



Valuation Report

Of Eurocorp Investment Services S.A.
To the BoD of GINGER DIGITAL BidCo SINGLE MEMBER S.A.

Concerning the valuation of the shares of EPSILON NET INFORMATION TECHNOLOGY, EDUCATION AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME (thereafter "**The Company**") in the scope of the public offer by **GINGER DIGITAL BidCo SINGLE MEMBER S.A.** (thereafter "**The Offeror**").

Athens April 25 2024



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Introduction

Following a mandate given to us by the Offeror, we carried out a Valuation of the Company (see definition below) for a possible Public Offer to be submitted to the Hellenic Capital Market Commission and to be made public in accordance with article 16 of Law 3461/2006.

We applied two methods for the valuation of the Company, namely the Relative Valuation method using industry/sector trading multiples and the Comparable Transactions method. For that purpose:

- We used publicly available business and financial information relating to the Company.
- We took into account the Company's Annual Financial Reports of 2022&2023.
- We factored in the Company's Press Release on the Fiscal Year 2023 Results
- We considered the market conditions of the sector in which the Company operates.
- We used data from international websites and databases that are widely used for corporate valuation purposes.

At this point It should be noted that there is no unique accepted method for the valuation of the Company. For the purposes of the valuation, in some occasions we adopted assumptions based on our assessment of the Company and the Greek software market.

We considered, for the purposes of this report (thereafter **“the Valuation Report”**), that all the information used is complete and accurate in terms of their essential elements and we have not independently verified this information.

We have not made any valuation or independent valuation of the Company's discreet assets, nor have we been provided with such valuations or estimates by the Company's management.

We confirm that we fulfill the criteria of section 9 par (7) of the Law 3461/2006 and is independent of the Offeror and the Company.



Introductory Statements

We have not carried out any financial or legal audit of the Company or its individual assets and we have not assessed the impact of any pending litigation on its assets.

This Valuation Report is provided exclusively to the Board of Directors of the Offeror, to be submitted to the Hellenic Capital Market Commission and to be made public in accordance with article 16 of Law 3461/2006.



The Transaction

The Offeror is examining the possibility of submitting the Public Offer for which this Valuation was carried out, as provided by the provisions of par. 6 and 7 of article 9 of Law 3461/2006 which were added with paragraph 2 of article 108 of Law 4514/2018.

This Public Offer meets the conditions (i) of article 9, par. 6, case (b), second paragraph of the Law, as during the six (6) months prior to the date of the Public Offer, the transactions made in the Shares of the Company did not exceed 10% of the total Shares of the Company.

Therefore, according to article 9, par. 7 of the Law, the Offeror appointed Eurocorp, as an Independent Valuer, for the valuation of the Shares and the preparation of the present for the securities which are the subject of the Public Offer.



The Company

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.*", 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 Company's email address is infoath@epsilon.net.gr

The Company upon its establishment was registered in the Registry of Societe Anonymes (Public limited companies) under Registration No. 43452/62/B/99/194 and its duration has been set at fifty (50) years, until July 22, 2049. It is now registered with the General Commercial Register (G.E.M.I.) with G.E.M.I. No 038383705000.

"*EPSILON NET S.A.*" is active in the IT sector and specifically in the development of software programs for economists, accountants - tax advisors, accounting offices and departments of accounting and financial management of companies. In addition, it organizes educational seminars of economic and scientific content. Finally, it publishes and distributes the monthly financial magazine 'EPSILON 7' and it markets scientific - tax books.

Products and Services

Epsilon Net aspiring to be a "One stop shop destination for the modern professional" is active in the IT sector with a significant footprint in the following segments:

1. Software applications and database development
2. Accounting & Labor portal subscription-based consulting services
3. Specialized training services and online education solutions.

Epsilon Net is active in providing ERP systems and commercial applications for businesses, HR and payroll solutions, and Cloud & Mobile technologies to facilitate modern business activities.

The company through its ground breaking platform "Pylon" is providing advanced digital hospitality and SME solutions.

Epsilon Net's sales mix relies on activities relating to the distribution of business software, constituting the bulk of its annual revenues (>90%).

Licensed software products on a monthly or annual fee basis, account for the bulk of the company sales growth and form a significant basis of recurring revenue reaching 60% of annual revenue, while it accounts for 30% of

software sales. Many small to medium-sized enterprises (Accountants and other) clients of **Epsilon net** are granted the right to sell the company's products and act therefore as an additional network to the company's one, multiplying the reach capacity loyalty and degree cohesion between the company and its clients.

Composition of the Board of Directors

Michos Ioannis of Nikolaos, Chairman, CEO, Executive Member,
Manis Panteleimon of Anastasios, Vice Chairman, Independent Non-Executive Member,
Anagnostou Vasiliki of Dimitrios, Deputy CEO, Executive Member,
Koutkoudakis Ioannis of Antonios, Executive Member,
Prassas Vasileios of Gavriil, Executive Member,
Michalopoulos Paschalis of Georgios, Executive Member,
Andreas Gribelas of Dimitrios, Executive Member,
Daskalopoulou Aikaterini of Georgios, Non-Executive Member,
Ginoglou Dimitrios of Emmanuel, Independent Non-Executive Member,
Marinos Georgios of Dionysios, Independent Non-Executive Member

Source: Company Web Site

Share capital structure

The Company's share capital (31/12/2023) amounts to EUR 4,065,000 divided into 54,200,000 shares at a nominal value of 0.075 EUR each. All shares are ordinary, registered, voting shares, listed for trading on the Athens Exchange. Significant direct or indirect holdings as of 8/6/2023. within the meaning of Law 3556/2007.

Shareholder	Number of Shares	Percentage
Ioannis Michos	30,035,000	55.41%
Barca Global Master Fund	4,333,799	8.00%
National Bank of Greece	4,065,000	7.50%
Μέτοχοι < 5%	15,766,201	29.09%
Total	54,200,000	100.00%

Source: Company Web Site www.epsilonnet.gr 08/06/2023



GROUP STRUCTURE - SUBSIDIARIES AND AFFILIATED COMPANIES

The subsidiaries belonging to the Group as of 31/12/2023 are presented below:

Company name	Participation (%)	Consolidation method
EPSILON HOSPITALITY S.A.	99.98%	Total Consolidation
EPSILON EUROPE PLC	99.97%	Total Consolidation
EVOLUTIONSNT PLC	99.956%	Total Consolidation
EVOLUTIONSNT (UK) LTD	100.00%	Total Consolidation
EPSILON HR UNINCORPORATED S.A.	100.00%	Total Consolidation
EPSILON SUPPORT CENTER S.A.	51.00%	Total Consolidation
HOTELIGA INTERNATIONAL Sp. Z O.O.	51.00%	Total Consolidation
DATA COMMUNICATION S.A.	100.00%	Total Consolidation
EPSILON SINGULARLOGIC S.A.	99.97%	Total Consolidation
TECHNOLIFE Ltd	60.00%	Total Consolidation
SYSTEM SOFT S.A.	100.00%	Total Consolidation
IQOM SA	80.00%	Total Consolidation
PROFESSIONAL COMPUTER SERVICES S.A.	88.00%	Total Consolidation
EPSILON CSA SA	100.00%	Total Consolidation
DIGITAL 4U S.A.	60.00%	Total Consolidation
EPSILON SUPPORT CENTER ATHENS S.A.	60.00%	Total Consolidation
EPSILON SINGULARLOGIC CYPRUS LTD	100.00%	Total Consolidation
TAXHEAVEN S.A.	60.00%	Total Consolidation
HOTELIGA S.A.	51.00%	Total Consolidation
HOTEL AVAILABILITIES LTD	70.00%	Total Consolidation
BOOKONLINENOW I.K.E.	55.00%	Total Consolidation
HOTELONCLOUD LTD	55.00%	Total Consolidation
HOTEL AVAILABILITIES S.A.	70.00%	Total Consolidation
SINGULARLOGIC ROMANIA COMPUTER	60.00%	Total Consolidation
OROSIMO INFORMATICS S.R.O.	80.00%	Total Consolidation
EPSILON OROSIMO SRL	80.00%	Total Consolidation
NETERA TECHNOLOGY COMPANY SA	60.00%	Total Consolidation
DIGINET S.A.	60.00%	Total Consolidation
SCAN INFORMATION SYSTEMS (SCAN S.A.)	60.00%	Total Consolidation
HIT HOSPITALITY INTEGRATED TECHNOLOGIES	34.00%	Net Position
INFOSUPPORT S.A.	34.00%	Net Position
SANTORINI DREAMS	40.00%	Net Position
INFOSUPPORT BUSINESS S.A.	34.00%	Net Position
GJVS HOLDINGS S.A.	40.00%	Net Position

Source : Annual Financial Report Epsilon Net 2023 Ιστοσελίδα εταιρίας (www.epsilonnet.gr).



Financial Statements as at 31st December 2022

Statement of Financial Position

GROUP COMPANY

Amounts in €	31.12.2022	31.12.2021	31.12.2022	31.12.2021
ASSETS				
Non-Current Assets				
Tangible Assets	7,036,158.74	4,670,183.31	1,037,643.20	1,148,535.04
Investment in Real Estate	2,312,881.80		2,312,881.80	
Intangible Assets	14,326,351.55	14,868,654.62	2,309,343.33	2,663,305.34
Goodwill	12,326,851.50	8,255,502.69		
Investments in Subsidiaries			31,160,433.98	5,171,763.88
Investments in Associates	5,349,318.44	4,835,758.06	4,619,360.88	4,619,360.88
Other Participation Titles	72,214.97	33,487.36	3,521.30	3,521.30
Investment Portfolio Securities	2,809,335.89		344,539.00	
Deferred Tax Receivables	2,045,645.54	2,188,587.08	85,438.61	
Lease Receivables	9,561.85	1,321.20	333,446.41	439,790.69
Other Long-term Receivables	176,401.01	623,428.55	59,530.27	516,883.21
Total Non-Current Assets	46,464,721.29	35,476,922.87	42,266,138.78	45,663,160.34
Current Assets				
Inventories	377,517.32	132,612.78	36,784.99	25,077.41
Customers and Other Trade Receivables	28,810,429.71	18,944,616.93	9,802,580.98	6,768,206.92
Commercial Portfolio Securities		297,754.62		
Lease Receivables	3,815.15	1,719.86	106,468.27	112,999.72
Other Receivables	4,192,320.51	2,613,004.50	2,598,234.68	1,632,117.73
Cash and Cash Equivalents	26,648,940.18	23,354,155.02	12,878,613.48	2,367,725.81
Total Current Assets	60,033,022.87	45,343,863.71	25,422,682.40	3,906,127.59
Total Assets	106,497,744.16	80,820,786.58	67,688,821.18	54,569,287.93
EQUITY AND LIABILITIES				
Equity				
Share Capital	4,065,000.00	4,020,000.00	4,065,000.00	4,020,000.00
Share Premium	4,929,507.96	4,614,507.96	4,929,507.96	4,614,507.96
Reserves	2,152,929.29	1,800,859.99	2,295,965.05	1,712,474.95
Retained Earnings	34,302,028.63	20,129,699.27	36,155,458.55	6,989,109.84
Total Equity Attributable to Parent	45,449,465.88	30,565,067.22	47,445,931.56	7,336,092.75
Minority Rights	12,845,534.64	10,889,597.76		
Total Equity	58,295,000.52	41,454,664.98	47,445,931.56	7,336,092.75
Non-Current Liabilities				
Loans	7,817,013.68	8,910,038.66	2,614,107.81	4,358,329.78
Lease Liabilities	3,047,089.82	1,563,493.58	563,476.81	728,775.26
Deferred Tax Liabilities				86,142.12
Liabilities For Pension Plans	1,494,712.56	1,152,257.11	118,481.28	61,949.54
Other Long-term Liabilities	139,425.06	141,675.62	132,897.30	132,897.30
Total Non-Current Liabilities	12,498,241.12	11,767,464.97	3,428,963.20	5,368,094.00
Current Liabilities				
Suppliers and Other Trade Liabilities	7,800,944.76	5,290,184.92	2,195,832.81	1,654,471.58
Current Portion of Non-Current Liabilities	8,634,684.04	6,797,811.77	4,483,000.00	3,029,302.72
Current Portion of Lease Liabilities	777,455.41	607,241.10	255,126.71	316,732.77
Current Tax Liabilities	10,725,345.46	6,726,741.03	5,773,418.56	3,740,414.39
Other Short-term Liabilities	7,766,072.85	8,176,677.81	4,106,548.34	4,024,179.72
Total Current Liabilities	35,704,502.52	27,598,656.63	16,813,926.42	2,765,101.18
Total Liabilities	48,202,743.64	39,366,121.60	20,242,889.62	8,133,195.18
Total Equity & Liabilities	106,497,744.16	80,820,786.58	67,688,821.18	55,469,287.93

Annual Financial Statements for the period from 1st January 2022 to 31st December 2022



Statement of Comprehensive Income

Amounts in €	GROUP		COMPANY	
	1-1-31.12.2022	1-1-31.12.2021	1-1-31.12.2022	1-1-31.12.2021
Turnover (Sales)	75,107,325.91	50,511,276.37	28,704,913.39	18,954,163.77
Cost of Sales	(26,443,766.86)	(19,481,101.65)	(9,258,375.12)	(7,363,321.20)
Gross Profit	48,663,559.05	31,030,174.92	19,446,538.27	11,590,842.57
Other Operating Income	1,336,010.32	342,495.53	559,090.65	64,857.90
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)
Operating Profit	21,617,731.74	12,338,850.86	13,589,233.67	7,163,714.17
Financial Income	134,463.48	120,541.86	600,806.96	98,808.99
Financial Expenses	(910,266.78)	(856,463.56)	(357,898.53)	(389,378.88)
Share of Profit / (Loss) of Associates	577,264.81	612,812.81	-	-
Net Profit Before Taxes	21,419,213.25	12,215,741.97	13,832,142.10	6,872,944.28
Income Tax	(3,115,898.20)	(1,436,922.29)	(2,162,340.12)	(1,232,090.68)
Net Profit After Taxes (A)	18,303,315.05	10,778,819.68	11,669,801.98	5,640,853.60
Allocated to:				
- 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	-	-
	18,303,315.05	10,778,819.68	11,669,801.98	5,640,853.60
Other Comprehensive Income:				
Result of a Branch Contribution to Jointly Controlled Subsidiary	-	-	-	12,238,469.21
Share of Other Comprehensive Income of Associates	(75,704.43)	(435,867.11)	-	-
Actuarial Profit / (Loss) on Employee Benefit Plans	(36,266.83)	266,472.77	(29,439.96)	165,822.87
Deferred Tax	7,978.70	(60,731.20)	6,476.79	(38,363.13)
Investment Portfolio Valuation	(230,720.62)	-	-	-
Exchange Differences	(700.18)	12,760.70	-	-
Total Other Comprehensive Income (B)	(335,413.36)	(217,364.84)	(22,963.17)	12,365,928.95
Total Comprehensive Income (A) + (B)	17,967,901.69	10,561,454.84	11,646,838.81	18,006,782.55
Allocated to:				
- 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	-	-
	17,967,901.69	10,561,454.84	11,646,838.81	18,006,782.55
Weighted Average Number of Shares				
Ordinary Shares in Issue	53,953,425	17,364,932	53,953,425	17,364,932
Basic Earnings per Ordinary Share (in €)	0.3095	0.5399	0.2163	0.3248



Financial Statements as at 31^{of} December 2023

Amounts expressed in € unless otherwise stated.

Statement of Financial Position

	GROUP		COMPANY	
	31.12.2023	31.12.2022 Revised (Note 37)	31.12.2023	31.12.2022 Revised (Note 37)
ASSETS				
Non-current assets				
Tangible Assets	9,892,442.15	7,036,158.74	3,582,169.70	1,037,643.20
Investment in real estate	-	2,312,881.80	-	2,312,881.80
Intangible assets	19,437,194.29	14,326,351.55	2,618,536.32	2,309,343.33
Goodwill	22,687,614.74	12,326,851.50	-	-
Investments in Subsidiaries	-	-	60,509,883.09	32,804,222.50
Investments in Associates	1,924,176.96	5,349,318.44	1,310,000.00	4,619,360.88
Other Participation Titles	69,012.84	72,214.97	331.02	3,521.30
Investment Portfolio Securities	2,538,441.26	2,809,335.89	326,162.26	344,539.00
Deferred Tax Receivables	955,469.49	2,045,645.54	248,736.50	85,438.61
Lease Receivables	26,754.35	9,561.85	256,700.26	333,446.41
Other Long-term Receivables	203,686.78	176,401.01	55,711.93	59,530.27
Total Non-current assets	57,734,792.86	46,464,721.29	68,908,231.08	43,909,927.30
Current assets				
Inventories	1,714,575.19	377,517.32	59,413.78	36,784.99
Customers and Other Trade Receivables	33,883,207.55	28,810,429.71	7,960,585.14	9,802,580.98
Commercial Portfolio Securities	-	-	-	-
Lease Receivables	5,555.81	3,815.15	70,607.06	106,468.27
Other Receivables	6,255,845.85	4,192,320.51	3,318,329.10	2,598,234.68
Cash and Cash Equivalents	25,411,639.13	26,648,940.18	7,846,103.55	12,878,613.48
Total Current Assets	67,270,823.53	60,033,022.87	19,255,038.63	25,422,682.40
Total assets	125,005,616.39	106,497,744.16	88,163,269.71	69,332,609.70
EQUITY AND LIABILITIES				
Equity				
Share capital	4,065,000.00	4,065,000.00	4,065,000.00	4,065,000.00
Share Premium	4,929,507.96	4,929,507.96	4,929,507.96	4,929,507.96
Reserves	7,519,198.32	4,811,345.74	8,502,320.53	6,598,170.02
Retained Earnings	41,564,397.92	31,643,612.18	42,970,694.94	33,497,042.10
Total Equity Attributable to Parent's Shareholders	58,078,104.20	45,449,466.88	60,467,523.43	49,089,720.08
Non-Controlling Interests	2,692,188.05	12,845,534.64	-	-
Total equity	60,770,292.25	58,295,001.52	60,467,523.43	49,089,720.08
Non-Current Liabilities				
Loans	9,911,081.17	7,817,013.68	4,343,961.91	2,614,107.81
Lease Liabilities	3,648,346.82	3,047,089.82	870,736.72	563,476.81
Liabilities For Pension Plans	2,124,998.74	1,494,712.56	158,139.10	118,481.28
Other long-term liabilities	1,166,302.03	139,425.06	657,773.01	132,897.30
Total Non-Current Liabilities	16,850,728.76	12,498,241.12	6,030,610.74	3,428,963.20
Current Liabilities				
Suppliers and Other Trade Liabilities	13,224,217.73	7,800,944.76	7,476,025.03	2,195,832.81
Banks - Long-term liabilities payable in the next financial year	3,969,191.73	8,634,684.04	1,783,333.33	4,483,000.00
Long-term lease obligations payable in the next financial year	1,032,223.27	777,455.41	209,082.79	255,126.71
Current Tax Liabilities	14,574,651.84	10,725,345.46	7,147,242.99	5,773,418.56
Other short-term liabilities	14,584,310.81	7,766,072.85	5,049,451.40	4,106,548.34
Total current liabilities	47,384,595.38	35,704,502.52	21,665,135.54	16,813,926.42
Total Liabilities	64,235,324.14	48,202,743.64	27,695,746.28	20,242,889.62
Total Equity & Liabilities	125,005,616.39	106,497,744.16	88,163,269.71	69,332,609.70

Certain items in the 2022 financial year have been restated in accordance with IAS 8. Relevant Note 37.

Annual Financial Statements for the period from 1st January 2023 to 31st December 2023



Statement of Comprehensive Income

	GROUP		COMPANY	
	1.1-31.12.2023	1.1-31.12.2022 Revised (Note 37)	1.1-31.12.2023	1.1-31.12.2022 Revised (Note 37)
Turnover (Sales)	93,231,685.52	75,107,325.91	33,267,126.73	28,704,913.39
Cost of sales	(35,840,053.20)	(29,861,551.07)	(11,864,734.98)	(11,787,173.96)
Gross Profit	57,391,632.32	45,245,774.84	21,402,391.75	16,917,739.43
Other operating income	1,506,349.84	1,336,010.32	563,688.75	559,090.65
Administrative Expenses	(3,560,468.75)	(2,662,963.73)	(640,327.32)	(582,724.42)
Research Operating Expenses	(16,164,242.22)	(16,858,412.25)	(4,573,316.02)	(5,006,309.23)
Distribution Expenses	(12,470,843.05)	(9,751,300.62)	(1,918,876.01)	(1,731,998.58)
Other Operating Expenses	(1,245,844.21)	(1,392,906.87)	(487,297.61)	(624,305.71)
Operating Profit	25,456,583.93	15,916,201.69	14,346,263.54	9,531,492.14
Financial income	2,590,661.40	134,483.48	3,887,884.75	600,806.96
Financial Expenses	(1,407,540.96)	(910,266.78)	(757,146.03)	(357,898.53)
Share of Profit / (Loss) of Associates	520,917.93	577,264.81	-	-
Net Profit before Taxes	27,160,622.30	15,717,683.20	17,477,002.26	9,774,400.57
Income tax	(7,140,223.60)	(3,115,898.20)	(3,983,379.11)	(2,162,340.12)
Net Profit after Tax (A)	20,020,398.70	12,601,785.00	13,493,623.15	7,612,060.45
Allocated to:				
- Owners of Parent Company	18,454,041.89	10,998,134.85	13,493,623.15	7,612,060.45
- Non-Controlling Interests	1,566,356.81	1,603,650.15	-	-
	20,020,398.70	12,601,785.00	13,493,623.15	7,612,060.45
Other Comprehensive Income after Taxes				
Share of Other Comprehensive Income of Associated Companies	11,626.44	(75,704.43)	-	-
Actuarial Gains / (Losses) on Employee Benefit Plans	(114,598.05)	(36,266.83)	(11,756.81)	(29,439.96)
Deferred Tax	25,211.59	7,978.70	2,586.50	6,476.79
Investment Portfolio Valuation	150,817.69	(230,720.62)	(8,264.69)	-
Deferred Tax	1,818.23	-	1,818.23	-
Exchange Differences	9,219.72	(700.18)	-	-
Total Other Comprehensive Income after Taxes (B)	84,095.62	(335,413.36)	(15,616.77)	(22,963.17)
Total Comprehensive Income after Taxes (A) + (B)	20,104,494.32	12,266,371.64	13,478,006.38	7,589,097.28
Allocated to:				
- Owners of Parent Company	18,540,395.12	10,656,851.76	13,478,006.38	7,589,097.28
- Non-Controlling Interests	1,564,099.20	1,609,519.88	-	-
	20,104,494.32	12,266,371.64	13,478,006.38	7,589,097.28
Weighted Average Number of Shares				
Ordinary Shares in Issue	54,200,000	53,953,425	54,200,000	53,953,425
Basic Earnings per Share attributable to Owners of Parent Company	0.3405	0.2038	0.2490	0.1411
Weighted Average Number of Shares by calculation of adjusted Earnings	55,031,449	55,031,449	55,031,449	55,031,449
Adjusted Earnings per Share attributable to Owners of Parent Company	0.3353	0.1999	0.2452	0.1383

Certain items in the 2022 financial year have been restated in accordance with IAS 8. Relevant Note 37.

Valuation

To provide a fair opinion for the company valuation, we will use two widely accepted methods: The “**Relative Trading Multiples**” and the “**Comparable Transactions Multiples**”.

Method 1 – Trading multiples

This method provides an indicative value based on trading multiples (i.e. EV/Sales, EV/EBITDA) of comparable listed companies. This method shows what buyers in the stock market are willing to pay for a minority interest in companies with similar characteristics. The disadvantage of such a method is that it is sensitive to individual events and accounting principles. The trading multiple we chose to use for our comparisons is EV/EBITDA which we deem to be the most appropriate for the software sector as it takes a more holistic picture of the company than other simpler one-dimensional ratios (i.e. P/E) by considering the company’s debt. Thus, it provides a clearer picture of a company’s financial health.

The group of peers we chose consists of several European software companies which are comparable with **Epsilon Net**. Please note that we did not include any Greek listed IT companies in the group as they differ considerably from **Epsilon Net** regarding their business models, as well as their operations and this is therefore reflected in the wide discrepancies in their valuation ratios. The only Greek listed company suitable for comparison is **Entersoft**; yet, this is presented separately in the second method used, namely “Comparable Transactions Multiples”.

As shown on the table below, the median EV/EBITDA (23A) of the group of European peers is 17.5x.

At an EV/EBITDA (23A) of 15.8x, Epsilon Net is trading at a premium to some of its peers but at a substantial discount to its top-quality foreign peers.

If “**Epsilon Net**” traded at par with the median EV/EBITDA level, of the European peers, then its implied Market Capitalization should have been 548.07m Euros.

Table 1.
European Peers

Name	Country	Market Cap EUR	EV/EBITDA 23 TTM
Admicom			
OYJ	FI	200,058,299	15.2
Adesso SE	DE	728,966,410	11.4
Visiativ SA	GB	167,007,107	7.7
Sage Group	LN	14,259,302,326	23.2
SAP SE	DE	218,698,323,381	27.5
NNIT	DN	382,822,192	19.7
Median			17.5

Source: Eurocorp estimates

Method 2 – Comparable Transactions Multiples method

This method provides an indicative value based on multiples (i.e. EV/Sales, EV/EBITDA) of comparable (buyout/deals) transactions. It shows what buyers in other transactions pay for a majority (controlling) stake in a similar company (the so-called **Exit Transactions**). Among the pros of this method, is that the buyer has full access to company information – significantly more than the information available to the public – and almost always the target is scrutinized through the due diligence process. Therefore, the buyer is more informed than other investors. It should be noted that in such deals a premium is included to obtain control of the company or for the synergies that may arise by the acquisition. Typically, this method is based on historical accounting numbers, while transactions are likely also to reflect future expected performance. We applied this method in three different occasions. All three have their merits.

A. Deals in the European Software Sector

We screened deals in mergermarket.com database for the European Software sector over the last 12 months for transactions valued between 100 – 600 million.

Table 2

Deal count summary		Exit multiples - 15deals		Revenue	No.	EBITDA	No.	EBIT	No.
Total number of deals	70	Average		3.8x	13	42.1x	11	43.1x	11
Deals with undisclosed value	----	Median		1.5x	13	19.4x	11	33.5x	11
Deals with disclosed value	70	Adjusted average*		3.2x	11	32.0x	9	34.2x	9
Total disclosed value	EUR 17572m	* Top and bottom 2.5% of results removed							

Source:
mergermarket.com

As shown on the table above, there were 70 deals in the sample, with disclosed value. For these companies, the median exit multiples based on Turnover, EBITDA and EBIT were 1.5x, 19.4x and 33.5x, respectively. As mentioned above, we deem EV/EBITDA as the most appropriate comparable criterion.

If **Epsilon Net** traded at the median EV/EBITDA ratio (19.4x) the implied Market Capitalization of the company should stand at 607.13m Euros.

B. Entersoft - Olympia Group tender offer

On March 4th, Olympia Group (A group related to the interests of P.Germanos) made a tender offer for **Entersoft** a listed software company in the Athens Stock Exchange. In the Greek listed IT universe of companies this is the most recent and comparable to **Epsilon Net** both in terms of business segment as well as in terms of margins and profitability (table 2a).

Table 2a

	FY 2023	
	Epsilon Net	Entersoft
EBITDA margin	33.3%	32.2%
Net Profit margin	21.5%	18.0%
Net Debt (€ mn)	-6.85	-2.3
ROE	33.0%	26.1%

Source: Eurocorp estimates



In our analysis we therefore assign a higher weight on the implied valuation of this deal. The transaction was done at an EV/EBITDA (23A) of 18.97x. Applying this multiple to Epsilon Net, the implied Market Capitalization stands at 593.7m Euros.

C. The acquisition of a 7.5% stake in Epsilon Net by NBG

On November 16, 2022, National Bank of Greece announced that it entered into a strategic agreement with Epsilon Net and its intention to acquire a stake in the company. The deal was concluded on June 6th, 2023, at a price of 7.49 Euros per share for a 7.5% stake. Based on the then disclosed EBITDA (22A), the EV/EBITDA (22) ratio would stand at 16.46x based on our estimates (see Table 3). The implied Market Capitalization for the company was 505.1m Euros.

Table 3.

(in € mn)	2022A (Reported)
Transaction Price/share	7.49
Outstanding # shares	54,200,000.00
Valuation	405,958,000.00
Net Debt	(6,370,000.00)
Minority Rights	12,845,535.00
EV (22A)	412,433,535.00
EBITDA (22A)	25,053,489.00
EV/EBITDA (22A)	16.46

Valuation – Summary of Results



To reach a fair estimate for **Epsilon Net's** valuation, on the basis of Article 9 paragraph 4&6 of Law 3461/2006, we use a weighted average of the above methods. We assign the highest weight (35%) to the **Entersoft** deal as 1) it is the most comparable company and 2) it is the most recent deal. The next highest weight (25%) is assigned to the median EV/EBITDA of the European deals and another 25% to the median EV/EBITDA of the European peers. The acquisition price of 7.5% by NBG is also indicative however we assign a lower weight (15%) as the deal referred to a minority stake, agreed eighteen months ago. To conclude, our fair value estimate for Epsilon Net's Market Capitalization after taking into account the Company's Net Debt and Minority Rights amounts to €572.39mn or €10.56 per share.

Table 4.

		Epsilon Net's		
		Avg. Implied	Avg. Implied	
		Valuation (in € ,000)	Valuation per share (in €)	Weight
European deals	19.4	607,134	11.20	25%
EV/EBITDA (x)				
European peers				
EV/EBITDA (23)	17.5	548,079	10.11	25%
Entersoft				
EV/EBITDA (23)	18.97	593,769	10.96	35%
Acquisition of 7.5% by NBG at				
EV/EBITDA	16.46	505,117	9.32	15%
Weighted average		572,390	10.56	

Source: Eurocorp estimates



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This Report was prepared by the Financial Advisor to be submitted to the Hellenic Capital Market Commission and to be made public in accordance with the provisions of par. 6 and 7 of Law 3461/2006 that were added with paragraph 2 of article 108 of Law 4514/2018. The Financial Advisor does not express an opinion on the reasonable and fair price of the forthcoming Public Offer, nor on the reasoned opinion that will be issued by the Board of Directors of the Company for the acceptance or rejection of the forthcoming PublicOffer.

For Eurocorp Investment Services S.A.


Spyridon Malavazos
Managing Director

EUROCORP A.E.Π.Ε.Υ.
ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ ΠΑΡΟΧΗΣ ΕΠΕΝΔΥΤΙΚΩΝ ΥΠΗΡΕΣΙΩΝ
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