the Company related to e-invoicing. The abovementioned person studied at the Department of Architectural Engineering of the Faculty of Engineering of the Aristotle University of Thessaloniki. (1991-1997). During this period, she participated in a 6-month inter-university program at the Faculty of Architecture, Department of Urban Planning Applications, University of Venice. Since 1998 she has been practicing as an Architectural Engineer, has worked in various architectural offices, since 2007 she has been running an architectural office, having undertaken the design and supervision of various construction projects and has participated as a consultant in numerous projects for energy transition and digital transformation of businesses.



***Nikolaos Komninos***

Mr. Nikolaos Komninos, son of Zacharias, is a graduate of the London School of Economics in Business Administration and the University of Pennsylvania with a double degree in Computer Science and Psychology Science. He is currently the Commercial Director of Project Agora in the European sector, and among other positions he has served as Financial Director of the startup company Giaola IKE, Managing Director of Intale Inc and IPG Mediabrands, General Manager and Executive Director of ICAP Group in Athens, Sales and Marketing Director and Commercial Planning Director at Hyundai Hellas. He participated in the Organizing Committee for the Athens 2004 Olympic Games, supervising the tender process for the provision of technology services for the creation of the main website of the event.

***Pantelis Manis***

Mr. Pantelis Manis graduated from the Department of Business Administration of the University of Macedonia, obtained an MBA Certificate from the Institute of Management and Entrepreneurship of Southeastern Europe (IMESE), (Business School of the Association of Industries of Greece), while he holds an EXECUTIVE DIPLOMA IN MANAGEMENT from the Chartered Management Institute, UK.

He has more than 25 years of experience in sectors such as Food and Agricultural products, in the Capital Market sector, in the Energy sector and with a significant contribution to the creation of the Hellenic Energy Exchange, while he served for three years as a non-executive member of the Board of Directors of EDA THESS, Natural Gas Distribution Company of Thessaloniki-Thessaly.

During his many years of work at the Athens Exchange Group as Head and Director of the Thessaloniki Stock Exchange Center, he was involved in important and diversified projects, such as

- the admission of companies established in Northern Greece to the CSE markets
- the admission of companies established in South-Eastern Europe (Mermeren Combinat), and in International Technical Assistance and Development Cooperation projects funded by National and International resources.

He was CEO of the Hellenic Sugar Industry Group in 2016-2017, where he succeeded in making the Group profitable after a period of 10 years of continuous losses.

***Eleftherios Karampinas***

Mr. Eleftherios Karampinas, son of Michael, is an Economist and a graduate of the University of Macedonia in Economics of Business Administration. He holds a professional certification as a Chartered Accountant from the Institute of Chartered Accountants (IESOEL) and holds a specialized diploma in the application of International Financial Reporting Standards (IFRS) from the Institute of Chartered Accountants of England and Wales. He has held the positions of Chief Financial Officer at Tsakiris Family Foods, Head of Accounting and Audit Department

at Zouros Group Shipping Companies and Senior Associate at PwC Greece in the field of auditing of shipping companies. Mr. Karampinas, both in his basic studies and especially during his training for the professional certification of the Chartered Accountant, has received comprehensive knowledge of audit procedures and the use of information systems during the audit process. His professional experience at PwC Greece ensures the existence of critical audit experience in both the planning processes and their execution, while his many years of involvement with the information systems of private companies from the position of Financial Director, Certified Public Accountant and through the company he is active in business and participates in its Management, gives him the ability to fully understand the scope of the Company and to fully manage the specialized business and technical aspects of the company's operations. At the same time, he has many years of business experience in the IT industry since 2016. Specifically, he is a 50% partner in Seldi Group IKE, a company that deals with Self-Produced Software for the fuel and commercial sectors of the economy. In addition, Mr. Karampinas, as Chairman of the Audit Committee, meets the independence requirements of the provisions of Art. 4 of Law 3016/2002 from his election to date.

#### **Role and responsibilities of the Board of Directors.**

The Board of Directors is responsible for the administration and representation of the Company and the management of its assets. It decides on all general issues concerning the Company, within the framework of the corporate purpose, apart from those which, according to the Law and the Articles of Association, belong to the exclusive competence of the General Meeting. All the powers of the Board of Directors are subject to the articles on non-competition and contracts with members of the Board of Directors of L. 4548/2018 and L. 4706/2020 as in force. The Board of Directors may exclusively and only in writing, delegate the exercise of all its powers and responsibilities, except those requiring collective action, as well as the representation of the Company, to one or more persons, members of the Board of Directors, directors, and employees of the Company or third parties, specifying at the same time the extent of this delegation. The members of the Board of Directors may be granted remuneration or compensation, the amount of which shall be approved by the Ordinary General Meeting by special resolution.

#### **Responsibilities of the Chairman of the Board of Directors.**

The Chairman of the Board of Directors coordinates the functioning of the Board of Directors and presides over it. He/she is responsible for convening the Board of Directors, determining the agenda of its meetings and ensuring the proper organization of its work and the efficient conduct of its meetings. Ensure that the members of the Board of Directors receive timely and accurate information, with a view to the fair and equitable treatment of the interests of all shareholders, the maximization of the return on investment and the protection of the Company's assets. Coordinates the implementation of the Company's corporate governance system and its effective implementation. The Board of Directors shall elect its Chairman from among its members. When he/she is absent or prevented from attending, the Vice-Chairman shall deputize for him to the full extent of his executive powers and the Independent Vice-Chairman shall deputize for him/her when he/she is prevented from attending or absent.



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### **Responsibilities of the (independent non-executive) Vice-Chairman of the Board of Directors.**

The Independent Vice-Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in all his/her functions, except for his/her executive functions, when he/she is absent or indisposed. The Independent Vice-Chairman is responsible for the coordination and effective communication of the executive and non-executive members of the Board of Directors. He/she also chairs the evaluation of the Chairman carried out by the members of the Board of Directors as well as the meetings of the non-executive members of the Board of Directors.

### **Responsibilities of the CEO.**

The CEO monitors and controls the implementation of the Company's strategic objectives and the management of the Company's affairs and sets the Company's guidelines. It supervises and ensures its smooth, orderly, and effective operation, in accordance with its strategic objectives, operational plans and action plan, as determined by decisions of the Board of Directors and the General Meeting. The functions of the Chairman and the Chief Executive Officer may be identical in the same person. The CEO participates in and reports to the Board of Directors of the Company and implements the strategic choices and major decisions of the Company. The Board of Directors of the Company may elect one of its members as Deputy CEO. The responsibilities of the Deputy CEO may relate to the responsibilities and competencies of the CEO such as strategic decision making and the setting of relevant objectives as well as the coordination and supervision of the individual Directorates of the Company. In addition, the Deputy Managing Director replaces the Managing Director in case of his/her absence or incapacity.

### **Executive, non-executive and independent non-executive members of the Board of Directors.**

The executive members of the Board of Directors deal with the day-to-day management of the Company and supervise the execution of the decisions of the Board of Directors. The executive members of the Board of Directors shall, in particular: a) be responsible for the implementation of the strategy defined by the Board of Directors; and b) consult regularly with the non-executive members of the Board of Directors on the appropriateness of the strategy implemented. In situations of crisis or risk, as well as when circumstances require measures to be taken that are reasonably expected to have a significant impact on the Company, such as when decisions are to be taken regarding the development of the business and the risks assumed, which are expected to affect the financial position of the Company, the executive members shall inform the Board of Directors, either jointly or separately, in writing and without delay, submitting a report containing their assessments and proposals to the Board of Directors.

The non-executive members of the Board of Directors, including the independent non-executive directors, monitor and review the Company's strategy and its implementation and the achievement of its objectives, ensure effective supervision of the executive directors, including monitoring and reviewing their performance, and review and express opinions on proposals submitted by the executive directors based on existing information.

A non-executive member of the Board of Directors is considered independent if, at the time of his appointment and during his/her term of office, he/she does not directly or indirectly hold more than zero point five percent (0.5%) of

the voting rights of the Company's share capital and is free from financial, business, family or other types of dependencies that may influence his decisions and his independent and objective judgment.

### Functioning of the Board of Directors

The operation of the Board of Directors is described in detail in the Regulations of the Board of Directors of the Company.

The Board of Directors met (42) times in the year 2022. At the meetings of the Board of Directors that had as their subject the preparation of the financial statements of the Company or whose agenda included matters for the approval of which the General Meeting of Shareholders was required to adopt a decision with increased quorum and majority, in accordance with L. 4548/2018, the Board of Directors was quorate and at least two (2) independent non-executive members were present.

Full name	Capacity	Participation in Meetings
MICHOS IOANNIS of NIKOLAOS	Chairman of the Board and Managing Director	41
ANAGNOSTOU VASSILIKI of DIMITRIOU	Deputy Managing Director	41
ABDIMIOTIS SPYRIDON of KONSTANTINOS	Vice Chairman of the Board, Independent Non-Executive Member, until 29/05/2022	20
MANIS PANTELEIMON of ANASTASIOS	Vice Chairman of the Board, Independent Non-Executive Member as of 30/05/2022	20
KOUTKOUDAKIS IOANNIS of ANTONIOS	Executive Member of the Board of Directors	41
PRASSAS VASSILIOS of GAVRIIL	Executive Member of the Board of Directors	42
MICHALOPOULOS PASCHALIS of GEORGIOS	Executive Member of the Board of Directors	42
GRIBPELAS ANDREAS of DIMITRIOS	Executive Member of the Board of Directors	42
AIKATERINI DASKALOPOULOU of GEORGIOS	Non-Executive Member of the Board of Directors	41
KOMNINOS NIKOLAOS of ZACHARIA	Independent Non-Executive Member of the Board of Directors	41
KARAMPINAS ELEFTHERIOS of MICHAEL	Independent Non-Executive Member of the Board of Directors	41

The functioning of the Board of Directors is supported by two Committees: The Audit Committee and the Nomination and Remuneration Committee.

### **Audit Committee.**

The Audit Committee operates in accordance with Art. 44 of L. 4449/2017 as amended by Art. 74 of L. 4706/2020, Art. 10, 15 and 16 of L. 4706/2020 and EU Regulation No. 537/2014, the Greek Corporate Governance Code that the Company has voluntarily adopted and the provisions of the Company's Regulations of Operation. The members of the Company's Audit Committee, their status and CVs are posted on the Company's website. The Audit Committee has specific responsibilities and competencies regarding the oversight of the regular audit, the financial reporting process, the internal control system, compliance and risk management, the oversight of the Internal Audit Department and sustainable development.

The Annual General Meeting of the Shareholders of "EPSILON NET S.A." of June 30, 2021 decided: a) the Audit Committee to be a Committee of the Board of Directors; b) the Audit Committee to consist of three (3) non-executive members of the Board of Directors, the majority or all of whom will be independent (non-executive members) who meet the independence requirements of Art. 4 of L. 3016/2002, as well as article 9 of Law No. 4706/2020; c) the members of the Audit Committee are appointed by the Board of Directors; and d) the Chairman of the Committee is appointed by the members of the Committee and is an independent non-executive member of the Board of Directors.

The Remuneration and Nomination Committee of the company at its meeting held on 26/05/2022 unanimously recommended the election of Mr. Pantelis Manis, son of Anastasios, as a new independent non-executive member of the Board of Directors and as a new member of the Audit Committee to replace the resigned Mr. Spyridon Avdimiotis. Subsequently, the Board of Directors of the company, by its unanimous decision of 30/05/2022, initially elected Mr. Panteleimon Manis, son of Anastasios, Independent non-executive member and Vice-Chairman of the Board of Directors and subsequently as a new member of the Audit Committee, replacing the resigned Mr. Spyridon Avdimiotis for a term of office expiring on the date of the next General Meeting in accordance with the provisions of Art. 9 par. 4 of Law 4706/2020.

At the Ordinary General Meeting of the Company's Shareholders of 30/06/2022, Pantelis Manis, son of Anastasios, was elected as a new independent non-executive member of the Board of Directors with a term of office until 30/06/2025, after it was established that he fulfils all the criteria of individual eligibility under the Company's Eligibility Policy, as well as the criteria of independence according to par. 1 and 2 of Art. 9 of Law 4706/2020, and there are no impediments or incompatibilities.

Subsequently, the Board of Directors of the Company, by its decision of 30/06/2022, taking into account that the above has proven to have sufficient knowledge in the sector in which the Company operates, elected him as a new member of the Audit Committee for a term of office until the expiry of the term of office of the Board of Directors,

i.e. until 30/06/2025 (the term of office being extended until the expiry of the period within which the next Ordinary General Meeting of the Company's Shareholders must be convened and until the relevant resolution is adopted).

Following the above election of Mr. Pantelis Manis, son of Anastasios, as a new member of the Audit Committee in replacement of the resigned member, Spyridon Avdimiotis and for a term of office until 30/06/2025, the Audit Committee by unanimous decision is reconstituted as follows:

1. ELEFThERIOS KARAMPINAS, son of MICHAEL, Chairman,
2. PANTELEIMON MANIS, son of ANASTASIOS, Member and
3. AIKATERINI DASKALOPOULOU, daughter of GEORGIOS, Member.

The Audit Committee shall have full and unimpeded access to the information it needs in the exercise of its responsibilities and shall have the resources necessary to carry out its work. Its responsibilities are defined taking into account, in addition to the applicable legal framework, the specific circumstances and needs of the Company, such as its size, ownership structure, organizational complexity, risk profile and the specificities of the relevant market. In order to fulfil its purpose, its main responsibilities are the following:

- It is responsible for the selection process of the regular auditor and makes proposals to the Board of Directors regarding the appointment, reappointment and removal of the regular auditor, as well as for the approval of the remuneration and terms of employment of the regular auditor under article 44 "Audit Committee" of the L. 4449/2017 and Art. 16 of Regulation (EU) 537/2014 to be approved by the General Meeting.
- It shall review and monitor the independence of the regular auditor and the objectivity and effectiveness of the audit process.
- It reviews the financial reports before their approval by the Board of Directors in order to assess their completeness and consistency with the information brought to its attention and with the accounting principles applied by the Company and informs the Board of Directors accordingly.
- It holds meetings with the Management during the preparation of the financial reports as well as with the auditor during the planning and audit stage, during the execution of the audit and during the preparation of the audit reports.
- It is informed about the process and timing of the preparation of financial reporting by the management and the annual statutory audit program by the auditor.
- It receives from the regular auditor a supplementary report based on article 11 of Regulation (EU) 537/2014, which includes the results of the statutory audit and any weaknesses of the internal control system, in particular, the weaknesses of the financial reporting procedures for the preparation of the financial statements and informs the Chairman, the CEO and the Board of Directors of the Company.

- It informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial reporting and what the role of the Audit Committee was in this process.
- It shall monitor the performance of the external auditors, taking into account any findings and conclusions of the competent authority in accordance with par. 6 of Art. 26 of Regulation (EU) No. 537/2014.
- With regard to the financial reporting process and the system of internal control, compliance and risk management, the Audit Committee:
  - It monitors the financial reporting process and makes recommendations or suggestions to ensure its integrity and the reliability of the Company's financial statements.
  - It oversees all official communications concerning the Company's financial performance (announcements, press releases), informs the Board of Directors of its findings and submits proposals for improvement if it deems necessary.
  - It inspects the Company's internal financial controls and monitors the effectiveness of the Company's internal control, regulatory compliance and risk management systems. To this end, the Audit Committee periodically reviews the Company's internal control and risk management system to ensure that the main risks are properly identified, managed and disclosed. It informs the Board of Directors of its findings and submits proposals for improvement as it deems necessary.
  - It examines and evaluates in detail important matters such as significant judgments, assumptions and estimates in the preparation of the financial statements, valuation of assets at fair value, assessment of recoverability of assets, adequacy of disclosures about significant risks faced by the Company, significant transactions with related parties, significant unusual transactions and compliance with accounting principles and standards and any changes since the previous financial year.
  - It examines the existence and content of those procedures, whereby the Company's employees can, in confidence, express their concerns about possible irregularities and irregularities in financial reporting or other issues related to the operation of the Company. The Audit Committee shall ensure that procedures are in place for the effective and independent investigation of such matters and for dealing with them appropriately.
  - It reviews the regulatory compliance system, which includes the establishment and implementation of appropriate and updated procedures, in order to achieve full and continuous compliance of the Company with the applicable regulatory framework in a timely manner and to have a complete picture of the extent to which this objective is achieved at all times.
- It reviews the policy and procedure for conducting periodic evaluation of the internal control system by persons with proven relevant professional experience and who have no dependencies in accordance with Art. 14 of L. 4706/2020.

The Audit Committee meets regularly, at least four (4) times a year, and on an extraordinary basis when required. In all cases, minutes shall be kept. All members of the Audit Committee participate in its meetings. It is at the discretion

of the Audit Committee to invite, whenever it deems appropriate, key executives involved in the governance of the Company, including the Chief Executive Officer, the Chief Financial Officer and the Head of Internal Audit, to attend specific meetings or specific agenda items

Decisions of the Audit Committee are taken by an absolute majority of its members. The Audit Committee may also meet on its own initiative, provided that all its members are present. The Audit Committee may also meet by videoconference. The drawing up and signing of minutes by all members of the Audit Committee is equivalent to a meeting and a decision even if no meeting has taken place. The Audit Committee may elect a secretary to take the minutes of its meetings. The minutes are available to all members of the Audit Committee and the Board of Directors. The Audit Committee has rules of procedure which are posted on the Company's website.

## **Report of the Audit Committee for the financial year 2022**

"Ladies and Gentlemen Shareholders,

This report has been prepared based on the provisions of the provisions of L. 4449/2017 as amended by Art. 75 of L. 4706/2020 and refers to the work of the Audit Committee (the "Committee") for the period 01.01.2022 - 31.12.2022, based on its responsibilities, as described in detail in its Regulations of Operation, which are posted on the Company's website. During the year under review, the Committee met six (6) times, and where appropriate, key management personnel and the Company's external auditors attended. During the meetings, in which all members of the Committee attended all the meetings, minutes were taken which outlined the agenda items and any decisions taken by the Committee. More specifically, the Committee made the following:

### ***External Control.***

- Watched and reviewed the process of conducting the statutory audit of the annual financial statements of the Company and the Group for the financial year 2022 and the review of the first half of 2022, as well as the content of the auditor's reports. In particular, the committee met three (3) times with the Company's auditor.
- It reviewed the significant issues and risks that could have an impact on the financial reporting process as stated in the Independent Auditor's Report and informed the Board of Directors of the Company of the outcome of the statutory audit.
- It confirmed the independence of the auditor.
- It confirmed that the conditions for changing the auditor for the regular audit of the financial year did not exist and proposed the re-election of the auditing company "Associated Auditors S.A." (SOL S.A.).
- It reviewed all the fees of the external auditors for the audit work carried out and confirmed that the provisions of European Regulation 537/2014 were complied with.
- It reviewed and evaluated the financial reporting process followed by the Company in the preparation of the annual and half-yearly financial statements and informed the Board of Directors about it.
- It reviewed and evaluated the process of preparing the Group's condensed financial results for the first and third quarters of the financial year.
- it has been extensively informed through meetings with the relevant management bodies and the statutory auditors on the significant audit issues, significant judgements, assumptions, and estimates made in the preparation of the financial statements.

- It held meetings with the CFOs of the Group's companies, the internal auditor, the IT Director, and other executives of the Company and was briefed on important issues, the work plan of the IT department, the Group's pending legal cases and the relevant forecasts.

### ***Internal Audit System, Risk Management, and Internal Audit Units.***

- It reviewed and evaluated the work of the Internal Audit Unit as to the adequacy and effectiveness of the audit carried out, was informed of all audits carried out within the period under review, their findings, the corrective actions agreed with the senior management and informed the Board of Directors.

- It evaluated the staffing of the Internal Audit Unit and informed the Board of Directors.

- It studied and approved the annual audit program of the Internal Audit Unit, which was prepared based on the main risks faced by the Group companies.

- It was informed, through a written declaration by the internal auditor, of the independence of the internal audit unit.

- It evaluated the performance of the internal auditor

- It monitored the Company's compliance process with the requirements of Corporate Governance L. 4706/2020.

- It studied and approved the revision of the Company's Regulations of Operation, the Internal Audit Unit's Regulations of Operation.

### ***Sustainable Development Policy***

Underlining the sincere commitment of the organization to the principles of Corporate Responsibility and Sustainable Development, the Company has drafted a Sustainable Development Policy. The policy covers all activities of the Company and the Group in Greece and abroad and binds the Company and all its subsidiaries.

The following are defined as fundamental commitments to corporate responsibility and sustainable development:

- In terms of the environment, the pursuit of optimal services with a view to protecting it.

- In terms of human resources, confidence in the abilities of staff and development of their skills, creating equal opportunities with respect for diversity.

- In terms of society, supporting local communities with actions that help to respond to the expectations of local issues, concerns, and aspirations.

- In terms of the market, a commitment to the continuous improvement of the products and services provided.

In addition, the Group proceeded with the analysis, identification and evaluation of the material issues related to its activity, by Sustainable Development axis.

The Group posted a Sustainability Report in December 2022 for the year 2021, which includes the report of the activities in the broader context of ESG and the total actions of the EPSILON NET Group companies, regarding





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the Environment, Society and Governance, which is also published on the corporate website ([https://ir.epsilonnet.gr/wp-content/uploads/2022/10/ekthesi-viosimis-anaptyxis\\_etous\\_2021.pdf](https://ir.epsilonnet.gr/wp-content/uploads/2022/10/ekthesi-viosimis-anaptyxis_etous_2021.pdf))

Finally, it should be mentioned that in the course of its work, the Commission had full and unhindered access to all information to carry out its tasks effectively.

FOR THE AUDIT COMMITTEE

THE CHAIRMAN

ELEFThERIOS KARAMPINAS"

## **Remuneration and Nominations Committee**

The Company's Remuneration and Nominations Committee has been established to support the Board of Directors in fulfilling its obligations to shareholders to ensure that the nomination of candidates for the Board of Directors is done in a meritocratic and objective manner, to ensure the smooth succession of its members and senior executives for the long-term success of the Company. It consists of three (3) non-executive members of the Board of Directors, of which at least two (2) are independent. An independent non-executive director is appointed as the Chairman of the Committee.

Within its role, the Remuneration and Nominations Committee: a) makes proposals to the Board of Directors regarding the remuneration policy submitted for approval to the General Meeting, in accordance with par. 2 of Art. 110 of L. 4548/2018; b) makes proposals to the Board of Directors regarding the remuneration of persons falling within the scope of the remuneration policy, pursuant to Art. 110 of L. 4548/2018, and on the remuneration of the Company's executives, in particular the head of the internal audit unit; c) examines the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, before submitting the report to the General Meeting in accordance with Art. 112 of L. 4548/2018; and d) identifies and proposes to the Board of Directors persons suitable to become members of the Board of Directors, based on the procedure provided for in its rules of procedure. In selecting candidates, the Remuneration and Nominations Committee considers the factors and criteria set by the Company, in accordance with the eligibility policy adopted by the Company.

The Remuneration and Nomination Committee of the company at its meeting held on 26/05/2022 unanimously recommended the election of Mr. Pantelis Manis, son of Anastasios, as a new independent non-executive member of the Board of Directors and as a new member of the Audit Committee to replace the resigned Mr. Spyridon Avdimiotis. Subsequently, the Board of Directors of the company, by its unanimous decision of 30/05/2022, initially elected Mr. Mani Panteleimon, son of Anastasios, Independent non-executive member and Vice-Chairman of the Board of Directors and subsequently as a new member of the Remuneration and Nominations Committee, replacing the resigned Mr. Spyridon Avdimiotis for a term of office expiring on the date of the next General Meeting in accordance with the provisions of Art. 9 par. 4 of Law 4706/2020.

At the Ordinary General Meeting of the Company's Shareholders of 30/06/2022, Pantelis Manis, son of Anastasios, was elected as a new independent non-executive member of the Board of Directors with a term of office until 30/06/2025, after it was established that he fulfils all the criteria of individual eligibility under the Company's Eligibility Policy, as well as the criteria of independence according to par. 1 and 2 of Art. 9 of Law 4706/2020, and there are no impediments or incompatibilities.

Subsequently, the Board of Directors of the Company, by its decision of 30/06/2022, taking into account that the above has proven to have sufficient knowledge in the sector in which the Company operates, elected him as a new member of the Audit Committee for a term of office until the expiry of the term of office of the Board of Directors, i.e. until 30/06/2025 (the term of office being extended until the expiry of the period within which the next Annual General Meeting of the Company's Shareholders must be convened and until the relevant resolution is adopted).

Following the above election, Mr. Pantelis Manis, son of Anastasios, as a new member of the Audit Committee in replacement of the resigned member, Spyridon Avdimiotis and for a term of office until 30/06/2025 (extended term of office until the expiry of the deadline, within which the next Ordinary General Meeting of the Company's Shareholders must be convened and until the relevant decision is taken), the Remuneration and Nominations Committee, by unanimous decision on 04/07/2022, is reconstituted as follows:

1. PANTELIS MANIS, son of ANASTASIOS, Independent Non-Executive Member of the Board, Chairman of the Committee,
2. ELEFThERIOS KARAMPINAS, son of MICHAEL, Independent Non-Executive Member of the Board, Member of the Committee and
3. AIKATERINI DASKALOPOULOU, daughter of GEORGIOS, Non-Executive Member of the Board, Member of the Committee.

The term of office of the members of the Remuneration and Nominations Committee lasts until the expiry of the term of office of the Board of Directors, i.e., until 30/06/2025.

The Remuneration and Nominations Committee has rules of procedure which are posted on the Company's website.

### **Summary Report on the activities of the Remuneration and Nominations Committee**

During fiscal year 2022, the Remuneration and Nominations Committee met four (4) times.

More specifically, the Committee made the following:

- Examined the legal framework governing the Company and activated par. 4 of Art. 9 of L. 4706/2020, proposing the entry of a new member to the Board of Directors of the Company
- Recommended the approval of the remuneration paid to the members of the Board of Directors for their services to the Company during the fiscal year 2021 (01/01/2021 - 31/12/2021)
- Recommended the approval of the advance payments made to the Executive Members of the Board of Directors during the current financial year (01/01/2022 - 31/12/2022)

- Recommended the approval of the advance payments made to the Non-Executive Directors and Independent and Non-Executive Directors during the then current financial year (01/01/2022 - 31/12/2022)

- Advised on the reference to a clear distinction between Board members' remuneration based on financial and non-financial criteria. During all meetings, all members of the Committee were present.

Minutes were taken which outlined the agenda items and any decisions taken by the Committee.

Information on the number of shares held by each member of the Board of Directors and each principal executive officer in the Company is set out in the following table:

Full name	Capacity	Number of Shares
MICHOS IOANNIS of NIKOLAOS	Chairman of the Board and Managing Director	34,100,000
ANAGNOSTOU VASSILIKI of DIMITRIOU	Deputy Managing Director	357,616
ABDIMIOTIS SPYRIDON of KONSTANTINOS	Vice Chairman of the Board, Independent Non-Executive Member, until 29/05/2022	0
MANIS PANTELEIMON of ANASTASIOS	Vice Chairman of the Board, Independent Non-Executive Member as of 30/05/2022	0
KOUTKOUDAKIS IOANNIS of ANTONIOS	Executive Member of the Board of Directors	128,000
PRASSAS VASSILIOS of GAVRIIL	Executive Member of the Board of Directors	13,000
MICHALOPOULOS PASCHALIS of GEORGIOS	Executive Member of the Board of Directors	6,000
GRIBPELAS ANDREAS of DIMITRIOS	Executive Member of the Board of Directors	30,000
AIKATERINI DASKALOPOULOU of GEORGIOS	Non-Executive Member of the Board of Directors	0
KOMNINOS NIKOLAOS of ZACHARIA	Independent Non-Executive Member of the Board of Directors	0
KARAMPINAS ELEFTHERIOS of MICHAEL	Independent Non-Executive Member of the Board of Directors	5,000
KAZINERIS THOMAS of ARISTOTELIS	Accounting Manager	3,000
MICHOS NIKOLAOS of IOANNIS	Sales Network Manager	1,398,350
PETROU DIALECHTI-KONSTANTINA of GEORGIOS	Internal Auditor	50

**(e) A description of the diversity policy applied to the company's administrative, management and supervisory bodies regarding aspects such as, inter alia, the age, the gender or the educational and professional background of the members, the objectives of that diversity policy, how it has been implemented and the results during the reporting period**

The Board of Directors of the Company is composed of persons of good moral and reputational standing and has enough members and an appropriate composition, which reflects the knowledge, skills and experience required for the exercise of its responsibilities, in accordance with the business model and strategy of the Company. The Company shall ensure diversity and adequate gender representation on its Board of Directors and in general shall ensure equal treatment and equal opportunities, as well as the concentration of a wide range of qualifications and skills among the members of the Board of Directors. It also ensures that the members of the Board of Directors understand and comprehend the corporate governance regulations of the Company, as they result from the Law, the Corporate

Governance Code, and the Code of Professional Conduct that the Company applies. In the selection, renewal of the term of office and replacement of a member of the Board of Directors, individual and collective individuality, as defined immediately below, shall be considered. The suitability of the members of the Board of Directors is monitored on an ongoing basis, to identify any situation where a re-evaluation is required. Among the cases where a reassessment of the suitability of the members is deemed necessary are: a) when doubts arise as to the individual suitability of the members of the Board of Directors or the suitability of the composition of the body; b) in the case of a significant impact on the reputation of a member of the Board of Directors; and c) in any event that may significantly affect the suitability of the member of the Board of Directors, including in cases, where the members do not comply with the Company's Interest Conflict Policy. The Board of Directors of the Company is responsible to ensure and formulate an appropriate succession plan to ensure the smooth continuation of the management of the Company's affairs and decision-making after the departure of members of the Board of Directors, in particular the executive members and committee members of the Company. The suitability of the members of the Board of Directors is divided into a) individual and b) collective.

The Company has a Suitability Policy for the members of the Board of Directors which was approved by the Annual General Meeting of the Company's Shareholders on 30/06/2020 (1<sup>st</sup> edition). The basic concepts and principles of the Company's Suitability Policy, which is posted on the Company's website ([www.epsilonnet.gr](http://www.epsilonnet.gr)) are the following:

A. It is clearly, adequately documented, governed by the principle of transparency and proportionality and is in line with the Internal Regulations of Operation and the Corporate Governance Code applied by the Company.

B. The size, internal organization, risk appetite, the nature and complexity of the Company's activities are considered in establishing it.

C. It shall consider the more specific description of the responsibilities of each Board member or his or her participation or non-participation in committees, the nature of his or her duties (executive or non-executive Board member) as well as specific incompatibilities or characteristics or contractual commitments.

D. It is evaluated at regular intervals or when significant events or changes occur.

The Eligibility Policy explicitly provides for an adequate gender representation of at least 25% of the total number of Board members and in the case of a fraction, this percentage is rounded to the previous integer. The Eligibility Policy refers to the Company's Equal Opportunities and Diversity Policy to ensure that it is considered when appointing new members of the Board of Directors. The monitoring of the implementation of the Eligibility Policy is the responsibility of the Board of Directors.

#### **(f) remuneration policy**

The "Remuneration Policy" of "EPSILON NET S.A." has been adopted and applied in accordance with Art. 110 and 111 of the L. 4548/2018, which incorporate Art. 9a of Directive 2007/36/EC, as introduced by Directive 2017/828/EU and is available on the Company's website, [www.epsilonnet.gr](http://www.epsilonnet.gr). The "Remuneration Policy" is valid for four (4) years from the date of its approval by the Company's Annual General Meeting of Shareholders and may be

revised in the event of material changes in the circumstances under which it was drawn up. Any revision requires the approval of the ordinary General Meeting of the Company's Shareholders, as defined by par. 2 of Art. 110 of L. 4548/2018, as in force. A temporary deviation from the approved "Remuneration Policy" may be made if the conditions set out in par. 6 of Art. 110 of L. 4548/2018. Its purpose is to increase corporate value through the retention and attraction of the most competent and suitable employees, those who achieve the objectives and serve the Company's interests in an excellent manner. Seeking to safeguard the interests and sustainability of the Company and the Group, the "Remuneration Policy" is in line with the Company's business strategy and supports the culture of performance creation, which aligns the Company's and the Group's objectives with the objectives of the stakeholders - employees, management, shareholders - and motivates employees to continue to act in the best corporate interest.

The "Remuneration Policy" is based on the following principles:

- Maximizing performance
- Attracting and retaining talents
- Aligning remuneration and rewards with profitability, risk, capital adequacy and sustainable growth
- Complying with the applicable legal and regulatory framework
- Internal transparency
- Ensuring that the remuneration paid is appropriate to the duties, responsibilities, position, performance, professional experience, and qualifications of the persons to whom it applies.

#### **g) Code of Conduct**

The Code of Conduct was adopted by the company by the decision of its Board of Directors on 17.12.2019 and is posted on the company's website, [www.epsilonnet.gr](http://www.epsilonnet.gr). Its purpose is to promote a common corporate culture in the EPSILON NET SA Group as such, meaning EPSILON NET SA and its subsidiaries, which encourages behavior based on the best principles of business ethics and conduct, but also on the applicable legislation in the areas of human rights, working conditions, the environment, and the fight against corruption. The Code of Conduct contains the fundamental principles, rules and values that form the framework of our activities and guide our daily behavior and practice. This set of principles and rules describes the behavior we expect from our employees, as well as the way we conduct business with our customers, suppliers, and partners. The purpose of the Code is to guide us in making decisions in situations where dilemmas may arise regarding the correct way to behave and deal with issues related to the principles and rules of business ethics. Compliance with the principles of business ethics and conduct adopted by the Group in its relations with and with all its partners (e.g., suppliers and other external partners) is sought.

#### **h) Regulations of Operation**

The Company has an updated Regulation of Operation (<sup>2nd</sup> edition) in accordance with Art. 14 of L. 4706/2020 which includes:

- The organizational structure, the objects of the units, the committees of the Board of Directors or other standing committees as well as the duties of their heads and their reporting lines.
- A report on the main features of the Internal Control System (ICS), which includes the internal control unit, risk management and regulatory compliance.
- The recruitment process for senior managers and their performance evaluation.
- The procedure for compliance of persons exercising managerial functions and persons with close links to them with the obligations of Art. 19 of Regulation (EU) 596/2014.
- The procedure for the disclosure of the existence of any dependency relationship between independent non-executive members of the Board of Directors and people with close links to such persons.
- The process of complying with the obligations arising from the law on related party transactions.
- The policies and procedures for preventing and dealing with conflict-of-interest situations.
- The Company's policies and procedures for compliance with the laws and regulations governing its organization and operation as well as its activities.
- The procedure that the Company has in place for the management of privileged information and the proper information of the public, in accordance with the provisions of Regulation (EU) 596/2014.
- The policy and procedure for the periodic evaluation of the Internal Control System (ICS) by persons with relevant professional experience and without dependency.
- The training policy for the members of the Board of Directors, the executives, and other executives of the Company, those involved in internal control, risk management, regulatory compliance and information systems.
- The sustainable development policy is followed by the Company.

The Company's Regulations of Operation and any amendments thereto shall be issued and approved by the Board of Directors. Details of the Regulations of Operation are posted on the Company's website, [www.epsilonnet.gr](http://www.epsilonnet.gr).

Risk management is based on the definition of objective objectives based on which the most significant events that may affect the Company are identified, the relevant risks are assessed and the Company's response to them is decided.

The adequacy of the Risk Management System is based on:

- The nature and extent of the risks it faces,
- To the extent and categories of risks that the Board of Directors considers to be within acceptable limits for the Company,
- The likelihood of the risks materializing,
- The Company's ability to reduce the impact of the risks that ultimately materialize,
- The cost of operating specific safeguards, relative to the benefit of managing risks.

## **j) Risk Management System**

Risk management is based on the definition of objective objectives based on which the most significant events that may affect the Company are identified, the relevant risks are assessed and the Company's response to them is decided.

Risk management is a process that:

- is carried out by the Company's managers and other employees of the Company
- is designed to identify potential events that may affect it
- is carried out by the Company's managers and other employees of the Company
- is designed to identify potential events that may affect the Company.

## **j) Internal Audit System**

The Company's Internal Audit System comprises the set of policies, procedures, duties, behaviors, and other elements that characterize the Company, which are implemented by the Board of Directors, the Management and other employees and have objectives:

- The consistent implementation of the operational strategy with the effective use of available resources.
- The identification and management of material risks associated with the Company's business and operations.
- The effective operation of the internal audit unit.
- Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the preparation of reliable financial statements and non-financial statements.

## **k) Regulatory Compliance System**

The main mission of regulatory compliance is to establish and implement appropriate and updated policies and procedures to achieve full and continuous compliance of the Company with the applicable regulatory framework in a timely manner and to always have a complete picture of the degree of achievement of this objective. The complexity and nature of the Company's activities, including the development and promotion of new products and business practices, have been assessed to establish the relevant policies and procedures.

## **l) Internal Audit Unit**

The Internal Audit Unit operates in accordance with Art. 15 and 16 of L. 4706/2020, the Greek Corporate Governance Code that the Company has voluntarily adopted (<http://www.helex.gr/el/esed>) and the provisions of the Company's Regulations of Operation.

**Thessaloniki, 10 April 2023**

**The Board of Directors**



# Independent Auditor's Report

To the Shareholders of the Company “**EPSILON NET Société Anonyme**”

## **Report on the Audit of the Separate and Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying separate and consolidated financial statements of “**EPSILON NET Société Anonyme**” (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2022, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the company “**EPSILON NET Société Anonyme**” and its subsidiaries (the Group) as at 31 December 2022, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the separate and consolidated Financial Statements” section of our report. We are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the audited period. These matters and the related risks of material misstatement were addressed in the context of the audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Addressing the audit matter
<p><b>1. Intangible assets</b></p>	
<p>At 31.12.2022, the intangible assets of the Group amount to € 14.326 thousand (€ 14.869 thousand at 31.12.2021) and of the Company amount to € 2.309 thousand (€ 2.663 thousand at 31.12.2021).</p> <p>In accordance with the Group's accounting policy, the intangible assets acquired individually are recognized at cost, while those acquired through business combinations are recognized at fair value at the acquisition date. It is noted that the most significant asset included in the item of the Statement of Financial Position "Intangible assets", concerns computer software programmes, which are mainly internally developed by the IT department of the Group companies and have a limited useful life.</p> <p>Intangible assets are subject to amortisation based on the useful life estimated by Management. Also, intangible assets are tested for impairment of their value, on an annual basis, if there are indications.</p> <p>Due to the significant amount of the item in the financial statements, the nature of the Group's activity and the estimates and assumptions used by Management in determining the useful life of the intangible assets, we identified this area to be one of most significance matter. Information on the accounting policies for the recognition of "Intangible assets" is referred to in Notes 2.4 and 8 to the financial statements.</p>	<p>Our audit approach included among other also the following procedures:</p> <ul style="list-style-type: none"> <li>• Assessment of the appropriateness of the models of calculation and separations of the research and development costs applied by management according to the requirements of IAS 38.</li> <li>• Overview of how to define the cost of creating internally generated intangible assets to ensure that: a) it is reasonable b) it has been consistently applied c) development costs have been capitalised according to the requirements of IAS 38.</li> <li>• Examination of Management's assumptions regarding the determination of their useful life and check of correctness of the amortisation calculation.</li> <li>• Assessment of the Management's estimate on whether there is evidence of impairment of these assets in accordance with IAS 36.</li> <li>• Assessment of the adequacy and appropriateness of the disclosures in Notes 2.4 and 8 to the financial statements.</li> </ul>
<p><b>2. Recognition of goodwill and investments in subsidiaries</b></p>	
<p>At 31.12.2022, the Group has recognised in the consolidated financial statements "Goodwill" amounting € 12.327 thousand (€ 8.255 thousand at 31.12.2021). In the separate financial</p>	<p>Our audit approach included among other also the following main procedures:</p> <ul style="list-style-type: none"> <li>• Regarding the recognition of goodwill in the consolidated financial statements and the</li> </ul>



<b>Key audit matter</b>	<b>Addressing the audit matter</b>
<p>statements as at 31.12.2022, the Company has recognised investments of € 31.160 thousand (€ 25.172 at 31.12.2021) in subsidiaries, which are measured at acquisition cost, adjusted with impairment performed wherever required.</p> <p>In accordance with IFRS requirements, Management performs a goodwill impairment test annually or more frequently when there are indications that the carrying amount of the cash-generating units (CGUs) - individual subsidiaries - to which goodwill has been allocated exceeds their recoverable amount. Accordingly, in the separate financial statements and in respect of investments in subsidiaries, impairment or any reversal of impairment is tested for impairment whenever there are relevant indications of impairment. The Group and the Company estimate the recoverable amount of the cash-generating units (CGUs) / subsidiaries based on their value in use. The calculation of the value in use requires Management's estimates of variables based on approved budgets, such as the projected average sales growth rate, future gross margins and earnings before interest, taxes, depreciation and amortisation (EBITDA) as well as the discount rate.</p> <p>The above estimates require critical judgment by Management and involve a degree of uncertainty. Therefore, we consider the valuation assessment of goodwill in the consolidated financial statements and investments in subsidiaries to be one of most significance matter.</p> <p>The disclosures of the Group and the Company regarding this matter are included in Notes 2.1., 2.4, 9 and 10 to the financial statements.</p>	<p>acquisition cost of investments in subsidiaries in the separate financial statements, we examined the appropriateness of the application of the acquisition method, as presented in the financial statements and evaluated the reasonableness of the assumptions of the valuation models and generally the appropriateness of the methodology used to determine the fair value of the identifiable assets and the acquisition cost of the new subsidiaries.</p> <ul style="list-style-type: none"> <li>• We verified the correctness of the calculation of the goodwill recognised in the consolidated financial statements as the difference between, on the one hand, the total acquisition consideration and, on the other hand, the identifiable assets and the liabilities assumed measured at fair value.</li> <li>• Regarding the impairment testing of both goodwill in the consolidated financial statements and the value of investments in subsidiaries in the separate financial statements, we evaluated the reasonableness of the assumptions of the valuation models (projected cash flows, discount rates, etc.) and generally the appropriateness of the methodology used to determine the value in use. In addition, we performed a sensitivity analysis of the values to changes in the critical assumptions to assess the adequacy of the value margin. For this process, and where necessary, the contribution of a special expert was requested.</li> <li>• We assessed the reliability of Management's estimates, by comparing the actual performance, against previous estimates.</li> <li>• We assessed the adequacy and appropriateness of the disclosures in Notes 2.1, 2.4, 9 and 10 to the financial statements.</li> </ul>
<p><b>3. Recoverability of trade receivables</b></p>	
<p>At 31.12.2022 the trade receivables of the Group amount to € 28.810 thousand (€ 18.945 thousand at 31.12.2021) and of the Company amount to € 9.803 thousand (€ 6.768 thousand at 31.12.2021).</p> <p>Management assesses at the end of each reporting period the recoverability of the Group's trade receivables, so as these to be carried at their recoverable amount, recognising the required credit losses. In order to assess the amount of impairment of its trade receivables, the Management assesses their recoverability</p>	<p>Our audit procedures regarding the recoverability of trade receivables included among other the following:</p> <ul style="list-style-type: none"> <li>• Understanding of the process with respect to monitoring the trade receivables and the factors taken into account for the estimation of the loss allowance of these receivables.</li> <li>• Assessment of the assumptions and methodology used by the Group to determine the recoverability of trade receivables or their classification as doubtful.</li> </ul>



Key audit matter	Addressing the audit matter
<p>by reviewing the maturity of trade debtor balances, their credit history and the settlement of subsequent payments according to each settlement. This procedure includes critical judgments and estimates in relation to the proper implementation of IFRS 9 "Financial Instruments".</p> <p>We consider the assessment of the recoverability of the Group's trade receivables to be one of most significance matter, on the one hand, because trade receivables are main item of the Assets and, on the other hand, because of the Management's critical estimates and judgments.</p> <p>Information on the accounting policies of the Company and the Group regarding trade receivables is referred to in Notes 2.10 and 17 to the financial statements.</p>	<ul style="list-style-type: none"> <li>• Assessment of the customers' aging analysis and the estimate for the loss allowance.</li> <li>• The receipt of third party confirmation letters directly from us for a representative sample of trade receivables and performance of procedures after the reporting date of the financial statements for receipts against the year-end balances.</li> <li>• Examining of the reply letters of the Group's legal advisors, received directly from us for cases handled during the year in order to identify any cases of trade receivables balances that may not be recoverable in part or in whole in the future.</li> <li>• Assessment of the adequacy and appropriateness of the disclosures in Notes 2.10 and 17 to the financial statements.</li> </ul>

### Other information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report for which reference is made to the "Report on other Legal and Regulatory Requirements", to the Statements of the Members of the Board of Directors, but does not include the financial statements and the auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

### **Auditor's responsibilities for the audit of the separate and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs as incorporated into the Greek Legislation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the company and of its subsidiaries audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the audited period and are therefore the key audit matters.

## **Report on other Legal and Regulatory Requirements**

### **1. Board of Directors' Report**

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement included in this report, according to the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B'), we note that:

- a) The Board of Directors' Report includes the corporate governance statement that provides the information defined under article 152 of L. 4548/2018.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the articles 150 and 153-154 and the paragraph 1 (cases c' and d') of the article 152 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31/12/2022.
- c) Based on the knowledge we obtained during our audit of the company “**EPSILON NET Société Anonyme**” and its environment, we have not identified any material misstatements in the Board of Directors' Report.

### **2. Additional Report to the Audit Committee**

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Company's Audit Committee referred to in article 11 of European Union (EU) Regulation 537/2014.

### **3. Provision of non-audit services**

We have not provided to the Company and its subsidiaries the prohibited non-audit services referred to in article 5 of EU Regulation 537/2014 or other permitted non-audit services.

### **4. Auditor's Appointment**

We were appointed for the first time, after 15/7/2020 when the Company became a Public Interest Entity, as its Certified Auditors Accountants by the dated 02/09/2020 decision of the annual ordinary general meeting of its shareholders. Since then our appointment has been continuously renewed for a total period of 3 years based on the annual decisions taken by the ordinary general meeting of shareholders.

### **5. Operating Regulation**

The Company has an Operating Regulation in accordance with the content provided by the provisions of article 14 of L. 4706/2020.

### **6. Assurance Report on the European Single Electronic Reporting Format**

We examined the digital files of the company “**EPSILON NET Société Anonyme**” (hereinafter Company and Group), which were prepared according to the European Single Electronic Format (ESEF) defined by the European Commission Delegated Regulation (EU) 2019/815, as amended by the Regulation (EU) 2020/1989 (hereinafter ESEF Regulation), and

which comprise the separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2022, in XHTML format, as well as the provided XBRL file “2138007CWC1NYS6B6N87-2022-12-31-en.zip” with the appropriate tag, on the above-mentioned consolidated financial statements including the other explanatory information (Notes to the financial statements).

### **Regulatory framework**

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and the European Commission Interpretative Communication 2020/C 379/01 of the 10<sup>th</sup> November 2020, as provided by L. 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter “ESEF Regulatory Framework”). In brief, this Framework includes, among other, the following requirements:

- All annual financial reports should be prepared in XHTML format.
- Regarding the consolidated financial statements under International Financial Reporting Standards, the financial information included in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows as well as the financial information included in the other explanatory information, should be tagged with XBRL ‘tags’ (XBRL ‘tags’ and ‘block tag’), in accordance with ESEF Taxonomy, as applicable. The technical standards for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the applicable ESEF Regulatory Framework are appropriate criteria for expressing a conclusion that provides reasonable assurance.

### **Responsibilities of management and those charged with governance**

Management is responsible for the preparation and presentation of the separate and consolidated financial statements of the Company and the Group, for the year ended 31 December 2022, in accordance with the requirements set out in the ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of digital files that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibilities**

Our responsibility is to plan and carry out this assurance engagement, in accordance with the Decision No. 214/4/11-02-2022 of the B. of D. of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) and the “Guidelines in relation to the Independent Auditors’ work and assurance report on the European Single Electronic Reporting Format for issuers whose securities are admitted to trading on a regulated market in Greece”, as issued by the Institute of Certified Public Accountants of Greece (SOEL) at 14/02/2022 (hereinafter “ESEF Guidelines”), in order to obtain reasonable assurance about whether the separate and consolidated financial statements of the Company and the Group prepared by management in accordance with ESEF comply in all material respects with the ESEF Regulatory Framework in force.

Our work was carried out in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and also, we have fulfilled the ethical and independence requirements, in accordance with L. 4449/2017 and Regulation (EU) No. 537/2014.

The assurance engagement we performed is limited to the items included in the ESEF Guidelines and was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”. Reasonable assurance is a high level of assurance but is not a guarantee that this engagement will always detect a material misstatement regarding non-compliance with the requirements of the ESEF Regulatory Framework.

## **Conclusion**

Based on the work performed and the evidence obtained, we conclude that the separate and consolidated financial statements of the Company and the Group, for the year ended 31 December 2022, in XHTML file format, as well as the provided XBRL file “2138007CWC1NYS6B6N87-2022-12-31-en.zip”) with the appropriate tag, on the aforementioned consolidated financial statements, including the other explanatory information, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 10 April 2023

### **Dimitrios Drakopoulos**

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 40061

SOL S.A.

Member of Crowe Global

3, Fok. Negri Str., 112 57 Athens, Greece

Institute of CPA (SOEL) Reg. No. 125





**EPSILONNET**  
GROUP OF COMPANIES

## **EPSILON NET**

**INFORMATION TECHNOLOGY, EDUCATION AND HIGH  
TECHNOLOGY PRODUCTS SOCIETE ANONYME**

**General Commercial Registry (GEMI) No.: 038383705000**

*Annual Financial Statements*

*for the Fiscal Year starting from 1<sup>st</sup> January to 31<sup>st</sup> December 2022*

*in accordance with International Financial Reporting Standards (IFRS)*

# Financial Statements as at 31<sup>st</sup> December 2022

## Statement of Financial Position

Amounts in €	Note	GROUP		COMPANY	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Tangible Assets	6	7,036,158.74	4,670,183.31	1,037,643.20	1,148,535.04
Investment in Real Estate	7	2,312,881.80	-	2,312,881.80	-
Intangible Assets	8	14,326,351.55	14,868,654.62	2,309,343.33	2,663,305.34
Goodwill	9	12,326,851.50	8,255,502.69	-	-
Investments in Subsidiaries	10	-	-	31,160,433.98	25,171,763.88
Investments in Associates	11	5,349,318.44	4,835,758.06	4,619,360.88	4,619,360.88
Other Participation Titles	12	72,214.97	33,487.36	3,521.30	3,521.30
Investment Portfolio Securities	13	2,809,335.89	-	344,539.00	-
Deferred Tax Receivables	14	2,045,645.54	2,188,587.08	85,438.61	-
Lease Receivables	15	9,561.85	1,321.20	333,446.41	439,790.69
Other Long-term Receivables	15	176,401.01	623,428.55	59,530.27	516,883.21
<b>Total Non-Current Assets</b>		<b>46,464,721.29</b>	<b>35,476,922.87</b>	<b>42,266,138.78</b>	<b>34,563,160.34</b>
<b>Current Assets</b>					
Inventories	16	377,517.32	132,612.78	36,784.99	25,077.41
Customers and Other Trade Receivables	17	28,810,429.71	18,944,616.93	9,802,580.98	6,768,206.92
Commercial Portfolio Securities	18	-	297,754.62	-	-
Lease Receivables	15	3,815.15	1,719.86	106,468.27	112,999.72
Other Receivables	19	4,192,320.51	2,613,004.50	2,598,234.68	1,632,117.73
Cash and Cash Equivalents	20	26,648,940.18	23,354,155.02	12,878,613.48	12,367,725.81
<b>Total Current Assets</b>		<b>60,033,022.87</b>	<b>45,343,863.71</b>	<b>25,422,682.40</b>	<b>20,906,127.59</b>
<b>Total Assets</b>		<b>106,497,744.16</b>	<b>80,820,786.58</b>	<b>67,688,821.18</b>	<b>55,469,287.93</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share Capital	21	4,065,000.00	4,020,000.00	4,065,000.00	4,020,000.00
Share Premium	21	4,929,507.96	4,614,507.96	4,929,507.96	4,614,507.96
Reserves	21	2,152,929.29	1,800,859.99	2,295,965.05	1,712,474.95
Retained Earnings	21	34,302,028.63	20,129,699.27	36,155,458.55	26,989,109.84
<b>Total Equity Attributable to Parent's Shareholders</b>		<b>45,449,465.88</b>	<b>30,565,067.22</b>	<b>47,445,931.56</b>	<b>37,336,092.75</b>
Minority Rights	21	12,845,534.64	10,889,597.76	-	-
<b>Total Equity</b>		<b>58,295,000.52</b>	<b>41,454,664.98</b>	<b>47,445,931.56</b>	<b>37,336,092.75</b>
<b>Non-Current Liabilities</b>					
Loans	22	7,817,013.68	8,910,038.66	2,614,107.81	4,358,329.78
Lease Liabilities	23	3,047,089.82	1,563,493.58	563,476.81	728,775.26
Deferred Tax Liabilities	14	-	-	-	86,142.12
Liabilities For Pension Plans	24	1,494,712.56	1,152,257.11	118,481.28	61,949.54
Other Long-term Liabilities	25	139,425.06	141,675.62	132,897.30	132,897.30
<b>Total Non-Current Liabilities</b>		<b>12,498,241.12</b>	<b>11,767,464.97</b>	<b>3,428,963.20</b>	<b>5,368,094.00</b>
<b>Current Liabilities</b>					
Suppliers and Other Trade Liabilities	26	7,800,944.76	5,290,184.92	2,195,832.81	1,654,471.58
Current Portion of Non-Current Loans	22	8,634,684.04	6,797,811.77	4,483,000.00	3,029,302.72
Current Portion of Lease Liabilities	23	777,455.41	607,241.10	255,126.71	316,732.77
Current Tax Liabilities	27	10,725,345.46	6,726,741.03	5,773,418.56	3,740,414.39
Other Short-term Liabilities	27	7,766,072.85	8,176,677.81	4,106,548.34	4,024,179.72
<b>Total Current Liabilities</b>		<b>35,704,502.52</b>	<b>27,598,656.63</b>	<b>16,813,926.42</b>	<b>12,765,101.18</b>
<b>Total Liabilities</b>		<b>48,202,743.64</b>	<b>39,366,121.60</b>	<b>20,242,889.62</b>	<b>18,133,195.18</b>
<b>Total Equity &amp; Liabilities</b>		<b>106,497,744.16</b>	<b>80,820,786.58</b>	<b>67,688,821.18</b>	<b>55,469,287.93</b>

The notes on pages 102 to 190 form an integral part of these Financial Statements.

## Statement of Comprehensive Income

Amounts in €	Note	GROUP		COMPANY	
		1.1-31.12.2022	1.1-31.12.2021	1.1-31.12.2022	1.1-31.12.2021
<b>Turnover (Sales)</b>	<b>32</b>	<b>75,107,325.91</b>	<b>50,511,276.57</b>	<b>28,704,913.39</b>	<b>18,954,163.77</b>
Cost of Sales	28	(26,443,766.86)	(19,481,101.65)	(9,258,375.12)	(7,363,321.20)
<b>Gross Profit</b>		<b>48,663,559.05</b>	<b>31,030,174.92</b>	<b>19,446,538.27</b>	<b>11,590,842.57</b>
Other Operating Income	29	1,336,010.32	342,495.53	559,090.65	64,857.90
Administrative Expenses	28	(2,495,420.71)	(1,287,126.84)	(476,142.65)	(225,883.48)
Research and Development Expenses	28	(15,416,252.39)	(9,737,117.95)	(3,917,732.43)	(3,403,215.98)
Distribution Expenses	28	(9,077,257.66)	(6,014,675.21)	(1,398,214.46)	(679,859.82)
Other Operating Expenses	29	(1,392,906.87)	(1,994,899.59)	(624,305.71)	(183,027.02)
<b>Operating Profit</b>		<b>21,617,731.74</b>	<b>12,338,850.86</b>	<b>13,589,233.67</b>	<b>7,163,714.17</b>
Financial Income	30	134,483.48	120,541.86	600,806.96	98,808.99
Financial Expenses	30	(910,266.78)	(856,463.56)	(357,898.53)	(389,578.88)
Share of Profit / (Loss) of Associates	11	577,264.81	612,812.81	-	-
<b>Net Profit Before Taxes</b>		<b>21,419,213.25</b>	<b>12,215,741.97</b>	<b>13,832,142.10</b>	<b>6,872,944.28</b>
Income Tax	14	(3,115,898.20)	(1,436,922.29)	(2,162,340.12)	(1,232,090.68)
<b>Net Profit After Taxes (A)</b>		<b>18,303,315.05</b>	<b>10,778,819.68</b>	<b>11,669,801.98</b>	<b>5,640,853.60</b>
<b>Allocated to:</b>					
- Owners of Parent Company		16,699,664.90	9,375,549.84	11,669,801.98	5,640,853.60
- Minority Rights		1,603,650.15	1,403,269.84	-	-
		<b>18,303,315.05</b>	<b>10,778,819.68</b>	<b>11,669,801.98</b>	<b>5,640,853.60</b>
<b>Other Comprehensive Income:</b>					
Result of a Branch Contribution to Jointly Controlled Subsidiary		-	-	-	12,238,469.21
Share of Other Comprehensive Income of Associates	11	(75,704.43)	(435,867.11)	-	-
Actuarial Profit / (Loss) on Employee Benefit Plans	24	(36,266.83)	266,472.77	(29,439.96)	165,822.87
Deferred Tax	14	7,978.70	(60,731.20)	6,476.79	(38,363.13)
Investment Portfolio Valuation	13	(230,720.62)	-	-	-
Exchange Differences		(700.18)	12,760.70	-	-
<b>Total Other Comprehensive Income (B)</b>		<b>(335,413.36)</b>	<b>(217,364.84)</b>	<b>(22,963.17)</b>	<b>12,365,928.95</b>
<b>Total Comprehensive Income (A) + (B)</b>		<b>17,967,901.69</b>	<b>10,561,454.84</b>	<b>11,646,838.81</b>	<b>18,006,782.55</b>
<b>Allocated to:</b>					
- Owners of Parent Company		16,358,381.81	9,153,204.37	11,646,838.81	18,006,782.55
- Minority Rights		1,609,519.88	1,408,250.47	-	-
		<b>17,967,901.69</b>	<b>10,561,454.84</b>	<b>11,646,838.81</b>	<b>18,006,782.55</b>
<b>Weighted Average Number of Shares</b>					
Ordinary Shares in Issue		53,953,425	17,364,932	53,953,425	17,364,932
<b>Basic Earnings per Ordinary Share (in €)</b>	<b>31</b>	<b>0.3095</b>	<b>0.5399</b>	<b>0.2163</b>	<b>0.3248</b>

The notes on pages 102 to 190 form an integral part of these Financial Statements.

## Statement of Changes in Equity

GROUP	Attributable to Owners of Parent Company						Total
	Share Capital	Treasury Shares	Reserves	Retained Earnings	Share Premium	Minority Rights	
Amounts in €							
<b>Balance 01 January 2021</b>	<b>4,020,000.00</b>	-	<b>1,506,056.61</b>	<b>12,145,307.79</b>	<b>4,614,507.96</b>	<b>1,291,180.85</b>	<b>23,577,053.21</b>
New Subsidiaries and Change of Share in Existing Subsidiaries	-	-	-	(244,209.51)	-	8,190,166.44	7,945,956.93
Net Earnings of Period After Taxes	-	-	12,760.70	9,140,443.67	-	1,408,250.47	10,561,454.84
Transfer to Ordinary Reserve	-	-	282,042.68	(282,042.68)	-	-	-
Dividend Paid	-	-	-	(629,800.00)	-	-	(629,800.00)
<b>Balance 31 December 2021</b>	<b>4,020,000.00</b>	-	<b>1,800,859.99</b>	<b>20,129,699.27</b>	<b>4,614,507.96</b>	<b>10,889,597.76</b>	<b>41,454,664.98</b>
<b>Balance 01 January 2022</b>	<b>4,020,000.00</b>	-	<b>1,800,859.99</b>	<b>20,129,699.27</b>	<b>4,614,507.96</b>	<b>10,889,597.76</b>	<b>41,454,664.98</b>
New Subsidiaries and Change of Share in Existing Subsidiaries	-	-	-	63,016.85	-	578,157.00	641,173.85
Net Earnings of Period After Taxes	-	-	(231,420.80)	16,589,802.61	-	1,609,519.88	17,967,901.69
Increase in Share Capital	45,000.00	-	-	-	315,000.00	-	360,000.00
Transfer to Ordinary Reserve	-	-	583,490.10	(583,490.10)	-	-	-
Dividend Paid	-	-	-	(1,897,000.00)	-	(231,740.00)	(2,128,740.00)
<b>Balance 31 December 2022</b>	<b>4,065,000.00</b>	-	<b>2,152,929.29</b>	<b>34,302,028.63</b>	<b>4,929,507.96</b>	<b>12,845,534.64</b>	<b>58,295,000.52</b>
<b>COMPANY</b>	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Reserves</b>	<b>Retained Earnings</b>	<b>Share Premium</b>	<b>Total</b>	
Amounts in €							
<b>Balance 01 January 2021</b>	<b>4,020,000.00</b>	-	<b>1,430,432.27</b>	<b>9,894,169.97</b>	<b>4,614,507.96</b>	<b>19,959,110.20</b>	
Net Earnings of Period After Taxes	-	-	-	18,006,782.55	-	18,006,782.55	
Transfer to Ordinary Reserve	-	-	282,042.68	(282,042.68)	-	-	
Dividend Paid	-	-	-	(629,800.00)	-	(629,800.00)	
<b>Balance 31 December 2021</b>	<b>4,020,000.00</b>	-	<b>1,712,474.95</b>	<b>26,989,109.84</b>	<b>4,614,507.96</b>	<b>37,336,092.75</b>	
<b>Balance 01 January 2022</b>	<b>4,020,000.00</b>	-	<b>1,712,474.95</b>	<b>26,989,109.84</b>	<b>4,614,507.96</b>	<b>37,336,092.75</b>	
Net Earnings of Period After Taxes	-	-	-	11,646,838.81	-	11,646,838.81	
Increase in Share Capital	45,000.00	-	-	-	315,000.00	360,000.00	
Transfer to Ordinary Reserve	-	-	583,490.10	(583,490.10)	-	-	
Dividend Paid	-	-	-	(1,897,000.00)	-	(1,897,000.00)	
<b>Balance 31 December 2022</b>	<b>4,065,000.00</b>	-	<b>2,295,965.05</b>	<b>36,155,458.55</b>	<b>4,929,507.96</b>	<b>47,445,931.56</b>	

The notes on pages 102 to 190 form an integral part of these Financial Statements.



## Cash Flow Statement

Indirect Method	GROUP		COMPANY	
	1.1-31.12.2022	1.1-31.12.2021	1.1-31.12.2022	1.1-31.12.2021
Amounts in €				
<b>Operating Activities</b>				
<b>Profit Before Tax</b>	<b>21,419,213.25</b>	<b>12,215,741.97</b>	<b>13,832,142.10</b>	<b>6,872,944.28</b>
<i>Plus / minus adjustments for:</i>				
Depreciation	3,435,757.18	2,754,728.73	1,035,387.18	935,476.11
Provisions	669,843.96	2,534,309.78	590,212.46	577,065.38
Results (income, expenses, profits, and losses) of Investment Activity	(995,005.29)	(651,131.45)	(755,141.89)	(75,699.81)
Interest and Related Expenses	875,738.04	876,650.41	331,791.95	389,578.88
<i>Plus / minus adjustments for changes in working capital accounts or related to operating activities</i>				
Decrease / (Increase) of Inventories	(117,712.77)	25,473.46	(11,707.58)	7,471.77
Decrease / (Increase) of Receivables	(10,943,683.43)	(11,354,423.36)	(4,446,266.05)	(2,884,877.85)
(Decrease) / Increase in Liabilities (excluding Banks)	3,196,186.16	6,285,265.21	1,930,888.31	4,019,722.43
<i>(Minus):</i>				
Interest and Related Expenses paid	(874,304.38)	(903,312.48)	(337,382.53)	(439,034.85)
Taxes paid	(2,187,330.52)	(249,774.31)	(1,705,779.72)	(72,095.15)
<b>Total Inflows / (Outflows) from Operating Activities (a)</b>	<b>14,478,702.20</b>	<b>11,533,527.96</b>	<b>10,464,144.43</b>	<b>9,330,551.19</b>
<b>Investment Activities</b>				
Acquisition of Subsidiaries, Associates, Joint Ventures, and Other Investments	(8,229,789.59)	(14,546,131.24)	(6,356,920.08)	(13,444,710.86)
Proceeds from the Sale of Subsidiaries, Associates, Joint Ventures, and Other Investments	-	4,306,079.12	-	4,306,079.12
Purchase of Tangible and Intangible Assets	(3,059,246.35)	(1,727,809.35)	(2,445,601.05)	(309,641.19)
Proceeds from the Sale of Tangible and Intangible Assets	-	7,288.37	150,000.00	250.09
Rents received	3,237.56	1,529.38	113,125.23	91,515.32
Interest received	30,317.99	77,430.59	30,128.89	37,690.37
Dividends received	51,818.07	55,231.53	570,678.07	39,649.07
Other Investment Flow Elements	(8,267.35)	(1,889.62)	(6,603.96)	(1,889.62)
<b>Total Inflows / (Outflows) from Investment Activities (b)</b>	<b>(11,211,929.67)</b>	<b>(11,828,271.22)</b>	<b>(7,945,192.90)</b>	<b>(9,281,057.70)</b>
<b>Financial Activities</b>				
Proceeds from Capital Increase	360,000.00	2,095,000.00	360,000.00	-
Proceeds from Minority Rights in Capital Increase of Subsidiaries	50,750.00	-	-	-
Proceeds from Loans issued	8,383,921.46	2,719,962.56	1,800,000.00	1,000,000.00
Loan Payments	(7,787,768.02)	(2,900,892.35)	(1,949,813.49)	(1,235,862.70)
Lease Liabilities Payments	(687,715.91)	(727,604.37)	(321,250.37)	(283,551.38)
Dividends paid	(2,128,740.00)	(629,800.00)	(1,897,000.00)	(629,800.00)
Other Financial Flow Elements	(16,054.96)	228.62	-	-
<b>Total Inflows / (Outflows) from Financial Activities (c)</b>	<b>(1,825,607.43)</b>	<b>556,894.46</b>	<b>(2,008,063.86)</b>	<b>(1,149,214.08)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (a)+(b)+(c)</b>	<b>1,441,165.10</b>	<b>262,151.20</b>	<b>510,887.67</b>	<b>(1,099,720.59)</b>
Cash and Cash Equivalents at the Beginning of the Period	23,354,155.02	20,788,875.39	12,367,725.81	13,844,031.22
Cash and Cash Equivalents of Contributing Branch and New Subsidiaries	1,853,620.06	2,303,128.43	-	(376,584.82)
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>26,648,940.18</b>	<b>23,354,155.02</b>	<b>12,878,613.48</b>	<b>12,367,725.81</b>

The notes on pages 102 to 190 form an integral part of these Financial Statements.

## **Notes to the Financial Statements for the financial year 2022**

### **1. General information about the Company**

The parent company "EPSILON NET - Information Technology, Education and High Technology Products Societe Anonyme" with the distinctive title "EPSILON NET S.A." ("the Company"), was founded in its current form in 1999 (Official Government Gazette No. 6383/04.08.1999). The original name was set as: "HELLENIC ANAPTYXIAKI - Industrial and Commercial Societe Anonyme of Publications, Information Technology and High Technology Products" with the distinctive title "HELLENIC ANAPTYXIAKI S.A." and was changed to the above-mentioned one, following the decision of the 12th Extraordinary General Meeting of the Shareholders of 14.02.2004 (Official Government Gazette 2497 / 24.03.2004), as well as the decision of the 9th Ordinary General Meeting of Shareholders of 22.05.2008 (Official Government Gazette 6356 / 04.07.2008).

The Company's registered office is in Greece, in the Municipality of Pylaia, Thessaloniki - 87, 17th November Street - EMO Zone. The Municipality of Thessaloniki was designated as the initial registered office, while with the decision of the 9th Extraordinary General Meeting of the Shareholders of 20.09.2002 (Official Government Gazette 02.10.2002), the transfer of this property to the Municipality of Pylaia took place. The Company's email address is [www.epsilonnet.gr](http://www.epsilonnet.gr).

The Company is registered in the Registry of Societe Anonymes (Public limited companies) under the Registration No. 43452/62/B/99/194 and its duration has been set at fifty (50) years, until July 22, 2049.

"EPSILON NET S.A." is active in the IT sector and more specifically in the field of business software with the development of information systems and solutions for large & medium enterprises, small & micro enterprises, freelance economists, accountants - tax advisors, accounting offices. In addition, it provides educational services to executives of companies, organizations, and freelancers. Finally, it publishes and distributes the weekly financial magazine 'EPSILON 7' while at the same time it markets scientific - tax books.

The attached consolidated financial statements of "EPSILON NET S.A." ("the Group") include the financial statements of the parent company "EPSILON NET S.A." and its subsidiaries:

- ✓ EPSILON HOSPITALITY S.A.
- ✓ EPSILON EUROPE PLC
- ✓ EVOLUTIONSNT PLC
- ✓ EVOLUTIONSNT (UK) LTD
- ✓ EPSILON HR S.A.
- ✓ EPSILON SUPPORT CENTER S.A.
- ✓ HOTELIGA International Sp. Z O. O.
- ✓ DATA COMMUNICATION S.A.
- ✓ EPSILON SINGULARLOGIC S.A.
- ✓ TECHNOLIFE LTD
- ✓ SYSTEM SOFT S.A.
- ✓ IQOM S.A.

- ✓ P.C.S. S.A.
- ✓ EPSILON CSA S.A.
- ✓ DIGITAL 4U S.A.
- ✓ EPSILON SUPPORT CENTER ATHENS S.A.
- ✓ EPSILON SINGULARLOGIC CYPRUS LTD
- ✓ TAXHEAVEN S.A.
- ✓ HOTELIGA S.A.
- ✓ HOTEL AVAILABILITIES LTD
- ✓ BOOKONLINENOW P.C.
- ✓ HOTELONCLOUD LTD
- ✓ HOTEL AVAILABILITIES S.A.
- ✓ SINGULARLOGIC ROMANIA COMPUTER APPLICATION SRL

"EPSILON NET S.A." prepared consolidated financial statements for the first time in the financial year 2009.

The financial statements (corporate and consolidated), the audit report of the independent auditor and the management report of the Board of Directors as of April 10, 2023, are posted on the website of the Athens Exchange and the Company at [www.epsilonnet.gr](http://www.epsilonnet.gr) and are subject to the approval of the Annual General Meeting of the shareholders.

In summary, the key information about the Company is as follows:

### **Composition of the Board of Directors**

The existing composition of the Board of Directors of "EPSILON NET INFORMATION TECHNOLOGY, EDUCATION AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME" is as follows:

- Ioannis N. Michos : Chairman and CEO, Executive BoD Member
- Pantelis A. Manis : Vice Chairman, Independent Non-Executive BoD Member
- Vasiliki D. Anagnostou : Deputy CEO, Executive BoD Member
- Ioannis A. Koutkoudakis : Executive BoD Member
- Vasileios G. Prassas : Executive BoD Member
- Paschalis G. Michalopoulos : Executive BoD Member
- Andreas D. Grimpelas : Executive BoD Member
- Aikaterini G. Daskalopoulou : Non-Executive BoD Member
- Nikolaos Z. Komninou : Independent Non-Executive BoD Member
- Eleftherios M. Karampinas : Independent Non-Executive BoD Member

The current Board of Directors of the Company has been elected by the Ordinary General Meeting of the Company's shareholders on 30.06.2021 and was constituted by the Board of Directors at its meeting of 30.06.2021.

Supervisory Authority : Region of Central Macedonia  
General Electronic Commercial Registry No. : 038383705000  
Tax Identification Number : 099357493  
Legal Advisors : Paschalis Michalopoulos  
Auditor : Dimitrios Drakopoulos, Registration No. SOEL 40061  
**Associated Chartered Accountants S.A.**  
Crowe Global Network Member



## **2. Applied Accounting Principles**

### **2.1. Framework for the preparation of financial statements**

The consolidated and corporate financial statements of "EPSILON NET S.A." as of <sup>31</sup> December 2022, covering the <sup>24</sup>th fiscal year from <sup>1</sup> January to <sup>31</sup> December 2022, have been prepared based on:

- the historical cost principle, as modified by the revaluation of specific assets and liabilities at fair value,
- the going concern principle,
- the principle of separation of functions,

and comply with International Financial Reporting Standards (IFRS) as adopted by the European Union under Regulation No. 1606/2002 of the European Parliament and of the Council of the European Union of <sup>19</sup> July 2002.

The preparation of consolidated and corporate financial statements in accordance with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses during the years under review. The estimates and criteria applied by the Company in making decisions that affect the preparation of the consolidated and company financial statements are based on historical data and on assumptions that are considered reasonable under the circumstances.

Estimates and decision-making criteria are reassessed to take account of current developments and the effects of any changes are recognized in the consolidated and corporate financial statements at the time they occur.

The amounts included in the consolidated and company financial statements are presented in euros, unless otherwise stated in the individual notes.

The accounting principles followed by the Company in the preparation of the annual financial statements are consistent with those described in the published financial statements for the year ended 31.12.2021.

### **New Standards and Interpretations**

#### **Adoption of New and Revised International Standards**

New standards, amendments to standards and interpretations have been issued and are mandatory for annual accounting periods beginning on or after 1 January 2022.

Unless otherwise stated, the amendments and interpretations effective for the first time in fiscal year 2022 have no effect on the financial statements of the Group and the Company. The Group and the Company have not early

adopted any standards, interpretations or amendments issued by the IASB and adopted by the European Union, but which are not mandatory in 2022.

### **Standards and Interpretations mandatory for the current financial year 2022**

#### **Annual improvements International Financial Reporting Standards 2018-2020**

On 14 May 2020, the International Accounting Standards Board issued annual improvements containing the following amendments to the following International Financial Reporting Standards, which are effective for annual periods beginning on or after 1 January 2022:

#### **IFRS 1 First-time adoption of international financial reporting standards - First-time adoption of IFRS in a subsidiary**

The amendment permits the subsidiary to apply par. D16(a) of the Appendix to IFRS 1 to measure cumulative exchange differences using the amounts reported by its parent, which are based on the parent's date of transition to IFRSs.

#### **IFRS 9 Financial Instruments - Remuneration and the 10% test for derecognition of financial liabilities**

The amendment clarifies which fees an entity should include when applying the 10% test in paragraph B.3.3.6 of IFRS 9 to determine whether it should derecognize a financial liability. The entity includes fees paid or received between the entity (borrower) and the lender, including fees paid or received by either the entity or the lender on behalf of another party.

#### **IFRS 16 Leases - Lease incentives**

The amendment removed the example of payments by the lessor for lease improvements in Illustrative Example 13 of the standard, to prevent any confusion about the accounting treatment of lease incentives that might arise from the way lease incentives are presented in the example.

#### **IAS 16 Property, Plant and Equipment (Amendment) - "Receipts of amounts prior to intended use"**

On 14 May 2020, the International Accounting Standards Board issued an amendment to IAS 16. The amendment changes the way in which the cost of testing the asset for good working order and the net proceeds from the sale of items produced in the process of placing the asset in its location and condition are accounted for. The income and costs of producing these products will now be recognized in profit or loss instead of being deducted from the cost of the assets. It also requires entities to disclose separately the amounts of income and expenses related to such generated items that are not the result of the entity's ordinary activities.

The amendment is effective for annual accounting periods beginning on or after 1 January 2022.



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## **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment) - "Contingent Contracts - Cost of performing a contract"**

On 14 May 2020, the International Accounting Standards Board issued an amendment to IAS 37. The amendment specifies which costs an entity should include in determining the cost of performing a contract for the purpose of assessing whether the contract is onerous. The amendment clarifies that "the cost of performing a contract" includes the directly attributable cost of performing that contract and the allocation of other costs directly related to its performance. The amendment also clarifies that, before recognizing a separate provision for an onerous contract, an entity recognizes any impairment loss on the assets used to settle the contract, rather than on assets that were dedicated only to that contract.

The amendment is effective for annual accounting periods beginning on or after 1 January 2022.

## **IFRS 3 Business Combinations (Amendment) - "Reference to the Conceptual Framework"**

On 14 May 2020, the International Accounting Standards Board amended IFRS 3 with respect to references to the Conceptual Framework of International Financial Reporting Standards. The amendment updated the standard to refer to the Conceptual Framework for Financial Reporting issued in 2018 when determining what constitutes an asset or liability in a business combination. In addition, an exemption was added for certain types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer shall not recognize contingent assets, as defined in IAS 37, at the acquisition date.

The amendment is effective for annual accounting periods beginning on or after 1 January 2022.

## **Standards and Interpretations mandatory for subsequent periods that have not been applied earlier by the Company and the Group and have been adopted by the EU:**

The amendments below are not expected to have a material impact on the financial statements of the Company and the Group, unless otherwise stated:

### **IAS 1 Presentation of Financial Statements and IFRS 2 Implementation Guidance: Disclosures of accounting policies (Amendments)**

On 12 February 2021 the International Accounting Standards Board issued an amendment to IAS 1 clarifying that:

- The definition of accounting policies is given in par. 5 of IAS 8.

- An entity shall disclose significant accounting policies. Accounting policies are significant when, together with the other information in financial statements, they can influence the decisions of the primary users of the financial statements.
- Accounting policies for nonsignificant transactions are not considered significant and should not be disclosed. Accounting policies, however, may be significant depending on the nature of some transactions even if the amounts involved are not material. Accounting policies relating to significant transactions and events are not always significant in their entirety.
- Accounting policies are important when users of financial statements need them to understand other important information in the financial statements.
- Information about how an entity has applied an accounting policy is more useful to users of financial statements than standardized information or a summary of the provisions of IFRSs.
- If an entity chooses to include non-material accounting policy information, that information shall not interfere with material accounting policy information.

In addition, guidance and illustrative examples are added to the second Statement of Practice to assist in applying the concept of materiality in making judgements in accounting policy disclosures.

The amendments are effective for annual accounting periods beginning on or after 1 January 2023.

### **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment) - "Definition of Accounting Estimates"**

On 12 February 2021 the International Accounting Standards Board issued an amendment to IAS 8 which:

- It defined accounting estimates as monetary amounts in the financial statements that are subject to uncertainty in their measurement.
- It clarified that an accounting policy may require that items in the financial statements be valued in a way that creates uncertainty. In this case the entity develops an accounting estimate. The development of accounting estimates involves the use of judgements and assumptions.
- In developing accounting estimates, an entity uses valuation techniques and data.
- An entity may be required to change its accounting estimates. This fact by its nature does not relate to previous years nor does it constitute a correction of an error. Changes in data or valuation techniques are changes in accounting estimates unless they relate to the correction of an error.

The amendment is effective for annual accounting periods beginning on or after 1 January 2023.

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## **IAS 12 Income Taxes (Amendment) - "Deferred tax relating to assets and liabilities arising from a specific transaction"**

On 7 May 2021, the IASB issued an amendment to IAS 12 which limited the scope of the recognition exception under which companies in certain circumstances were exempted from recognizing deferred tax on initial recognition of assets or liabilities. The amendment clarifies that this exception no longer applies to transactions that, on initial recognition, result in the creation of equal taxable and deductible temporary differences, such as leases for lessees and rehabilitation obligations.

The amendment is effective for annual accounting periods beginning on or after 1 January 2023.

### **Standards and Interpretations mandatory for subsequent periods that have not been applied earlier by the Company and the Group and have not been adopted by the EU:**

The amendments below are not expected to have a material impact on the financial statements of the Company and the Group unless otherwise stated.

## **IAS 1 Presentation of Financial Statements (Amendment) - "Classification of liabilities as current or non-current"**

On 23 January 2020, the International Accounting Standards Board issued an amendment to IAS 1 regarding the classification of liabilities into current and non-current. The amendment affects only the presentation of liabilities in the statement of financial position. The amendment clarifies that the classification of liabilities should be based on existing rights at the end of the reporting period. The amendment also clarified that management's expectations of events that are expected to occur after the balance sheet date should not be considered and clarified the circumstances that constitute settlement. On 15 July 2020, the IASB extended the mandatory application date of the standard by one year, considering the impact of the pandemic.

The amendment is effective for annual accounting periods beginning on or after 1 January 2024.

## **IAS 1 Presentation of Financial Statements (Amendment) - "Classification of liabilities as current or non-current"**

On 31 October 2022 the International Accounting Standards Board issued amendments to IAS 1 Presentation of Financial Statements regarding the classification of long-term liabilities when conditions exist.

The amendments to IAS 1 clarify that conditions that must be met after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about those contractual terms in the notes of the financial statements.

The amendment is effective for annual accounting periods beginning on or after 1 January 2024.

### **IFRS 16 Leases (Amendment) - "Lease Obligations under a Sale and Leaseback Agreement"**

On 22 September 2022, the International Accounting Standards Board issued amendments to IFRS 16 regarding the subsequent measurement of lease obligations arising from sale and leaseback agreements when there are floating lease payments that are not dependent on an index or interest rate.

The amendment is effective for annual accounting periods beginning on or after 1 January 2024.

### **Principles of consolidation**

The Consolidated Financial Statements include the Financial Statements of the Company and its subsidiaries.

**Subsidiaries:** Subsidiaries are all companies (including special purpose entities) in which the Group exercises control over their operation. The Group controls a company when it is exposed to, or has rights to, variable returns of the company by virtue of its ownership interest in that company and can affect those returns through its power over that company.

Subsidiaries are consolidated using the full consolidation method from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases.

The Group uses the acquisition method of accounting for business combinations. The purchase price for the acquisition of a subsidiary is calculated as the aggregate of the fair values of the assets transferred, the liabilities assumed to former shareholders and the equity securities issued by the Group. The acquisition price also includes the fair value of the assets or liabilities arising from a contingent consideration arrangement.

In a business combination, acquisition-related costs are recognized in the income statement. Identifiable assets acquired, liabilities assumed, and contingent liabilities assumed are initially measured at their fair value at the date of acquisition. If any, the Group recognizes a non-controlling interest in the subsidiary either at fair value or at the non-controlling interest's proportionate share of the net assets of the acquiree.

Where an acquisition is achieved in stages, the current value of the Group's interest in the acquired company is remeasured to its fair value at the acquisition date. The gain or loss arising from the revaluation of fair value is recognized in the income statement.

Any contingent consideration given by the Group is recognized as fair value at the date of acquisition. Subsequent changes in the fair value of the contingent consideration, which was considered an asset or liability, are recognized in accordance with IFRS 9 either in the income statement or as a change in other comprehensive income. The contingent consideration designated as an equity item shall not be remeasured to its ultimate settlement through equity.

Goodwill is the excess of the aggregate of the consideration paid the amount recognized as a non-controlling interest and the fair value of any previous interest in the acquiree over the fair value of the identifiable net assets of the subsidiary acquired. If the fair value of the net assets of the subsidiary acquired is greater than the aggregate of the

acquisition price, the non-controlling interest recognized and the fair value of the previous interest in the acquiree, the gain (loss) on the transaction is recognized immediately in the income statement.

Any profit or loss and any item in the statement of comprehensive income is attributed to the shareholders of the parent and to non-controlling interests, even if this results in the non-controlling interests balance becoming negative. In the Company's balance sheet, investments in subsidiaries are stated at cost less impairment losses, if any. The cost is adjusted to incorporate changes in the price from changes in the contingent consideration.

The financial statements of the subsidiaries are prepared at the same date and use the same accounting principles as the Parent Company. Intra-company transactions, balances, and unrealized gains/losses on transactions between Group companies are eliminated.

Transactions with non-controlling interests that result in the Group retaining control of a subsidiary are transactions among owners. The difference between the consideration paid and the portion of the carrying amount of the net assets of the subsidiary acquired is also recognized in equity. Gains or losses arising on sale to holders of non-controlling interests are also recognized in equity.

When the Group ceases to control a subsidiary and if it continues to retain any interest in it, the investment is remeasured at fair value at the date when control ceases and any difference from the current value is recognized in profit or loss. Subsequently, that asset is recognized as an associate, joint venture, or financial asset at fair value. In addition, any amount previously recognized in other comprehensive income in respect of that company is accounted for using the same method that the Group would apply if it were to dispose directly of its assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The Group uses the acquisition method even in business combinations under common control. IFRS 3 (paragraph 2) excludes from its scope business combinations under common control. In the absence of a specific provision in the relevant standard, management believes that the acquisition method is the most appropriate accounting method to present the business combination under common control in the Company's financial statements using the fair value approach since the combining entities are separate entities and, therefore, the accounting for the transaction should not differ from another transaction between willing and able parties acting in the ordinary course of business. In such a business combination under common control, the cost of the transaction is measured as the fair value of the consideration received and any difference between assets contributed and equity instruments received is recognized directly in equity through the statement of comprehensive income.

**Relatives:** Associates are legal entities in which the Group exercises significant influence but does not exercise control over their operation (directly or indirectly holding 20% or more of the voting rights). Investments in associates are accounted for using the equity method and are initially recorded at cost. The Group's investments in associates include goodwill (net of any impairment losses) arising on acquisition.

Under the equity method, the Group's share of gains or losses arising on the acquisition of associates is recognized in the income statement and the Group's share of other comprehensive income is recognized in other comprehensive income with a simultaneous change in the carrying amount of the investment. When the Group's share of the losses

of an associate equal or exceeds the value of its investment, the Group does not recognize further losses unless it has incurred legal or contractual obligations or made payments on behalf of that company.

If the Group's ownership interest in an associate is reduced, but the Group continues to have significant influence, then only the proportion of the amounts previously recognized in other comprehensive income corresponding to the percentage of reduction in ownership interest is recognized in profit or loss.

At each financial statement date, the Group assesses whether there is objective evidence of impairment of the investment in the associate. In this case, the Group calculates the amount of impairment of its investment as the difference between its recoverable amount and its current value. The impairment loss is recognized in the income statement in the "Profit/(loss) of associates and joint ventures" account.

Gains and losses arising from transactions between the Group and its associates are recognized in the consolidated financial statements only to the extent that they are attributable to the counterparty unrelated to the Group. Unrealized gains from transactions between the Group and its associates are eliminated in proportion to the Group's interest in these companies. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The accounting policies of associates have been modified, where necessary, to be consistent with those adopted by the Group.

The date of preparation of the financial statements of the associates coincides with that of the parent company.

In the Company's individual financial statements, investments in associates are stated at cost less impairment losses, if any.

**Joint ventures:** In joint ventures, the Group, together with other joint venturers, undertakes an activity that is subject to joint control under a contract. Joint ventures are accounted for using the equity method. Under the equity method, investments in joint ventures are initially recognized at cost and are subsequently adjusted by the Group's share of the profits (or losses) and other comprehensive income of the joint ventures. When the Group's share of losses in a joint venture equal or exceeds its interest in that joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group does not recognize further losses unless it has incurred obligations or made payments on behalf of the joint venture. Unrealized gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless there is evidence from the transaction that the transferred asset is impaired. The accounting principles of the joint ventures have been modified where necessary to be consistent with those adopted by the Group. The date of preparation of the financial statements of the joint ventures coincides with that of the Parent Company. In the Company's individual financial statements, investments in joint ventures appear at acquisition cost minus impairment losses, if any.

Investments in joint arrangements are classified as either joint operations or joint ventures and the classification depends on the contractual rights and obligations of each investor. The Group has assessed the nature of its investments in joint arrangements and decided that they constitute joint ventures.



## 2.2. Tangible fixed assets

### Valuation basis for tangible fixed assets

Tangible fixed assets are carried in the Financial Statements on the basis of historical cost, i.e., the amount of cash or cash equivalents paid, or the fair value of the consideration given to acquire them. The above cost is presented net of accumulated depreciation and any impairment of tangible fixed assets.

Repair and maintenance costs are recognized in the Income Statement in the financial year in which they are incurred. Significant improvements are included in the cost of the related assets if they increase the useful life, increase production capacity, or improve the efficiency of the related assets.

When the carrying amounts of tangible fixed assets exceed their recoverable amount, the difference (impairment) is recognized immediately as an expense in the Income Statement of the financial year in which the impairment is identified.

Items of tangible fixed assets and their accumulated depreciation are written off when they are sold or retired or when no further economic benefits are expected from their continuing use. The gain or loss arising from the retirement of an item of an asset is included in the income statement of the financial year in which the item is retired.

### Depreciation of tangible fixed assets

The method of depreciation of tangible fixed assets used is the straight-line method, whereby a fixed amount is charged to the profit and loss account over the useful life of the assets,

which is as follows:

- Installations of buildings on own property 50 years
- Installations of buildings on third-party intangible assets according to the duration of the lease
- Means of transport 6 - 10 years
- Furniture and other equipment 5 - 10 years

The residual values and useful lives of tangible fixed assets are reviewed and, if necessary, adjusted annually at the date of the financial statements.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset.

## 2.3. Investment in real estate

Investments in real estate, which include land and buildings, are held by the Group for long-term capital appreciation or rental returns and are not used by the Group. They are carried in the financial statements at cost less, firstly, accumulated depreciation and, secondly, any impairment losses. Cost includes all costs directly attributable to the acquisition of the assets. When the carrying amounts of investment properties exceed their recoverable amount, the difference (impairment) is recognized as an expense immediately in the income statement. Land included in

investment properties is not depreciated. Depreciation of buildings is calculated using the straight-line method over their useful life, which is 25 years.

## 2.4. Intangible fixed assets

### *Internally generated intangible assets (Self-generated)*

These are internally - within the company - created software programs, which are the result of the application of the findings of the Group's research department on these programs, which are not intended for sale, but to produce new or substantially improved products, processes, systems, methods or services. These costs relate to the cost of purchasing or producing software in-house, such as raw and auxiliary materials, staff salaries and expenses, third-party salaries and expenses, third-party benefits, and other miscellaneous costs - consumables, etc. In addition, any expenditure incurred in developing new software to bring it into operation is included.

### *Identification criteria*

Intangible assets arising from self-generated intangible assets are recognized in the Financial Statements only if they embody the following characteristics:

- Identifiability of any intangible asset, in the sense that it can be separated from the company and sold, transferred, leased, or exchanged, either alone or in combination with other assets.
- The Group must have control over each intangible asset, i.e., must be able to receive the future economic benefits arising from it and thus be able to prevent others from benefiting from those future economic benefits.
- Expect future economic benefits to arise from each intangible asset that are likely to flow to the entity.
- The cost of each internally generated intangible asset shall be capable of being measured reliably. Includes costs that can be directly attributed or allocated on a reasonable and consistent basis, e.g.:
  - The costs of materials and services used or consumed in the development of the intangible asset.
  - The salaries and other related costs of staff are directly involved in the production process of the intangible asset.
  - Any expense that is directly attributable to the creation of the intangible asset (e.g., fees for the registration of a legal right).
  - The overheads that are necessary to create the intangible asset and can be allocated to it on a reasonable and stable basis (e.g., allocation of depreciation of fixed assets, insurance premiums, rent, lighting, other consumables, etc.).
  - The borrowing costs of the loans used for the development of intangible assets, based on the provisions of IAS 23 "Borrowing costs", which includes interest on short-term and long-term bank loans as well as interest on overdrafts, additional costs (e.g., additional charges (e.g., commissions) incurred in obtaining the loans, finance charges on finance leases accounted for in accordance with IFRS 16 "Leases and foreign exchange differences on loans denominated in foreign currencies".

### **Research stage**

All expenditure incurred during the research stage in developing an internally generated intangible asset shall be recognized immediately in the income statement in the year in which it is incurred. Only expenditure relating to the development stage can be recognized as an asset. In cases where it is impossible to make a clear distinction between the two stages, then all costs that may be incurred in developing the intangible asset will be recognized in the income statement.

Costs that, before the recognition of a particular intangible asset, were expensed as an expense in profit or loss are not capitalized after recognition.

### **Development stage**

The development stage, as a later stage than the research stage, provides the company with the opportunity to demonstrate that an intangible asset will be created.

To recognize the costs incurred during the development stage of internally generated intangible assets, the Group's management estimates and proves the following cumulatively on an annual basis:

- The technical ability to complete the intangible asset so that it can be used or sold in its final form.
- The intention to complete the intangible asset so that it is available for sale or use.
- The possibility of selling or using the intangible asset.
- How future economic benefits will flow in. Among other things, the company's management demonstrates (a) the existence of an active market for the products produced by the intangible asset and (b) if an intangible asset is to be used within the company, the usefulness of that intangible asset.
- The availability of sufficient technical, financial, or other resources to help complete and dispose of or use the intangible asset within the company.
- The ability to reliably measure the costs to be allocated to the intangible asset during its development stage (costing system).

### **Valuation method after initial recognition**

After initial recognition, IAS 38 gives the option of choosing one of the following two methods of valuing intangible assets:

- Intangible assets are valued at cost less accumulated amortization and any accumulated impairment losses.
- Intangible assets are measured at their revalued amount, which is their fair value at the date of revaluation less any subsequent accumulated amortization and any accumulated impairment losses.

The Company, on the first-time adoption of IFRS, applied the historical cost method, which it continues to apply.

### **Depreciation**

The method used for the amortization of internally generated (self-generated) intangible assets is the systematic allocation of the amortization value of each intangible asset of the Group over the years of its estimated useful life,

which varies between 2 and 10 years. The allocation is made in such a way that it reflects the way in which the economic benefits are received by the company.

The depreciable amount on first application of IFRSs is the historical cost less residual value. The residual value is zero for all intangible assets of the Group.

Since to determine the depreciable and residual value of each intangible asset, it is necessary to estimate its useful life, the Group's management has considered all the following factors in order to determine the useful life of each intangible asset separately:

- The expected use of the intangible asset.
- The life cycles of related products or published information on the useful life of similar items.
- Technical, technological, or commercial forms of obsolescence.
- The stability of the industry in which the company operates and, by extension, its intangible assets, as well as the demand for the products or services resulting from these intangible assets.
- The expected actions of competitors.
- The level of maintenance that will be required for each intangible asset over the next few years, as well as whether the company is prepared to incur the maintenance costs that will be required.
- The extent to which the useful life of an intangible asset is a function of the useful life of other intangible assets of the company.

### **Third party software licenses**

This is the individual acquisition of software licenses from third party vendors outside the company. Such software is valued at cost less accumulated depreciation and any potential impairment.

The depreciation method used is the straight-line method, under which a fixed amount is charged to the profit and loss account over the useful life of these assets, which is 5 years.

### **Trademarks**

Trademarks are measured at cost less accumulated amortization and any accumulated impairment loss. Depreciation is carried out using the straight-line depreciation method, whereby a fixed amount is charged to the results over the useful life of the brands, which is estimated at ten (10) years, except for the brand name (distinctive title) Singular Logic, whose useful life is considered to be indeterminate by the Group's management because no time limit can be foreseen for the period during which an inflow of economic benefits is expected. It will be tested annually for any impairment losses.

The brand name in the Group's financial statements was created in the financial year 2021, with the absorption of the proprietary software business of commercial applications for business and Enterprise Resource Planning (ERP) of the company "SINGULARLOGIC INFORMATION SYSTEMS AND INFORMATION TECHNOLOGY APPLICATIONS S.A." with the distinctive title "SINGULARLOGIC S.A." with the registration number G.E.M.H. 008916201000, from the subsidiary Epsilon Singularlogic S.A.

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**Goodwill**

Goodwill represents the difference between the cost and fair value of individual assets and liabilities on acquisition of subsidiaries and affiliated companies. Goodwill on the acquisition of affiliated companies is included in the cost of the investment. Goodwill is tested annually for impairment. Gains and losses on disposal of subsidiaries or associates are determined by considering any goodwill attributable to the entity sold.

To test goodwill and determine whether impairment exists, goodwill is allocated to cash-generating units. Each subsidiary is considered as a separate cash-generating unit.

## **2.5. Leases**

### **The Group as a lessee**

The Group assesses whether a contract is, or contains, a lease at inception and recognizes a right-of-use asset and a corresponding lease liability, as appropriate, for all leases in which it is a lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of a low-value underlying asset. For these leases, the Group recognizes rentals as operating expenses on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that remain unpaid at the commencement date of the lease term, discounted at the imputed interest rate implicit in the lease. If this interest rate cannot be easily determined, the Group uses its differential borrowing rate. The rents included in the measurement of the lease liability consist of:

- fixed rents (including substantially fixed rents), less any lease incentives,
- floating rents that are dependent on an index or interest rate, initially measured using the index or interest rate at the commencement date of the lease term,
- amounts that the lessee is expected to pay under the residual value guarantees,
- the exercise price of the purchase option if it is reasonably certain that the lessee will exercise that option; and
- the payment of a penalty for termination of the lease if the lease term reflects the exercise of the lessee's right to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to recognize interest on the lease liability (using the effective interest method) and decreasing the carrying amount to recognize lease payments. The Group remeasures the lease liability (and makes the corresponding adjustments to the related right-of-use assets) if:

- if there is a change in the lease term or if there is a change in the estimate of the purchase option, in which case the lease liability is measured by discounting the revised lease payments at the revised discount rate.
- there is a change in rents because of a change in the index or interest rate or in the amounts expected to be paid under the residual value guarantee. In such cases, the lease liability is measured by discounting the revised lease payments at the original discount rate.
- a lease is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using the revised discount rate.

The lease liability is presented separately on the Balance Sheet.

The right-of-use asset includes the initial measurement of the related lease liability, the amount of rent paid at or before the commencement date of the lease term, and any initial direct costs. They are subsequently measured at cost less than any accumulated depreciation and impairment losses. The Group applies the following IAS 36 to determine whether the right-of-use asset is impaired.

Where the Group contractually assumes an obligation to dismantle and remove the underlying asset, to restore the site where it has been located or to restore the underlying asset to the condition required by the terms and conditions of the lease, it recognizes a provision measured in accordance with IAS 37. These costs add to the carrying amount of the right-of-use asset. The Group did not incur any of these costs during the periods presented in these financial statements.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If, because of the lease agreement, ownership of the underlying asset is transferred or the cost of the right-of-use asset includes the purchase price of the underlying asset because the Group expects to exercise the right to purchase it, that right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts from the beginning of the rental period.

Right-of-use assets are presented separately in the Balance Sheet.

Variable rents that are not index-linked or interest rate dependent are not included in the measurement of the lease liability and therefore are not a component of the carrying amount of the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition triggering those payments occurs and are included as an expense in the operating expense line items in the income and other comprehensive income statements.

In accordance with the provisions of the IFRS 16, the Group implemented the practical expedient of the IFRS. 16 under which the lessee is not required to separate the non-lease items, and therefore accounts for each lease and related non-lease item as a single contract.

### **The Group as lessor**

Leases in which the Group is the lessor are classified as either finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessee, it accounts for the master lease and the sublease as two separate contracts. Subleases are classified as finance or operating depending on the right-of-use asset arising from the head lease.

Revenue from operating leases is recognized on a straight-line basis over the term of the lease. The initial direct costs of negotiating and arranging an operating lease agreement are added to the carrying amount of the underlying asset and recognized using the straight-line method over the term of the lease.

Amounts due from lessees under finance leases are recognized as receivable in the amount of the Group's net investment in the lease. The finance income from the lease is allocated to the reporting periods to reflect the Group's constant periodic rate of return on the residual net investment in finance leases.

When the lease includes both leasehold and non-leasehold assets, the Group applies IFRS 15 to allocate the contract price to each item separately.

## **2.6. Impairment of assets**

Assets with an indefinite useful life are not depreciated but are subject to an impairment test on an annual basis, which is also performed if events indicate that the carrying amount of these assets may not be recoverable.

Assets that are depreciated are subject to an impairment test when events or changes in circumstances indicate that their carrying amount may not be recoverable.

The recoverable amount is determined as the higher of an asset's net realizable value and its value in use. Net realizable value is the amount for which an asset could be exchanged, or a liability settled, in a two-way transaction on a commercial basis between two knowledgeable and willing parties after deducting any incremental direct costs of disposal of the asset. Value in use of an asset is the present value of the estimated future cash flows expected to flow to the company from the asset's continuing use and from the cash inflow expected to arise from its disposal at the end of its estimated useful life.

To estimate impairment losses, assets are allocated to the smallest possible cash-generating units. Impairment losses are expensed as incurred.

## **2.7. Financial assets and liabilities**

The Group recognizes financial instruments as assets or liabilities when it becomes a counterparty that acquires rights or assumes obligations under the contractual terms of the financial instrument. On initial recognition, financial assets and liabilities are measured at fair value. In the case of financial instruments that are not measured at fair value through profit or loss, the value at initial recognition is increased by transaction costs and decreased by the income and fees directly attributable to their acquisition or origination.

Financial assets and liabilities relate to investment and trading portfolio securities, cash and cash equivalents, equity securities, receivables from customers, payables to suppliers and customers and certain items of other receivables and other liabilities.

Investment portfolio securities are initially recognized at fair value plus purchase cost. They are subsequently measured at fair value and changes are recognized in other comprehensive income. The cumulative changes in fair value are reclassified to profit or loss when the securities are derecognized. Investment portfolio securities refer to bonds for which the following conditions are cumulatively met:

(a) held as part of a business model whose objective is both to collect the contractual cash flows and to sell them; and

(b) their contractual terms generate cash flows at specified dates that relate solely to payments of principal and interest on the outstanding principal.

Trading portfolio securities include the Group's investments in bonds and are measured at fair value with valuation differences recognized in the income statement.

Financial instruments in this category are periodically reviewed for expected impairment losses.

Equity securities are non-derivative financial assets that cannot be included in any of the above categories. They are included in non-current assets if the Group does not intend to liquidate them within twelve (12) months from the balance sheet date.

The fair values of investments traded in an active market are determined by current bid prices. For non-traded items, fair values are determined using valuation techniques such as analysis of recent transactions, comparable traded items, and discounted cash flows.

At each balance sheet date, the Group assesses whether there is objective evidence of impairment of investments in this category. For shares of companies classified as equity securities, such an indication is a significant or prolonged decline in fair value relative to cost.

Other financial receivables of the Company and the Group relating to bank deposits, receivables from customers and other receivables are classified in the portfolio of financial instruments measured at amortized cost as:

- are part of a business model that is designed to be retained to collect their contractual cash flows; and
- the contractual terms governing them provide for Solely Payments of Principal and Interest (SPPI) to be paid on specified dates.

Receivables from sales to customers and other cases are initially recorded at fair value (transaction value), which is the same as the nominal value, less impairment losses.

Impairment losses (losses on bad debts) are recognized when there is objective evidence that the Group is unable to collect all amounts due according to the contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the estimated future cash flows. The amount of the impairment loss is recognized in profit or loss.

Receivables from customers and other financial receivables of the Group are usually immediately due and therefore no time value is incorporated in them.

The Group's financial liabilities are measured at amortized cost and accrued using the effective interest method. The results of the measurement or derecognition of liabilities measured at fair value are recognized in the financial results line of the income statement.

The Group derecognizes financial assets when:

- the cash flows of the financial assets have expired,
- the contractual right to receive the cash flows from the financial assets is transferred and the risks and rewards of ownership of the financial assets are transferred,
- loans or investments in securities become uncollectible, in which case they shall be written off, and



- the contractual terms of the financial assets change materially.

The Group discontinues the recognition of a financial liability (or part of it) when it is contractually discharged, cancelled, or expires.

## **2.8. Determination of fair value**

Fair value is defined as the price that the Company and the Group would receive to sell an asset or pay to transfer a liability in an arm's length transaction between market participants at the date of the valuation in the principal market for the asset or liability or in the most advantageous market for the asset, if no principal market exists.

The Company and the Group determine the fair value of assets and liabilities traded in an active market based on available market prices. In all other cases, the Company and the Group determine fair value using valuation techniques that are appropriate to the specific circumstances, for which there are available and sufficient inputs to the valuation, and which maximize the use of relevant observable values and minimize the use of unobservable values. In cases where there is no observable market data, inputs based on internal estimates and assumptions are used, e.g. determination of expected cash flows, discount rates, probability of prepayment or counterparty default. In all cases, in measuring fair value, the Company and the Group use assumptions that would be used by market participants, considering that they are acting in their best economic interest.

All assets and liabilities that are either measured at fair value or for which fair value is disclosed are categorized, depending on the quality of the inputs used to estimate fair value, as follows:

- Level 1 data: prices (without adjustments) of active market,
- Level 2 data: directly or indirectly observable data,
- Level 3 data: derived from Company and Group estimates as there are no observable market data.

### ***Non-financial assets***

The main category of non-financial assets for which fair value is determined is real estate. The procedure that is generally followed when valuing a property at fair value is summarized in the following steps:

- Assignment of the order to the engineer-appraiser,
- Case study - Determination of additional items,
- Inspection,
- Data processing - Calculations,
- Compilation of estimates.

The appraiser chooses one of the following three basic methods for calculating the fair value of each property:

- The market (or comparative) method, which determines the fair value of the property by comparing it with other similar properties for which there is evidence of transactions (purchases and sales).
- Income method, which capitalizes future cash flows that the property can secure at an appropriate capitalization rate.

- The cost method, which reflects the amount that would be required in the current period to replace the property with another of similar specification, after considering an appropriate depreciation adjustment.

Examples of data used for the valuation of properties and detailed in the individual valuations are the following:

- ✓ Commercial Real Estate: Price per m<sup>2</sup>, rent supplement per year, percentage of long-term unleased space/units (to be leased), economic benefits from its maximum and best use or from its sale to other market participants who will make the maximum and best use of that asset.

## 2.9. Inventories

Inventories are assets that are either held for sale in the ordinary course of the Group companies' activities, are in the process of production until they are ready for sale or are materials and raw materials that will be consumed in the production process or in the provision of services.

Inventories are valued at the lower cost and net realizable value.

The cost price for all stocks is determined by the weighted average cost method for similar items.

## 2.10. Receivables from commercial activity

Receivables from the Group's commercial activity are classified as current assets, since they are held mainly for commercial purposes or for a short period of time and are expected to be liquidated within twelve (12) months from the balance sheet data (e.g., securities receivable, receivables from customers, etc.).

These receivables, which are used or collected within the Group's operating cycle, are considered as current assets even if they are not expected to be collected within the next twelve (12) months from the date of the Balance Sheet.

The Group's operating cycle is the time between the acquisition of assets entering into a process within the Group companies and their realization in cash or in a financial instrument that is readily convertible into cash.

Receivables are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate, net of impairment losses (losses on bad debts) in conjunction with the new requirements of IFRS 9. The Group has established criteria for granting credit to customers, which are generally based on the size of the customer's business, while assessing relevant financial information. Transactions are generally conducted on normal terms and with an expected average collection period of one hundred and twenty (120) days from the shipment of the goods and services sold.

At the date of the Financial Statements, all overdue or doubtful receivables are reviewed to determine whether a provision for doubtful receivables is necessary. The balance of this provision is appropriately adjusted at each balance sheet date to reflect the potential risk of impairment loss.

Impairment losses are recognized only when there is objective evidence that the Group companies are unable to collect the amounts due to them based on the contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of estimated future cash flows discounted at the effective interest rate. Any amount of impairment loss is recognized as an expense in profit or loss.

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, whereby the provision for losses is always measured at an amount equal to expected credit losses over the lifetime as required by IFRS 9.

In determining expected credit losses in relation to loans and advances to customers, the Group uses a credit loss provisioning table based on the aging of balances. The Group considers that the risk of default for sales on credit significantly increases when for some reason the credit limit is not respected by the customers and payment is not made until 120 days late.

The amount of expected credit risk losses for the year is recognized in the results under "Other operating expenses".

### **2.11. Cash and cash equivalents**

Cash and cash equivalents include cash and cash equivalents such as short-term demand and time deposits, mutual bank accounts and highly liquid and low-risk investments (term deposits) that can be converted immediately into cash.

### **2.12. Share capital**

The Group's share capital is included in the equity of the Balance Sheet and relates to the ordinary registered shares of the parent company. The direct costs of issuing shares are reflected in a reduction in the issue proceeds.

Direct costs associated with the issue of shares for the acquisition of other businesses are included in the cost of the business acquired.

### **2.13. Reserves**

Reserves are accumulated net profits, which have not been distributed to shareholders, nor have they been capitalized (i.e., they have not been incorporated into the Group's share capital with a corresponding increase) but are shown in separate accounts in the Company's equity.

#### ***i. Ordinary reserve***

According to the Greek legislation (Law 4548/2018), the Company is obliged, at the date of preparation of the Financial Statements, to form a regular reserve equal to at least five percent (5%) of the actual (accounting) net profits of each financial year.

#### ***ii. Special reserves***

Includes reserves that have arisen from taxable profits of the parent company, as a condition for covering the equity participation and its inclusion in programs subsidized by various bodies, such as the European Union.

**iii. Tax-free reserves of special provisions of laws**

The Group has reserves, formed by the parent company, from net profits, which, based on special provisions of laws classified as developmental, are not taxable, because they were used for the acquisition of new fixed production equipment. That is, they are formed from net profits on which no tax is calculated and paid.

**iv. Reserves from tax exempt and special taxable income**

Reserves from tax-exempt income and reserves taxed in a special way relate to income from mutual funds and repos previously held by the Group's parent company, which are exempt from tax or taxed with withholding tax at source, upon exhaustion of the tax liability. In addition to these taxes paid, these reserves are subject to tax on distribution.

## **2.14. Grants**

Government grants is aid granted by the State in the form of a transfer of resources to an undertaking in return for the fulfilment or imminent fulfilment by the latter of conditions relating to its operation.

The identification criteria, which must be met cumulatively, are the following:

- Reasonable assurance that the company has complied or will comply with the terms of the grant; and
- Reasonable assurance that the grant will be collected. Receipt of the grant is not in itself sufficient for recognition, as it does not prove the ability to fulfil the conditions.

Government grants are recognized at fair value when it is expected with certainty that the Company and the Group will comply with the above conditions.

There are two main types of grants, which are recognized in the Group and Company Financial Statements:

### **a) Grants for fixed assets**

These are amounts of money given to the Company and the Group by governmental bodies for them to either purchase or construct a specific long-term asset.

Government grants related to the purchase of assets are included in long-term liabilities as deferred income from government grants and are transferred as income to the income statement using the straight-line method over the expected useful lives of the related subsidized assets.

### **b) Grants for expenditure**

These are amounts of money given to the Company and the Group by governmental bodies, which are related to items directly determinative of results, as an incentive to incur expenses.

Revenue from government grants is recognized in the income statement when the expenditure relating to the grant has been incurred.

## 2.15. Loans - Bank lending

Loans from banks are initially recorded at fair value less than any direct transaction costs incurred in connection with loan agreements. They are subsequently measured at amortized cost using the effective interest method. Foreign currency loans are valued at the exchange rate prevailing at the date of the Balance Sheet.

Any difference between the amounts credited to the company by the bank (other than loan origination costs) and the redemption value is recognized in the Income Statement during the period of the loan.

The Group's management considers that the interest rates used in relation to the loans taken out are equivalent to current market rates and therefore there are no requirements for any adjustment to the value at which the loan liabilities are reflected in the Financial Statements.

Loans are classified as current liabilities unless the Group has the right to defer repayment of the liability for at least twelve (12) months from the date of the Annual Financial Statements.

## 2.16. Employee benefits

**Short-term benefits:** Short-term employee benefits in cash and in kind are recognized in profit or loss when they become earned.

**Post-employment benefits:** The obligation for the retirement of staff after leaving work is covered by a public insurance institution (EFKA, etc.). The Company and staff contribute to this monthly. The Company has no further obligation to make additional contributions if such entity does not have the necessary assets to cover the benefits related to the service of the staff in the current or past years. Contributions paid by the Company are recognized in staff remuneration on an accrual basis.

In addition, according to Greek labor law, employees are entitled to compensation in the event of termination of employment, the amount of which depends on the amount of their remuneration, their length of service with the Company and the reason for termination of employment (dismissal or retirement). In the case of resignation or justified dismissal, this right does not exist. The amount payable on retirement is 40% of the amount payable in the event of unfair dismissal.

The Company's liability under the above defined benefit pension plan is calculated as the present value of the expected future payments required to settle the obligation arising from service in the current and prior periods. The actuarial projected unit credit method is used to determine the liability, while the discount rate used is the yield of high credit rating bonds with maturity dates that approximate the maturity of the Company's liability.

Interest in the defined benefit liability is determined by multiplying the liability by the interest rate used to calculate the present value of the liability, as determined at the beginning of the period and after considering any changes in the liability. This interest and other costs related to the defined benefit plan, other than actuarial gains and losses, are included in staff remuneration.

Actuarial gains and losses arising from increases or decreases in the present value of the defined benefit obligation due to changes in actuarial assumptions are recognized directly in equity and are never reclassified to profit or loss.

### **2.17. Provisions, contingent liabilities, and contingent receivables**

A provision is defined as a liability of indefinite duration or amount, which is recognized in the company's balance sheet items only when the following conditions apply simultaneously:

- The company has a present obligation, because of past actions, legal - a contract with explicit terms, applicable law or implied - through an established type of past practice that it accepts certain responsibilities and as a result has created a reasonable expectation that it will meet those responsibilities.
- It is probable that an outflow of resources embodying economic benefits will be required to settle the above obligation, i.e., a provision would be recognized if the probability that the outflow of resources will occur is greater than the probability that it will not occur.
- A reliable estimate of the amount of this obligation can be made.

The estimation of the expense is made by the Group, based on previous experience of similar cases and transactions. In addition, information and financial events occurring after the date of the Balance Sheet are considered.

When the effect of the time value of money is significant, the amount of the provision to be recognized is determined as the discounted value of the future expenditure required to settle the obligation using a pre-tax discount rate that reflects the time value of money, current market conditions and the risks associated with the obligation.

Contingent liabilities arise from past events and are not recognized in the Financial Statements because they are contingent on uncertain future events from which it is not probable that an outflow of resources will be required to settle them. However, they shall be disclosed unless the above probability is minimal.

Contingent assets are possible claims that arise from past events but whose existence will be confirmed if one or more uncertain future events occur. Therefore, they are not reflected in the Financial Statements, but are disclosed when the inflow of economic benefits is probable.

### **2.18. Borrowing costs**

Borrowing costs are the interest arising from borrowing, as well as other costs incurred for the conclusion of loan agreements between Group companies and financial institutions.

The above concept includes:

- interest on short-term and long-term bank loans, as well as interest on overdrafts,
- additional costs (e.g., commissions) incurred in entering into loan agreements and, by extension, obtaining loans,
- financial charges from finance leases; and
- exchange differences on loans denominated in foreign currencies, to the extent that they are considered financial expenses.

Regarding the recognition of borrowing costs, the Group's management has adopted the alternative method of IAS 23 "Borrowing Costs", to fully comply with the amendment to this standard, which is mandatory from 1 January

2009. Under the method, these costs are now capitalized when the loans are related to the acquisition, construction and construction of eligible fixed assets and are transferred to an increase in the cost of those assets.

The above handling implies the following:

- It is likely that the company will derive future economic benefits from these assets.
- The cost of borrowing that will add to the value of the eligible assets can be reliably determined.

The Group applies the alternative method in accordance with the standard for all assets that fall within the category of eligible fixed assets.

In addition, all borrowing costs that qualify for capitalization are capitalized. Finally, the method is applied consistently from use to use.

### **2.19. Income tax (current and deferred)**

Current and deferred income taxes are calculated based on the relevant line items in the financial statements and in accordance with the tax laws applicable in Greece. Current income tax relates to tax on the taxable profits of the Group companies, as restated in accordance with the requirements of the tax law and has been calculated at the applicable tax rate.

Deferred tax is calculated using the liability method on all temporary tax differences at the balance sheet date between the tax base and the carrying amount of assets and liabilities.

The expected tax effects of temporary tax differences are identified and reported either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are recognized for all deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is not probable that sufficient taxable profit will be available against which some or all the deferred tax assets will be utilized.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be paid to (or recovered from) the tax authorities using tax rates (and tax laws) enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when the company has the legal right to offset the corresponding amounts and when they relate to income taxes levied by the same tax authority.

### **2.20. Revenue**

The Group's revenue is measured at the fair value of the consideration received or receivable, net of Value Added Tax, considering any discount provided and any refunds. In the Group's sales, the consideration for the transaction is in the form of cash or cash equivalents and the amount of revenue is that of cash or cash equivalents received or

receivable. Since the credits given by the Group extend within its operating cycle, the nominal (invoiced) value is equal to the fair value.

Intercompany income within the Group is fully eliminated.

The new IFRS 15 establishes a five-step model to measure revenue arising from contracts with customers, as follows:

1. Identification of the contract(s) with the customer.
2. Identification of performance obligations.
3. Determination of the transaction price.
4. Apportionment of the transaction price to the obligations to fulfil the contract.
5. Revenue recognition when the Company fulfils a performance obligation.

In accordance with IFRS 15, revenue is recognized when the customer obtains control of the goods or services, specifying the timing of the transfer of control either at a given point in time or over time.

The Group recognizes revenue according to the category to which it belongs:

- **Revenue from the sale of goods**, which is recognized when all the following conditions are met:
  - › The Group has transferred to the buyer the substantial risks and rewards of ownership of the goods.
  - › There is no involvement by the Group in the management of the goods sold, nor does the Group retain actual control over them.
  - › The amount of income can be reliably measured.
  - › Presumably, the financial benefits of the transaction will flow to the company.
  - › The costs associated with the transaction can be reliably measured.
- **Revenue from the rendering of services**, which is recognized based on the stage of completion of a transaction involving the rendering of a service at the date of the financial statements when the outcome of that transaction can be estimated reliably at that date. Reliable estimation is achieved when the following conditions are met:
  - › The amount of income can be reliably measured.
  - › It is expected that the financial benefits associated with the transaction will flow to the company.
  - › The stage of completion can be reliably estimated at the date of the financial statements.
  - › The costs incurred, as well as those that will be required until the service is completed, can be reliably measured.

To be able to make reliable estimates, the Group enters into agreements for each transaction involving the provision of services, which define, among other things, the exact consideration for the provision of services, the rights and obligations of each party, the manner and terms of payment of the consideration.



In addition, the stage of completion of a service transaction is calculated since the services provided up to the reporting date of the financial statements, relative to the total services to be provided or the proportion of costs already incurred relative to the estimated total costs of that transaction.

- **Interest income**, which arises from the use of the Group's assets by third parties and is recognized on a time proportion basis using the effective interest rate. The effective interest rate on an asset is the required rate at which the future cash flows that will flow to the company from the use of the asset are discounted over its useful life so that they equal its initial carrying amount. When the above item is impaired, its carrying amount is reduced to its recoverable amount, which is the present value of expected future cash flows discounted at the original effective interest rate. Subsequently, interest is accrued at the same rate on the impaired new carrying amount.
- **Dividend income**, dividends, are considered as income at the time when the right to receive them is finalized, i.e., when they are approved by the General Meeting which is the legally competent body to distribute them.

### 2.21. Entry of expenses

Expenses are recognized in the income statement on an accrual basis. Payments made for operating leases are charged to the income statement as expenses in the year in which the lease is used. Interest expense is recognized on an accrual basis.

### 2.22. Distribution of dividends

The distribution of dividends to shareholders is recorded as a liability in the financial statements at the time the distribution is approved by the General Meeting of Shareholders.

### 2.23. Earnings per share

IAS 33 "Earnings per share", provides two indicators for calculating earnings per share:

- Basic earnings per share, which is calculated by dividing the profit (or loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during that financial year.
- Fully allocated earnings per share, the philosophy of which is that certain classes of securities, which at the time of determining earnings per share are not entitled to participate in the distribution of the profits of the financial year under review, are entitled to participate in the distribution of the profits of future financial years.

As of 31 December 2022, the share capital of the company consists entirely of ordinary shares. In addition, the company does not hold any of the categories of securities that may have a negative impact on earnings per share. Therefore, it calculates basic earnings per share in accordance with the above method of calculation of basic earnings per share.

## **2.24. Exchange rate conversions**

### **Functional and presentation currency**

The financial statements of the Group companies are measured in the currency of the primary economic environment in which they operate. Therefore, given that in Greece, where the Group operates, the functional currency is the Euro (€), this is defined as the functional and presentation currency of the Group's Financial Statements.

The financial statements of the Group companies (none of which had a hyperinflationary economy currency), which have a different functional currency from the Group's presentation currency, are translated using the official foreign currency exchange rate at the balance sheet date for assets and liabilities and the average foreign currency exchange rate during the period for income and expenses. The resulting exchange differences are recorded in another comprehensive income in the line "Exchange differences" and transferred to the results on the sale of these companies.

### **Transactions and balances**

Transactions in other currencies are converted into the functional currency using the exchange rates prevailing at the date of each transaction. Foreign exchange gains and losses arising from the settlement of such transactions during the financial year and from the translation of monetary items denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognized in the income statement. Excluded are transactions that qualify as cash flow hedges, which are recognized in equity, as well as foreign exchange differences that relate proportionally to the modified basic method of IAS 23, which the Group applied for the 2012 financial year, and which are recognized in the cost of eligible assets.

Exchange differences on non-monetary items, which are measured at fair value, are considered as part of fair value, and are therefore recorded where the fair value differences are recorded.

## **2.25. Financial information by segment**

The Group is required to define a primary and secondary segment for its activities, as well as to present different information for the primary versus the secondary segment.

The two areas, the financial data of which the Group must present, are:

- Business segment, which is any distinct part of the Group companies that provides a product or service or a group of related products or services that are subject to risks and returns that differ from those of other business segments. The factors considered for the classification of products and services in a business segment are the nature of the products or services, the form of the production process, the customers to whom the product or service is addressed, the way in which the products or services are made available, the institutional framework of the operating environment.
- A geographical segment, which is any distinct part of the Group companies that provides products or services within a particular economic environment, and which is subject to risks and returns that differ from those of other segments operating in other economic environments. The factors considered for the delineation of

geographical areas include similarity in political and economic conditions, the relationships between operations in different geographical areas, the proximity of operations and the existence of specific risks associated with operations in a particular area.

Management, considering the fact that the source and nature of the risks and returns of the Group companies' activities depend mainly on the products produced and services provided, as well as the internal organizational and management structure and the existing internal information system, defines the business segment as the primary segment and the geographical segment as the secondary segment.

Further analysis is provided in note 37 herein.

## **2.26. Definition of related parties**

In accordance with IAS 24, a related party is defined as a natural or legal person that is related to the reporting entity.

More specifically for the Company, related parties are:

- 1) The legal entities, which constitute for the Company:
  - i. subsidiaries,
  - ii. joint ventures,
  - iii. affiliated companies
- 2) Natural people, who are key management personnel and closely related persons. The key management personnel consist of all members of the Board of Directors of the Company, while their spouses and their first-degree relatives and their and their spouses' dependents are their close relatives.

In addition, the Company discloses transactions and existing balances with companies in which the above persons exercise control or joint control. This notification concerns shareholdings of the above persons in companies with a stake of more than 20%.

## **3. Management's accounting estimates and judgements**

Management's accounting estimates and judgements are continually reviewed and are based on historical data and expectations of future events that are believed to be reasonable under current conditions.

Management makes estimates and assumptions about the development of existing figures. The estimates and assumptions that have a significant risk of causing material adjustments to the amounts recognized in the financial statements, both consolidated and individual, in the next 12 months are as follows:

- Management judgment is required in determining the provision for income tax. If the final tax is different from the tax initially recognized, the difference will affect the income tax and the provision for deferred tax for the period.

- Group companies recognize a provision for litigation based on information from the Group's Legal Department.
- Management judgment is required on an annual basis to determine the recoverability of the Group's trade receivables for them to be reflected in their recoverable amount, recognizing the required credit losses.
- Group companies recognize provisions for the impairment of participation taking into account the future benefits that will flow from them.
- Judgment is required, on an annual basis, by Group companies to determine the useful life of mainly intangible assets recognized in the Financial Statements.
- The assumptions used in the preparation of the actuarial study of defined benefit plans contain significant uncertainty and the Management continually reassesses them.

#### ***4. Financial risk management***

The Group's and the Company's activities give rise to various financial risks such as credit risks, liquidity risks and market risks. The Group's and the Company's strategy and policy is to prevent and minimize the adverse effects that may result from the above risks.

The financial products mainly used by the Group and the Company include trade receivables accounts, deposits with banks, trade receivables discount accounts, investments in securities and accounts payable. The finance department, in cooperation with the other departments facing these risks, is responsible for identifying, assessing and, where necessary, hedging them.

- **Market risk**

Market risk, which includes currency risk, due to changes in exchange rates, the risk of fluctuations in the value of a financial instrument due to changes in market interest rates and price risk, i.e. the risk of fluctuations in the value of a financial instrument as a result of changes in market prices, whether caused by factors specific to the particular instrument or its issuer or by factors affecting traded instruments in the market in general.

Although there is a risk to the Company, which arises mainly from trading in foreign currencies, management does not use financial instruments to mitigate this risk because it does not consider the transactions to be significant due to their value and frequency. However, on an annual basis, the Company's position regarding the above risk is reassessed and the need to use specific financial instruments to mitigate it is evaluated.

*i. Exchange rate risk*

Almost all the Group's and the Company's transactions are denominated in euros whenever there is no exposure to foreign exchange risk.

*ii. Market interest rate risk and price risk*

The Group and the Company hold interest-bearing financial assets such as demand and time deposits and equity securities. In addition, it is the management's policy that the Company's and the Group's borrowing products are of

variable interest rate. Although there is a risk to the group and the company, management does not use financial instruments to mitigate this risk because it does not consider the transactions to be significant due to their value and frequency. However, on an annual basis, the company's position about the above risk is reassessed and the need to use specific financial instruments to mitigate it is evaluated.

*iii. Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

For the Group and the Company, this risk mainly comes from long-term loans, of which those with variable interest rates expose the Group to cash flow risk, while those with fixed interest rates expose the Group to the risk of changes in the fair value of these loans. It is the Group's and the Company's policy to enter loans at variable interest rates, hedging future cash flow risk with changes in the prices of its goods sold when significant changes in interest payments on loans are expected.

• **Credit risk**

Credit risk, where there is a possibility that one party to a financial instrument may default on its obligation, causing financial loss to the other party. The Group and the Company are not significantly exposed to credit risk, because on the one hand, wholesale sales are made to reliable customers with a positive credit history and on the other hand, the method of payment for retail sales is mainly cash.

The Group's and the Company's transactions with customers are developed after assessing their solvency and reliability in order to avoid problems of late payments and bad debts. Customer credit limits are monitored at regular intervals and reset if necessary. Receivables from customers are highly diversified and therefore credit risk is kept to a minimum. The fair value of financial assets at the close of the balance sheet as at 31/12/2022 is as shown below:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Customers and other trade receivables	36,613,940.17	25,759,722.32	11,630,666.34	8,033,171.60
Impairment	(7,803,510.46)	(6,815,105.39)	(1,828,085.36)	(1,264,964.68)
	<b>28,810,429.71</b>	<b>18,944,616.93</b>	<b>9,802,580.98</b>	<b>6,768,206.92</b>

At the close of the Balance Sheet as at 31/12/2022, the Management considers that there is no credit risk that is not covered by an impairment provision.

It should be noted that the increase in the Group's receivables as at 31/12/2022 is due to the inclusion of the receivables of the new subsidiaries consolidated for the first time using the full consolidation method in the current financial statements.

- **Liquidity risk**

Liquidity risk arises from the potential difficulties in raising funds to cover liabilities related to financial instruments. The Group and the Company have a low exposure to liquidity risk as it has sufficient cash and cash equivalents to cover short-term liabilities and a positive net cash position of EUR 4.96 million. The ratio of current assets to current liabilities for the Group as at 31/12/2022 was 168.14% compared to 164.30% as at 31/12/2021 and for the Company as at 31/12/2022 was 151.20% compared to 163.78% as at 31/12/2021.

The following table presents the maturity analysis of the Group's and the Company's financial liabilities:

<b>GROUP</b>				
<i>(Amounts in €)</i>				
<b>31.12.2022</b>				
	<b>Up to 1 year</b>	<b>From 2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Lending	8,634,684.04	7,817,013.68	-	16,451,697.72
Lease obligations	777,455.41	1,700,651.77	1,346,438.05	3,824,545.23
Trade and other payables	26,292,363.07	139,425.06	-	26,431,788.13
	<b>35,704,502.52</b>	<b>9,657,090.51</b>	<b>1,346,438.05</b>	<b>46,708,031.08</b>
<b>31.12.2021</b>				
	<b>Up to 1 year</b>	<b>From 2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Lending	6,797,811.77	8,910,038.66	-	15,707,850.43
Lease obligations	607,241.10	1,439,135.83	124,357.75	2,170,734.68
Trade and other payables	20,193,603.76	141,675.62	-	20,335,279.38
	<b>27,598,656.63</b>	<b>10,490,850.11</b>	<b>124,357.75</b>	<b>38,213,864.49</b>



(Amounts in €)

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Total borrowings (Note 22)	16,451,697.72	15,707,850.43	7,097,107.81	7,387,632.50
Lease liabilities (Note 23)	3,824,545.23	2,170,734.68	818,603.52	1,045,508.03
Minus:				
Cash and cash equivalents (Note 20)	26,648,940.18	23,354,155.02	12,878,613.48	12,367,725.81
Net borrowing amount	(6,372,697.23)	(5,475,569.91)	(4,962,902.15)	(3,934,585.28)
Total equity	58,295,000.52	41,454,664.98	47,445,931.56	37,336,092.75
Total employed capital	51,922,303.29	35,979,095.07	42,483,029.41	33,401,507.47
Leverage factor	<b>(12.27%)</b>	<b>(15.22%)</b>	<b>(11.68%)</b>	<b>(11.78%)</b>

## • Macroeconomic environment

### Impact of the COVID-19 pandemic

On 11 March 2020, the World Health Organization declared SARS CoV 2 coronavirus infection as a pandemic.

The emergence and evolution of the COVID-19 pandemic, together with the measures taken to limit activities in response to it, had a negative impact on economic activity at both international, national, and local levels.

In this context, Epsilon Net Group, with responsibility, determination and commitment to its corporate values in this difficult context, actively participated in the effort of the Greek state to limit the spread of the coronavirus (COVID-19) in the protection of public and private health, successfully implementing a series of special measures to combat its transmission, in accordance with the decisions and recommendations of the Ministry of Health, the ECDC and the Committee of Infectious Diseases, which, in full compliance with the decisions of the ECDC and the recommendations of the World Health Organization, were aimed at the health and safety of the Group's employees, customers and partners and their families.

The Group's Management acted responsibly and took immediate action to ensure:

- a) The health and safety of employees, customers, and partners.
- b) The business continuity of the Group's activities using the Group's technological infrastructure
- c) The minimization of the operational and financial consequences of the measures to address the dispersal of COVID-19.

To ensure the health and safety and well-being of its employees, Epsilon Net Group has ensured the strict application of legislation in every workplace issue. He also ensured that his employees were regularly informed about the issues of the COVID-19 pandemic. The briefing included indicative general information and instructions about the virus, such as:

- proper application of personal and public hygiene rules,
- procedure in case of symptoms or contact with a COVID19 case,
- use of public spaces and public transport,
- use and disposal of masks, gloves, for the use of antiseptics,



- keeping distances and
- distribution of masks free of charge to all employees.

In addition, there was constant communication between employees and their occupational physicians, while business travel was limited to what was strictly necessary.

Epsilon Net Group, having consistently invested in technologies and equipment that support remote working and guarantee maximum security in data management, with the appropriate training of all its staff, has designed and implemented policies and procedures for full remote working, without changing the high level of communication/support with its customers and external partners. With an absolute sense of responsibility for the health and safety of the Group's employees and their families, almost all the staff work consistently from home and the operation of all Group companies continues to run smoothly and efficiently.

Epsilon Net Group has taken protective measures for its partners and suppliers. In this context, and following the legislation, he stopped holding face-to-face meetings at his workplace, implementing online meetings using digital tools (Microsoft Teams). For the associates working in the workplaces of the Group companies, the policies and practices that applied to the Group's employees were followed.

Currently, there was no negative impact on the Group's results due to the COVID-19 pandemic. On the contrary, 2022 was another year of very positive performance across all economic variables despite the special circumstances. After all, both the Greek and the global economy are still facing the effects of the COVID-19 pandemic but to a much lesser extent than in previous years.

Up to the date of the Financial Statements, because of the COVID-19 pandemic, there were no contract terminations of existing customers and therefore the portion of sales derived from existing customers was not affected.

Depending on the evolution of the above-mentioned parameters, the Management has prepared comprehensive operational and financial action scenarios to continue its full and effective operation without any interruption. In addition, the Group strengthened its infrastructure in terms of information systems, for its business operations to continue uninterrupted, responding to the needs of its customers.

Furthermore, on February 24, 2022, hostilities between Russia and Ukraine began, which continues to this day and has further exacerbated the increase in energy prices and raw material costs that began in the last months of 2021, creating strong inflationary pressures and great uncertainty at global level.

The Group and the Company do not operate in these countries, however, in any case, the Group's Management continuously and always examines the conditions created in the Greek economy, which also affect the IT market, adjusts its strategy, and moves with the long-term interests of the company's stakeholders in mind.

## 5. *Group structure and activities*

### A. Subsidiaries consolidated using the total consolidation method

The Group has classified its subsidiaries and other participations according to the business sector in which they operate. The structure of the Group as of 31 December 2022 is as follows:

Company name	TIN	Address of Registered Office	Purpose	Share / Company's Capital	Date of Establishment / Consolidation	Participation rate (%)	Consolidation method
EPSILON HOSPITALITY S.A.	997993030	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of IT Services for Hotels and Tourism Businesses	60,000 shares of 1.00 € each	05.01.2009 (Establishment)	99.98%	Total Consolidation
EPSILON EUROPE PLC	-	2 Agias Fylaxeos & Zinonos Rossidi - Box 596 55 - 4011 - Limassol - Cyprus	Development of Group Activities in Europe	300,000 shares of 1.00 € each	23.01.2009 (Establishment)	99.97%	Total Consolidation
EVOLUTIONSNT PLC	-	80 Stratford Gate Potters Bar - Herts - United Kingdom - EN6 1PG	Development of Group Activities in Europe	2,035,345 shares of £1.00 each	26.09.2012 (Establishment)	99.956% (indirect holding)	Total Consolidation
EVOLUTIONSNT (UK) LTD	GB 196927251	80 Stratford Gate Potters Bar - Hertfordshire - England - EN6 1PG - United Kingdom	Development of Group Activities in Europe	1,000 shares of £1.00 each	02.10.2014 (Establishment)	100.00% (indirect holding)	Total Consolidation
EPSILON HR S.A.	800714373	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Information Technology Services	25,000 shares of 1.00 € each	22.02.2016 (Establishment)	65.00%	Total Consolidation
EPSILON SUPPORT CENTER S.A.	801201067	5-7 Andromachis Street - 562 24 - Evosmos - Thessaloniki	Provision of Information Technology Services	20,000 shares of 10.00 € each	02.08.2019 (Establishment)	51.00%	Total Consolidation
HOTELIGA INTERNATIONAL Sp. Z O.O.	PL 6751621616	Al. Jana Pawla II 43b 20 31-864, Krakow, Poland	Provision of Information Technology Services	143 shares of PLN 50.00 (€) each	21.07.2020 (Acquisition)	51.00%	Total Consolidation
DATA COMMUNICATION S.A.	094394893	P. Tsaldari & 2 Zaimi Streets - 151 27 - Melissa - Attica	Provision of Information Technology Services	3,750,000 shares of 0.53 € each	27.10.2020 (Acquisition)	100.00%	Total Consolidation
EPSILON SINGULARLOGIC S.A.	801490198	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Information Technology Services	10,025,000 shares of 1.00 € each	20.01.2021 (Establishment)	60.00%	Total Consolidation
TECHNOLIFE Ltd	095630714	6 Agsilaou Str. - 542 50 - Charilaou - Thessaloniki	Provision of Information Technology Services	350 shares of 100.00 € each	07.06.2021 (Acquisition)	60.00%	Total Consolidation
SYSTEM SOFT S.A.	094396444	304-306 Mesogeion Avenue- 155 62 - Cholargos	Information Technology and Business Organization	23,182 shares of 2.59 € each	01.03.2021 (Absorption completed on 14.07.2021)	100.00% (indirect holding)	Total Consolidation
IQOM S.A.	998360794	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Retail Trade Information Technology Services	25,000 shares of 1.00 € each	14.09.2021 (Acquisition)	80.00% (indirect holding)	Total Consolidation
PROFESSIONAL COMPUTER SERVICES S.A.	095674330	304-306 Mesogeion Avenue & 1 Dedousis Ave. - 155 62 - Cholargos	Provision of Information Technology Services for the Financial Sector	100,000 shares of 3.00 € each	10.11.2021 (Acquisition)	88.00%	Total Consolidation
EPSILON CSA S.A.	095455041	29 Al. Panagoulis Str.- 153 43 - Ag. Paraskevi	Provision of Pharmacy Information Technology Services	7,000 shares of 10.00 € each	11.01.2022 (Acquisition)	100.00%	Total Consolidation
DIGITAL 4U S.A.	800503730	350 Syngrou Avenue, P.C. 176 74, Athens	Internet Marketing	245,000 shares of 1.00 € each	12.04.2022 (Acquisition)	60.00%	Total Consolidation
EPSILON SUPPORT CENTER ATHENS S.A.	801819802	196 Mesogeion Avenue, 155 61 - Cholargos	Provision of Information Technology Services	7,000 shares of 10.00 € each	28.04.2022 (Establishment)	60.00%	Total Consolidation
EPSILON SINGULARLOGIC CYPRUS LTD	CY 10434026G	70 Kyrillou Loukareos Str.- KAKOS TWR 2FL - 4156 - Kato Polemidia	Provision of Information Technology Services	50,000 shares of 1.00 € each	09.05.2022 (Establishment)	100.00%	Total Consolidation
TAXHEAVEN S.A.	998811352	64 Apostolopoulou Street - 152 31 - Chalandri - Attica	Online Information Services	900 shares of 30.00 € each	02.06.2022 (Acquisition)	60.00%	Total Consolidation
HOTELIGA S.A.	801886654	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Information Technology Services	25,000 shares of 1.00 € each	29.07.2022 (Establishment)	51.00%	Total Consolidation
HOTEL AVAILABILITIES LTD	-	178 Seven Sisters Road, London, N7 7PX	Provision of Information Technology Services	100 shares of £1.00 each	01.08.2022 (Acquisition)	70.00%	Total Consolidation
BOOKONLINENOW P.C.	800793950	304-306 Ionias & 124 Perikleous Street - 174 56 - Alimos - Prefecture of Attica	Provision of Information Technology Services	2,000 shares of 10.00 € each	01.08.2022 (Acquisition)	55.00%	Total Consolidation
HOTELONCLOUD LTD	-	3 Archiepiskopou Makariou III, Mesa Geitonia, 4000 Limassol, Cyprus	Provision of Information Technology Services	1,000 shares of 1.00 € each	08.09.2022 (Acquisition)	55.00%	Total Consolidation



<b>HOTEL AVAILABILITIES S.A.</b>	<b>801954225</b>	87 17th November Side Road- 555 34 - Pylaia - Thessaloniki	Provision of Information Technology Services	25,000 shares of 1.00 € each	03.11.2022 (Establishment)	70.00%	Total Consolidation
<b>SINGULARLOGIC ROMANIA COMPUTER APPLICATION SRL</b>	<b>RO 11582087</b>	Str. Dr. Iacob Felix, no.57, Et. 3, Sector 1, Bucuresti - ROMANIA	Provision of Information Technology Services	7,000 shares of RON 13.00 each	22.12.2022 (Acquisition)	60.00%	Total Consolidation
<b>HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.</b>	<b>094524157</b>	350 Syngrou Avenue, 176 74 Kallithea	Provision of Information Technology Services	86,020 shares of 2.93 € each	20.12.2019 (Acquisition)	34.00%	Net Position
<b>SINGULARLOGIC S.A.</b>	<b>997985169</b>	3 Achaïas & Troizinias - 145 64 - Kifissia - Attica	Provision of Information Technology Services	9,000,000 shares of 1.00 € each	11.01.2021 (Acquisition)	39.93%	Net Position
<b>INFOSUPPORT S.A.</b>	<b>094429098</b>	8 Doiranis Street - 113 62 - Kypseli - Attica	Marketing of Computerization Systems	23,196 shares of 30.00 € each	01.03.2021 (Absorption completed on 14.07.2021)	34.00% (indirect holding)	Net Position
<b>SANTORINI DREAMS P.C.</b>	<b>801583538</b>	125-127 Kifissias Avenue - 115 24 - Ampelokipoi	Tourist Agency	1,300 shares of 100.00 € each	12.04.2022 (Acquisition)	40.00% (indirect participation)	Net Position
<b>INFOSUPPORT BUSINESS S.A.</b>	<b>996648536</b>	8 Doiranis Street - 113 62 - Kypseli - Attica	Provision of Information Technology Services	5,000 shares of 30.00 € each	03.10.2022 (Composition by Partial Split)	34.00% (indirect holding)	Net Position

The subsidiaries belonging to the Group are presented below:

The Cyprus-based subsidiary “EPSILON EUROPE PLC” holds a 99.99% stake in “EVOLUTIONSNT PLC” and a 100.00% stake in “EVOLUTIONSNT (UK) LTD”, both based in England.

In addition, the parent company holds a 65% stake in the subsidiary EPSILON HR S.A., which is active in the production and marketing of software specializing in the field of human resources information systems.

In addition, the parent company holds a 99.983% stake in EPSILON HOSPITALITY S.A. (formerly EPSILON PYLON S.A.), which is active in the IT sector for hotels and tourism businesses.

In August 2019, the limited liability company “EPSILON SUPPORT CENTER S.A.” was established with the name “EPSILON SUPPORT CENTER S.A.” and the distinctive title “EPSILON SUPPORT CENTER S.A.”, in which the parent company holds a 51% stake. The purpose of the subsidiary is the development and support of software projects implemented with software produced by the parent company.

In July 2020 the parent company acquired 51% of the shares of HOTELIGA International sp. Z o.o., established in Poland. HOTELIGA International is a specialized IT company, which has successfully created and developed IT products in a web environment. The subsidiary operates in the market of hospitality software, pms, paperless hotel systems and travel technology, a highly demanding market that is changing and evolving rapidly at an international level.

In October 2020, the parent company, consistently following the path of continuous expansion and strengthening its growth model, proceeded with the acquisition of 80% of the share capital of DATA COMMUNICATION S.A., a company active in the provision of integrated IT solutions to businesses and organizations of the private and public sector, as well as to accounting firms. “DATA COMMUNICATION S.A.” was included for the first time in the consolidated financial statements of 31/12/2020 using the full consolidation method. Furthermore, on 24/5/2021 the parent company acquired the remaining 20% of the share capital of DATA COMMUNICATION S.A., holding now 100% of the share capital.



On 20/01/2021, the subsidiary company with the name “EPSILON SINGULARLOGIC INFORMATION COMPANY S.A.” and the distinctive title “EPSILON SINGULARLOGIC S.A.” was established, with an initial shareholding of the parent company of 57.60%. Subsequently, by the decision of the Extraordinary General Meeting of the shareholders of “EPSILON SINGULARLOGIC S.A.” of 18/06/2021, the share capital of the company was increased by the amount of 10.000.000,00€, due to the spin-off of the parent company’s business, the business and ERP applications developed using the PYLON platform and more specifically the products Pylon Commercial, Pylon ERP, Pylon CRM, Pylon Shop, Pylon Auto Service, Pylon Auto & Moto Cube, Pylon Retail, Pylon Retail, Pylon Entry, and its Contribution to “EPSILON SINGULARLOGIC S.A.”. 10,000,000 new ordinary registered shares were issued, all of which were subscribed by the parent company. Following this increase, the parent company's shareholding amounted to 99,89% of the total share capital of EPSILON SINGULARLOGIC S.A. On 29/6/2021, the parent company transferred 32,39% of EPSILON SINGULARLOGIC S.A. to the existing shareholder Space Hellas S.A. Subsequently, by the decision of the Extraordinary General Meeting of the shareholders of “EPSILON SINGULARLOGIC S.A.” of 06/07/2021, the share capital of the company was increased by the amount of 7.500.000,00€ due to the Partial Demerger with Absorption of the business of the proprietary software for commercial applications for enterprises and Enterprise Resource Planning (ERP) of “SINGULARLOGIC S.A.” and its transfer to EPSILON SINGULARLOGIC S.A. 7,500,000 new ordinary registered shares were issued, all of which were subscribed by the shareholders of the Demerged Company, in proportion to their shareholdings in the Demerged Company (pro rata). Following this increase and the subsequent decision of the Extraordinary General Meeting of the Shareholders of EPSILON SINGULARLOGIC S.A. of 27/08/2021, the participation of the parent company amounted to 60.00% of the total share capital of “EPSILON SINGULARLOGIC S.A.”.

Among the components of the self-produced software for business applications and Enterprise Resource Planning (ERP) systems of the company "SINGULARLOGIC S.A." which due to the demerger was transferred/incorporated into the subsidiary EPSILON NET S.A., "Epsilon SingularLogic S.A.", was also the participation of "SINGULARLOGIC S.A." with a share of 66% in its subsidiary company, with the name "SYSTEM SOFT COMMERCIAL SOCIETE ANONYME FOR INFORMATION TECHNOLOGY AND BUSINESS ORGANIZATION" and the distinctive title "SYSTEM SOFT S.A." Subsequently, with the private transfer agreement of 30/12/2021, the remaining 34% share of "SYSTEM SOFT S.A." from "Epsilon SingularLogic S.A." which thus became the sole shareholder of "SYSTEM SOFT S.A." holding now 100% of its shares.

In June 2021, the parent company implemented the acquisition of a 60% majority stake in the company "TECHNOLIFE LIMITED LIABILITY COMPANY" with registered office. “TECHNOlife Ltd” is active in providing integrated business solutions in the field of business software.

In September 2021, the parent company announced that its subsidiary Epsilon SingularLogic S.A. completed the acquisition of a majority 80% stake in the company "A. Triantaphyllidis - D. Zachos General Partnership" with the distinctive title 'iQom', which at the same time was automatically transformed into a limited partnership in accordance

with the provisions of Article 126 par. 1, section a, Law 4601/2019, under the name "IQOM Ltd " with the distinctive title "iQom". Subsequently, on 09/12/2021 the above company was converted, in accordance with the provisions of article 104 et seq. of Law 4601/2019 and Law 4548/2018 to a public limited company, with the name "IQOM Information Technology SA" and with the distinctive title: "IQOM SA". The subsidiary company of EPSILON NET S.A., "Epsilon SingularLogic S.A.", holds an 80% stake in the joint stock company "IQOM S.A."

In November 2021, the parent company acquired an 88% stake in the company with the name "PROFESSIONAL COMPUTER SERVICES SA" and the distinctive title "PROFESSIONAL C.S. SA which is active in the provision of specialized IT solutions to companies in the financial sector.

**In January 2022** the Parent Company **EPSILON NET** acquired **100% stake** of the company under the name EPSILON CSA S.A. (formerly "SOTIRIS MATSOUKAS INFORMATION S.A.") and the distinctive title "CSA" which is active in the development of specialized IT solutions and automation systems **for pharmacies** and companies active in the field of marketing & distribution **of medicines** in Greece. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In April 2022**, the parent company EPSILON NET S.A. acquired 51% of the company "DIGITAL 4U S.A., PROVISION OF INTERNET, INFORMATICS AND ADVERTISING SERVICES", with the distinctive title "DIGITAL 4U", a specialized provider of solutions and services in the fields of e-Commerce & Digital Marketing. DIGITAL 4U was founded in 2013, with the aim of developing an integrated Online Communication Strategy for every business.

At the same time, at the General Meeting of DIGITAL 4U S.A. on 14/04/2022, it was decided to increase the share capital of the company, after the completion of which Epsilon Net's share in **DIGITAL 4U's** share capital increased to **60%**. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In May 2022**, the Group announced the establishment of the 2nd Epsilon Support Center based in Athens, following the significant success of the 1st Epsilon Support Center in Thessaloniki. The parent company EPSILON NET S.A. participates in the new company with a 60% holding. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In the same month**, the Group's new subsidiary, EPSILON SINGULARLOGIC CYPRUS LTD, was founded with headquarters in Limassol, Cyprus, aiming, in direct cooperation with all the companies of the Epsilon Net Group, to promote and support both the existing installed applications of the group in the Cyprus market and the promotion of new software applications aimed at this market. The parent company EPSILON NET S.A. participates in the new company with a 100% holding in its share capital which amounts to 50,000.00. The company was included for the first time in the consolidated financial statements as of 30/06/2022.



**At the beginning of June 2022**, the acquisition of a 60% holding in TAXHEAVEN S.A., a provider of information on financial and tax issues was completed. TAXHEAVEN S.A. was founded in 2007 and is one of the largest Greek companies providing information, training, and database management services for knowledge management systems for businesses, as well as for accounting firms. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In July 2022**, the Epsilon Net group proceeded to the establishment of Hoteliga SA, based in Thessaloniki. Epsilon Net SA has a 51% holding in Hoteliga SA. The company shall operate in the Hospitality Software market with the aim of offering modern technological management solutions to hotels and accommodation in Greece and abroad. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In August 2022**, the parent company EPSILON NET S.A. acquired a 70% holding in the English company "Hotel Availabilities Ltd», **which is active in the development of Channel Manager systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.**

**In the same month**, the parent company EPSILON NET S.A. completed the acquisition of a 55% holding in the company "**BookOnlineNow Single-Member Capital Company**", which is active in the development of Online booking (**booking engine**) systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In September 2022**, the parent company EPSILON NET S.A. completed the acquisition of a 55% holding in the Cypriot company "HotelonCloud Ltd", **a strategic distributor of BookOnlineNow abroad. The company was included for the first time in the consolidated financial statements as of 31/12/2022.**

**In November 2022**, the establishment of HOTEL AVAILABILTTIES SA based in Thessaloniki was completed. The parent company EPSILON NET S.A. participates in the new company with a 70% holding. The new company is active in the development of Channel Manager **systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.**

**In December 2022**, the parent company EPSILON NET S.A. acquired a 60% holding in the Romanian company "Singularlogic Romania Computer Application SRL». **The company is active in the promotion of business software applications and the provision of installation and configuration services to companies of all purposes and sizes in the Romanian market. The company was included for the first time in the consolidated financial statements as of 31/12/2022.**

## **B. Other Companies Consolidated by the Net Position Method**

On 12-4-2022, the parent company EPSILON NET S.A. completed the acquisition of 51% of the company "DIGITAL 4U S.A." and the distinctive title "DIGITAL 4U", a specialized provider of solutions and services in the fields of e-Commerce & Digital Marketing. At the same time, at the General Meeting of DIGITAL 4U S.A. dated 14/04/2022, it was decided to increase the company's share capital, after the completion of which Epsilon Net's share increased to **60%** of the share capital in DIGITAL 4U.

The company DIGITAL 4U participated in parallel in the company under the name "SANTORINI DREAMS TRAVEL AGENCY CAPITAL COMPANY" since the date of establishment of the latter on 31-5-2021 with a 20/50 (40%) holding.

On 3-10-2022, the decision of the General Commercial Register (G.E.M.I.), with Registration Number 3090858, number 9176 - 03/10/2022 of the GEMI Service of our Chamber of Commerce was registered in the General Commercial Register (Online Posting Number: 6ZHN469HEΘ-3Ξ0), which approved the establishment of a new societe anonyme under the name "INFOSUPPORT BUSINESS S.A.", with the distinctive title "INFOSUPPORT BUSINESS S.A." and with GEMI registration number: 165026101000, which resulted from the partial demerger and transfer of the segment "Production of Software Programs for the Private Sector" of the company named "TRADE IN MACHINE ORGANIZATION SYSTEMS - COMMERCIAL S.A." with the distinctive title "INFOSUPPORT S.A." and G.E.M.I. number 001637601000, pursuant to the provisions of Law 4601/2019, of the Law 4548/2018, of case b of paragraph 3 of article 54 of Law 4172/2013 and article 61 of Law 4438/2016.

The Group's subsidiary company "Epsilon SingularLogic S.A.", participated, as described above, in the company "INFOSUPPORT S.A." with a 34% holding. Following the above actions, Epsilon SingularLogic SA participates with the same percentage in the newly established "INFOSUPPORT BUSINESS S.A.».

The companies that are consolidated using the net position method are listed below:

### HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.

- Registered office - 350 Syngrou Avenue, P.C. 176 74, Athens, Attica

### INFOSUPPORT S.A.

- Registered office- 8 Doiranis Street, P.C. 113 62, Kypseli, Attica
- Branch - 64 Evvoias Street, P.C. 113 62, Kypseli, Attica
- Branch - 41 Marinou Antypa, P.C. 555 35, Thermi, Thessaloniki, Greece



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SINGULARLOGIC S.A.

- Registered office- 3 Achaia & Troizinias - 145 64, Kifissia, Attica
- Branch - 9th km Thermi - Thessaloniki - 570 01, Thermi, Thessaloniki

SANTORINI DREAMS Private Capital Company

- Registered office - 125-127 Kifissias Avenue - 115 24 - Ampelokipoi

INFOSUPPORT BUSINESS S.A.

- Registered office- 8 Doiranis Street, P.C. 113 62, Kypseli, Attica

**C. Other companies of other participating interest**

EPSILON NET participates, since its foundation, in Technopolis Thessaloniki S.A., which is the creator of the first High Technology Business Park in Greece. It is estimated that through this participation, in the future, significant synergies and investment opportunities will be achieved, due to the concentration of notable companies in the IT sector in this Park.

Similarly, the Group's subsidiary EPSILON SINGULARLOGIC participates, through the segment that it absorbed from SingularLogic S.A. during the financial year 2021 in the following companies:

- AKROPOLIS S.A. - High Technology and Research Business Park, and
- TECHNOPOLIS THESSALONIKIS S.A. - High Technology Business and Research Park

The company AKROPOLIS S.A. is also held by the Group's subsidiary DATA COMMUNICATION.

Participation in the above companies is for the same reasons as for the parent company.



## 6. *Tangible Assets*

The Group's and the Company's property, plant, and equipment respectively, are broken down as follows, while the increase in Right-of-Use of third-party buildings is due to extension of the duration of lease contracts:

### GROUP

	Land - Plots of land	Buildings - Building installations	Buildings - Technical Works on Third Party Property	Rights of use of buildings - Technical works on third party property	Transportation	Rights of Use Transport Equipment	Furniture & Other Equipment	Machinery	Total
Amounts expressed in €									
<i>Cost of acquisition</i>									
1 January 2022	-	-	4,710,931.00	3,029,249.85	397,593.57	931,261.94	5,157,189.23	923.96	14,227,149.55
Integration of New Subsidiaries	450,000.00	797,554.30	63,985.58	159,850.43	29,049.40	39,967.84	502,288.82	67,065.30	2,109,761.67
Period additions	-	-	-	1,405,563.74	95,195.55	610,267.54	368,737.16	30.56	2,479,794.55
Write-offs	-	-	(8,608.84)	(11,607.19)	(5,590.01)	44,295.34	(105,326.21)	(24.30)	(86,861.21)
<b>31 December 2022</b>	<b>450,000.00</b>	<b>797,554.30</b>	<b>4,766,307.74</b>	<b>4,583,056.83</b>	<b>516,248.51</b>	<b>1,625,792.66</b>	<b>5,922,889.00</b>	<b>67,995.52</b>	<b>18,729,844.56</b>
<i>Accumulated depreciation</i>									
1 January 2022	-	-	3,308,009.64	1,130,768.95	243,607.60	618,621.56	4,255,034.82	923.67	9,556,966.24
Integration of New Subsidiaries	-	247,554.30	28,853.00	17,261.33	22,126.24	6,841.01	412,178.90	62,389.45	797,204.23
Depreciation for the Period	-	11,000.00	304,603.87	617,976.59	48,975.10	175,275.13	294,488.05	581.51	1,452,900.25
Write-offs	-	-	(8,223.82)	-	(5,590.00)	-	(99,571.08)	-	(113,384.90)
<b>31 December 2022</b>	<b>-</b>	<b>258,554.30</b>	<b>3,633,242.69</b>	<b>1,766,006.87</b>	<b>309,118.94</b>	<b>800,737.70</b>	<b>4,862,130.69</b>	<b>63,894.63</b>	<b>11,693,685.82</b>
<b>BALANCE SHEET as at 31 DECEMBER, 2022</b>	<b>450,000.00</b>	<b>539,000.00</b>	<b>1,133,065.05</b>	<b>2,817,049.96</b>	<b>207,129.57</b>	<b>825,054.96</b>	<b>1,060,758.31</b>	<b>4,100.89</b>	<b>7,036,158.74</b>

<i>Cost of acquisition</i>									
1 January 2021	-	-	4,627,455.98	2,809,504.06	294,858.35	536,595.13	3,633,719.15	923.96	11,903,056.63
Integration of New Subsidiaries	-	-	60,346.52	790,680.00	18,906.90	361,498.18	1,101,475.53	-	2,332,907.13
Period additions	-	-	23,128.50	181,583.34	147,124.57	33,168.63	482,865.09	-	867,870.13
Write-offs	-	-	-	(752,517.55)	(63,296.25)	-	(60,870.54)	-	(876,684.34)
<b>31 December 2021</b>	<b>-</b>	<b>-</b>	<b>4,710,931.00</b>	<b>3,029,249.85</b>	<b>397,593.57</b>	<b>931,261.94</b>	<b>5,157,189.23</b>	<b>923.96</b>	<b>14,227,149.55</b>
<i>Accumulated depreciation</i>									
1 January 2021	-	-	2,981,484.34	616,745.34	269,899.48	218,890.85	3,152,529.92	923.67	7,240,473.60
Integration of New Subsidiaries	-	-	102,234.63	171,001.15	4,880.78	240,897.68	843,315.90	-	1,362,330.14
Depreciation for the Period	-	-	224,290.67	343,022.46	28,267.66	158,833.03	315,931.11	-	1,070,344.93
Write-offs	-	-	-	-	(59,440.32)	-	(56,742.11)	-	(116,182.43)
<b>31 December 2021</b>	<b>-</b>	<b>-</b>	<b>3,308,009.64</b>	<b>1,130,768.95</b>	<b>243,607.60</b>	<b>618,621.56</b>	<b>4,255,034.82</b>	<b>923.67</b>	<b>9,556,966.24</b>
<b>BALANCE SHEET as at 31 DECEMBER, 2021</b>	<b>-</b>	<b>-</b>	<b>1,402,921.36</b>	<b>1,898,480.90</b>	<b>153,985.97</b>	<b>312,640.38</b>	<b>902,154.41</b>	<b>0.29</b>	<b>4,670,183.31</b>

**COMPANY**

	Buildings - Technical Works on Third Party Property	Rights of use of buildings - Technical works on third party property	Transportation	Rights of Use Transport Equipment	Furniture & Other Equipment	Total
Amounts in €						
<b>Cost of acquisition</b>						
1 January 2022	1,639,997.26	865,884.28	238,061.93	302,112.45	2,379,663.65	5,425,719.57
Period additions	-	19,438.87	95,195.55	77,051.36	129,634.94	321,320.72
Write-offs	-	(8,205.20)	-	-	(1,229.28)	(9,434.48)
<b>31 December 2022</b>	<b>1,639,997.26</b>	<b>877,117.95</b>	<b>333,257.48</b>	<b>379,163.81</b>	<b>2,508,069.31</b>	<b>5,737,605.81</b>
<b>Accumulated depreciation</b>						
1 January 2022	1,450,870.95	455,287.94	173,215.79	179,720.17	2,018,089.68	4,277,184.53
Depreciation for the Period	83,642.04	162,205.31	25,974.01	47,456.02	104,075.64	423,353.02
Write-offs	-	-	-	-	(574.94)	(574.94)
<b>31 December 2022</b>	<b>1,534,512.99</b>	<b>617,493.25</b>	<b>199,189.80</b>	<b>227,176.19</b>	<b>2,121,590.38</b>	<b>4,699,962.61</b>
<b>BALANCE SHEET as at 31 DECEMBER, 2022</b>	<b>105,484.27</b>	<b>259,624.70</b>	<b>134,067.68</b>	<b>151,987.62</b>	<b>386,478.93</b>	<b>1,037,643.20</b>

<b>Cost of acquisition</b>						
1 January 2021	2,129,959.70	797,238.23	162,988.18	296,663.96	2,454,823.91	5,841,673.98
Period additions	23,128.50	80,761.95	75,075.00	5,448.49	185,574.92	369,988.86
Spin-off Pylon Branch	(513,090.94)	-	-	-	(255,805.21)	(768,896.15)
Write-offs	-	(12,115.90)	(1.25)	-	(4,929.97)	(17,047.12)
<b>31 December 2021</b>	<b>1,639,997.26</b>	<b>865,884.28</b>	<b>238,061.93</b>	<b>302,112.45</b>	<b>2,379,663.65</b>	<b>5,425,719.57</b>
<b>Accumulated depreciation</b>						
1 January 2021	1,478,636.25	300,240.64	159,769.04	130,087.49	2,117,457.69	4,186,191.11
Depreciation for the Period	91,530.07	155,047.30	13,447.99	49,632.68	87,665.68	397,323.72
Spin-off Pylon Branch	(119,295.37)	-	-	-	(182,103.81)	(301,399.18)
Write-offs	-	-	(1.24)	-	(4,929.88)	(4,931.12)
<b>31 December 2021</b>	<b>1,450,870.95</b>	<b>455,287.94</b>	<b>173,215.79</b>	<b>179,720.17</b>	<b>2,018,089.68</b>	<b>4,277,184.53</b>
<b>BALANCE SHEET as at 31 DECEMBER 2021</b>	<b>189,126.31</b>	<b>410,596.34</b>	<b>64,846.14</b>	<b>122,392.28</b>	<b>361,573.97</b>	<b>1,148,535.04</b>

## 7. Investment in Real Estate

The balance of the 'Investment property' account is broken down as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
Depreciated value on 1st January	-	-	-	-
Additions	2,384,283.66	-	2,384,283.66	-
Depreciation and amortization for the year	(71,401.86)	-	(71,401.86)	-
<b>Depreciated value at 31 of December</b>	<b>2,312,881.80</b>	<b>-</b>	<b>2,312,881.80</b>	<b>-</b>

The Company acquired in March 2022 an independent building complex of 7,244sqm with a land area of 2,942sqm in Eastern Thessaloniki and more specifically at 92 Georgikis Scholis Ave., 3.5 km from Thessaloniki International Airport and is intended, after the necessary adjustments, to be the new, modern facility of the group's companies and until then it is leased to third parties and reflected in the financial statements under Investments in Real Estate.

## 8. Intangible Assets

The increase in the Group's Intangible Assets during the financial year 2022 is due both to the acquisitions of new companies and the acquisition / development of self-produced software for business applications and Enterprise Resource Planning (ERP) systems by the subsidiary "Epsilon SingularLogic S.A.", It is clarified that the intangible assets resulting from the incorporation of the subsidiary Epsilon SingularLogic S.A. include an amount of € 2,703,551.35 corresponding to the trade name (distinctive title) Singular Logic, the useful life of which was determined by the Group's Management as indefinite. This item is not subject to annual amortization, but management performs an impairment test annually or when indications of impairment arise.

The total intangible assets of the Group and the Company are shown in the table below:

### GROUP

Amounts in €	Software Development - Integrated	Trademarks	Software - Purchase from Third Parties	Software Development - Non- Integrated	Trade Name	Other	Total
<b>Cost of acquisition</b>							
<b>1 January 2022</b>	<b>60,294,549.17</b>	<b>57,664.70</b>	<b>2,690,151.81</b>	<b>651,098.69</b>	<b>2,703,551.35</b>	-	<b>66,397,015.72</b>
Integration of New Subsidiaries	429,420.46	-	692,229.11	-	-	85,117.08	1,206,766.65
Period additions	-	560.00	295,121.24	478,318.18	-	-	773,999.42
Sales	-	-	(113,000.00)	-	-	-	(113,000.00)
Write-offs	-	-	(204.05)	-	-	-	(204.05)
Transport	1,129,416.87	-	-	(1,129,416.87)	-	-	0.00
<b>31 December 2022</b>	<b>61,853,386.50</b>	<b>58,224.70</b>	<b>3,564,298.11</b>	<b>-</b>	<b>2,703,551.35</b>	<b>85,117.08</b>	<b>68,264,577.74</b>
<b>Accumulated depreciation</b>							
<b>1 January 2022</b>	<b>48,870,809.25</b>	<b>49,829.77</b>	<b>2,607,722.08</b>	-	-	-	<b>51,528,361.10</b>
Integration of New Subsidiaries	-	-	438,824.82	-	-	78,895.64	517,720.46
Depreciation for the Period	1,807,075.89	1,517.76	98,187.24	-	-	4,674.18	1,911,455.07
Write-offs	-	-	(19,310.44)	-	-	-	(19,310.44)
<b>31 December 2022</b>	<b>50,677,885.14</b>	<b>51,347.53</b>	<b>3,125,423.70</b>	<b>-</b>	<b>-</b>	<b>83,569.82</b>	<b>53,938,226.19</b>
<b>BALANCE SHEET as at 31 DECEMBER, 2022</b>	<b>11,175,501.36</b>	<b>6,877.17</b>	<b>438,874.41</b>	<b>-</b>	<b>2,703,551.35</b>	<b>1,547.26</b>	<b>14,326,351.55</b>

<b>Cost of acquisition</b>							
<b>1 January 2021</b>	<b>29,583,912.12</b>	<b>57,554.70</b>	<b>1,956,593.07</b>	-	-	-	<b>31,598,059.89</b>
Integration of New Subsidiaries	30,318,987.56	-	704,493.35	-	2,703,551.35	-	33,727,032.26
Period additions	-	110.00	31,833.01	1,042,748.18	-	-	1,074,691.19
Write-offs	-	-	(2,767.62)	-	-	-	(2,767.62)
Transport	391,649.49	-	-	(391,649.49)	-	-	-
<b>31 December 2021</b>	<b>60,294,549.17</b>	<b>57,664.70</b>	<b>2,690,151.81</b>	<b>651,098.69</b>	<b>2,703,551.35</b>	<b>-</b>	<b>66,397,015.72</b>
<b>Accumulated depreciation</b>							
<b>1 January 2021</b>	<b>23,436,652.05</b>	<b>48,266.22</b>	<b>1,884,705.17</b>	-	-	-	<b>25,369,623.44</b>
Integration of New Subsidiaries	23,806,044.03	-	671,076.54	-	-	-	24,477,120.57
Depreciation for the Period	1,628,113.17	1,563.55	54,707.08	-	-	-	1,684,383.80
Write-offs	-	-	(2,766.71)	-	-	-	(2,766.71)
<b>31 December 2021</b>	<b>48,870,809.25</b>	<b>49,829.77</b>	<b>2,607,722.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,528,361.10</b>
<b>BALANCE SHEET as at 31 DECEMBER 2021</b>	<b>11,423,739.92</b>	<b>7,834.93</b>	<b>82,429.73</b>	<b>651,098.69</b>	<b>2,703,551.35</b>	<b>-</b>	<b>14,868,654.62</b>

COMPANY

	Software Development - Integrated	Trademarks	Software - Purchase from Third Parties	Software Development - Non- Integrated	Total
Amounts in €					
<i>Cost of acquisition</i>					
1 January 2022	25,289,741.25	55,144.70	1,066,434.34	-	26,411,320.29
Period additions	-	560.00	285,926.90	-	286,486.90
Sales	-	-	(113,000.00)	-	(113,000.00)
31 December 2022	25,289,741.25	55,704.70	1,239,361.24	-	26,584,807.19
<i>Accumulated depreciation</i>					
1 January 2022	22,662,244.60	48,380.77	1,037,389.58	-	23,748,014.95
Depreciation for the Period	501,856.30	1,444.24	37,331.76	-	540,632.30
Write-offs	(0.06)	-	(13,183.33)	-	(13,183.39)
31 December 2022	23,164,100.84	49,825.01	1,061,538.01	-	24,275,463.86
BALANCE SHEET as at 31 DECEMBER, 2022	2,125,640.41	5,879.69	177,823.23	-	2,309,343.33

<i>Cost of acquisition</i>					
1 January 2021	27,564,911.98	55,034.70	1,040,681.57	-	28,660,628.25
Period additions	-	110.00	25,752.77	-	25,862.77
Spin-off Pylon Branch	(2,275,170.73)	-	-	-	(2,275,170.73)
31 December 2021	25,289,741.25	55,144.70	1,066,434.34	-	26,411,320.29
<i>Accumulated depreciation</i>					
1 January 2021	23,346,527.66	46,964.22	1,032,589.28	-	24,426,081.16
Depreciation for the Period	531,935.54	1,416.55	4,800.30	-	538,152.39
Spin-off Pylon Branch	(1,216,218.60)	-	-	-	(1,216,218.60)
31 December 2021	22,662,244.60	48,380.77	1,037,389.58	-	23,748,014.95
BALANCE SHEET as at 31 DECEMBER 2021	2,627,496.65	6,763.93	29,044.76	-	2,663,305.34

## 9. Goodwill

The balance of the "Goodwill" account relates to the difference between the total acquisition price and the fair value (attributable at acquisition) of the acquired businesses and businesses from the parent company and its subsidiaries within the financial years 2021 and 2022. The resulting goodwill is as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
HOTELIGA INTERNATIONAL Sp. Z. O. O.	79,274.94	79,274.94	-	-
DATA COMMUNICATION S.A.	4,033,458.34	4,033,458.34	-	-
EPSILON SINGULARLOGIC S.A. - SiLo Custom Software Division	1,231,573.72	1,231,573.72	-	-
SYSTEM SOFT S.A.	217,246.41	217,246.41	-	-
TECHNOLIFE LTD	269,790.95	269,790.95	-	-
IQOM S.A.	1,494,338.06	1,494,338.06	-	-
PCS S.A.	929,820.27	929,820.27	-	-
EPSILON CSA S.A.	1,694,864.59	-	-	-
DIGITAL 4U S.A.	786,488.76	-	-	-
TAXHEAVEN S.A.	1,218,017.65	-	-	-
HOTEL AVAILABILITIES LTD	-	-	-	-
BOOKONLINENOW P.C.	156,674.96	-	-	-
HOTELONCLOUD LTD	60,014.75	-	-	-
SINGULARLOGIC ROMANIA SRL	155,288.10	-	-	-
	<b>12,326,851.50</b>	<b>8,255,502.69</b>	-	-

**In January 2022**, the parent company **EPSILON NET** acquired **100%** of the company EPSILON CSA S.A. (formerly "SOTIRIS MATSOUKAS S.A. INFORMATION TECHNOLOGY") and the distinctive title "CSA" which is active in the development of specialized IT solutions and automation systems **for pharmacies** and companies operating in the field of marketing and distribution of **medicines** in Greece.

**In April 2022**, the parent company EPSILON NET S.A. acquired 51% of the company "DIGITAL 4U S.A., PROVISION OF INTERNET, INFORMATICS AND ADVERTISING SERVICES", with the distinctive title "DIGITAL 4U", a specialized provider of solutions and services in the fields of e-Commerce & Digital Marketing. At the same time, at the General Meeting of DIGITAL 4U S.A. dated 14/04/2022, it was decided to increase the company's share capital, after the completion of which Epsilon Net's share increased to **60%** of the share capital in **DIGITAL 4U**.

**In May 2022**, the Group announced the establishment of the 2nd Epsilon Support Center based in Athens. The parent company EPSILON NET S.A. participates in the new company with a 60% holding.

**In the same month**, the Group's new subsidiary, EPSILON SINGULARLOGIC CYPRUS LTD, was founded with headquarters in Limassol, Cyprus, aiming, in direct cooperation with all the companies of the Epsilon Net Group, to promote and support both the existing installed applications of the group in the Cyprus market and the promotion of new software applications aimed at this market. The parent company EPSILON NET S.A. participates in the new company with a 100% stake, in its share capital amounting to 50,000.00.

**At the beginning of June 2022**, the acquisition of a 60% holding in TAXHEAVEN S.A., a provider of information on financial and tax issues was completed. TAXHEAVEN S.A. was founded in 2007 and is one of the largest Greek

companies providing information, training, and database management services for knowledge management systems for businesses, as well as for accounting firms.

**In July 2022**, the Epsilon Net group proceeded to the establishment of Hoteliga SA, based in Thessaloniki. Epsilon Net SA has a 51% holding in Hoteliga SA. The company shall operate in the Hospitality Software market with the aim of offering modern technological management solutions to hotels and accommodation in Greece and abroad.

**In August 2022**, the parent company EPSILON NET S.A. acquired a 70% holding in the English company "Hotel Availabilities Ltd», **which is active in the development of Channel Manager systems for hotels and tourist accommodation.**

**In the same month**, the parent company EPSILON NET S.A. completed the acquisition of a 55% holding in the company "**BookOnlineNow Single-Member Capital Company**", which is active in the development of Online booking (**booking engine**) systems for hotels and tourist accommodation.

**In September 2022**, the parent company EPSILON NET S.A. completed the acquisition of a 55% holding in the Cypriot company "HotelonCloud Ltd", **a strategic distributor of BookOnlineNow abroad.**

**In November 2022**, the establishment of HOTEL AVAILABILITIES SA based in Thessaloniki was completed. The parent company EPSILON NET S.A. participates in the new company with a 70% holding. The new company is active in the development of Channel Manager **systems for hotels and tourist accommodation.**

**In December 2022**, the parent company EPSILON NET S.A. acquired a 60% holding in the Romanian company "Singularlogic Romania Computer Application SRL». **The company is active in the promotion of business software applications and the provision of installation and configuration services to companies of all purposes and sizes in the Romanian market.**

The fair value, at the acquisition date, of each class of assets and liabilities, by acquired business within FY 2022, is broken down as follows:



	<u>HOTEL AVAILABILITIES LTD</u>		<u>BOOKONLINENOW P.C.</u>	
Acquisition fee for acquired research		98,000.00		220,000.00
Minus:				
Net position of acquired businesses:				
<b>Assets</b>				
Tangible and intangible fixed assets	214,716.62		9,665.23	
Other long-term claims			749.89	
Stocks				
Customers and other claims	23,024.35		102,951.59	
Available from	625.62	238,366.59	83,738.01	197,104.72
<b>Minus: Obligations</b>				
Long-term loans			12,656.76	
Employee benefit provisions			810.48	
Other long-term liabilities			8,531.17	
Taxes and insurance organisations			23,074.46	
Suppliers other trade payables	88,604.82	88,604.82	36,895.41	81,968.28
<b>Net asset value</b>		<b>149,761.77</b>		<b>115,136.44</b>
Percentage (%) acquired		70%		55%
Net assets acquired		104,833.24		63,325.04
Goodwill		(6,833.24)		156,674.96
<b>Cash outflows/(inflows) of acquisition/buyout:</b>				
Acquisition price in cash		98,000.00		220,000.00
Cash and cash equivalents of the acquiree		625.62		83,738.01
<b>Net cash (inflow)/outflow from acquisition/buyout:</b>		<b>97,374.38</b>		<b>136,261.99</b>

	<u>HOTELONCLOUD LTD</u>		<u>SINGULARLOGIC ROMANIA SRL</u>	
Acquisition fee for acquired research		180,000.00		11,075.50
Minus:				
Net position of acquired businesses:				
<b>Assets</b>				
Tangible and intangible fixed assets			23,017.30	
Other long-term claims			4,105.97	
Stocks			4,736.20	
Customers and other claims	102,092.00		99,313.69	
Available from	131,867.00	233,959.00	4,832.28	136,005.44
<b>Minus: Obligations</b>				
Long-term loans				
Employee benefit provisions				
Other long-term liabilities				
Taxes and insurance organisations			(6,932.23)	
Suppliers other trade payables	15,804.00	15,804.00	383,292.01	376,359.78
<b>Net asset value</b>		<b>218,155.00</b>		<b>(240,354.34)</b>
Percentage (%) acquired		55%		60%
Net assets acquired		119,985.25		(144,212.60)
Goodwill		60,014.75		155,288.10
<b>Cash outflows/(inflows) of acquisition/buyout:</b>				
Acquisition price in cash		180,000.00		11,075.50
Cash and cash equivalents of the acquiree		131,867.00		4,832.28
<b>Net cash (inflow)/outflow from acquisition/buyout:</b>		<b>48,133.00</b>		<b>6,243.22</b>



The acquisition goodwill of the above companies was calculated based on the fair value of the net assets of the acquired companies at the date of acquisition.

The financial statements of the above companies were incorporated in the consolidated financial statements of the Group using the full consolidation method for the first time on 31 December 2022.

The acquisition date, the percentage of acquisition, the fair value of the assets, the acquisition price, and the resulting goodwill per acquired business are as follows:

31 December 2022						GROUP	COMPANY
Amounts in €	Date of calculation of goodwill	% Percentage of acquisition	Fair value of assets	Buyout price	Goodwill	Goodwill	
HOTELIGA INTERNATIONAL Sp. Z. O. O.	21/7/2020	51%	70,725.06	150,000.00	79,274.94	-	
DATA COMMUNICATION S.A.	26/10/2020	80%	2,266,541.66	6,300,000.00	4,033,458.34	-	
EPSILON SINGULARLOGIC S.A. - SiLo Custom Software Division	1/3/2021	100%	7,768,426.28	9,000,000.00	1,231,573.72	-	
SYSTEM SOFT S.A.	1/3/2021	66%	(151,783.01)	65,463.40	217,246.41	-	
TECHNOLIFE LTD	7/6/2021	60%	155,209.05	425,000.00	269,790.95	-	
IQOM S.A.	14/9/2021	80%	305,661.94	1,800,000.00	1,494,338.06	-	
PCS S.A.	11/11/2021	88%	855,258.00	1,785,078.27	929,820.27	-	
EPSILON CSA S.A.	11/1/2022	100%	1,032,480.01	2,727,344.60	1,694,864.59	-	
DIGITAL 4U S.A.	12/4/2022	60%	163,511.24	950,000.00	786,488.76	-	
TAXHEAVEN S.A.	2/6/2022	60%	461,982.35	1,680,000.00	1,218,017.65	-	
HOTEL AVAILABILITIES LTD	1/8/2022	70%	104,833.24	98,000.00	-	-	
BOOKONLINENOW P.C.	1/8/2022	55%	63,325.04	220,000.00	156,674.96	-	
HOTELONCLOUD LTD	8/9/2022	55%	119,985.25	180,000.00	60,014.75	-	
SINGULARLOGIC ROMANIA SRL	22/12/2022	60%	(144,212.60)	11,075.50	155,288.10	-	
			<b>13,071,943.51</b>	<b>25,391,961.77</b>	<b>12,326,851.50</b>	<b>-</b>	

- **Goodwill impairment test**

The Group's management reviews at least annually the goodwill classified in Cash Generating Units (CGUs) for impairment. The recoverable amount of the CGUs was determined by value-in-use calculations which require the use of assumptions. The value in use is calculated as the present value of the expected future cash flows of the MTF, discounted at an interest rate that reflects the time value of money and the risk associated with the CGU. Cash flow projections based on management approved budgets covering a period of five years were used in the calculations.

On 31.12.2022 the Group's Management performed a goodwill impairment test for its subsidiaries DATA COMMUNICATION S.A., HOTELIGA INTERNATIONAL Sp Z.o.o., EPSILON SINGULARLOGIC S.A., TECHNOLIFE Ltd, SYSTEM SOFT S.A., IQOM S.A. and PROFESSIONAL COMPUTER SERVICES S.A. using the following main assumptions:

	Discount rate before tax	Growth rate in perpetuity	Sales growth rate
DATA COMMUNICATION S.A.	11-13%	1%	5%
HOTELIGA INTERNATIONAL	11-13%	1%	19%
EPSILON SINGULARLOGIC S.A.	11-13%	1%	8%
TECHNOLIFE Ltd	11-13%	1%	6%
SYSTEM SOFT S.A.	11-13%	1%	6%
IQOM S.A.	11-13%	1%	11%
PCS S.A.	11-13%	1%	8%

Based on the tests performed, the recoverable amount of goodwill exceeds the carrying amount and no impairment loss was incurred. Also, if the assumptions used on 31 December 2022 changed by 10% negative, the carrying amount of goodwill would continue to not be impaired.

Goodwill on the acquisition of other subsidiaries (CGU) was calculated based on the fair value of the net assets of the acquired companies at the date of acquisition. Due to the recent acquisition (within 2022) and the absence of negative indications, no impairment test of the resulting goodwill was performed at the reporting date.

## 10. Investments in Subsidiaries

The Company's investments in the Group's subsidiaries are shown in the table below:

Amounts in €	EPSILON HOSPITALITY S.A.	EPSILON HR S.A.	EPSILON SUPPORT CENTER S.A.	DATA COMMUNICATION S.A.	HOTELIGA INTERNATIONAL Sp. ZOO	EPSILON SINGULARLOGIC S.A.	TECHNOLIFE LTD	PCS S.A.	EPSILON EUROPE GROUP	EPSILON CSA S.A.	DIGITAL 4U S.A.	EPSILON SUPPORT CENTER ATHENS S.A.	EPSILON SINGULARLOGIC CYPRUS LTD	TASHEAVEN S.A.	HOTELIGA S.A.	HOTEL AVAILABILITIES LTD	BOOKINGSINNOV P.C.	HOTELONCLOUD LTD	HOTEL AVAILABILITIES S.A.	EPSILON SINGULARLOGIC ROMANIA S.R.L.	TOTAL	
1 January 2021	33,630.00	18,182.00	102,000.00	6,300,000.00	150,000.00	-	-	-	2,898,211.02	-	-	-	-	-	-	-	-	-	-	-	-	9,562,023.02
Additions for the Period 01.01 - 31.12.2021	-	-	-	6,849,975.00	-	15,753,777.86	425,000.00	2,187,988.00	-	-	-	-	-	-	-	-	-	-	-	-	-	18,976,740.86
Reductions for the Period 01.01 - 31.12.2021	-	-	-	-	-	(3,247,000.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,247,000.00)
<b>BALANCE SHEET as at 31 DECEMBER 2021</b>	<b>33,630.00</b>	<b>18,182.00</b>	<b>102,000.00</b>	<b>6,849,975.00</b>	<b>150,000.00</b>	<b>12,506,777.86</b>	<b>425,000.00</b>	<b>2,187,988.00</b>	<b>2,898,211.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,171,743.88</b>
1 January 2022	33,630.00	18,182.00	102,000.00	6,849,975.00	150,000.00	12,506,777.86	425,000.00	2,187,988.00	2,898,211.02	-	2,727,344.60	950,000.00	42,000.00	50,000.00	1,680,000.00	12,750.00	98,000.00	220,000.00	180,000.00	17,500.00	11,075.50	5,988,670.10
Additions for the Period 01.01 - 31.12.2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reductions for the Period 01.01 - 31.12.2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>BALANCE SHEET as at 31 DECEMBER 2022</b>	<b>33,630.00</b>	<b>18,182.00</b>	<b>102,000.00</b>	<b>6,849,975.00</b>	<b>150,000.00</b>	<b>12,506,777.86</b>	<b>425,000.00</b>	<b>2,187,988.00</b>	<b>2,898,211.02</b>	<b>2,727,344.60</b>	<b>950,000.00</b>	<b>42,000.00</b>	<b>50,000.00</b>	<b>1,680,000.00</b>	<b>12,750.00</b>	<b>98,000.00</b>	<b>220,000.00</b>	<b>180,000.00</b>	<b>17,500.00</b>	<b>11,075.50</b>	<b>-</b>	<b>31,560,433.98</b>

**In January 2022** the Parent Company **EPSILON NET** acquired **100% stake** of the company under the name **EPSILON CSA S.A.** (formerly "SOTIRIS MATSOUKAS INFORMATION S.A.") and the distinctive title "CSA" which is active in the development of specialized IT solutions and automation systems **for pharmacies** and companies active in the field of marketing & distribution **of medicines** in Greece. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In April 2022**, the parent company **EPSILON NET S.A.** acquired 51% of the company "DIGITAL 4U S.A., PROVISION OF INTERNET, INFORMATICS AND ADVERTISING SERVICES", with the distinctive title "DIGITAL 4U", a specialized provider of solutions and services in the fields of e-Commerce & Digital Marketing. DIGITAL 4U was founded in 2013, with the aim of developing an integrated Online Communication Strategy for every business.

At the same time, at the General Meeting of DIGITAL 4U S.A. dated 14/04/2022, it was decided to increase the company's share capital, after the completion of which Epsilon Net's share increased to **60%** of the share capital in

**DIGITAL 4U.** The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In May 2022**, the Group announced the establishment of the 2nd Epsilon Support Center based in Athens, following the significant success of the 1st Epsilon Support Center in Thessaloniki. The parent company EPSILON NET S.A. participates in the new company with a 60% holding. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In the same month**, the Group's new subsidiary, EPSILON SINGULARLOGIC CYPRUS LTD, was founded with headquarters in Limassol, Cyprus, aiming, in direct cooperation with all the companies of the Epsilon Net Group, to promote and support both the existing installed applications of the group in the Cyprus market and the promotion of new software applications aimed at this market. The parent company EPSILON NET S.A. participates in the new company with a 100% holding in its share capital which amounts to 50,000.00. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

At the beginning of June 2022, the acquisition of a 60% holding in TAXHEAVEN S.A., a provider of information on financial and tax issues, was completed. TAXHEAVEN S.A. was founded in 2007 and is one of the largest Greek companies providing information, training, and database management services for knowledge management systems for businesses, as well as for accounting firms. The company was included for the first time in the consolidated financial statements as of 30/06/2022.

**In July 2022**, the Epsilon Net group proceeded to the establishment of Hoteliga SA, based in Thessaloniki. Epsilon Net SA has a 51% holding in Hoteliga SA. The company shall operate in the Hospitality Software market with the aim of offering modern technological management solutions to hotels and accommodation in Greece and abroad. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In August 2022**, the parent company EPSILON NET S.A. acquired a 70% holding in the English company "Hotel Availabilities Ltd», **which is active in the development of Channel Manager systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.**

**In the same month**, the parent company EPSILON NET S.A. completed the acquisition of a 55% holding in the company "**BookOnlineNow Single-Member Capital Company**", which is active in the development of Online booking (**booking engine**) systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In September 2022**, the parent company EPSILON NET S.A. completed the acquisition of a 55% holding in the Cypriot company "HotelonCloud Ltd", a strategic distributor of BookOnlineNow abroad. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In November 2022**, the establishment of HOTEL AVAILABILITIES SA based in Thessaloniki was completed. The parent company EPSILON NET S.A. participates in the new company with a 70% holding. The new company is active in the development of Channel Manager systems for hotels and tourist accommodation. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

**In December 2022**, the parent company EPSILON NET S.A. acquired a 60% holding in the Romanian company "Singularlogic Romania Computer Application SRL». The company is active in the promotion of business software applications and the provision of installation and configuration services to companies of all purposes and sizes in the Romanian market. The company was included for the first time in the consolidated financial statements as of 31/12/2022.

The parent company tests annually whether there are any indications of impairment of its investments in subsidiaries. This audit did not give any indication as at 31/12/2022.

## **11. Investments in Associates**

The Company's and the Group's investments in Associates are shown in the table below:

GROUP	HIT HOSPITALITY S.A.	SINGULARLOGIC S.A.	INFOSUPPORT S.A.	SANTORINI DREAMS P.C.	INFOSUPPORT BUSINESS S.A.	TOTAL
Amounts in €						
<b>1 January 2021</b>	<b>1,039,451.47</b>	-	-	-	-	<b>1,039,451.47</b>
Additions for the Period 01.01 - 31.12.2021	-	9,025,000.00	0.01	-	-	9,025,000.01
Participation in the results of associates	74,988.89	537,823.92	-	-	-	612,812.81
Participation in other comprehensive income of associates	54,293.74	(490,160.85)	-	-	-	(435,867.11)
Reductions for the Period 01.01 - 31.12.2021	-	(5,405,639.12)	-	-	-	(5,405,639.12)
<b>BALANCE SHEET as at 31 DECEMBER 2021</b>	<b>1,168,734.10</b>	<b>3,667,023.95</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>4,835,758.06</b>
<b>1 January 2022</b>	<b>1,168,734.10</b>	<b>3,667,023.95</b>	<b>0.01</b>	-	-	<b>4,835,758.06</b>
Incorporation of New Associated Companies	-	-	-	12,000.00	-	12,000.00
Additions for the Period 01.01 - 31.12.2022	-	-	-	-	-	-
Participation in the results of associates	133,493.84	358,420.90	37,752.41	(8,400.00)	55,997.66	577,264.81
Participation in other comprehensive income of associates	(51,444.50)	(24,259.93)	-	-	-	(75,704.43)
Reductions for the Period 01.01 - 31.12.2022	-	-	-	-	-	-
<b>BALANCE SHEET as at 31 DECEMBER 2022</b>	<b>1,250,783.44</b>	<b>4,001,184.92</b>	<b>37,752.42</b>	<b>3,600.00</b>	<b>55,997.66</b>	<b>5,349,318.44</b>

**COMPANY**

	HIT HOSPITALITY S.A.	SINGULARLOGIC S.A.	TOTAL
Amounts in €			
<b>1 January 2021</b>	<b>1,000,000.00</b>	-	<b>1,000,000.00</b>
Additions for the Period 01.01 - 31.12.2021	-	9,025,000.00	<b>9,025,000.00</b>
Participation in the results of associates	-	-	-
Reductions for the Period 01.01 - 31.12.2021	-	(5,405,639.12)	<b>(5,405,639.12)</b>
<b>BALANCE SHEET as at 31 DECEMBER 2021</b>	<b>1,000,000.00</b>	<b>3,619,360.88</b>	<b>4,619,360.88</b>
<b>1 January 2022</b>	<b>1,000,000.00</b>	<b>3,619,360.88</b>	<b>4,619,360.88</b>
Additions for the Period 01.01 - 31.12.2022	-	-	-
Participation in the results of associates	-	-	-
Reductions for the Period 01.01 - 31.12.2022	-	-	-
<b>BALANCE SHEET as at 31 DECEMBER 2022</b>	<b>1,000,000.00</b>	<b>3,619,360.88</b>	<b>4,619,360.88</b>

On 12-4-2022, the parent company EPSILON NET S.A. completed the acquisition of 51% of the company "DIGITAL 4U S.A." and the distinctive title "DIGITAL 4U", a specialized provider of solutions and services in the fields of e-Commerce & Digital Marketing. At the same time, at the General Meeting of DIGITAL 4U S.A. dated 14/04/2022, it was decided to increase the company's share capital, after the completion of which Epsilon Net's share increased to **60%** of the share capital in DIGITAL 4U.

The company DIGITAL 4U participated in parallel in the company under the name "SANTORINI DREAMS TRAVEL AGENCY CAPITAL COMPANY" since the date of establishment of the latter on 31-5-2021 with a 20/50 (40%) holding.

On 3-10-2022, the decision of the General Commercial Register (G.E.M.I.), with Registration Number 3090858, number 9176 - 03/10/2022 of the GEMI Service of our Chamber of Commerce was registered in the General Commercial Register (Online Posting Number: 6ZHN469HEΘ-3Ξ0), which approved the establishment of a new societe anonyme under the name "INFOSUPPORT BUSINESS S.A.", with the distinctive title "INFOSUPPORT BUSINESS S.A." and with GEMI registration number: 165026101000, which resulted from the partial demerger and transfer of the segment "Production of Software Programs for the Private Sector" of the company named "TRADE IN MACHINE ORGANIZATION SYSTEMS - COMMERCIAL S.A." with the distinctive title "INFOSUPPORT S.A." and G.E.M.I. number 001637601000, pursuant to the provisions of Law 4601/2019, of the Law 4548/2018, of case b of paragraph 3 of article 54 of Law 4172/2013 and article 61 of Law 4438/2016.

The Group's subsidiary company "Epsilon SingularLogic S.A.", participated, as described above, in the company "INFOSUPPORT S.A." with a 34% holding. Following the above actions, Epsilon SingularLogic SA participates with the same percentage in the newly established "INFOSUPPORT BUSINESS S.A.».

## 12. *Other Participation Titles*

The Company's and the Group's participation titles are shown in the following table:

Amounts in €	GROUP		COMPANY	
	2022	2021	2022	2021
<b>1 January 2021</b>	<b>33,487.36</b>	<b>3,521.30</b>	<b>3,521.30</b>	<b>3,521.30</b>
Period additions	38,727.61	29,966.06	-	-
<b>BALANCE SHEET as at 31 DECEMBER 2022</b>	<b>72,214.97</b>	<b>33,487.36</b>	<b>3,521.30</b>	<b>3,521.30</b>

EPSILON NET participated in the establishment of Technopolis Thessaloniki S.A., which is the creator of the first High Technology Business Park in Greece. It is estimated that through this participation, in the future, significant synergies and investment opportunities will be achieved, due to the concentration of notable companies in the IT sector.

Similarly, the Group, through its subsidiary EPSILON SINGULARLOGIC, participates in the following entities, expecting the same objectives as the parent company, i.e., cooperation with investment and development prospects:

- AKROPOLIS S.A. - High Technology and Research Business Park, and
- TECHNOPOLIS THESSALONIKIS S.A. - High Technology Business and Research Park.

Also, the Group's subsidiary DATA COMMUNICATION participates in the company AKROPOLIS S.A.

## 13. *Investment Portfolio Securities*

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Investment Portfolio Securities	<b>2,809,335.89</b>	-	<b>344,539.00</b>	-

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Balance at the beginning of the financial year</b>	-	-	-	-
Additions due to acquisition of subsidiaries	-	-	-	-
Exchange rate differences	-	-	-	-
Purchases	<b>2,781,258.51</b>	-	344,539.00	-
Sales	-	-	-	-
Fair value measurement	(230,720.62)	-	-	-
Transfers / Write-offs	258,798.00	-	-	-
Impairments	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>2,809,335.89</b>	-	<b>344,539.00</b>	-

The investment securities portfolio of the Group, for which the Management's intention is to keep up to their expiry consists of international bonds of major foreign companies listed on international stock exchanges, ETFs traded on regulated stock exchanges and mutual funds also traded on regulated stock markets.

In FY 2022, all impairment testing procedures for investment portfolio securities were complied with. The above securities are categorized into the following fair value levels:

**GROUP**

	31 <sup>st</sup> December 2022			
	Level 1	Level 2	Level 3	Total
Investment Portfolio Securities	2,809,335.89	-	-	2,809,335.89
	31 <sup>st</sup> December 2021			
	Level 1	Level 2	Level 3	Total
Investment Portfolio Securities	-	-	-	-

**COMPANY**

	31 <sup>st</sup> December 2022			
	Level 1	Level 2	Level 3	Total
Investment Portfolio Securities	344,539.00	-	-	344,539.00
	31 <sup>st</sup> December 2021			
	Level 1	Level 2	Level 3	Total
Investment Portfolio Securities	-	-	-	-

***14. Deferred Tax and Income tax***

The tax expenditure is calculated as follows:

Amounts in €	GROUP		COMPANY	
	2022	2021	2022	2021
<b>Net Profit before Taxes</b>	<b>21,419,213.25</b>	<b>12,215,741.96</b>	<b>13,832,142.10</b>	<b>6,872,944.28</b>
Income Tax Calculated at the applicable Tax Rate	4,717,769.46	2,691,311.97	3,043,071.26	1,512,047.74
Entries Without Tax Effect	(1,653,946.15)	(1,295,923.18)	(899,196.83)	(310,892.01)
Change in deferred tax due to change in tax rate	-	6,289.61	-	13,765.63
Business tax	18,400.01	12,016.67	2,550.00	2,550.00
Other Taxes Not Included in Operating Costs	33,674.88	23,227.22	15,915.69	14,619.32
<b>Total Tax Expense / (Income)</b>	<b>3,115,898.20</b>	<b>1,436,922.29</b>	<b>2,162,340.12</b>	<b>1,232,090.68</b>
<i>The amounts of Income Tax charged / benefiting the Financial Year are as follows:</i>				
Deferred Tax Expense / (Income) (see analysis below)	68,378.87	(201,586.58)	(165,103.94)	(72,717.17)
Current tax	3,047,519.33	1,638,508.87	2,327,444.06	1,304,807.85
<b>Total Tax Expense / (Income)</b>	<b>3,115,898.20</b>	<b>1,436,922.29</b>	<b>2,162,340.12</b>	<b>1,232,090.68</b>

With the provisions of Law 4799/2021 - (Government Gazette A 78/18.05.2021) amended article 58 of the Tax Code (Law 4172/2013). These provisions set a fixed tax rate of 22% for business profits earned by legal persons and legal entities, starting with the reduction for income earned in the tax year 2021.

Article 22 of the same law exempts from income tax the income resulting from the capital gains from the transfer of securities of participation in a legal entity that is a tax resident of an EU member state, received by a legal entity that is a tax resident of Greece, if the legal entity whose securities are transferred fulfils the conditions specified by law. Such income is not taxed when such profits are distributed or capitalized. Any valuation losses on participations recognized until 31.12.2019 are deducted from gross income at the time of their transfer. The provision applies to income earned from 1.7.2020 onwards. Also, for dividends paid from 1.1.2020 onwards, the withholding rate is reduced to 5% from 10%.

According to article 48 of Law 4172/2013, intra-group dividends paid by both domestic and foreign companies that are tax residents of an EU Member State and belong to the same Group are exempt from both income tax and withholding tax, provided that the recipient of the dividend holds at least 10% of the share capital of the legal entity that distributes the dividend and the minimum percentage of participation is held for at least 2 years. The above applies from 1.1.2014.

However, it should be clarified that for the calculation of the current income tax for the fiscal year 2021 and the current fiscal year 2022, the Company, in accordance with article 22a of Law 4172/2013, added extrapolated the "Scientific and Technological Research Expenses". This budget is expected to be approved by the relevant committee of the DIRECTORATE GENERAL FOR RESEARCH & INNOVATION.

The income tax return is submitted on an annual basis, but the profits or losses declared remain provisional until the tax authorities audit the taxpayer's books and records and issue a final audit report.

For the current fiscal year in Cyprus the income tax rate is 12.5%.

In the UK the income tax rate is 19%.

In Poland the income tax rate is 19% and exceptionally at 9% especially for the subsidiary Hoteliga, due to the favorable tax provisions applicable to the sector in which it operates.

In Romania the income tax rate is 16%.

Income tax arises after a tax adjustment for non-deductible expenses under current tax legislation of each country.

Details of the movement of deferred taxes are shown in the following table:





GROUP

	Intangible assets	Leases	Other tangible fixed assets	Defined Benefit Obligation	Credit Risk Forecast	Reimbursable Advance	Other provisions	Accumulated tax losses from previous financial years	Transitional accounts	Total
Amounts in €										
<b>Deferred claims on taxes</b>										
<b>1 January 2022</b>	-	56,978.38	60.05	253,496.56	572,525.72	790.76	8,980.83	1,739,270.39	104,219.52	2,736,322.21
Integration of New Subsidiaries	-	322.54	-	15,812.85	7,505.65	-	-	-	-	23,641.04
Charge / Credit to Equity	-	-	-	7,148.91	-	-	-	-	-	7,148.91
Charge / Credit to the Income Statement	175,599.73	139,351.59	(420.31)	51,548.67	49,141.78	(5,553.73)	(368.35)	(48,371.89)	(94,474.70)	266,452.79
<b>31 December 2022</b>	<b>175,599.73</b>	<b>196,652.51</b>	<b>(360.26)</b>	<b>328,006.99</b>	<b>629,173.15</b>	<b>(4,762.97)</b>	<b>8,612.48</b>	<b>1,690,898.50</b>	<b>9,744.82</b>	<b>3,033,564.95</b>
<b>Deferred tax liabilities</b>										
<b>1 January 2022</b>	(547,735.13)	-	-	-	-	-	-	-	-	(547,735.13)
Integration of New Subsidiaries	-	-	(106,182.41)	-	-	-	-	-	-	(106,182.41)
Charge / Credit to Equity	-	-	-	829.79	-	-	-	-	-	829.79
Charge / Credit to the Income Statement	(244,741.17)	(92,949.78)	(1,903.68)	-	-	4,762.97	-	-	-	(334,831.66)
<b>31 December 2022</b>	<b>(792,476.30)</b>	<b>(92,949.78)</b>	<b>(108,086.09)</b>	<b>829.79</b>	<b>-</b>	<b>4,762.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(987,919.41)</b>
<b>TOTAL DEFERRED CLAIMS ON TAXES / (LIABILITY) as at 31 DECEMBER 2022</b>	<b>(616,876.57)</b>	<b>103,702.73</b>	<b>(108,446.35)</b>	<b>328,836.78</b>	<b>629,173.15</b>	<b>-</b>	<b>8,612.48</b>	<b>1,690,898.50</b>	<b>9,744.82</b>	<b>2,045,645.54</b>
<b>Deferred claims on taxes</b>										
<b>1 January 2021</b>	-	(14,390.00)	-	87,286.49	140,091.47	397.04	-	-	-	213,385.00
Change in Accounting Policy IAS 19	-	-	-	-	-	-	-	-	-	-
<b>Adjusted Balance 1 January 2021</b>	<b>-</b>	<b>(14,390.00)</b>	<b>-</b>	<b>87,286.49</b>	<b>140,091.47</b>	<b>397.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,385.00</b>
Integration of New Subsidiaries	-	2,849.16	162.87	182,978.12	6,602.31	10.16	2,705.58	1,961,032.98	-	2,156,341.18
Charge / Credit to Equity	-	-	-	(60,731.20)	-	-	-	-	-	(60,731.20)
Charge / Credit to the Income Statement	-	68,519.22	53.16	43,963.15	425,831.94	383.56	6,275.25	(221,762.59)	104,219.52	427,483.21
<b>31 December 2021</b>	<b>-</b>	<b>56,978.38</b>	<b>216.03</b>	<b>253,496.56</b>	<b>572,525.72</b>	<b>790.76</b>	<b>8,980.83</b>	<b>1,739,270.39</b>	<b>104,219.52</b>	<b>2,736,478.19</b>
<b>Deferred tax liabilities</b>										
<b>1 January 2021</b>	(244,007.94)	-	(155.98)	-	-	-	-	-	-	(244,163.92)
Integration of New Subsidiaries	(77,830.56)	-	-	-	-	-	-	-	-	(77,830.56)
Charge / Credit to the Income Statement	(225,896.63)	-	-	-	-	-	-	-	-	(225,896.63)
<b>31 December 2021</b>	<b>(547,735.13)</b>	<b>-</b>	<b>(155.98)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(547,891.11)</b>
<b>TOTAL DEFERRED CLAIMS ON TAXES / (LIABILITY) as at 31 DECEMBER 2021</b>	<b>(547,735.13)</b>	<b>56,978.38</b>	<b>60.05</b>	<b>253,496.56</b>	<b>572,525.72</b>	<b>790.76</b>	<b>8,980.83</b>	<b>1,739,270.39</b>	<b>104,219.52</b>	<b>2,188,587.08</b>

COMPANY

	Intangible assets	Leases	Other tangible fixed assets	Defined Benefit Obligation	Credit Risk Forecast	Reimbursable Advance	Total
Amounts in €							
<b><i>Deferred claims on taxes</i></b>							
<b>1 January 2022</b>	-	112,754.27	-	13,628.91	111,924.91	398.17	238,706.26
Charge / Credit to the Income Statement	33,837.53	-	-	5,960.20	124,059.34	(2,743.70)	161,113.37
Charge / Credit to Equity	-	-	-	6,476.79	-	-	6,476.79
<b>31 December 2022</b>	<b>33,837.53</b>	<b>112,754.27</b>	<b>-</b>	<b>26,065.90</b>	<b>235,984.25</b>	<b>(2,345.53)</b>	<b>406,296.42</b>
<b><i>Deferred tax liabilities</i></b>							
<b>1 January 2022</b>	(203,205.90)	(121,613.89)	(28.59)	-	-	-	(324,848.38)
Charge / Credit to the Income Statement	-	1,616.45	28.59	-	-	2,345.53	3,990.57
<b>31 December 2022</b>	<b>(203,205.90)</b>	<b>(119,997.44)</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>	<b>2,345.53</b>	<b>(320,857.81)</b>
<b>TOTAL DEFERRED CLAIMS ON TAXES / (LIABILITY) as at 31 DECEMBER 2022</b>	<b>(169,368.37)</b>	<b>(7,243.17)</b>	<b>(0.00)</b>	<b>26,065.90</b>	<b>235,984.25</b>	<b>-</b>	<b>85,438.61</b>
<b><i>Deferred claims on taxes</i></b>							
<b>1 January 2021</b>	-	-	-	44,691.29	82,904.65	125.54	127,721.48
Change in Accounting Policy IAS 19	-	-	-	-	-	-	-
<b>Adjusted Balance 1 January 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,691.29</b>	<b>82,904.65</b>	<b>125.54</b>	<b>127,721.48</b>
Debit / Credit to Equity	-	-	-	(38,363.13)	-	-	(38,363.13)
Charge / Credit to the Income Statement	40,802.03	-	-	7,300.75	29,020.26	272.63	77,395.67
<b>31 December 2021</b>	<b>40,802.03</b>	<b>-</b>	<b>-</b>	<b>13,628.91</b>	<b>111,924.91</b>	<b>398.17</b>	<b>166,754.02</b>
<b><i>Deferred tax liabilities</i></b>							
<b>1 January 2021</b>	(244,007.93)	(4,053.73)	(155.98)	-	-	-	(248,217.64)
Charge / Credit to the Income Statement	-	(4,805.89)	127.39	-	-	-	(4,678.50)
<b>31 December 2021</b>	<b>(244,007.93)</b>	<b>(8,859.62)</b>	<b>(28.59)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(252,896.14)</b>
<b>TOTAL DEFERRED CLAIMS ON TAXES / (LIABILITY) as at 31 DECEMBER 2021</b>	<b>(203,205.90)</b>	<b>(8,859.62)</b>	<b>(28.59)</b>	<b>13,628.91</b>	<b>111,924.91</b>	<b>398.17</b>	<b>(86,142.12)</b>

According to the tax law, certain income is not taxed at the time of its acquisition, but at the time of its distribution to shareholders. The Group's and the Company's accounting policy is to recognize deferred tax liabilities for such income when it is distributed, regardless of when it is earned.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax assets for tax losses carried forward are recognized to the extent that it is probable that future taxable profits will be realized.

Deferred tax assets and liabilities are presented netted in the Statement of Financial Position as at 31st of December 2022.

According to the provisions of article 84 of Law 2238/1994, of Decree 196/1992, of article 57 of Law 2859/2000, of article 9 of Law 2523/1997 (for FYs until 31/12/2013) and article 36 of Law 4174/2013 as well as the decision of the Council of State 1738/2017 and numerous circular orders, including POL. 1154/2017 and of Reference numbers 1752/2017 and D.I.P.A.E.E 1189961 EΞ2017 (for FYs after 1/1/2015), it follows that the State's right to impose the tax for the years up to 2016 for the Company and its Greek subsidiaries is time-barred until 31.12.2022, subject to any special or exceptional provisions that may provide for a longer limitation period and under the conditions that they specify.

Based on the above, the tax liabilities of the Company and its consolidated Greek subsidiaries have been audited or passed or lapsed until the financial year 2016.

According to article 82 par. 5 of Law 2238/94, starting from the 2011 fiscal year, and subsequently with article 65 A of Law 4174/2013, the Certified Public Accountants and audit firms that carry out mandatory audits of public limited companies are required to issue a Tax Compliance Report on the application of tax provisions in tax matters. This report is submitted to the audited company on the one hand and electronically to the Ministry of Finance on the other.

The analysis of unaudited tax years by company is presented in Note 33 of the financial statements.

For the financial years 2011-2021, the Company and its consolidated Greek subsidiaries have been audited by their statutory auditor and have received the relevant Tax Compliance Report without reservation.

For the fiscal year 2022, the Company and the Greek subsidiaries included in the consolidation have elected the above tax audit of the Certified Public Accountants, which is ongoing and the relevant Tax Compliance Report, which is expected to be issued after the publication of the 2022 financial statements, is estimated that no material tax charges will arise.

The subsidiary EPSILON EUROPE PLC (based in Cyprus) has submitted tax returns for the financial years 2009 - 2021 and for the financial years up to 2011 it has been examined by the tax authorities by obtaining a tax assessment as finally audited. It has also received a tax clearance for its tax obligations of 2012-2020.



The subsidiaries EVOLUTIONSNT PLC and EVOLUTIONSNT' (UK) LTD (based in the United Kingdom) have submitted tax returns for the financial years 2012 - 2021 and 2014 - 2021 respectively and have received a tax clearance for their tax liabilities until 31.12.2020.

The subsidiary HOTELIGA INTERNATIONAL Sp. Z.o.o. (based in Poland) has filed tax returns up to fiscal year 2021 and has no outstanding tax liabilities.

The subsidiary EPSILON SINGULARLOGIC CYPRUS LTD (based in Cyprus) is newly established in 2022 and has no outstanding tax liabilities.

The subsidiary HOTEL AVAILABILITIES LTD (based in the United Kingdom) has filed tax returns up to fiscal year 2021 and has no outstanding tax liabilities.

The subsidiary HOTELONCLOUD LTD (based in Cyprus) has submitted tax returns up to fiscal year 2021 and has no outstanding tax liabilities.

The subsidiary SINGULARLOGIC ROMANIA SRL (based in Romania) has submitted tax returns until the fiscal year 2021 and has no outstanding tax liabilities.

We note that while the public authorities reserve the right to re-examine the above unabridged financial years, the Group's Management believes that in the event of a potential tax audit by the public authorities, it does not expect that material tax liabilities will arise that could have a material impact on the financial position, asset structure, profitability and cash flows of the Company and the Group.

### **15. Other Long-term receivables**

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Lease receivables	9,561.85	1,321.20	333,446.41	439,790.69
Property rental guarantees	94,958.70	116,756.99	47,363.08	47,363.08
Guarantees for the lease of equity instruments	69,422.50	49,932.81	10,784.92	18,137.86
Finance lease guarantees (Leasing)	-	450,000.00	-	450,000.00
Other guarantees	12,019.81	6,738.75	1,382.27	1,382.27
<b>Total</b>	<b>185,962.86</b>	<b>624,749.75</b>	<b>392,976.68</b>	<b>956,673.90</b>

### **Lease Receivables**

The Company's and the Group's property lease receivables are shown in the table below and relate to leases of non-owned properties of the parent company:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Lease receivables	13,377.00	3,041.06	439,914.68	552,790.41
Minus: Short-term part	(3,815.15)	(1,719.86)	(106,468.27)	(112,999.72)
<b>Long-term part</b>	<b>9,561.85</b>	<b>1,321.20</b>	<b>333,446.41</b>	<b>439,790.69</b>

The future minimum lease payments and the present value of the net minimum lease payments for the Group and the Company as of <sup>31</sup> December 2022 and 2021 are broken down as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2022</b>		<b>31.12.2022</b>	
	<b>Minimum Payments</b>	<b>Present value of payments</b>	<b>Minimum Payments</b>	<b>Present value of payments</b>
Up to one year	4,330.46	3,815.15	116,285.00	106,468.27
From 2 to 5 years	8,886.60	7,565.52	235,595.61	224,422.16
Over 5 years	5,724.38	1,996.33	-	109,024.25
<b>Total minimum rental income</b>	<b>18,941.44</b>	<b>13,377.00</b>	<b>351,880.61</b>	<b>439,914.68</b>
Less: amounts constituting financial income	(5,564.44)	-	88,034.07	-
<b>Present value of minimum lease receivables</b>	<b>13,377.00</b>	<b>13,377.00</b>	<b>439,914.68</b>	<b>439,914.68</b>

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2021</b>		<b>31.12.2021</b>	
	<b>Minimum Payments</b>	<b>Present value of payments</b>	<b>Minimum Payments</b>	<b>Present value of payments</b>
Up to one year	1,794.72	1,719.86	126,666.66	112,999.72
From 2 to 5 years	1,327.19	1,321.20	345,230.81	324,613.86
Over 5 years	-	-	140,610.75	115,176.83
<b>Total minimum rental income</b>	<b>3,121.91</b>	<b>3,041.06</b>	<b>612,508.22</b>	<b>552,790.41</b>
Less: amounts constituting financial income	(80.85)	-	(59,717.81)	-
<b>Present value of minimum lease receivables</b>	<b>3,041.06</b>	<b>3,041.06</b>	<b>552,790.41</b>	<b>552,790.41</b>

The financial income from leasing receivables was recorded in the income statement (Note 30).

## ***16. Inventories***

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Amounts expressed in €				
Raw Materials - Consumables		-		-
Merchandise	377,517.32	132,612.78	36,784.99	25,077.41
<b>Total</b>	<b>377,517.32</b>	<b>132,612.78</b>	<b>36,784.99</b>	<b>25,077.41</b>

The Company's and the Group's merchandise consists of electronic equipment and scientific and economic literature. There are no encumbrances on the inventories.



***17. Customers and Other Trade Receivables***

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Customers	29,566,993.29	19,529,356.69	7,400,026.00	4,721,630.41
Bills receivable	244,709.03	275,525.75	207,097.25	236,583.76
Cheques receivable	6,802,237.85	6,263,226.09	4,023,543.09	3,074,957.43
	<b>36,613,940.17</b>	<b>26,068,108.53</b>	<b>11,630,666.34</b>	<b>8,033,171.60</b>
<b>Minus:</b> Impairment provisions	(7,803,510.46)	(7,123,491.60)	(1,828,085.36)	(1,264,964.68)
<b>Total</b>	<b>28,810,429.71</b>	<b>18,944,616.93</b>	<b>9,802,580.98</b>	<b>6,768,206.92</b>

The movement in the Group's and the Company's allowance for doubtful accounts for the years ended December 31, 2022, and December 31, 2021, are broken down as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Balance at the beginning of the financial year</b>	<b>7,123,491.60</b>	<b>1,339,929.42</b>	<b>1,264,964.68</b>	<b>1,101,651.12</b>
Projections from the integration of new subsidiaries	249,455.18	3,850,967.77	-	-
Accrued provisions for the year	1,075,752.60	1,932,594.41	563,906.07	163,313.56
Reversal of Projections / Deletion	(645,188.92)	-	(785.39)	-
<b>Balance at the end of the financial year</b>	<b>7,803,510.46</b>	<b>7,123,491.60</b>	<b>1,828,085.36</b>	<b>1,264,964.68</b>

The ageing of trade receivables is set out below:

**GROUP**

31.12.2022						
	Balance	Sundry unimpaired receivables	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue from 121 to 360 days	Overdue over 360 days
	31.12.2022					
Receivables from customers	22,626,665.83	20,160,379.23	1,646,502.87	175,907.10	643,876.63	-
Checks receivable	6,148,827.39	6,127,203.15	186.00	21,438.24	-	-
Bills receivable	34,936.49	34,936.49	-	-	-	-
<b>Total</b>	<b>28,810,429.71</b>	<b>26,322,518.87</b>	<b>1,646,688.87</b>	<b>197,345.34</b>	<b>643,876.63</b>	<b>-</b>

31.12.2021						
	Balance	Sundry unimpaired receivables	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue from 121 to 360 days	Overdue over 360 days
	31.12.2021					
Receivables from customers	12,973,925.35	6,497,179.88	4,093,664.53	1,608,589.38	774,491.56	-
Checks receivable	5,891,888.11	5,881,308.28	4,884.83	5,695.00	-	-
Bills receivable	78,803.47	2,290.94	15,867.31	6,000.00	54,645.22	-
<b>Total</b>	<b>18,944,616.93</b>	<b>12,380,779.10</b>	<b>4,114,416.67</b>	<b>1,620,284.38</b>	<b>829,136.78</b>	<b>-</b>

**COMPANY**

31.12.2022						
	Balance	Sundry unimpaired receivables	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue from 121 to 360 days	Overdue over 360 days
	31.12.2022					
Receivables from customers	6,222,391.63	5,206,194.81	757,988.21	46,872.05	211,336.56	-
Checks receivable	3,574,037.42	3,573,851.42	186.00	-	-	-
Bills receivable	6,151.93	6,151.93	-	-	-	-
<b>Total</b>	<b>9,802,580.98</b>	<b>8,786,198.16</b>	<b>758,174.21</b>	<b>46,872.05</b>	<b>211,336.56</b>	<b>-</b>

31.12.2021						
	Balance	Sundry unimpaired receivables	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue from 121 to 360 days	Overdue over 360 days
	31.12.2021					
Receivables from customers	3,867,815.01	2,327,840.95	965,696.13	416,984.34	157,293.59	-
Checks receivable	2,859,824.90	2,859,824.90	-	-	-	-
Bills receivable	40,567.01	-	9,367.31	5,000.00	26,199.70	-
<b>Total</b>	<b>6,768,206.92</b>	<b>5,187,665.85</b>	<b>975,063.44</b>	<b>421,984.34</b>	<b>183,493.29</b>	<b>-</b>



The fair values of trade and other receivables are not presented separately as, due to their short-term nature, management believes that the carrying amounts recognized on the balance sheet are a reasonable approximation of fair values.

From 1 January 2018, the Group and the Company apply the simplified approach of IFRS 9 and calculate expected credit losses over the life of their receivables. At each balance sheet date, an impairment test is performed on receivables using a table to calculate expected credit losses.

The Group's and the Company's receivables as at 31.12.2022, which remain uncollected beyond one year, are 100% covered by relevant impairment provisions.

### ***18. Commercial Portfolio Securities***

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Financial assets at fair value through profit or loss	-	297,754.62	-	-

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Balance at the beginning of the financial year</b>	297,754.62	308,513.62	-	-
Additions due to acquisition of subsidiaries	-	-	-	-
Exchange rate differences	-	-	-	-
Purchases	-	-	-	-
Sales	-	-	-	-
Fair value measurement	-	(10,759.00)	-	-
Transfers / Deletions	(297,754.62)	-	-	-
Impairments	-	-	-	-
<b>Balance at the end of the financial year</b>	-	297,754.62	-	-

Commercial Portfolio Securities relate to Financial Assets at Fair Value through Profit or Loss. The Group's portfolio consists of international bonds of major foreign companies listed on international stock exchanges, ETFs traded on regulated stock exchanges and mutual funds also traded on regulated stock markets.

#### **GROUP**

	31 <sup>st</sup> December 2022			
	Level 1	Level 2	Level 3	Total
Commercial portfolio securities	-	-	-	-
	31 <sup>st</sup> December 2021			
	Level 1	Level 2	Level 3	Total
Commercial portfolio securities	297,754.62	-	-	297,754.62



**COMPANY**

	31 <sup>st</sup> December 2022			
	Level 1	Level 2	Level 3	Total
Commercial portfolio securities	-	-	-	-
	31 <sup>st</sup> December 2021			
	Level 1	Level 2	Level 3	Total
Commercial portfolio securities	-	-	-	-

***19. Other Receivables***

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Capital Receivable in the Next Financial Year	3,088.57	-	-	-
Long-term Claims of the next financial year	188,500.00	193,186.81	188,500.00	193,186.81
Claims against Directors and Officers	28,500.00	-	-	-
Short-term Claims from other participating companies	18,136.78	-	200,085.88	-
Miscellaneous debtors - Staff advances	67,294.93	-	11,379.22	-
- Staff Financial Facilities	-	6,170.86	-	2,100.00
- Short-term receivables from Affiliated Businesses	3,556.56	-	-	-
- Advance payment of income tax	2,368,570.80	1,350,859.39	1,841,428.59	1,026,620.86
- Withholding tax on interest	-	72.10	-	-
- Other Withheld Income Taxes	386.88	3,633.59	-	-
- Greek State - Other Claims	15,268.28	49,511.81	11,430.30	11,430.30
- Credit Cards Payable	190,192.56	134,667.83	97,603.84	133,192.16
- Advances to suppliers	496,631.80	264,283.93	113,036.89	165,796.10
- Advances to Other Beneficiaries of Remunerations	9,860.46	11,322.48	6,606.66	2,666.79
- Other short-term liabilities	1,057.94	-	-	-
- Value added tax	17,682.53	25,109.86	-	-
- Other debtors Pledging of a deposit to a bank	9,223.82	-	-	-
- Other debtors	369,777.97	290,980.16	1,832.40	2,083,317.90
Advances & Credit Management Accounts Other Third Party Partners	55,318.06	56,558.93	2,821.00	53.50
- Courier	-	249.72	-	-
- Other Accounts	1,659.50	56,977.56	-	2,821.00
Transitional Asset Accounts - Expenditure on Future Operations	323,869.34	211,815.35	123,509.90	97,071.21
- Revenue for the financial year Receivable	23,700.79	11,949.35	123,509.90	-
Other claims	42.94	2,632.33	-	-
<b>Total</b>	<b>4,192,320.51</b>	<b>2,613,004.50</b>	<b>2,598,234.68</b>	<b>1,632,117.73</b>

***20. Cash and Cash Equivalents***

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Cash	24,930.77	18,322.83	1,394.71	2,103.37
Deposits in bank accounts	26,624,009.41	23,335,832.19	12,877,218.77	12,365,622.44
<b>Total</b>	<b>26,648,940.18</b>	<b>23,354,155.02</b>	<b>12,878,613.48</b>	<b>12,367,725.81</b>

Short-term bank deposits consist of demand or time deposits in Greece and abroad. Actual interest rates are determined in accordance with variable rates and are negotiated on a case-by-case basis.



The Company's and the Group's cash and cash equivalents are expressed in the following currencies as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
EURO	26,405,643.37	23,006,415.75	12,878,613.48	12,367,725.81
USD	203,601.46	74,810.00	-	-
PLN	34,185.95	27,342.71	-	-
CHF	-	245,586.63	-	-
GBP	88.72	(0.07)	-	-
RON	5,420.68	-	-	-
<b>Total</b>	<b>26,648,940.18</b>	<b>23,354,155.02</b>	<b>12,878,613.48</b>	<b>12,367,725.81</b>

The breakdown of short-term bank deposits by the credit rating of banking institutions is as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
AAA	24,644.55	-	1,394.71	-
AA	7,252.52	-	-	-
A+	200,367.40	-	-	-
A	159,090.37	663,321.01	-	-
A-	517,189.31	-	56,987.11	-
BBB	-	2,928,872.73	-	425,133.73
BBB-	5,585.36	-	-	-
BB-	244,913.17	-	-	-
B+	17,115,089.80	-	8,721,332.89	-
B	8,363,592.52	16,002,344.81	4,098,898.77	9,720,440.62
B-	11,215.18	3,759,616.47	-	2,222,151.46
<b>Total</b>	<b>26,648,940.18</b>	<b>23,354,155.02</b>	<b>12,878,613.48</b>	<b>12,367,725.81</b>

## 21. Equity

### i. Share Capital

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Share capital consisting of</b> 54,200,000 Ordinary Nominal Shares of €0.075 each	<b>4,065,000.00</b>	<b>4,020,000.00</b>	<b>4,065,000.00</b>	<b>4,020,000.00</b>

On 10 July 2020, the Public Offering, and the allotment of 2,224,560 new ordinary registered shares of the Company was completed.

The offer price of the New Shares (hereinafter the "Offer Price") was set at €2.40 per Share for the entire Public Offering (Special and Retail Investors).

The total funds raised by the Public Offering, before deducting fees and expenses, amount to Euro 5,338,944 (€2.40 x 2,224,560). More specifically, 866,940 new ordinary registered shares (or 38.97% of the total Public Offer) were allotted to Individual Investors and 1,357,620 new ordinary registered shares (or 61.03% of the total Public Offer) were allotted to Special Investors.

The total demand from the applications of the Special Investors submitted during the Public Offer, at the Offer Price, amounted to 2,589,132 New Shares, exceeding the number of shares offered in this category, i.e., 1,357,620 new ordinary registered shares by approximately 1.91 times. In total, applications were received from 23 Special Investors. The total demand from the applications of 368 Private Investors submitted during the Public Offering amounted to 963,267 New Shares.

Consequently, the total demand from the applications of Special Investors and Private Investors submitted during the Public Offering amounted to 3,552,399 New Shares, exceeding the 2,224,560 New Shares to be allocated by approximately 1.60 times.

Subsequently, on Tuesday, 14.07.2020, the following actions were carried out:

- Release of investors' funds and payment of consideration for the allotted Shares by the Special and Individual Investors
- Certification of the payment of the funds raised by the Issuer.
- Delivery of the Shares to investors through registration in their Shares in the Intangible Securities System
- Publication of a notice on the opening of trading

Furthermore, on Wednesday 15.07.2020, the listing of the Company's shares on the Regulated Market of the Athens Exchange was completed through the following actions:

- Deletion of the Shares from the Alternative Market of the Athens Exchange.
- Commencement of trading of the Company's Shares on the Regulated Market of the Athens Exchange.

Consequently, the paid-up share capital of the Company after the decision of the Extraordinary General Meeting of 15.11.2019 and the listing of the Company's shares on the Regulated Market of the Athens Exchange, amounted to four million twenty thousand euros (4,020,000.00), divided into thirteen million four hundred thousand (13,400,000) common nominal shares, each with a nominal value of thirty cents (€0.30).

Subsequently, the Extraordinary General Meeting of the Company's shareholders held on 03.11.2021, decided to reduce the nominal value of each share of the Company from €0.30 to €0.075, with a simultaneous increase of the total number of shares from 13,400,000 to 53,600,000 common shares (split) and the replacement of each one (1) old common share with four (4) new common shares.

Following the above decision and the approval of the Athens Exchange, the Company's Share Capital as of December 31, 2021, amounts to four million twenty thousand euros (€ 4,020,000.00), divided into fifty-three million six hundred thousand (53,600,000) common nominal shares, each with a nominal value of € 0.075.

Finally, by the decision of the Board of Directors of the Company dated 03.05.2022 and in the context of the annual implementation of the Share Allocation Plan approved by the Annual General Meeting of Shareholders of 30 June 2021 to executives and staff of the Company and its affiliated companies within the meaning of article 32 of Law 4308/2014, the share capital was increased by the amount of forty-five thousand Euro (€ 45,000.00), through the issue of six hundred thousand (600.000) new common nominal shares with a nominal value of € 0.075 each. Following the above, the share capital of the Company amounts to four million sixty-five thousand Euros (4,065,000€) and is divided into fifty-four million two hundred thousand (54,200,000) common nominal shares with a nominal value of 0.075 € each.

## **ii. Share Premium**

During the financial year 2007 and specifically on 21 December 2007, the Extraordinary General Meeting of 21.12.2007 decided to increase the share capital by one hundred and sixty-eight thousand euros (€168,000.00), a process which was completed through a cash payment in 2008. The above increase resulted in Share Premium in the amount of one million five hundred and twelve thousand euros (€ 1,512,000.00), reduced by sixty thousand euros (€ 60,000.00) as listing expenses in the Alternative Market of the Athens Stock Exchange.

However, the General Meetings of the Company's Shareholders held on 30 June 2014, 30 June 2016, and 19 December 2018 respectively, at the Company's offices in the Municipality of Pylaia, 87 17th November Side Road, Thessaloniki, decided among others:

- Equal increase and decrease of the Share Capital, cash return to the shareholders, amount 502,894.50€, i.e., amount 0.09 € per share according to the relevant decision of the General Meeting of 30/6/2014 and
- Equal increase and decrease of the Share Capital, cash return to the shareholders, for 502,894.50€, or 0.09 € per share, according to the relevant decision of the General Meeting held on 30/6/2016.
- Equal increase and decrease of the Share Capital, cash return to the shareholders, amount 446,201.79€, or 0.039927 € per share, according to the relevant decision of the General Meeting of 19/12/2018.

The above decisions were also approved by the competent authority of the General Commercial Register (G.E.M.I.) by respective decisions.

With the successful increase of the Share Capital by EUR 5,338,944.00 from the Public Offering of 2,224,560 shares at the price of EUR 2.40 per share, which was carried out in July 2020 and the subsequent transfer of the Company's shares from the Alternative Market to the Main Market of the Stock Exchange, there was an increase in Share Premium in the amount of EUR 4,671,576.00. An amount of € 57,076.65 has been deducted from this item, which relates to expenses directly related to the issuance of the new shares.

Finally, from the increase of the Company's Share Capital by the amount of forty-five thousand Euro (€45,000.00), through the issue of six hundred thousand (600,000) of new common nominal shares, with a nominal value of €0.075 each and an issue price of sixty-euro cents (€0.60) per share, an increase in the item "Share Premium" of the amount of three hundred and fifteen thousand Euro (€315,000.00) was recorded.

Following the above decisions, the Share Premium is shown in the following table as follows:

Amounts in €	GROUP		COMPANY	
	2022	2021	2022	2021
<b>Balance at the beginning of the financial year</b>	<b>4,614,507.96</b>	<b>4,614,507.96</b>	<b>4,614,507.96</b>	<b>4,614,507.96</b>
Additions for the Period 01.01 - 31.12.2022	315,000.00	-	315,000.00	-
(Reductions) for the Period 01.01 - 31.12.2022	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>4,929,507.96</b>	<b>4,614,507.96</b>	<b>4,929,507.96</b>	<b>4,614,507.96</b>

### iii. Treasury Shares

The Company at the Annual General Meeting of the Shareholders of 2 September 2020 decided to purchase from the Company treasury shares up to 5% of its paid-up share capital (including the shares previously acquired and retained by the Company), pursuant to article 49 of Law 4548/2018, within (24) months from the approval, i.e. until 02/09/2022, with a minimum acquisition limit of 1,00 euro per share and a maximum acquisition limit of 5.00 euro per share and the Board of Directors of the Company was authorized to determine, within the aforementioned framework, the exact time, number and price of the shares to be acquired.

On Friday, September 25, 2020, the Company, according to the decision of its Board of Directors and the announcement of September 24, 2020, sold all of its treasury shares on Friday, September 24, 2020, i.e. 24,949 treasury shares, corresponding to 0.186% of its share capital, at a price of EUR 2.70 per share and a total value of €67,362.30.

As of 31 December 2022, the Company has no Treasury Shares.

### iv. Reserves

#### • Ordinary reserve

According to the Greek commercial legislation (Law 4548/2018) as replaced by Law 4548/2018 and in force, Group companies are required, at the date of preparation of the Financial Statements, to form a regular reserve equal to at least five percent (5%) of the actual (accounting) net profits of each financial year.

#### • Special reserves

The parent company, in the financial year 2005, according to the provisions of no. 9452/253/A/3210/7-9-05 decision of the Special Secretary of Competitiveness for the inclusion of the 1st cycle - Inclusion in Action 2.5.3 "Business

Plans of Existing Medium-Sized Manufacturing Enterprises and Quality Service Laboratories", in the Operational Program Competitiveness (E.P.AN.) of the Third Community Support Framework, created an extraordinary reserve from taxed profits, with the commitment not to be distributed before five (5) years from its creation, as a condition for its inclusion in Action 2.5.3.

The investment plan of the parent company, in accordance with the investment plan of the parent company, according to the letter of no. 10210 / ΔBE 1074 decision of the Minister of Development, was included in Action 2.5.3. of E.P.AN.

Based on the decision of the Extraordinary General Meeting of the Company's Shareholders of 9/4/2014, a Reserve from taxed profits of previous years was formed in the amount of € 251,927.89, in application of a relevant clause of the subsidized investment program ICT4GROWTH.

• **Tax-free reserves of special provisions of laws**

The development laws, to which the Group's parent company is a party, are:

- ✓ Law 1828/1989 (Article 22), as a company producing highly advanced technology products, the activities of which are included in Article 3 par. 1 of Law 2601/1998.
- ✓ Law 2601/1998, as a software development company, whose activities are included in Article 3 § 1 of this Law
- ✓ Law 3220/2004, as a software development company, whose activities are included in article 3 par. 1 of Law 2601/1998.

The Group's parent company, at the date of preparation of the Financial Statements, meets all the requirements required by Greek legislation for the formation and coverage of the above reserves.

However, following the decision of the Extraordinary General Meeting of the Company's Shareholders of 19 December 2018, which approved the increase of the Company's share capital by the amount of € 1,676,316.00, with capitalization of the following reserves: a) an amount of € 1,371,092.40, which relates to the Tax Free Reserve of Law 2601/98, which will be taxed in accordance with par. 2, Article 71B of Law 4172/2013, b) an amount of € 54,438.74 concerning Special Tax Free Investment Reserve of Article 22 of Law 1828/89 and exempt from income tax and c) an amount of € 250,784.86 concerning Special Tax Free Investment Reserve of Article 2 of Law 3220/04 and exempt from income tax. This increase was carried out through the issue of 5,587,720 new nominal shares, with a nominal value of € 0.30 each and their free distribution to the company's shareholders, in the ratio of 1 new nominal share for every old nominal share.

A breakdown of the reserves is shown in the table below:

## Table of reserves

### GROUP

Amounts in €	Ordinary Reserve	Other Reserves	Total
<b>Cost of acquisition</b>			
1 January 2022	963,931.62	836,928.37	1,800,859.99
Additions for the Period 01.01 - 31.12.2022	583,490.10	-	583,490.10
Reductions for the Period 01.01 - 31.12.2022	-	(231,420.80)	(231,420.80)
<b>BALANCE SHEET as at 31 DECEMBER 2022</b>	<b>1,547,421.72</b>	<b>605,507.57</b>	<b>2,152,929.29</b>

### Cost of acquisition

1 January 2021	681,888.94	824,167.67	1,506,056.61
Additions for the Period 01.01 - 31.12.2021	282,042.68	12,760.70	294,803.38
Reductions for the Period 01.01 - 31.12.2021	-	-	-
<b>BALANCE SHEET as at 31 DECEMBER 2021</b>	<b>963,931.62</b>	<b>836,928.37</b>	<b>1,800,859.99</b>

### COMPANY

Amounts in €	Ordinary Reserve	Other Reserves	Total
<b>Cost of acquisition</b>			
1 January 2022	963,931.62	748,543.33	1,712,474.95
Additions for the Period 01.01 - 31.12.2022	583,490.10	-	583,490.10
Reductions for the Period 01.01 - 31.12.2022	-	-	-
<b>BALANCE SHEET as at 31 DECEMBER 2022</b>	<b>1,547,421.72</b>	<b>748,543.33</b>	<b>2,295,965.05</b>

### Cost of acquisition

1 January 2021	681,888.94	748,543.33	1,430,432.27
Additions for the Period 01.01 - 31.12.2021	282,042.68	-	282,042.68
Reductions for the Period 01.01 - 31.12.2021	-	-	-
<b>BALANCE SHEET as at 31 DECEMBER 2021</b>	<b>963,931.62</b>	<b>748,543.33</b>	<b>1,712,474.95</b>

## Other reserves

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
ACTION 2.5.3	375,000.00	375,000.00	375,000.00	375,000.00
ICT4GROWTH	251,927.89	251,927.89	251,927.89	251,927.89
L.3220/04	121,615.44	121,615.44	121,615.44	121,615.44
Other	(143,035.76)	88,385.04	-	-
<b>Total</b>	<b>605,507.57</b>	<b>836,928.37</b>	<b>748,543.33</b>	<b>748,543.33</b>

## v. Retained Earnings

The Group's and the Company's retained earnings for the period are shown in the table below:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Balance at the start of the period</b>	<b>20,129,699.27</b>	<b>12,145,307.79</b>	<b>26,989,109.84</b>	<b>9,894,169.97</b>
Net Profit for the Period after Taxes	18,303,315.05	10,778,819.68	11,669,801.98	5,640,853.60
Share of Other Comprehensive Income of Associated Companies	(75,704.43)	(435,867.11)	-	-
Result of a Segment Contribution to a Jointly Controlled Subsidiary	-	-	-	12,238,469.21
Dividend paid during the financial year	(1,897,000.00)	(629,800.00)	(1,897,000.00)	(629,800.00)
Transfer to Ordinary Reserve	(583,490.10)	(282,042.68)	(583,490.10)	(282,042.68)
Actuarial results	(28,288.13)	205,741.57	(22,963.17)	127,459.74
Incorporation of New Subsidiaries and Change of Percentage in Existing Subsidiaries	63,016.85	(244,209.51)	-	-
Minority rights attributable to Equity for the period	(5,869.73)	(4,980.63)	-	-
Minority Rights Attributable to Total Income for the Period	(1,603,650.15)	(1,403,269.84)	-	-
<b>Balance at the end of the period</b>	<b>34,302,028.63</b>	<b>20,129,699.27</b>	<b>36,155,458.55</b>	<b>26,989,109.84</b>

## vi. Minority Rights

The Minority Rights of the Group's subsidiaries are shown in the table below:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Balance at the end of the period</b>	<b>12,845,534.64</b>	<b>10,889,597.76</b>	-	-

## 22. Loans

In the context of the implementation of its investment plan, the Company has taken a long-term loan with a five-year maturity to cover its investment needs.

The outstanding balance of the Company's borrowings as of the year ended December 31, 2022, and in the prior fiscal year is as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b><u>Long-term borrowing</u></b>				
Bank lending	7,817,013.68	8,910,038.66	2,614,107.81	4,358,329.78
<b><u>Short-term borrowing</u></b>				
Bank lending	-	-	-	-
Long-term bank lending	-	-	-	-
Payable in the Next 12 Months	8,634,684.04	6,797,811.77	4,483,000.00	3,029,302.72
<b>Total</b>	<b>16,451,697.72</b>	<b>15,707,850.43</b>	<b>7,097,107.81</b>	<b>7,387,632.50</b>

The long-term loans of the Group and the Company as of 31 December 2022 and 2021 respectively relate to common long-term bank borrowings. The Group and the Company have not issued any bonds.



Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Loan balance at the beginning of the financial year</b>	<b>15,707,850.43</b>	<b>15,050,592.04</b>	<b>7,387,632.50</b>	<b>12,009,299.62</b>
Integration of New Subsidiaries	445,558.15	864,850.25	-	-
Period additions	8,383,921.46	2,719,962.56	1,800,000.00	1,000,000.00
Change in accrued interest	981.08	(26,662.07)	(5,590.38)	(49,455.97)
Payments	(7,787,768.02)	(2,156,892.35)	(1,949,813.49)	(1,235,862.70)
Non-refundable Advance Amount	(298,845.38)	-	(135,120.82)	-
Transfer of Loans relating to a Contributing Branch	-	(744,000.00)	-	(4,336,348.45)
<b>Loan balance at the end of the financial year</b>	<b>16,451,697.72</b>	<b>15,707,850.43</b>	<b>7,097,107.81</b>	<b>7,387,632.50</b>

The annual principal payments required to repay all the Group's and the Company's long-term loans as of December 31, 2022, and 2021 are as follows:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Up to one year	8,634,684.04	6,797,811.77	4,483,000.00	3,029,302.72
From 2 to 5 years	7,817,013.68	8,910,038.66	2,614,107.81	4,358,329.78
Over 5 years	-	-	-	-
<b>Total long-term loans</b>	<b>16,451,697.72</b>	<b>15,707,850.43</b>	<b>7,097,107.81</b>	<b>7,387,632.50</b>

The financial charges on long-term loans were recorded in the income statement (Note 30) while the average borrowing rate of the Group amounted to 3.5%.

### ***23. Lease Liabilities***

The Group's and the Company's lease obligations are set out below in accordance with the requirements of IFRS 16:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Lease obligations	3,824,545.23	2,170,734.68	818,603.52	1,045,508.03
Minus: Short-term part	(777,455.41)	(607,241.10)	(255,126.71)	(316,732.77)
<b>Long-term part</b>	<b>3,047,089.82</b>	<b>1,563,493.58</b>	<b>563,476.81</b>	<b>728,775.26</b>

The total balance of lease obligations is broken down as follows:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Balance of liability at the beginning of the financial year</b>	<b>2,170,734.68</b>	<b>2,557,592.22</b>	<b>1,045,508.03</b>	<b>1,278,873.36</b>
Application of IFRS 16	-	-	-	-
Integration of New Subsidiaries	177,182.07	438,738.45	-	-
Period additions	2,142,996.93	23,658.89	94,345.86	144,443.55
Write-offs	21,347.46	(56,482.02)	-	(56,482.02)
Interest	132,816.26	89,075.25	34,927.41	42,577.59
Rent reductions due to Covid	-	(65,168.49)	-	(37,775.48)
Payments	(820,532.17)	(816,679.62)	(356,177.78)	(326,128.97)
<b>Balance of liability at the end of the financial year</b>	<b>3,824,545.23</b>	<b>2,170,734.68</b>	<b>818,603.52</b>	<b>1,045,508.03</b>

The future minimum lease payments and the present value of the net minimum payments for the Group and the Company as of 31st December 2022 and 2021 are broken down as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2022</b>		<b>31.12.2022</b>	
	<b>Minimum Payments</b>	<b>Present value of payments</b>	<b>Minimum Payments</b>	<b>Present value of payments</b>
Up to one year	898,516.32	777,455.41	280,860.12	255,126.71
From 2 to 5 years	2,505,729.62	2,204,970.19	499,266.43	457,159.06
Over 5 years	880,195.36	842,119.63	110,865.94	106,317.75
<b>Total minimum lease payments</b>	<b>4,284,441.30</b>	<b>3,824,545.23</b>	<b>890,992.49</b>	<b>818,603.52</b>
Less: amounts constituting financial charges	(459,896.07)	-	(72,388.97)	-
<b>Present value of minimum lease payments</b>	<b>3,824,545.23</b>	<b>3,824,545.23</b>	<b>818,603.52</b>	<b>818,603.52</b>

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2021</b>		<b>31.12.2021</b>	
	<b>Minimum Payments</b>	<b>Present value of payments</b>	<b>Minimum Payments</b>	<b>Present value of payments</b>
Up to one year	684,940.45	607,241.10	349,797.27	316,732.77
From 2 to 5 years	1,698,318.67	1,439,135.83	649,611.34	595,644.10
Over 5 years	129,967.36	124,357.75	140,610.75	133,131.16
<b>Total minimum lease payments</b>	<b>2,513,226.48</b>	<b>2,170,734.68</b>	<b>1,140,019.36</b>	<b>1,045,508.03</b>
Less: amounts constituting financial charges	(342,491.80)	-	(94,511.33)	-
<b>Present value of minimum lease payments</b>	<b>2,170,734.68</b>	<b>2,170,734.68</b>	<b>1,045,508.03</b>	<b>1,045,508.03</b>

The financial cost of the lease obligations has been recorded in the income statement (Note 30).

## **24. Liabilities For Pension Plans**

**(a) Pension:** The Company's employees are covered by one of the various pension funds supported by the Greek state. Each employee is required to pay the amount of their monthly salary to the fund, with the Company also paying an amount. On retirement, the pension fund shall be responsible for paying the pensions to the employees. Thus, the company has no legal or constructive obligation to pay future benefits under this plan. Contributions to the social security funds for the years ended 31st December 2022 and 2021 were recorded in the income statement and amounted to € 6,084,657.86 and € 4,293,545.21 for the Group, respectively, and € 1,252,744.28 and € 1,086,153.04 for the Company, respectively (Note 27).

**(b) Severance payments:** According to Greek labor law, every employee is entitled to a lump-sum compensation in the event of dismissal or retirement. The amount of compensation depends on the length of service and the employee's earnings on the day of dismissal or retirement. If the employee remains with the Company until his/her normal retirement, he/she is entitled to a lump sum equal to 40% of the compensation he/she would have received if he/she

had been dismissed on the same day. The Greek Commercial Law provides that companies should make a provision for all staff and at least for the liability created upon retirement (40% of the total liability). For the group's foreign subsidiaries there is no liability for termination benefits.

The liabilities for staff compensation were determined through an actuarial study. The following tables show the composition of the net expense for the related liability recorded in earnings for the FYs from 1st January through 31 December 2022 and 2021 and the movement in the related employee compensation liability accounts presented in the attached Balance Sheet for the years ended 31 December 2022 and 2021.

Expenditure on staff compensation recognized in the income statement:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Cost of current employment	243,498.00	224,207.72	28,131.28	46,786.70
Interest cost	5,870.53	5,857.09	360.32	932.00
Terminal benefits/ Curtailment/ Settlement effect	46,852.99	26,073.70	17,846.46	23,741.93
Absorption/ (Movement) of staff	-	-	-	-
<b>Total</b>	<b>296,221.52</b>	<b>256,138.51</b>	<b>46,338.06</b>	<b>71,460.63</b>

The movement of the related provision in the Balance Sheet is as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Balance at the start of the period</b>	<b>1,152,257.11</b>	<b>372,902.33</b>	<b>61,949.54</b>	<b>186,213.71</b>
Additions due to Acquisition of Subsidiaries	71,876.52	827,022.64	-	-
Provision recognized in profit or loss for the period	296,221.52	256,138.51	46,338.06	71,460.63
Payments of compensation	(61,909.42)	(37,333.60)	(19,246.28)	(29,901.93)
Provision recognized in Other Comprehensive Income	36,266.83	(266,472.77)	29,439.96	(165,822.87)
<b>Balance at the end of the period</b>	<b>1,494,712.56</b>	<b>1,152,257.11</b>	<b>118,481.28</b>	<b>61,949.54</b>

In accordance with the revised IAS 19, the actuarial results arising from the recalculations of the present value of the defined benefit obligation and the fair value of the assets are now recognized in the net position. The movement in the actuarial gains/(losses) reserve is as follows:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Actuarial gains/(losses) at the beginning of the financial year	168,316.66	(126,230.27)	71,717.76	(94,105.11)
Integration of New Subsidiaries	(5,849.65)	28,074.16	-	-
Actuarial gains/(losses) for the year	(36,266.83)	266,472.77	(29,439.96)	165,822.87
<b>Actuarial gains/(losses) at the end of the financial year</b>	<b>126,200.18</b>	<b>168,316.66</b>	<b>42,277.80</b>	<b>71,717.76</b>

The key actuarial assumptions used for the 2022 financial year are as follows:

Figures expressed in %	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Discount Rate	3.82	0.40	3.82	0.40
Average annual long-term inflation growth rate	3.20	2.00	3.20	2.00
Average annual long-term salary increase for pension benefit	4.80	4.20	4.80	4.20

## **25. Other Long-term Liabilities**

Other long-term liabilities include trade payables to suppliers to be settled in future years, as well as grants for investments in fixed equipment and software development project budgets.

A relevant table breaking down other long-term liabilities is provided below:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Other long-term liabilities - Suppliers	132,897.30	132,897.30	132,897.30	132,897.30
Other long-term liabilities - Fixed equipment grants	5,238.26	7,488.82	-	-
Other long-term liabilities - Software development projects	1,289.50	1,289.50	-	-
<b>Total</b>	<b>139,425.06</b>	<b>141,675.62</b>	<b>132,897.30</b>	<b>132,897.30</b>

## **26. Suppliers and Other Trade Payables**

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Suppliers	4,343,774.68	2,370,296.67	1,078,351.87	1,058,150.11
Cheques Payable (Post-dated)	1,263,362.63	1,444,855.61	611,564.02	259,828.96
Customer advances	1,902,145.85	1,314,208.39	471,841.43	321,917.14
Transitional Liability Accounts - Accrued Expenses	291,661.60	160,824.25	34,075.49	14,575.37
<b>Total</b>	<b>7,800,944.76</b>	<b>5,290,184.92</b>	<b>2,195,832.81</b>	<b>1,654,471.58</b>

## **27. Other Short-term Liabilities**

Short-term liabilities are divided into:

### i. Current Tax Liabilities

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taxes and duties payable - Value Added Tax	4,222,388.47	2,935,222.85	1,799,425.85	1,242,311.99
- Taxes-Duties on staff remuneration	1,191,278.95	709,575.17	190,375.97	137,406.61
- Taxes -Duties for third parties	81,684.57	57,678.28	60,839.22	42,152.16
- Tax Clearance Account - Income Tax Declaration Elements	4,925,490.33	3,009,238.16	3,707,641.71	2,305,238.99
- Contractors' fees tax	520.05	434.55	180.00	120.00
- Stamp duty on sublease rentals	17,130.71	4,582.50	11,009.07	3,927.30
- Advertising stamp and Special Advertising Tax	4,979.80	9,744.52	3,946.74	9,257.34
- Taxes - Previous Fiscal Year Taxes	267,579.71	-	-	-
- Other Taxes - Duties	14,292.87	265.00	-	-
<b>Total</b>	<b>10,725,345.46</b>	<b>6,726,741.03</b>	<b>5,773,418.56</b>	<b>3,740,414.39</b>

## ii. Other short-term liabilities

Amounts expressed in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Insurance Organizations - Unified Social Security Fund (E.F.K.A.)	1,460,418.17	1,177,317.77	283,191.20	279,347.29
Journalists' Compulsory Health Insurance Organization (EDOAP)	578.46	(293.91)	578.46	(293.91)
- Supplementary Capital Insurance Fund (T.E.K.A.)	1,245.28	-	294.58	-
Liabilities to Related Companies	96,016.91	1,177,023.86	284,064.24	279,053.38
Dividends Payable	250,423.67	1,523,650.09	-	-
Various creditors - Staff salaries payable	16,043.02	26,922.20	13,202.32	11,119.21
- Telecommunications	-	2,777.00	-	2,777.00
- Energy	13,229.41	13,833.72	13,229.41	-
- Water supply	-	78.00	-	78.00
- Participation Fees due	63,276.76	75,000.00	61,075.50	75,000.00
- Beneficiaries of financial guarantees	24,000.00	-	24,000.00	-
- Other Remuneration Beneficiaries	1,137.16	111,920.54	-	71,281.55
- Shareholders - Value of their Shares to be Ascribed	3,323.04	3,323.04	3,323.04	3,323.04
- Shareholders - Reserve according to L. 4172/13 to be ascribed	28.49	28.49	28.49	28.49
- Credit Cards Payable	89,969.22	25,753.67	56,968.60	14,238.62
- Other Various Debtors	2,172.48	2,843.84	-	501.60
Advances & Credit Management Accounts - Other Third Party Partners	112,160.62	83,204.06	22,537.00	23,100.03
- Courier	1,836.25	-	-	-
- Other Accounts	1,186.89	-	-	-
- Other Creditors	4,172.04	145,665.50	96,806.94	201,447.54
Transitional Liability Accounts - Income of other financial years	5,609,987.13	4,957,797.77	3,528,058.12	3,542,666.76
Transitional Asset Accounts - Revenue to be collected	450.00	-	-	-
Other short-term liabilities	14,417.85	-	-	-
<b>Total</b>	<b>7,766,072.85</b>	<b>8,176,677.81</b>	<b>4,106,548.34</b>	<b>4,024,179.72</b>

## 28. Expenses by Category

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Breakdown of Expenses by Category</b>				
Cost of inventories recognized as an expense	2,886,137.34	805,815.31	233,226.74	293,273.64
Fees & Staff Expenses	36,287,298.37	24,282,496.31	7,624,005.48	6,323,991.92
Depreciation of fixed assets	3,435,757.18	2,754,728.73	1,035,387.18	935,476.11
Other Expenses	12,216,411.60	10,671,880.89	6,782,150.97	4,302,565.83
<b>Total</b>	<b>54,825,604.49</b>	<b>38,514,921.24</b>	<b>15,674,770.37</b>	<b>11,855,307.50</b>
<b>Breakdown of Expenses by Operation</b>				
Cost of sales	26,443,766.86	19,481,101.65	9,258,375.12	7,363,321.20
Administrative Expenses	2,495,420.71	1,287,126.84	476,142.65	225,883.48
Research and Development Expenses	15,416,252.39	9,737,117.95	3,917,732.43	3,403,215.98
Distribution Expenses	9,077,257.66	6,014,675.21	1,398,214.46	679,859.82
Other Operating Expenses	1,392,906.87	1,994,899.59	624,305.71	183,027.02
<b>Total</b>	<b>54,825,604.49</b>	<b>38,514,921.24</b>	<b>15,674,770.37</b>	<b>11,855,307.50</b>

## Staff Remuneration and Expenses

The benefits to the Group and Company's personnel are broken down as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Allocation of Staff Benefits</b>				
Salaries & Wages	28,988,978.03	19,861,466.97	6,045,592.20	5,152,781.25
Employer contributions	6,084,657.86	4,293,545.21	1,252,744.28	1,086,153.04
Other Benefits	1,395,759.14	724,093.80	279,330.94	13,597.00
Staff Benefits Projections	296,221.52	256,138.51	46,338.06	71,460.63
	<b>36,765,616.55</b>	<b>25,135,244.49</b>	<b>7,624,005.48</b>	<b>6,323,991.92</b>
Employee benefits allocated to Own-production	(478,318.18)	(852,748.18)	-	-
<b>Total</b>	<b>36,287,298.37</b>	<b>24,282,496.31</b>	<b>7,624,005.48</b>	<b>6,323,991.92</b>

The number of employees of the Group and the Company (Annual Work Units) at the end of the current and previous period was:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Staff employed	1,084	781	290	283

### Depreciation of assets

The depreciation of assets, which impacted the Group's and the Company's income statements, are broken down as follows:

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Depreciation of own tangible fixed assets	731,050.39	568,489.44	285,093.55	192,643.74
Depreciation of leased tangible fixed assets	793,251.72	501,855.49	209,661.33	204,679.98
Amortization of intangible assets	1,911,455.07	1,684,383.80	540,632.30	538,152.39
<b>Total depreciation and amortization</b>	<b>3,435,757.18</b>	<b>2,754,728.73</b>	<b>1,035,387.18</b>	<b>935,476.11</b>

### 29. Other Operating Income / Expenses

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b><u>Other Operating Income</u></b>				
Subsidies - Grants	14,662.82	-	-	-
Non-refundable advance	320,563.76	-	145,782.32	-
Other ancillary revenue	82,783.91	-	215,641.51	-
Revenue from subsidized programs	-	45,404.36	-	8,091.03
Building rents	122,019.05	1,306.32	120,975.36	-
Extraordinary revenue	13,991.92	6,238.72	390.00	422.87
Extraordinary profits	81,510.15	-	50,284.00	-
Extraordinary Gains on Disposal of Assets	-	2,566.54	-	249.99
Exchange rate differences	-	243.41	-	-
Revenue from Previous Uses	57,514.05	1,586.78	25,232.07	-
Revenue from Forecasts of Previous Uses	642,851.44	17,387.47	785.39	-
Revenues from Rent Reductions Due to Covid	-	65,168.49	-	37,775.48
Other operating income	113.22	202,593.44	-	18,318.53
<b>Total</b>	<b>1,336,010.32</b>	<b>342,495.53</b>	<b>559,090.65</b>	<b>64,857.90</b>
<b><u>Other Operating Expenses</u></b>				
Extraordinary & Non-operating expenses	169,790.10	32,819.75	10,352.14	383.32
Expenses for previous financial years	133,178.76	22,921.11	43,443.54	17,440.52
Extraordinary losses	9,835.86	6,564.32	6,603.96	1,889.62
Provisions for impairment of doubtful debts (Note 16)	1,075,752.60	1,932,594.41	563,906.07	163,313.56
Other provisions for extraordinary risks	4,349.55	-	-	-
<b>Total</b>	<b>1,392,906.87</b>	<b>1,994,899.59</b>	<b>624,305.71</b>	<b>183,027.02</b>



### 30. *Financial Income / Expenses*

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Financial income</b>				
Interest on demand deposits & fixed-term Deposits	29,654.33	37,631.48	16,234.12	20,114.69
Interest on leases	734.04	134.62	13,894.77	17,575.68
Proceeds from Sale of Securities	10,121.54	21,469.55	-	21,469.55
Participation income	51,818.07	52,274.07	570,678.07	39,649.07
Debt securities income	35,322.26	6,074.68	-	-
Other financial income	6,833.24	2,957.46	-	-
<b>Total</b>	<b>134,483.48</b>	<b>120,541.86</b>	<b>600,806.96</b>	<b>98,808.99</b>
<b>Financial Expenses</b>				
Interest on long-term bank loans	561,730.46	550,905.20	212,724.44	300,153.07
Interest on leases	132,816.26	89,075.25	34,927.41	42,577.59
Purchases / Sales of Securities Commissions	2,395.60	-	2,395.60	-
Supplies of letters of guarantee	37,395.18	46,550.72	643.20	2,029.63
Losses from Sale of Securities	3,993.57	-	-	-
Forecasts for Securities Devaluations	23,939.99	-	23,710.98	-
Interest and collection costs for claims under factoring contracts	-	29,368.65	-	-
Other Financial Expenses	147,995.72	140,563.74	83,496.90	44,818.59
<b>Total</b>	<b>910,266.78</b>	<b>856,463.56</b>	<b>357,898.53</b>	<b>389,578.88</b>

### 31. *Earnings Per Share*

	GROUP		COMPANY	
	2022	2021	2022	2021
<b>Net Profit after Taxes</b>	<b>18,303,315.05</b>	<b>10,778,819.68</b>	<b>11,669,801.98</b>	<b>5,640,853.60</b>
<b>They are divided into:</b>				
- Owners of Parent Company	16,699,664.90	9,375,549.84	11,669,801.98	5,640,853.60
- Minority rights	1,603,650.15	1,403,269.84	-	-
	<b>18,303,315.05</b>	<b>10,778,819.68</b>	<b>11,669,801.98</b>	<b>5,640,853.60</b>
<b>Average Weighted Average Number of Shares</b>				
Ordinary Registered Shares	53,953,425	17,364,932	53,953,425	17,364,932
<b>Basic Earnings per Share attributable to Equity Holders of the Parent</b>	<b>0.3095</b>	<b>0.5399</b>	<b>0.2163</b>	<b>0.3248</b>



## 32. Information by Sector

### Primary Information Sector - Business

GROUP

Amounts in €

31.12.2022

	Information Technology	Education	Unallocated	Total
<b>Business Sector</b>				
Turnover	73,628,037.18	1,479,288.73	-	75,107,325.91
Operating Profit / (Loss)	20,917,419.57	700,312.17	-	21,617,731.74
Financial income	89,039.68	-	45,443.80	134,483.48
Financial Expenses	(896,842.03)	-	(13,424.75)	(910,266.78)
Participation in the results of associated companies	577,264.81	-	-	577,264.81
Net Profit / (Loss) before Taxes	20,686,882.03	700,312.17	32,019.05	21,419,213.25
Income tax	(2,961,829.52)	(154,068.68)	-	(3,115,898.20)
Net Profit / (Loss) After Taxes	17,725,052.51	546,243.49	32,019.05	18,303,315.05
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible Fixed Assets	7,036,158.74	-	-	7,036,158.74
Intangible assets	14,326,351.55	-	-	14,326,351.55
Other Non-current assets	22,637,414.11	-	2,464,796.89	25,102,211.00
	43,999,924.40	-	2,464,796.89	46,464,721.29
<b>Current assets</b>				
	59,018,034.91	505,169.53	509,818.43	60,033,022.87
Total assets	103,017,959.31	505,169.53	2,974,615.32	106,497,744.16
<b>LIABILITIES</b>				
Long-term liabilities	12,498,241.12	-	-	12,498,241.12
Short-term liabilities	35,208,287.87	340,880.06	155,334.59	35,704,502.52
Total Liabilities	47,706,528.99	340,880.06	155,334.59	48,202,743.64

GROUP

Amounts in €

31.12.2021

	Information Technology	Education	Unallocated	Total
<b>Business Sector</b>				
Turnover	49,325,819.01	1,180,539.52	4,918.04	50,511,276.57
Operating Profit / (Loss)	11,796,061.71	572,763.27	(29,974.12)	12,338,850.86
Financial income	13,783.19	-	106,758.67	120,541.86
Financial Expenses	(454,455.82)	-	(402,007.74)	(856,463.56)
Participation in the results of associated companies	612,812.81	-	-	612,812.81
Net Profit / (Loss) before Taxes	11,968,201.89	572,763.27	(325,223.19)	12,215,741.97
Income tax	(204,708.66)	-	(1,232,213.63)	(1,436,922.29)
Net Profit / (Loss) After Taxes	11,763,493.23	572,763.27	(1,557,436.82)	10,778,819.68
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible Fixed Assets	4,670,183.31	-	-	4,670,183.31
Intangible assets	14,868,654.62	-	-	14,868,654.62
Other Non-current assets	12,406,469.69	-	3,531,615.25	15,938,084.94
	31,945,307.62	-	3,531,615.25	35,476,922.87
<b>Current assets</b>				
	41,552,683.36	600,361.56	3,190,818.79	45,343,863.71
Non-current assets held for sale	-	-	-	-
Total assets	73,497,990.98	600,361.56	6,722,434.04	80,820,786.58
<b>LIABILITIES</b>				
Long-term liabilities	11,569,210.55	112,112.30	86,142.12	11,767,464.97
Short-term liabilities	23,654,920.54	48,719.63	3,895,016.46	27,598,656.63
Total Liabilities	35,224,131.09	160,831.93	3,981,158.58	39,366,121.60



**COMPANY**

Amounts in €

**31.12.2022**

	Information Technology	Education	Unallocated	Total
<b><i>Business Sector</i></b>				
Turnover	27,225,624.66	1,479,288.73	-	28,704,913.39
Operating Profit / (Loss)	12,888,921.50	700,312.17	-	13,589,233.67
Financial income	600,806.96	-	-	600,806.96
Financial Expenses	(357,898.53)	-	-	(357,898.53)
Participation in the results of associated companies	-	-	-	-
<b>Net Profit / (Loss) before Taxes</b>	<b>13,131,829.93</b>	<b>700,312.17</b>	<b>-</b>	<b>13,832,142.10</b>
Income tax	(2,008,271.44)	(154,068.68)	-	(2,162,340.12)
<b>Net Profit / (Loss) After Taxes</b>	<b>11,123,558.49</b>	<b>546,243.49</b>	<b>-</b>	<b>11,669,801.98</b>

**ASSETS**

**Non-current assets**

Tangible Fixed Assets	1,037,643.20	-	-	1,037,643.20
Intangible assets	2,309,343.33	-	-	2,309,343.33
Other Non-current assets	38,919,152.25	-	-	38,919,152.25
	<b>42,266,138.78</b>	<b>-</b>	<b>-</b>	<b>42,266,138.78</b>
<b>Current assets</b>	<b>24,917,512.87</b>	<b>505,169.53</b>	<b>-</b>	<b>25,422,682.40</b>
<b>Total assets</b>	<b>67,183,651.65</b>	<b>505,169.53</b>	<b>-</b>	<b>67,688,821.18</b>

**LIABILITIES**

Long-term liabilities	3,428,963.20	-	-	3,428,963.20
Short-term liabilities	16,473,046.36	340,880.06	-	16,813,926.42
<b>Total Liabilities</b>	<b>19,902,009.56</b>	<b>340,880.06</b>	<b>-</b>	<b>20,242,889.62</b>

**COMPANY**

Amounts in €

**31.12.2021**

	Information Technology	Education	Unallocated	Total
<b><i>Business Sector</i></b>				
Turnover	17,773,624.25	1,180,539.52	-	18,954,163.77
Operating Profit / (Loss)	6,590,950.90	572,763.27	-	7,163,714.17
Financial income	-	-	98,808.99	98,808.99
Financial Expenses	-	-	(389,578.88)	(389,578.88)
Participation in the results of associated companies	-	-	-	-
<b>Net Profit / (Loss) before Taxes</b>	<b>6,590,950.90</b>	<b>572,763.27</b>	<b>(290,769.89)</b>	<b>6,872,944.28</b>
Income tax	-	-	(1,232,090.68)	(1,232,090.68)
<b>Net Profit / (Loss) After Taxes</b>	<b>6,590,950.90</b>	<b>572,763.27</b>	<b>(1,522,860.57)</b>	<b>5,640,853.60</b>

**ASSETS**

**Non-current assets**

Tangible Fixed Assets	1,148,535.04	-	-	1,148,535.04
Intangible assets	2,663,305.34	-	-	2,663,305.34
Other Non-current assets	27,219,704.71	-	3,531,615.25	30,751,319.96
	<b>31,031,545.09</b>	<b>-</b>	<b>3,531,615.25</b>	<b>34,563,160.34</b>
<b>Current assets</b>	<b>20,305,766.03</b>	<b>600,361.56</b>	<b>-</b>	<b>20,906,127.59</b>
<b>Total assets</b>	<b>51,337,311.12</b>	<b>600,361.56</b>	<b>3,531,615.25</b>	<b>55,469,287.93</b>

**LIABILITIES**

Long-term liabilities	5,169,839.58	112,112.30	86,142.12	5,368,094.00
Short-term liabilities	8,975,967.16	48,719.63	3,740,414.39	12,765,101.18
<b>Total Liabilities</b>	<b>14,145,806.74</b>	<b>160,831.93</b>	<b>3,826,556.51</b>	<b>18,133,195.18</b>

## Secondary information sector - Geographical

TURNOVER (SALES)	GROUP		COMPANY	
	2022	2021	2022	2021
Amounts in €				
Northern Greece	25,156,164.63	17,466,512.55	12,713,569.36	8,188,001.98
Southern Greece	48,516,211.25	32,574,228.17	15,946,771.55	10,766,161.79
Outside Greece	1,434,950.03	470,535.85	44,572.48	-
	<b>75,107,325.91</b>	<b>50,511,276.57</b>	<b>28,704,913.39</b>	<b>18,954,163.77</b>

### **33. Capital commitments**

Group companies have no commitments to acquire assets, plants, and equipment.

### **34. Contingent receivables/liabilities**

There are no litigious or pending disputes of judicial or arbitral bodies that have a significant impact on the financial situation or the operation of the Group's companies.

The Company and the Group have contingent liabilities in relation to banks, other guarantees and other matters arising in the ordinary course of their business, as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Guarantees for Securing Claims	600.00	82,662.00		82,662.00
Guarantees for Ensuring Good Performance of Contracts with Customers	34,049.47	1,363.50	138.00	1,363.50
Guarantees to Ensure the Good Performance of the Acquisition Agreement	-	90,000.00		90,000.00
Guarantees to ensure the proper performance of the Supply Contract	-	33,555.00		-
Guarantees to Ensure Good Payment to Suppliers	22,915.37	86,061.16	18,163.50	86,061.16
Guarantees for the insurance of other obligations	9,263.16	-	-	-
	<b>66,828.00</b>	<b>293,641.66</b>	<b>18,301.50</b>	<b>260,086.66</b>

In addition to the above, the Company carried out the following operations within the current fiscal year 2022:

- On 11/5/2022 provision of a guarantee to "ALPHA BANK SA" in favor of "EPSILON CSA Sole Proprietorship Informatics Company" (formerly SOTIRIS MATSOUKAS PRIVATE LIMITED INFORMATION COMPANY) to secure a Credit Agreement through an open mutual account up to the amount of EIGHT HUNDRED THOUSAND EUROS (€ 800,000.00) to be signed by the party under the name "EPSILON CSA Sole Proprietorship in Information Technology" (formerly SOTIRIS MATSOUKAS PRIVATE LIMITED INFORMATION COMPANY) with ALPHA BANK.

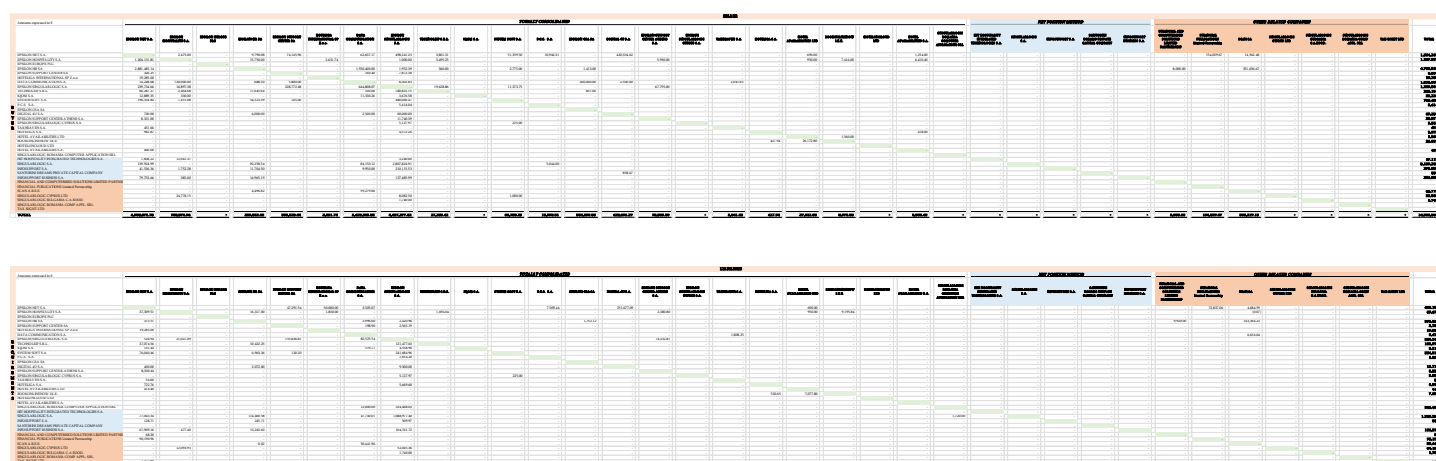
There are no encumbrances in the assets of the Company and the Group companies.

The table below shows the unaudited tax years of the parent company and the Greek Group's subsidiaries:

Company name	Audit or closure or limitation period up to FY	Unaudited tax years without a tax certificate	Unaudited tax years with receipt of a tax certificate
EPSILON NET S.A.	2016	-	2017-2022
EPSILON HOSPITALITY S.A.	2016	-	2017-2022
EPSILON HR S.A.	2016	-	2017-2022
EPSILON SUPPORT CENTER S.A.	-	-	2019-2022
DATA COMMUNICATION S.A.	2016	-	2017-2022
EPSILON SINGULARLOGIC S.A.	-	-	2021-2022
TECHNOLIFE Ltd	2016	2017-2020	2021-2022
SYSTEM SOFT S.A.	2016	-	2017-2022
IQOM S.A.	2016	2017-2020	2021-2022
P.C.S. S.A.	2016	-	2017-2022
EPSILON CSA S.A.	2016	2017-2021	2022
EPSILON SUPPORT CENTER ATHENS S.A.	-	-	2022
DIGITAL 4U S.A.	2016	2017-2021	2022
TAXHEAVEN S.A.	2016	2017-2021	2022
HOTELIGA S.A.	-	-	2022
HOTEL AVAILABILITIES S.A.	-	-	2022

### 35. Transactions with related parties

The amounts of the parent company's movements arising from transactions with its related parties, in accordance with IAS 24, during the period from 01.01 to 31.12.2022 are as follows:



The following companies are not consolidated with the EPSILON NET Group:

SINGULARLOGIC CYPRUS LTD

SINGULARLOGIC BULGARIA C.A.EOOD.

FINANCIAL AND IT SOLUTIONS Limited Partnership

FINANCIAL PUBLICATIONS Limited Partnership

SCAN S.A.

TAX-RIGHT LTD

The amounts of the Group's and the Company's transactions with directors and members of management, in accordance with IAS 24, at the end of the current period are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
Amounts in €				
Transactions and remuneration of Directors and Management Members	2,730,684.27	1,689,182.93	656,389.80	563,863.14
Claims from Directors and Management Members	40,916.01	42,227.17	8,900.01	4,273.01
Obligations to Directors and Management Members	4,960.00	14,860.32	-	14,860.32

### **36. Audit and other fees**

The fees of the statutory auditors for the group and the company for the financial year 2022 are broken down as follows:

Amounts in €	GROUP		COMPANY	
	Fee	% of Total Fees	Fee	% of Total Fees
Regular audit fees	83,218.00	54.79%	25,000.00	71.27%
Tax compliance audit fees	60,957.80	40.13%	8,080.00	23.03%
Fees for other audit services	7,711.54	5.08%	2,000.00	5.70%
	<b>151,887.34</b>	<b>100%</b>	<b>35,080.00</b>	<b>100%</b>

### ***37. Events after the balance sheet date***

**30-01-23:** EPSILON NET Group, the catalyst of the digital transformation of Greek businesses, and Epsilon SingularLogic, one of the Group's leading companies with many years of experience in large and complex IT projects, present the new PYLON Hybrid platform, the "gamechanger" of the new digital era! The PYLON platform, with more than 20,000 installations and the most award-winning ERP in the market, has been developed with the most modern development tools and already holds a leading position in business software solutions in the private sector of the Greek IT market. The platform's development and evolution team, following the global trend of multi-level technological development, presents the new PYLON platform beard, in which the newest and most important advantage is the complete integration of hybrid technology – Hybrid. The hybrid technology ensures that access, use and operation of all systems can be done both through clients and from Web explorer or mobile apps, while it also contributes to the rapid development of any custom application according to the needs of the business. Regardless of size and industry, every business that adopts the PYLON Hybrid solution acquires full coverage of its needs, either on premise or in a cloud environment by leveraging MICROSOFT and Microsoft Azure technologies.

**06-03-23:** With the aim of strengthening the presence of the Epsilon Net Group in the global market of information systems for hotels & tourism units, Epsilon Hospitality participates as an exhibitor in the ITB 2023 which will be held by 7 to 9 March at the exhibition center Berlin ExpoCenter City. The exhibition brings together leading tourism companies from around the world to present top-end practices and trends for the tourism industry, providing a comprehensive framework for the networking of tourism businesses and leading industry professionals from around the world.

**14-03-23:** EPSILON NET Group announces the acquisition by the parent company of 80% of the company OROSIMO INFORMATION S.A. The company was founded in 1992 in Thessaloniki and operates both in Greece and in the Balkans (with emphasis on the Romanian market, where it has a subsidiary). It specializes in the implementation of complex IT projects and installation of ERP, CRM, Supply Chain Management in medium & large enterprises with emphasis on activities in the industry, logistics, transport in Greece & abroad, and in the development of special software solutions & systems that meet the specific needs of its customers.

Specifically, EPSILON NET S.A. acquires 80% of the share capital of OROSIMO INFORMATION S.A. from the founders of the company, Mr. Argyriadis Theodoros and Mr. Argyriadis Dimitrios, who will retain the remaining 20% of the share capital and will continue to exercise their management duties in the same way as before, contributing with their many years of experience to the new development cycle of the company. The total price of the investment

amounts to EUR 1,360,000. The completion of the acquisition of OROSIMO INFORMATICS is part of the strategic planning of EPSILON NET Group, for the increase of its clientele and the provision of customized 360o solutions in special categories of activity in Greece and abroad.

Apart from the events already mentioned, there are no events subsequent to the Financial Statements as of 31 December 2022 that relate to the Group, to which reference is required by International Financial Reporting Standards (IFRS).

THESSALONIKI, 10 APRIL 2023

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**CHAIRMAN OF THE BOARD OF  
DIRECTORS AND  
CHIEF EXECUTIVE OFFICER**

IOANNIS N. MICHOS  
ID card No.: AN 002369 / 07.10.2016

**EXECUTIVE MEMBER  
OF THE BOARD OF DIRECTORS**

IOANNIS A. KOUTKOUDAKIS  
ID card No.: AE 368674 / 15.03.2007

**HEAD OF ACCOUNTING  
DEPARTMENT**

THOMAS A. KAZINERIS  
ID card No.: Π 782615 / 03.12.1990  
Economic Chamber of Greece  
LICENSE No. 50345 / CLASS A'