



EPSILON NET

**INFORMATION TECHNOLOGY, TRAINING AND
HIGH-TECH PRODUCTS SOCIETE ANONYME**

G.E.MI. No: 038383705000

ANNUAL FINANCIAL STATEMENT

(IN ACCORDANCE WITH Law 3556/2007)

for the fiscal year from 1st January to 31st December 2021

THESSALONIKI

MARCH 2022

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DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS OF

“EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS
SOCIETE ANONYME”

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

- A. The Company’s financial statements for the fiscal year 2021 on an individual and consolidated basis, which were prepared in accordance with the applicable accounting standards, accurately reflect the assets and liabilities, the net position and the statement of the comprehensive income of the Company, as well as the undertakings included in the consolidation considered as a whole, and
- B. The annual management report of the Company’s Board of Directors on the Consolidated and Corporate Financial Statements for the fiscal year 2021 accurately reflects the development, performance, and position of the Company as well as the companies included in the consolidation considered as a whole, including the description of the main risks and uncertainties they face.

THESSALONIKI, 21 MARCH 2022

CHAIRMAN OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER

EXECUTIVE MEMBER
OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER

EXECUTIVE MEMBER
OF THE BOARD OF DIRECTORS

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

VASSILIKI D. ANAGNOSTOU
ID No.: AZ 194497 / 14.12.2007

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

Annual Board of Directors Management Report

Of “EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME”

On the Consolidated and Corporate Financial Statements of fiscal year 2021

(From 1st January to 31st December 2021)

To the Ordinary General Meeting of the Shareholders

G.E.MI. No.: 038383705000

Dear Shareholders,

The present Annual Management Report of the Board of Directors of “EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME” (hereinafter “Epsilon Net S.A.” or “Company”) concerns the period of fiscal year 2021. The Report was drafted and is harmonized with the relevant provisions of Articles 150-154 of Law 4548/2018, Law 3556/2007 (Official Gazzette. 91A/30.4.2007) and the implementing decisions issued by the Capital Market Commission, i.e. Decision No. 7/448/11.10.2007 of the Board of the Capital Market Commission.

The Financial Statements of the EPSILON NET S.A. Group are presented using the International Financial Reporting Standards (IFRS) as these apply to companies that are listed on the Athens Stock Exchange (ATHEX) and the rules related to the consolidation of the parent and subsidiary companies’ financial data.

This report includes financial and non-financial information of the Group, the Company, its subsidiaries and affiliates for the fiscal year 2021 and describes important events that took place during this period. It also describes the main risks and uncertainties that the Company and the Group may face in the forthcoming year and finally lists the significant transactions between the Company and its affiliates.

1) PROGRESS EVALUATION

Financial Progress and Performance of fiscal year 2021

The Company and the Group show high financial performance in their key financial figures in recent years, effectively dealing with the difficult economic situation.

Consolidated Results

Turnover: The Group’s turnover during fiscal year 2021 amounted to €50.51 million, compared to €21.70 million during the previous fiscal year 2020, registering an increase of 132.80%.

Earnings before taxes: The earnings before tax for fiscal year 2021 amounted to €12.22 million, compared to €3.40 million in 2020, registering an increase of 259.79%, whereas the earnings after tax amounted to €10.78 million, compared €3.35 million in 2020, registering an increase of 221.86%.

Earnings before interest, taxes, depreciation and amortization (EBITDA): The Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) for fiscal year 2021 amounted to €15.09 million, compared to €5.23 million in 2020, registering an increase of 188.33%.

Fixed Assets: The total value of the Intangible Fixed Assets in 2021 amounted to €14.87 million, compared to €6.23 million in 2020, whereas the respective value of the Tangible Fixed Assets amounted to €4.67 million, compared to €4.66 million in 2020. The significant difference observed in the Fixed Assets is mainly due to the acquisition and integration in the Group of the subsidiaries SYSTEM SOFT S.A., TECHNOLIFE LLC., IQOM S.A., PCS S.A. and the newly incorporated subsidiary SINGULARLOGIC S.A., for the first time during fiscal year 2021. The sum of the leases reported in the tangible fixed assets of the Group, pursuant to IFRS 16, amounts to € 2.21 million.

The Group's investments for current fiscal year 2021 in Fixed Assets per category, regard Building Improvement Works, Furniture, Computers and Servers, Third Party Software purchases, as well as Investments in the Development of new innovative high-tech products and services and acquisitions of new IT companies.

Real Estate: The Group did not own real estate during fiscal years 2021 & 2020.

Own Equity: During 2021, the Group's Equity increased to the sum of €41.45 million, from €23.58 million in 2020, registering an increase of 75.83%, which is due on the one hand on the increase of operating figures and on the other hand on the acquisition of new Companies.

A detailed analysis of the composition of assets, liabilities, equity and profit and loss for fiscal year 2021 and the accounting principles applied by the Group is provided in the financial statements dated 31.12.2021.

Corporate Results

Turnover: The Company's turnover during fiscal year 2021 amounted to €18.95 million, compared to €14.62 million during the previous fiscal year 2020, registering an increase of 29.67%.

Earnings before taxes: The earnings before tax for fiscal year 2021 amounted to €6.87 million, compared to €1.92 million in 2020, registering an increase of 257.77%, whereas the earnings after tax for fiscal year 2021 amounted to €5.64 million compared to €1.93 million in 2020, registering an increase of 192.76%.

Earnings before interest, taxes, depreciation, and amortization (EBITDA): The Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) for fiscal year 2021 amounted to €8.10 million, compared to €3.36 million in 2020, registering an increase of 141.00%.

Fixed Assets: The total value of the Tangible Fixed Assets in 2021 amounted to €1.15 million, compared to €1.66 million in 2020, whereas the respective value of the Intangible Fixed Assets amounted to €2.66 million, compared to €4.23 million in 2020. The sum of the leases reported in the tangible fixed assets of the Group, pursuant to IFRS 16, amounts to € 0.53 million.

The Company's investments for current fiscal year 2021 in Fixed Assets per category, regard Building Improvement Works, Furniture, Computers and Servers, Third Party Software purchases, as well as

Investments in the Development of new innovative high-tech products and services and acquisitions of new IT companies.

Real Estate: The Company did not own any real estate during the years 2021 & 2020.

Own Equity: During 2021, the Company's Equity increased to the sum of €37.34 million, from €19.96 million in 2020, registering an increase of 87.06%.

A detailed analysis of the composition of assets, liabilities, equity and profit and loss for fiscal year 2021 and the accounting principles applied by the Company is provided in the financial statements dated 31.12.2021.

2) SHARE DETAILS – DIVIDENDS – DIVIDEND YIELD

From 15.07.2020 the Company's shares are traded in the Main Market of the Athens Stock Exchange, following the successful increase of the Share Capital by €5.34 million at the price of €2.40 per share, which took place in July 2020, and the subsequent relisting of the shares from the Alternative Market to the Main Market. The number of shares was 13,400,000.

The Extraordinary General Meeting of the Company's shareholders that took place on 03.11.2021 decided the reduction of the nominal value of the Company's share to €0.075 from €0.30 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 one (1) old common registered share with four (4) new common registered shares.

The closing price of the share of "EPSILON NET S.A." on 31.12.2021 was €5.18, i.e., 342% higher than the closing price on 31.12.2020 that amounted to €1.17. The year high of the share price amounted to €5.60 (02.12.2021) and the year low to €0,9969 (09.02.2021). The Company's capitalization on 31.12.2021 amounted to €277.65 million.

For fiscal year 2020, a dividend of Euro 629,800 was distributed in 2021 which corresponds to a dividend of Euro 0.047 per share, of which tax was withheld in favor of the Greek State and therefore the net dividend payable per share amounted to euro 0.04465.

3) FORECAST OF COURSE OF ACTIVITIES

Information on the Prospects and Evolution of the Group & the Company

2021 was a crucial year for the course of the economy, since, following the macroeconomic improvement achieved in 2019, the coronavirus effects that started on 2020 and continued in 2021 had an extremely significant impact on the international and domestic economy. The increase of volatility at the international level, combined with the structures of the Greek business environment, impeded the achievement of the desired shift of the production model in Greece and the strengthening of the international competitiveness of Greek economy in 2021.

The IT sector constitutes one of the most important sectors of the Greek economy, due to the increased demand for automation and digitalization observed in recent years, both in the private and public sector.

Simultaneously, given the fact that the international competitiveness of Greek economy is limited, due to the low level of digitalization of small and medium-sized enterprises, emphasis is given to the digital capabilities and advanced skills that are required to address the international competition and social challenges and extend the benefits of the digital transformation of every citizen and enterprise.

The Management of the Epsilon Net Group monitors the developments in Greek economy, specifically in the industry in which it operates, and, using the experience of the successful management of the previous years, assesses current conditions in order to continuously evaluate future investment and operating needs and immediately adjust, as required, the Group's Business Plan, to preserve and increase the operational efficiency of the Group's companies, expand its clientele and implement new investments.

An assessment of the risks associated with the Group's activities and operations is conducted regularly and appropriate measures for the mitigation of operational and business risks are taken.

Meanwhile, the Group continues to operate concentrating on the long-term interests of the enterprise's stakeholders, focusing on the small, medium and large enterprise market in Greece, in terms of the entire operating software sector, further penetration of payroll and human resource management software (Payroll & HRM Systems) in businesses and further penetration in the market of accounting firms and independent accounting professionals – tax consultants with new software and specialized services and new technologically advanced solutions that are innovative in the Greek market, e.g. the Digital Accounting solution. An area of particular interest for the group and its strategy is the penetration in vertical markets that cover specialized needs of the enterprises that operate in them and their capability to rapidly adapt to the demands of digital transformation. Meanwhile, it develops strategies aiming to the development and investment in the Financial Technology (FinTech) sector. Furthermore, the decision of the Independent Authority for Public Revenue regarding the mandatory implementation of electronic invoicing and transmission and the implementation of digital records (myDATA) in all enterprises, leads to a faster rate of development of the digital transformation of enterprises, a fact that the Company monitors systematically, already offering new products, systems and services, fully adapted to the new legal requirements.

4) GROUP STRUCTURE – SUBSIDIARY & AFFILIATED COMPANIES

A. Subsidiary Companies (direct and/or indirect participation)

Name	Address	Purpose	Share Capital	Date of Establishment/Acquisition	Participation Rate (%)	Consolidation Method
EPSILON HOSPITALITY SA	Side Road, 87, 17th November - 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%	Full Consolidation
EPSILON EUROPE PLC	2 Agias Fylaxeos & Znonos Rossidi - POBox 596 55 - 4011 - Limassol - Cyprus	Development of Group's Operations in Europe	300,000 shares of 1.00 € each	23.01.2009 (establishment)	99.97%	Full Consolidation
EVOLUTIONSNT PLC	80 Stratford Gate Potters Bar - Herts - United Kingdom - EN6 1PG	Development of Group's Operations in Europe	2,035,345 shares of 1.00 £ each	26.09.2012 (establishment)	99.956% (indirect participation)	Full Consolidation
EVOLUTIONSNT (UK) LTD	80 Stratford Gate Potters Bar - Hertfordshire - England - EN6 1PG - United Kingdom	Development of Group's Operations in Europe	1,000 shares of 1.00 £ each	02.10.2014 (establishment)	100.00% (indirect participation)	Full Consolidation
EPSILON HR SA	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Software Production and Marketing	25,000 shares of 1.00 € each	22.02.2016 (establishment)	65.00%	Full Consolidation
EPSILON SUPPORT CENTER SA	5-7 Andromachis - 562 24 - Evosmos - Thessaloniki	Provision of IT Services	20,000 shares of 10.00 € each	02.08.2019 (establishment)	51.00%	Full Consolidation
HOTELIGA INTERNATIONAL Sp. Z O.O.	Al. Jana Pawla II 43b 20 31-864, Krakow, Poland	Provision of IT Services	143 shares of 50,000 PLN (€) each	21.07.2020 (acquisition)	51.00%	Full Consolidation
DATA COMMUNICATION SA	2 Panagi Tsaldari & Zaimi - 151 27 - Melissia - Attica	Provision of IT Services	3,750,000 shares of 0,53 € each	27.10.2020 (acquisition)	100.00%	Full Consolidation
EPSILON SINGULARLOGIC SA	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT Services	10,025,000 share of 1,00 € each	20.01.2021 (establishment)	60.00%	Full Consolidation
TECHNOLIFE LTD	6 Agisilaou str- 542 50 - Charilaou - Thessaloniki	Provision of IT Services	350 shares of 100,00 € each	07.06.2021 (acquisition)	60.00%	Full Consolidation
SYSTEM SOFT SA	300 Mesogeion Avenue - 15562 - Cholargos	Informatics and Business Organization	23,182 shares of 2,59 € each	01.03.2021 (absorption completed on 14/07/2021)	100.00% (indirect participation)	Full Consolidation
IQOM SA	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of Retail IT Services	25,000 share of 1,00 € each	10.09.2021 (acquisition)	80.00% (indirect participation)	Full Consolidation
PROFESSIONAL COMPUTER SERVICES SA	304-306 Mesogeion Avenue & 1 L. Dedousi - 15562 - Cholargos	Provision of Financial IT Services	100,000 share of 3,00 € each	10.11.2021 (acquisition)	88.00%	Full Consolidation
HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA	350 Sygrou Ave, 176 74 Kallithea	Provision of IT Services	86,020 share of 2,93 € each	20.12.2019 (acquisition)	34.00%	Equity
SINGULARLOGIC SA	3 Achaïas str & Trizinias - 145 64 - Kifisia-Artiki	Provision of IT Services	9,000,000 shares of 1,00 € each	11.01.2021 (acquisition)	39.93%	Equity
INFOSUPPORT SA	8 Doiranis - 113 62 - Kypseli - Attica	Marketing of Computer Systems	23,196 share of 30,00 € each	01.03.2021 (absorption completed on 14/07/2021)	34.00% (indirect participation)	Equity

The subsidiary companies that belong to the Group are listed below:

The subsidiary company with registered offices in Cyprus “EPSILON EUROPE PLC” participates in the company “EVOLUTIONSNT PLC” with a 99.99% share and in the company “EVOLUTIONSNT (UK) LTD” with a 100.00% share, both with registered offices in England.

Also, the parent company participates with 65% in the subsidiary company EPSILON HR SA, which is active in the production and marketing of software specializing in the field of information systems for human resources.

Furthermore, the parent company participates with a 99.983% share in the company EPSILON HOSPITALITY S.A. (formerly EPSILON PYLON ANΩNYMOΣ ETAIPEIA), which operates in the IT sector for hotels and tourist enterprises.

The public limited company (S.A.) with the registered name “EPSILON SUPPORT CENTER ANΩNYMH ETAIPIA ANAITYΞHΣ KAI YΠOCTHPIΞHΣ EPΓΩN ΛOΓIΣMIKOY” and the trade name “EPSILON SUPPORT CENTER S.A.” was incorporated in August 2019, where the parent company participates with a 51% share. The object of the subsidiary is the development and support of software projects implemented with software produced by the parent company. “EPSILON SUPPORT CENTER

S.A.” was included for the first time in the consolidated financial statements on 31/12/2019 with the full consolidation method.

In July 2020 the parent company, in the context of its continuous development and collaboration on a technology partnership basis, welcomed in the Group’s family the company HOTELIGA International sp. Zo.o. with registered offices in Poland. The agreement for the transfer of the majority share signed with the company AILLERON S.A, listed in the Poland Stock Exchange, resulted in the acquisition of 51% of the HOTELIGA International sp. Z o.o. shares held by said company.

HOTELIGA International is a specialized IT company that has created and successfully develops IT products in web environment. The new subsidiary operates in the hospitality software, pms, paperless hotel systems and travel technology market, a particularly demanding market that changes and evolves rapidly at the international level. The company’s customer list already includes a significant number of small and medium sized accommodation establishments in Greece and twenty (20) countries abroad, focusing in the European market. “HOTELIGA International sp. Zo.o” was included for the first time in the consolidated financial statements on 31/12/2020 with the full consolidation method.

In October 2020, the parent company, following with consistency the path of continuous expansion and enhancing its growth model, preceded to the acquisition of 80% of the share capital of DATA COMMUNICATION S.A. (DATA COMMUNICATION ANΩNYMOΣ ETAIPEIA MHXANOΠΓANΩΣH EΠHXEIPHΣEEΩN) a company operating in the provision of integrated IT solutions to private and public sector enterprises and organizations and to accounting firms. DATA COMMUNICATION S.A. was included for the first time in the consolidated financial statements on 31/12/2020 with 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. (DATA COMMUNICATION ANΩNYMOΣ ETAIPEIA MHXANOΠΓANΩΣH EΠHXEIPHΣEEΩN) and currently owns 100% of the share capital.

On 20/01/2021, the subsidiary company under the name " Epsilon SingularLogic IT Société Anonyme " and the distinctive title "EPSILON SINGULARLOGIC S.A." was established, holding the 57.60% of the parent company. Subsequently, following the decision of the Extraordinary General Meeting of the shareholders of "EPSILON SINGULARLOGIC S.A." held on 18/06/2021, its share capital was increased by € 10,000,000.00, due to the parent company’s spin-off, the business accounting applications and ERP that have been 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 Entry, and its Contribution to "EPSILON SINGULARLOGIC S.A.". 10,000,000 new registered common shares were issued, all of which were taken over by the parent company. Following this increase, the parent company's participation amounted to 99.89% of "EPSILON SINGULARLOGIC S.A.’s " total share capital.

On 29/6/2021 the parent company transferred a 32.39% share of the subsidiary Epsilon SingularLogic SA to the current shareholder Space Hellas S.A.

Subsequently, following the decision of the Extraordinary General Meeting of the shareholders of "EPSILON SINGULARLOGIC S.A.", held on 18/06/2021, its share capital was increased by € 7,500,000.00 due to the Partial Absorption-Type Split of the proprietary commercial software sector for enterprises and Enterprise Resource Planning (ERP) of the company under the name "SINGULARLOGIC INFORMATION SYSTEM AND APPLICATIONS SOCIETE ANONYME" with the distinctive title "SINGULARLOGIC S.A.", with General Electronic Commercial Registry (G.E.MI.) number 008916201000 and its contribution to EPSILON SINGULARLOGIC S.A. 7,500,000 new registered common shares were issued, all of which were equivalently received by the shareholders of the Spin-off Company (pro rata). Following this increase and the decision of the Extraordinary General Meeting of Shareholders of EPSILON SINGULARLOGIC S.A., held on 27/08/2021, the participation of the parent company amounted to 60.00% of the total share capital of "EPSILON SINGULARLOGIC S.A. »

Therefore, the shareholder composition of EPSILON SILGULARLOGIC S.A. is now as follows:

Registered Name	% Of share capital
EPSILON NET S.A.	60.0014%
SPACE HELLAS S.A.	39.9733%
GLOBAL EQUITY INVESTMENTS S.A.	0.0253%

Among the elements of the sector providing proprietary accounting software for enterprises and Enterprise Resource Planning (ERP) systems, the company under the name "SingularLogic Information Systems and Applications Société Anonyme" and the distinctive title "SINGULARLOGIC S.A." which due to the spin-off was transferred / contributed to the subsidiary of EPSILON NET S.A. under the name "Epsilon SingularLogic IT Société Anonyme" and the distinctive title "Epsilon SingularLogic S.A.", was also "SINGULARLOGIC S.A "by 66% to its hitherto subsidiary, under the name" SYSTEM SOFT INFORMTION AND BUSINESS ORGANISATION SOCIETE ANONYME "and the distinctive title" SYSTEM SOFT "with VAT Registration Number 094396444 and G.E.MI. Number 001322401000. Subsequently, in accordance with the private transfer agreement as of 30/12/2021, the remaining 34% was acquired by the company under the name "Epsilon SingularLogic IT Société Anonyme" and the distinctive title "Epsilon SingularLogic S.A." which thus became the sole shareholder of "SYSTEM SOFT INFORMATION AND BUSINESS ORGANIZATION SOCIETE ANONYME" and the distinctive title "SYSTEM SOFT" holding 100% of its shares.

EPSILON SINGULARLOGIC S.A. was included for the first time in the interim financial statements on 30/06/2021 with the full consolidation method, whereas its subsidiary Systemsoft S.A. was included for the first time in the consolidated financial statements on 31/12/2021 with the full consolidation method.

In June 2021 the parent company, implementing its business plan with consistency, announces the acquisition of a 60% majority share of the company "TECHNOLIFE Ltd" with the trade name "TECHNOLife Ltd", that specializes in the provision of integrated business solutions in the business software sector.

TECHNOLIFE Ltd was included for the first time in the interim financial statements on 30/06/2021 with the full consolidation method.

In September 2021 the subsidiary of EPSILON NET S.A., under the name "Epsilon SingularLogic IT Société Anonyme" and the distinctive title "Epsilon SingularLogic S.A." acquired the 80% of the company under the name "A. Triantaphyllidis - D. Zachos GP " and the distinctive title "iQom", which at the same time was automatically transformed into a limited liability company in accordance with the regulation 1 of article 126 par. 1 sec a' of L.4601/2019, under the name "IQOM LP" and the distinctive title "iQom". Subsequently, on 09/12/2021, the above company was transformed, in accordance with the provisions of article 104 et seq. of L.4601/2019 and L.4548/2018, into a Société Anonyme, under the name "IQOM Informatics Société Anonyme " and the distinctive title: "IQOM S.A." with VAT Registration Number 998360794 and G.E.MI. number 43467506000, already held by the above-mentioned limited liability company.

In the societe anonyme "IQOM Informatics Societe Anonyme", the subsidiary of EPSILON NET A.E., "Epsilon SingularLogic SA", participates with 80%. The company was included for the first time in the consolidated financial statements of 31/12/2021.

In November 2021 the parent company acquired the 88% of the company under the name "PROFESSIONAL COMPUTER SERVICES SOCIETE ANONYME" and the distinctive title "PROFESSIONAL C.S. S.A. » with G.E.MI. number 3518601000 and VAT Registration Number 095674330, which provides specialized IT solutions to companies in the financial sector. The company was included for the first time in the consolidated financial statements of 31/12/2021.

B. Other Companies Consolidated using the Equity Method

The parent company participated with a 35.156% share in the company SUPERVISOR S.A. specializing in the trade of computers and software, pursuant to the decision dated 27/08/2014 of the extraordinary meeting of the shareholders of the latter for the increase of its Share Capital, which was entirely subscribed by EPSILON NET S.A.

Note that as of January 1, 2017, it was assessed that the financial and commercial policy of SUPERVISOR S.A. was controlled by the parent company and for this reason, for fiscal years 2017 and 2018, the consolidation was performed with the full consolidation method. The Company's management altered the

aforementioned assessment in 2019, judging that the control criteria were not met and included the company SUPERVISOR S.A. in the 2019 consolidated financial statements with the equity method.

As a result of the aforementioned assessment and the strategic orientation of the other shareholders, in February 2021 the company withdrew its participation, transferring its entire share (35.16%) to the share capital of SUPERVISOR S.A.

The completion of the transaction does not have a significant effect to the financial results of the Group, whereas the value of the transfer is not inferior to the value of the participation in the company's records. The aforementioned move was part of the implementation of the Group's investment plan, with the strategic objective of focusing on activities of high added value.

With the Private Agreement for the transfer of shares dated 20.12.2019, between the principal shareholder of the company "HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.", "HIT EXELIXIS INTEGRATED HOTEL - TOURISM APPLICATIONS AND CONTENTS ONLINE SOCIETE ANONYME" and the parent company, eighty-six thousand twenty (86,020) registered shares, of a nominal value of two euro and ninety-three cents (€2.93) each, were transferred, representing thirty-four percent (34%) of the share capital and voting rights of "HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.".

In January 2021 the parent company acquired SINGULAR LOGIC - in a spirit of creative cooperation with SPACE HELLAS S.A. - each acquiring a percentage of 49.835%. Furthermore, following the spin-off of the proprietary business accounting software sector for enterprises and Enterprise Resource Planning (ERP) systems, of the company under the name "SingularLogic Information Systems and Applications Société Anonyme" and the distinctive title "SINGULARLOGIC S.A." by contribution to the subsidiary of EPSILON NET S.A., "Epsilon SingularLogic IT Societe Anonyme" and the distinctive title "Epsilon SingularLogic S.A.", in exchange for the acquisition by the Shareholders of the Spin-off Company of corporate participation in the Beneficial Company, but also the transfer of shares of the Parent Company corresponding to 10.03% of the total share capital of SINGULARLOGIC S.A. to SPACE HELLAS S.A. in the context of the implementation of the strategic planning regarding SingularLogic S.A. which was announced on 01.03.2021, the percentage of the parent company in SINGULARLOGIC S.A., amounted to 39.934% of the total share capital.

Moreover, among the elements of the sector providing proprietary accounting software for enterprises and Enterprise Resource Planning (ERP) systems, the company under the name "SingularLogic Information Systems and Applications Société Anonyme" and the distinctive title "SINGULARLOGIC S.A.." which due to the spin-off was transferred / contributed to the subsidiary of EPSILON NET S.A. under the name "Epsilon SingularLogic IT Société Anonyme" and the distinctive title "Epsilon SingularLogic S.A.", "SINGULARLOGIC S.A." also participated with 34% in the company INFOSUPPORT S.A.

The companies consolidated with the equity method are listed below:

HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.

- Registered offices: 350 Syggrou Ave., PC 176 74, Athens, Attica

INFOSUPPORT S.A.

- Registered offices: 8 Doiranis St., PC 113 62, Kypseli, Attica
- Branch: 64 Evoias St., PC 113 62, Kypseli, Attica
- Branch: 41 Marinou Antypa St., PC 555 35, Thermi, Thessaloniki

SINGULARLOGIC S.A.

- Registered offices: Achaïas 3 & Trizinias st., 145 64, Kifissia, Attica.
- Branch: 9th km. Thermis-Thessalonikis Nat. Road, 570 01, Thermi, Thessaloniki

C. Companies of Other Participation Interest

EPSILON NET participates, since its establishment, in Technopolis Thessalonikis S.A. (ΤΕΧΝΟΠΟΛΙΣ ΘΕΣΣΑΛΟΝΙΚΗΣ Α.Ε.), creator of the first High Technology Business Park in Greece. It is estimated that this participation will create significant synergies and investment opportunities in the future, due to the concertation of noteworthy IT companies in said Park.

The Group's subsidiary EPSILON SINGULARLOGIC, through the branch it absorbed from SingularLogic S.A. during fiscal year 2021, participates in the following companies:

- ACROPOLIS S.A. - ICT Business Park and
- TECHNOPOLIS THESSALONIKIS S.A.- ICT Business Park

The participation in the aforementioned bodies has the same objectives that apply to the parent company.

5) INVESTMENTS - DEVELOPMENT

Activities of the company in the research and development area

The Company and the Group are actively involved in the Research and Development area. In fact, they have an organized department staffed by IT scientists, dedicated to the various stages of Research and Development for High Tech products.

The Company and the Group have been implementing for several years the ISO 9001 Quality Management System (QMS), having as a main objective the improvement of the overall performance of the Group's Companies and the establishment of a strong basis for sustainable development initiatives. The entire operating framework of the Group's Companies is assessed implementing ISO 9001, with the ultimate goal of providing customer service and satisfaction. Furthermore, productivity and efficiency, within the respective legal and regulatory frameworks, increase and risks and improvement opportunities are recognized. In many

cases ISO 9001 is a requirement for the participation of the Group's Companies in public tenders, the collaboration with private enterprises and the export of products and services.

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

Furthermore, since 2020 the Company applies the ISO/IEC 27001 standard to its operating activities, determining the requirements for the design, implementation, maintenance, monitoring, and continuous improvement of an Information Security Management System. Based on the specification of said system, the Company can responsibly manage and protect the valuable assets that contain operational and personal data.

6) TRANSACTIONS WITH RELATED PARTIES

The amounts of the movements of the parent company originating from transactions with related parties, pursuant to IAS 24, during the period from 01.01 to 31.12.2021, are as follows:

Accounts in €	TOTALLY CONSOLIDATED													CLEAR POSITION METHOD				OTHER RELATED COMPANIES					TOTAL AMOUNT		
	EPSILON NET S.A.	EPSILON PILON S.A.	EPSILON EXPORT P.C.	EPSILON IRE S.A.	EPSILON SUPPORT CENTER S.A.	BOYELMA INTERNATIONAL S.P. ZOOU	DATA COMMERCIAL S.P. ZOOU	EPSILON SINGULARLOGIC S.A.	TECHNOLIFE LTD	EQOM S.A.	SYSTEM SOFT S.A.	P.C.S. S.A.	NET HOSPITALITY INTEGRATED TECHNOLOGIES S.A.	SINGULARLOGIC S.A.	INFOEXPORT S.A.	OIKONOMIKES & MICHANOGRAFIKES LISIS L.P.	OIKONOMIKES RESPONSE L.P.	SCAN S.A.	SINGULARLOGIC CYPRUS LTD	SINGULARLOGIC BULGARIA C.A.EOOD.	SINGULARLOGIC ROMANIA COMP APPL SRL	TAX-RIGHT LTD			
EPSILON NET S.A.	-	291,007.50	-	118,003.75	7.00	6,902.49	12,774.30	92,043.41	16,403.95	1,001.32	24,095.46	-	-	875.00	22,471.36	68.20	190.96	24,719.40	-	-	-	-	1,377.96	551,479.25	
EPSILON PILON S.A.	2,974.00	-	-	236.22	-	-	-	195,000.00	-	-	-	-	-	-	-	-	-	0.07	-	-	-	-	-	198,780.29	
EPSILON EXPORT P.C.	8,442.90	-	-	-	-	-	-	6,886.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,442.20	
EPSILON IRE S.A.	13,705.72	496.00	-	-	-	-	2,033.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,235.32	
EPSILON SUPPORT CENTER S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
BOYELMA INTERNATIONAL S.P. ZOOU	48,984.25	11,349.40	-	-	-	-	-	5,823.47	-	-	-	-	-	-	-	-	-	-	17,141.76	-	-	-	-	8,245,127.00	
DATA COMMERCIAL S.P. ZOOU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,675.86	
EPSILON SINGULARLOGIC S.A.	-	-	-	873.37	-	-	-	19,872.86	433.12	2,161.63	200,703.00	-	-	74,934.00	1,375,327.72	7,238.96	-	-	1,334,803.56	8,790.00	331,708.03	-	-	2,465,127.00	
TECHNOLIFE LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EQOM S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SYSTEM SOFT S.A.	15,403.08	-	-	-	-	-	-	6,919.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,322.28	
P.C.S. S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
NET HOSPITALITY INTEGRATED TECHNOLOGIES S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,671.20	
SINGULARLOGIC S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,908,006.76	
INFOEXPORT S.A.	-	-	-	-	-	-	-	2,500,000.00	-	-	14,914.04	5,001.92	-	-	-	-	-	-	-	-	-	-	-	-	629.09
OIKONOMIKES & MICHANOGRAFIKES LISIS L.P.	-	-	-	-	12.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,405.00
SCAN S.A.	114,405.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,405.00
SINGULARLOGIC CYPRUS LTD	38,377.27	-	-	4,628.69	-	-	14,081.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,088.60
SINGULARLOGIC BULGARIA C.A.EOOD.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SINGULARLOGIC ROMANIA COMP APPL SRL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAX-RIGHT LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL AMOUNT	242,141.28	242,112.90	-	125,041.00	880.97	8,892.49	25,761.30	2,992,113.05	64,046.73	3,348.29	241,202.20	2,096.82	-	1,396,799.28	28,700.82	68.20	190.96	41,861.29	1,384,803.16	8,790.00	331,708.03	1,877.96	-	7,102,492.08	

Accounts in €	TOTALLY CONSOLIDATED													CLEAR POSITION METHOD				OTHER RELATED COMPANIES					TOTAL AMOUNT		
	EPSILON NET S.A.	EPSILON PILON S.A.	EPSILON EXPORT P.C.	EPSILON IRE S.A.	EPSILON SUPPORT CENTER S.A.	BOYELMA INTERNATIONAL S.P. ZOOU	DATA COMMERCIAL S.P. ZOOU	EPSILON SINGULARLOGIC S.A.	TECHNOLIFE LTD	EQOM S.A.	SYSTEM SOFT S.A.	P.C.S. S.A.	NET HOSPITALITY INTEGRATED TECHNOLOGIES S.A.	SINGULARLOGIC S.A.	INFOEXPORT S.A.	OIKONOMIKES & MICHANOGRAFIKES LISIS L.P.	OIKONOMIKES RESPONSE L.P.	SCAN S.A.	SINGULARLOGIC CYPRUS LTD	SINGULARLOGIC BULGARIA C.A.EOOD.	SINGULARLOGIC ROMANIA COMP APPL SRL	TAX-RIGHT LTD			
EPSILON NET S.A.	-	1,205,041.33	-	1,895,681.22	6,980.86	7,801.68	16,717.92	47,500.00	32,117.87	825.00	83,265.60	-	-	736.94	875.00	30,783.53	53.30	334.00	-	-	-	-	-	-	8,486,094.38
EPSILON PILON S.A.	2,974.00	-	-	-	-	-	-	176,000.00	362.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	166,612.44
EPSILON EXPORT P.C.	11,971.85	18,200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,171.85
EPSILON IRE S.A.	164,818.78	1,214.40	-	-	-	-	1,640.00	128,008.56	9,734.40	-	3,050.00	-	-	-	-	-	-	-	700.04	-	-	-	-	-	167,033.18
EPSILON SUPPORT CENTER S.A.	4,881.88	29,613.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,494.88
BOYELMA INTERNATIONAL S.P. ZOOU	77,987.43	-	-	95,624.87	-	-	-	42,000.00	-	1,743.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	117,355.55
DATA COMMERCIAL S.P. ZOOU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EPSILON SINGULARLOGIC S.A.	577.20	-	-	349.00	-	-	-	16,000.00	70,000.00	394,941.21	-	-	-	60,124.90	1,682,104.98	263,517.87	-	-	13,624.00	4,947.25	13,790.00	1,200.00	-	-	2,465,127.00
TECHNOLIFE LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,000.00
EQOM S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SYSTEM SOFT S.A.	12,182.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,182.00
P.C.S. S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET HOSPITALITY INTEGRATED TECHNOLOGIES S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,671.20
SINGULARLOGIC S.A.	-	-	-	-	-	-	-	3,124,213.74	-	-	17,214.68	2,723.00	-	-	-	-	-	-	-	-	-	-	-	-	3,144,151.42
INFOEXPORT S.A.	-	-	-	-	-	-	-	4,288.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,288.77
OIKONOMIKES & MICHANOGRAFIKES LISIS L.P.	-	-	-	110.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110.45
SCAN S.A.	36,800.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,800.00
OIKONOMIKES & MICHANOGRAFIKES LISIS L.P.	164,193.96	-	-	91,619.55	-	-	-	11,361.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	267,174.51
SINGULARLOGIC CYPRUS LTD	20,715.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,715.10
SINGULARLOGIC BULGARIA C.A.EOOD.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SINGULARLOGIC ROMANIA COMP APPL SRL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAX-RIGHT LTD	5,580.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,580.33
TOTAL AMOUNT	216,211.38	1,264,079.71	-	2,084,630.69	7,899.24	7,899.49	26,718.22	8,274,146.07	118,140.46	2,448.29	694,071.23	2,729.00	-	8,812.34	1,723,461.29	297,919.21	68.20	314.00	14,224.04	6,947.25	13,790.00	1,200.00	-	12,026,897.78	

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

SINGULARLOGIC CYPRUS LTD

SINGULARLOGIC BULGARIA C.A.EOOD.

SINGULARLOGIC ROMANIA COMP APPL SRL

OIKONOMIKES AND MICHANOGRAFIKES LISIS EE

OIKONOMIKES EKDOSEIS E.E.

SCAN A.B.E.E.

TAX-RIGHT LTD

The amounts of the Group's and the Company's movements related to transactions with executive & management personnel, pursuant to IAS 24, at the end of the current period, are as follows:

	GROUP		COMPANY	
Amounts in €	2021	2020	2021	2020
Transactions and Remuneration of Executive & Management Personnel	1,689,182.93	730,798.69	563,863.14	501,001.65
Receivables from Executive & Management Personnel	42,227.17	9,690.06	4,273.01	1,461.82
Payables to Executive & Management Personnel	14,860.32	21,550.81	14,860.32	21,550.81

7) SHAREHOLDERS – SHARE CAPITAL – RESPONSIBILITIES OF THE BOARD OF DIRECTORS – ARTICLES OF ASSOCIATION

Significant direct or indirect participations pursuant to Law 3556/2007

The shareholders, natural persons, or legal entities, that directly or indirectly hold a share of the share capital exceeding 5%, are the following:

Shareholder	Number of Shares	% of the Share
		Capital
Ioannis Michos	34,100,000	63.62%
BARCA GLOBAL MASTER FUND, L.P.	4,432,116	8.27%
Shareholders with % < 5%	15,067,884	28.11%
Total	53,600,000	100.00%

Restrictions on the transfer of the Company's shares

The transfer of the Company's shares is affected as specified by the Law and the Articles of Association do not contain any restrictions to their transfer, since they are dematerialized registered shares listed in a Stock market.

Structure of the Company's Share Capital

The Public Offer and the disposal of 2,224,560 new common registered shares of the Company were completed on July 10, 2020, and the total number of shares of the Company amounted to 13,400,000.

The reduction of the nominal value of the Company's share to €0.075 from €0.30 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 one (1) old common registered share with four (4) new common registered shares were approved on November 3, 2021. The Company's share capital remained unaltered after the reduction of the

nominal value of the Company and amounts to €4,020,000, however it is now divided in 53,600,000 common registered shares of a nominal value of €0.075 each.

Therefore, the paid-up share Capital of the Company, after the decision of the Extraordinary General Meeting dated 03.11.2021, as of December 31, 2021, amounts to four million twenty thousand Euro (€4,020.000), divided in fifty-three million six hundred thousand (53,600,000) common registered shares of a nominal value of seven and a half Euro cents (€0.075) each.

Shares providing special control rights

They do not exist.

Restrictions on voting rights

They do not exist.

Agreements between shareholders of the Company

The Company is not aware of the existence of any agreements between its shareholders that would entail restrictions to the transfer of its shares or to the voting rights arising from its shares.

Rules for the appointment and replacement of Directors and the amendment of the Articles of Association

The rules stipulated in the Company's articles of association for the appointment and replacement of Directors do not differ from the provisions of Law 4548/2018.

Responsibility of the Board of Directors or certain Members of the Board of Directors for the issuance of new Shares or the purchase of own Shares in accordance with article 49 of Law 4548/2018

During the September 2, 2020 Ordinary General Meeting of the Shareholders the Company decided to purchase own shares up to 5% of its paid-up share capital, pursuant to article 49 of Law 4548/2018, within 24 months from the approval, i.e. no later than 02/09/2022, with minimum purchase price 1.00 (0.25) euro per share and maximum purchase price 5.00 (1.25) euro per share, and the Board of Directors of the Company was authorized to determine, within the aforementioned limits, the exact time, number and price of the shares to be purchased.

As of December 31, 2021, date of preparation of the Annual Financial Statements, no company of the Group holds Own Shares.

Significant agreements that enter into force, are amended, or are terminated in the event of change of control following public offer

There are no significant agreements that enter into force, are amended, or are terminated in the event of change of control of the Company following public offer.

Agreement that the Company has entered with members of its board of directors or personnel which provides for indemnification in the event of resignation or termination without cause or expiration of term or office or termination of employment due to public offer.

Does not exist.

8) SIGNIFICANT EVENTS OCCURRED TO DATE

Significant events regarding fiscal year 2021

- 11-1-2021: "EPSILON NET" announces, following the Announcements of 21/10/2020, 30/11/2020 and 30/12/2020, the successful completion of the purchase process of the shareholding of "MARFIN INVESTMENT GROUP HOLDINGS SA" ("the MIG ") to "SINGULARLOGIC SA INFORMATION SYSTEMS AND INFORMATION APPLICATIONS") ("SINGULARLOGIC") from the investment scheme "EPSILON NET" and "SPACE HELLAS", with the signing today of the deed of transfer of the entire participation of "MIG" that it has directly and indirectly (through the 100% subsidiary of "TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LIMITED") to SINGULARLOGIC.
- 20-1-2021: A new company is established, with the name "Epsilon SingularLogic Informatics Societe Anonyme" and with the distinctive title: "Epsilon SingularLogic SA". Epsilon SingularLogic SA, was created to be the commercial arm of the new business group SINGULARLOGIC, EPSILON NET and SPACE HELLAS in the field of self-produced commercial accounting software for businesses and ERP systems. The main goal is to ensure the unified communication and management strategy of the partner network but also the most efficient end-customer service.
- 26-04-2021: The parent company was listed, for the 7th consecutive year, among the companies with the best work environment in Greece by the recognized organization Great Place to Work, winning the 4th place. It is EPSILON NET's 8th award in the Best Workplaces, since the company has 7 national and 1 international awards in its participation in the survey since 2015, demonstrating over time its anthropocentric character that is based on the trust between employers and employees.
- 20-05-2021: The parent company announced its partnership with Eurobank for the digital transformation of Mass Media and the interconnection of enterprises with the myData System of the Independent Authority for Public Revenue, through the Epsilon Smart series e-invoicing products, which the enterprises – Eurobank customers will be able to purchase with preferential grant terms provided by the Bank, through its subsidiary Business Exchanges.

- 24-05-2021: The Board of Directors of the parent company announced to the investing public the acquisition of the minority shares of the subsidiary company DATA COMMUNICATION S.A. (DATA COMMUNICATION ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ ΜΗΧΑΝΟΓΡΑΦΩΣΗ ΕΠΙΧΕΙΡΗΣΕΩΝ). Following said acquisition EPSILON NET S.A. is the only shareholder of DATA COMMUNICATION S.A.
- 25-05-2021: The Epsilon Net Group, implementing with absolute success its business plan, announced to the investing public that it registered a 110.6% increase in Turnover and 464% increases in the Earnings Before Tax during the 1st Quarter of 2021, taking advantage of its leading position in the business software sector.
- 02-06-2021: The parent company announced its Gold award in the Education Leaders Awards 2021 and specifically in the category Human Resources, with a nomination titled “Best Work Environment”.
- 07-06-2021: The Epsilon Net Group, implementing with consistency its business plan, announced the acquisition of a 60% majority share of the company “TECHNOLIFE LTD” with the trade name “TECHNOLife Ltd”, that specializes in the provision of integrated business solutions in the business software sector.
- 14-09-2021: The Epsilon Net Group announced that its subsidiary Epsilon SingularLogic S.A. completed the acquisition of an 80% majority share of the company “A.Triantafillidis – Δ.Zachos O.E” with the trade name iQom, that specializes in the provision of specialized IT solutions for private sector enterprises.
- 16-09-2021: The Epsilon Net Group was awarded a silver award in the Supermarket Awards 2021, for the implementation of the solution myDATA Hub in METRO S.A., one of the largest retail companies in the Greek market, in the category Digital Technologies and Systems, confirming once again the high level of quality and innovation of the products and services offered by the Epsilon Net Group to more than 70,000 enterprises.
- 21-09-2021: The Epsilon Net Group continuing its strong growth trend, announced that in the 1st Quarter of 2021 registered an 111% increase in Turnover and a 406% increase in Earnings before Tax, confirming the initial estimates of the Management for a milestone year for the Group’s performance.

- 22-09-2021: The parent company announced that it was listed by the international organization Great Place to Work, for the second time in its history, among the top companies with the best working environment in Europe, winning the 31st position in the medium-sized enterprise category.
- 23-09-2021: The Epsilon Net Group was awarded a silver medal in the Healthcare Business Awards 2021 for its SaaS solution, Epsilon Smart Hygeia, in the category “Digital Applications supporting the Health Professional”.
- 30-09-2021: The Epsilon Net Group won 10 awards in the BITE Awards 2021, including the top award SOFTWARE HOUSE OF THE YEAR, confirming for the 10th consecutive year its successful course in the most important technological innovation awards in our country, winning 2 GOLD, 5 SILVER and 2 BRONZE awards for the innovative services and IT systems it offers, as well as for the innovative enterprise projects it has implemented.
- 04-10-2021: The parent company announced that Epsilon Net’s General Manager and Deputy Managing Director, Mrs. Vasiliki Anagnostou, received an international award as “World Woman Leader of Information Technology” from the Vice Minister of Tourism, Sofia Zacharaki, in the Who is Who International Awards.
- 11-11-2021: The parent company announced an agreement for the acquisition of a (majority) 88% share in the company with the registered name “PROFESSIONAL COMPUTER SERVICES ANΩNYMH ETAIPEIA” and the trade name “PROFESSIONAL C.S. S.A.”, that specializes in the provision of specialized IT solutions to enterprises of the financial sector.
- 23-11-2021: The Epsilon Net Group announced that in the 3rd Quarter of 2021 it registered a 148% increase in Turnover and a 354% increase in Earnings Before Tax, confirming the initial estimates of the Management for a milestone year for the Group’s performance.
- 15-12-2021: The Epsilon Net Group and its subsidiaries Epsilon SingularLogic and Data Communication received 5 awards in the Mobile Excellence Awards 2022, confirming once again the continuous innovation and high quality of their solutions.
- 23-12-2021: The parent company announced that it was distinguished once again in the ICAP “True Leader” awards for its course and performance, among the 30,000 companies that were assessed.

Significant events after the end of fiscal year 2021 and until the publication date of the Annual Financial Report

- 11-01-2022: The parent company announced an agreement for the acquisition of 100% of the company with the registered name “SOTIRIS MATSOUKAS SA PLIROFORIKIS” and the trade name “CSA”, which specializes in the development of specialized IT and automation systems solutions for pharmacies and enterprises operation in the pharmaceutical products trade and distribution sector in Greece.
- 01-02-2022: Epsilon Net announced the appointment of Mrs. Anastasia Karampournioti as Chief Marketing Officer of the Epsilon Net Group, highlighting the key role of human resources as the driving force of its continuous growth. The Group’s management estimates that Mrs. Karampournioti, using her long experience, will contribute to a substantial enhancement of the corporate image of the Group and its subsidiaries and to the promotion of the Group’s strategy to act as a Digital Transformation and growth catalyst for Greek enterprises.
- 07-02-2022: The Epsilon Net Group announced that Epsilon Training (the Group’s business unit for the provision of training services to professionals and business executives) was certified by Microsoft as official Technical Training body “Microsoft Certified Technical Learning Partner”. This significant recognition regards the provision of Certified technical training courses for all Microsoft products and technologies, e.g.: Azure, SQL Server, SharePoint Server, Windows Server, Exchange Server, Microsoft Security, Visual Studio, Office 365.
- 14-02-2022: Another important award received by the Epsilon Net Group for its successful course in 2021. After a vote conducted with the participation of HRIMA magazine readers and the visitors of the financial-business portal www.banks.com.gr, the Group came first in preferences and won 1st place in the category "Business Innovation" of the "HRIMA Business Awards 2021", which aim to highlight companies that support the Greek economy and actively contribute to the development of the stock market institution in Greece.

Impact of the COVID-10 Pandemic

On March 11, 2020, the World Health Organization declared the SARS-CoV-2 a pandemic. The Greek Government immediately put all healthcare personnel on alert and took a series of decisions aiming mostly to prevent the spread of the virus, while simultaneously announcing a series of measures for the mitigation of the impact to society and the economy.

The appearance and development of the COVID-19 pandemic, combined with the measures restricting activities taken to address it, had a negative effect on financial activity, at the international, national and local level.

In this context, the Epsilon Net Group, acting responsibly, with decisiveness and commitment to its corporate principles during this difficult circumstance, actively participated in the effort of the Greek state to limit the spread of the coronavirus (COVID-19) and protect public and private health, by successfully applying a series of special measures in order to limit dispersion, pursuant to the decisions and instructions of the Ministry of Health, the Hellenic National Public Health Organization, the Board of Infectious Diseases, which, in full compliance with the decisions of the ECDC and the suggestions of the World Health Organization, aimed to ensure the health and safety of the Group's employees, customers and partners and their families.

The Group's management acted promptly and responsibly to ensure:

- a) The health and safety of employees, customers, and partners.
- b) The business continuity of the Group's operations utilizing the Group's technological infrastructure.
- c) The minimization of the business and financial impact of the COVID-19 spread prevention measures.

The Epsilon Net Group, to protect the health, safety and wellness of its employees, ensured the strict application of the legislation in every labor issue. It also provided regular briefing to its employees regarding COVID-19 pandemic issues. The briefing included, inter alia, general information and instructions about the virus, e.g.:

- correct implementation of personal and public hygiene rules.
- procedure in the event of symptoms or contact with a COVID-19 case.
- use of common spaces and mass transport.
- use and disposal of masks, gloves, and use of antiseptics.
- distancing and
- distribution of free masks to all employees.

Furthermore, there was continuous communication of the employees with the occupational physicians, whereas business trips were limited to the essential.

The Epsilon Net Group, having invested steadily in technologies and equipment that support remote work and guarantee maximum security for the processing of data and providing appropriate training to all its personnel, designed, and implemented procedures and policies for fully remote work, without affecting the high level of communication/support to all its customers and external partners. Fully aware of their responsibility for the health and safety of the Group's employees and their families, almost all members of the personnel work from home, diligently and successfully, and the operation of all the Group's companies continues efficiently and without interruption.

The Epsilon Net Group also took protection measures for its partners and vendors. In this context and in compliance with the law, suspended all in person meetings in its workplaces, implementing on-line meetings using digital means (Microsoft Teams). Partners that worked in the Group's companies' workplaces followed the policies and practices applicable to Group employees.

Currently, the impact of the COVID-19 pandemic to the Group's financial results is not significant. On the contrary, 2021 was another year of very positive performance for all financial figures, despite the special circumstances. The COVID-19 pandemic may have limited negative effects to the world economy in 2022, and in the future, it may negatively affect the Group's activities or reduce demand for its products and services. Each of these developments may impact the Group's financial results in 2022, however the experience of the previous months makes the management more optimistic about the achievements of the targets set for 2022. In fact, the initiatives taken by the Greek Government and European institutions are conducive to a positive scenario.

No termination of contracts with current customers, due to the effects of the COVID-19 pandemic, was documented at the date of preparation of the Financial Statements, therefore the part of the sales originating from existing customers was not affected.

According to the IAS 10 requirements, the impact of the financial effects of the COVID-19 pandemic constitutes a non-adjusting event for the financial statements of the fiscal year that ended on December 31, 2021. Depending on the development of the aforementioned parameters, the Management has prepared comprehensive operational and financial action scenarios in order to continue full and efficient operation without interruption. Moreover, the Group strengthened its infrastructure with regard to the IT systems, in order to ensure the uninterrupted continuation of its business operations, meeting the needs of its customers.

Energy crisis

In the last months of 2021, the effects of the Global Energy Crisis began to appear, triggering successive price increases in all forms of energy and consequently rising the prices of all raw materials, affecting mainly the countries of the European Union, including Greece.

Furthermore, as of February 24, 2022, the hostilities between Russia and Ukraine, have further aggravated the rise in energy prices and raw material costs that had began in early 2022, creating strong inflationary pressures and great uncertainty globally.

In any case, the Management of the Group constantly and uninterruptedly monitors the conditions created in the Greek economy affecting the IT market, adapts its strategy and moves based on the long-term interest of the stakeholders of the company. Nevertheless, not all the companies in the group are affected by the hostilities between Russia and Ukraine as they are not active in these two countries.

Other than the events described above, there are no further events that occurred after the preparation of the Financial Statements of December 31, 2021, and require reporting according to the International Financial Reporting Standards (IFRS).

9) FINANCIAL RISKS MANAGEMENT

a) Significant crises, estimates and assumptions

The preparation of the Financial Statements requires the interpretation of estimates and assumptions that may affect the accounting balances of the assets and liabilities and the required disclosures for potential receivables and liabilities, as well as the amount of the recognized revenue and expenses. The Group's and the Company's activities create 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 negative effects that could potentially arise from the aforementioned risks.

The main financial products used by the Group and the Company include trade receivables accounts, bank deposits, accounts receivable discounting, investments in securities and accounts payable. The financial management, in collaboration with the other departments that manage said risks, is responsible for their identification, assessment and hedging, as appropriate.

The use of sufficient information and the application of a subjective judgement constitute integral elements for the creation of estimates on evaluation of assets, obligations from benefits to employees, impairment of receivables, open tax liabilities and pending court cases. Estimates are considered important but not binding. The actual future results may differ from the aforementioned estimates. The most significant sources of uncertainty in the accounting estimates of the Management are disputed cases and unaudited fiscal years. Other sources of uncertainty are related to the Management's assumptions regarding the employee retirement benefit schemes, e.g., salary increases, remaining years of retirement, inflation, etc. Furthermore, the estimate of the useful life of fixed assets constitutes another source of uncertainty. The aforementioned estimates and assumptions are based on the prior experience of the Management and are reassessed in order to be updated with the current market conditions.

(b) Significant contingencies and risks

Current financial developments in Greece

The digital transformation taking place today, both in the private and in the wider public sector, constitutes the most significant growth factor of the software and IT services market. The new international trends that dictate that companies shift to Cloud Computing (that constitutes a more flexible way of software distribution compared to on-premises software) and take advantage of their data (ICAP sector study – March 2020) also affect the domestic market. Furthermore, the intention of the Independent Authority for Public Revenue to implement e-invoicing on a voluntary basis and the mandatory transmission of earnings, purchases, and expenses to the IAPR myDATA platform for all enterprises, applying in practice the on-line accounting

records, leads the digital transformation of businesses at a faster pace. The capability of using software applications on mobile devices (Mobile Software) and the enterprises' need to operate remotely, especially during this period due to the COVID-19 pandemic, create new conditions in the business software market. At the same time, it is worth noting that the already taken decision to provide aid to the Greek Market and businesses through the recovery fund is expected to significantly enhance the digital transformation of businesses and their transition to modern software applications using cutting-edge technologies.

Risks associated with the macroeconomic environment

On March 11, 2020, the World Health Organization (WHO) officially classified COVID-19, the disease caused by the coronavirus/ COVID 19 strain, as a pandemic. The determination of the duration and extent of the financial impact of the pandemic on Greek businesses entails significant uncertainty and currently it cannot be estimated accurately, since it depends on a series of factors, such as the accurate determination of the framework for the return to normalcy, any new mutations of the virus, the completion of the procedure of lifting pandemic control measures and of course the aid measures of the State for the affected businesses. The Group's Management has ensured appropriate planning to address this situation, monitoring and assessing current developments in order to be able to respond immediately. In this context, the Group's Management has reached the conclusion that the pandemic's impact on sales and the Group's operations in general is manageable, to the extent that it does not create doubts about its ability to continue its operations satisfactorily.

Furthermore, on February 24, 2022, hostilities started between Russia and Ukraine, a situation that is ongoing and has worsened further the increase of energy prices and the cost of raw materials that started in early 2022, creating strong inflationary pressures and a great uncertainty at the international level.

In any event, the Group's Management examines, continuously and incessantly, the new conditions created in the Greek economy affecting the IT market, adapts its strategy and acts concentrating on the long-term interests of the enterprise's stakeholders.

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

- **Market Risk**

Market risk includes the foreign exchange 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 the price risk, i.e., the risk of fluctuations in the value of a financial instrument due to changes in market prices, caused either by factors related to that specific instrument or to the issuer thereof, or by factors that affect the market's negotiable instruments in general.

Even though there is a risk for the Company, arising mainly from commercial transactions in foreign currency, the Management does not use financial tools to mitigate said risk, because it does not consider said

transactions significant, due to their value and frequency. However, the position of the Company regarding said risk is reassessed annually and the use of specific financial tools for its mitigation is evaluated.

i. Foreign exchange Risk

Almost all the transactions of the Group and the Company are in euro, therefore there is no exposure to foreign exchange risk.

ii. Interest Rate Risk and Price Risk

The Group and the Company have among their assets interest bearing financial assets, such as demand and term deposits and equity securities. Moreover, the Management's policy is that the Group's and the Company's lending products have a floating interest rate. Even though there is a risk for the Group and the Company, the Management does not use financial tools for the mitigations of said risk, because it does not consider said transactions significant, due to their value and frequency. However, the position of the Company regarding said risk is reassessed annually and the use of specific financial tools for its mitigation is evaluated.

iii. Cash flow interest rate risk (Option Risk)

The cash flow interest rate risk is the risk of fluctuation of the future cash flow of a financial instrument due to the fluctuation of the market's interest rates.

For the Group and the Company this risk arises mainly from long term loans, of which those that have floating interest rate expose them to a cash flow risk whereas those that have a fixed interest rate expose them to a risk of fluctuation of the fair value of said loans. The Group's and the Company's policy is to enter loans with floating interest rate, hedging a future cash flow risk with variations in the prices of the products sold, when expecting significant changes in the loan interest payments.

• **Credit Risk**

Credit risk is the possibility that one of the contracting parties of a financial instrument breaches their obligation causing financial damage to the counterparty. 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 positively assessed credit history and on the other hand the payment method of retail sales is mostly cash.

The Group's and the Company's transactions with the customers are developed following assessment of their solvency and reliability, to prevent delayed payment and bad debt issues. The customers' credit limits are monitored regularly and adjusted when necessary. Customer receivables are widely dispersed and therefore credit risk is reduced to a minimum. The fair value of the financial assets as of the closing date of the balance sheet of 31/12/2021 is as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Customers and other trade receivables	25,759,722.32	11,488,567.46	8,033,171.60	7,235,655.68
Provisions	-6,815,105.39	(1,339,929.42)	(1,264,964.68)	(1,101,651.12)
	18,944,616.93	10,148,638.04	6,768,206.92	6,134,004.56

It is pointed out that the increase in receivables of 31/12/2021 in the Group is due to the integration of receivables of new subsidiaries that are consolidated for the first time by the method of total consolidation in the current financial statements.

At the closing date of the balance sheet of 31/12/2021, the Management finds that there is no credit risk that is not covered by a provision for doubtful debts.

- **Liquidity risk**

The liquidity risk is due to potential difficulties to find funds to cover obligations related to financial instruments.

The Group and the Company have a low exposure to liquidity risk since they hold sufficient cash and cash equivalents to cover short term obligations, whereas they also have a positive net cash fund amounting to €5.48 million. The ratio of current assets to short term obligations for the Group on 31/12/2021 was 164.30% compared to 263.03% on 31/12/2020 and for the Company on 31/12/2021 was 163.78 compared to 261.37% on 31/12/2020.

The table below presents the maturity analysis of the financial liabilities of the Group and the Company:

	GROUP			
	31.12.2021			
	Up to 1 year	From 2 to 5 years	More than 5 years	Total
Loans	6,797,811.77	8,910,038.66	-	15,707,850.43
Lease liabilities	607,241.10	1,439,135.83	124,357.75	2,170,734.68
Vendors and Other Trade Payables	20,093,280.70	141,675.62	-	20,234,956.32
	27,498,333.57	10,490,850.11	124,357.75	38,113,541.43
	31.12.2020			
	Up to 1 year	From 2 to 5 years	More than 5 years	Total
	Loans	4,185,465.68	10,865,126.36	-
Lease liabilities	584,347.88	1,692,084.50	281,159.84	2,557,592.22
Vendors and Other Trade Payables	7,849,924.05	138,598.06	-	7,988,522.11
	12,619,737.61	12,695,808.92	281,159.84	25,596,706.37

COMPANY

(amounts in 000 €)

31.12.2021

	Up to 1 year	From 2 to 5 years	More than 5 years	Total
Loans	3,029,302.72	4,358,329.78	-	7,387,632.50
Lease liabilities	316,732.77	595,644.10	133,131.16	1,045,508.03
Vendors and Other Trade Payables	9,419,065.69	132,897.30	-	9,551,962.99
	12,765,101.18	5,086,871.18	133,131.16	17,985,103.52

31.12.2020

	Up to 1 year	From 2 to 5 years	More than 5 years	Total
Loans	2,941,021.22	9,068,278.40	-	12,009,299.62
Lease liabilities	313,012.06	747,980.43	217,880.87	1,278,873.36
Vendors and Other Trade Payables	4,977,172.41	132,897.30	-	5,110,069.71
	8,231,205.69	9,949,156.13	217,880.87	18,398,242.69

- **Other operational risks**

The insurance coverage for property and other risks is considered sufficient as of 31/12/2021, both for the Group and the Company. Furthermore, the Management of the Group and the Company has established a capable and reliable internal control system to prevent risks in the context of their commercial operations.

- **Capital Management**

The Company's objectives in relation to capital management is to ensure the Company's ability for uninterrupted operation in the future to provide satisfactory performance for shareholders and other stakeholders and to maintain an optimal capital structure in order to minimize the cost of capital.

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

According to similar practices in the industry, the Company monitors its capital based on the leverage ratio. Said ratio is calculated by dividing net borrowing by total capital employed. The net borrowing is calculated as "Total loans" (including "short term and long-term loans" and the balance of lease liabilities as appearing in the balance sheet) minus "Cash and cash equivalents". The total capital employed are calculated as "Equity" as appearing in the balance sheet plus the net borrowing.

The leverage ratio on December 31, 2021, and 2020 was as follows, respectively:

(amounts in 000 €)

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Total loan obligations (Note 26)	15,707,850.43	15,050,592.04	7,387,632.50	12,009,299.62
Lease liabilities (Note 27)	2,170,734.68	2,557,592.22	1,045,508.03	1,278,873.36
Minus :				
Cash and cash equivalents (Note 19)	23,354,155.02	20,788,875.39	12,367,725.81	13,844,031.22
Net borrowing	(5,475,569.91)	(3,180,691.13)	(3,934,585.28)	(555,858.24)
Total equity	41,454,664.98	23,577,053.24	37,336,092.75	19,959,110.21
Total capital employed	35,979,095.07	20,396,362.11	33,401,507.47	19,403,251.97
Leverage ratio	(15.22%)	(15.59%)	(11.78%)	(2.86%)

10) NON-FINANCIAL INFORMATION L. 4548 / 2018

i. Brief description of business model

Epsilon Net S.A. is a rapidly growing group of companies, which operates since 1999 in the IT sector, developing software, installing, and configuring complex IT projects in the private sector (integration), creating digital content on the internet and providing comprehensive scientific information, education and training related to tax and labor law and legislation, and employs more than 900 employees.

The Company is listed in the Alternative Market of the Athens Stock Exchange since 2008 and as of 2020 in the Main Market of the Athens Stock Exchange, following relisting. The products of the Epsilon Net Group of companies, following the acquisition of the companies Data Communication S.A. and SingularLogic S.A., are used by more than 100,000 customers (accounting firms and businesses), whereas it has a continuously growing network of more than 500 partners in Greece.

The business model adopted by EPSILON NET S.A. aims to achieve maximum performance through the collaboration between its business units and subsidiary companies, maintaining the flexibility, competitiveness and strategic moves that ensure a dynamic handling of the challenges of a continuously developing market, especially in the IT and high-tech product sector.

ii. Vision, Goals, key values, and strategy

Vision:

“To establish the Group as a point of reference in the IT industry – at the national and international level – providing to every business unit modern software application that will support their digital transformation and the optimal use of information to enable maximum growth, as well as unlimited access to scientific information and knowledge, by fully utilizing the capabilities of state-of-the-art technology”.

Mission:

“To monitor the developments in technology and information society, developing specialized and reliable products and high quality services, in order to fully satisfy the needs of all business units”.

Corporate values:

- **Product Reliability and High Quality:** In a business environment that is rapidly evolving, companies need technologically advanced and reliable software systems that provide innovative solutions and security.
- **Commitment to the Customer:** We do not develop simple formal professional transactions, but we build strong collaboration and trust relationships with our customers.
- **Respect, Meritocracy & Equality:** We respect all employees, and our primary concern is to ensure meritocracy with an emphasis in teamwork and cooperation, offering a pleasant work environment.
- **Continuous Education and scientific documentation:** We encourage a continuous self-learning culture, and we urge all employees to participate in any activity that develops their skills and knowledge. We insist on our commitment for scientific documentation that applies to all the activities and operations of the organization.
- **Smiles and “passion”:** They are a source of inspiration and creativity for the duration of the company and the Group.
- **Optimism:** We treat every crisis as an opportunity and a new challenge, we find solutions with optimism, and we become better.
- **Creativity:** With positive energy, inventiveness, passion for technology we design and develop products and solutions for all businesses, regardless of size.
- **Creating value:** We create value for all the stakeholders and shareholders of the Company.

Competitive advantages:

- We provide integrated solutions that cover all the needs of the business, regardless of size and object.
- Significant investment in new technology (Hybrid Technology) during the previous 6 years, that led to the creation of the Pylon platform and the software applications that were developed based on said platform.
- Products that cover all businesses, regardless of size and industry.
- Modern information and knowledge products and services that are efficiently combined with the software products.
- Provision of specialized training services to business executives that enable the participants to efficiently gain deep knowledge of the changes at the tax and labor level and to assimilate said knowledge.
- A high-level Management team.
- Management with vision and strategy.
- Commitment to the principles of corporate governance.

Strategy:

The strategy of the Epsilon Net Group regards both the degree of business growth and expansion and the development-provision of integrated IT solutions and services. Specifically, the areas where it is focusing with targeted actions are the following:

- Enhancement of the anthropocentric model of management and further utilization of the Company's and the Group's human resources, aiming to an organic development and the ability to meet the demands of the Group's expanding clientele.
- Expansion in Greece and abroad, through technology partnerships for the utilization of the PYLON platform (ISV partnership agreement).
- Increase of the market share in the category of accounting firms and tax consultants, through the continuous provision of support and information services and innovative solutions.
- Development of sales in the Human Resources (HR) and payroll systems sector, by expanding the monitoring, training, and personnel evaluation solutions to specialized categories of businesses and subjects.
- Development of sales to businesses requiring new software systems, including:
 - a) Enterprise resource planning (ERP) systems
 - b) Customer Relationship Management (CRM) systems
 - c) Commercial Accounting Applications
- Comprehensive approach and fulfillment of the needs of "very small", "small" and "personal" enterprises and professionals in the Greek market, which, due to the new "Digital Transformation" framework applied by the IAPR to electronic records (myDATA) and e-invoicing, will adopt digitalization and monitoring of their financial activities.
- Expansion of the clientele covering specialized needs for software applications in vertical markets, aiming to the modernization and digital transformation of said companies.
- Enhancement of the collaboration with alternative distribution channels in the Greek market.
- Utilization of the hybrid technology of the PYLON platform and expansion to modern technologies and applications in the Financial Technology (FinTech) sector.
- Preservation of sufficient liquidity by expanding commercial partnerships and leveraging the comparative advantages of the Group in the industry.
- Continuous improvement of the operational efficiency of the Group's business activities combined with the cost advantages arising from the optimization of the synergies within the Group.

The three (3) business units of Epsilon Net operating in the direction of this strategy:

- Epsilon Net Software in the business software development sector.
- Epsilon Net Network with modern online information Products & Services.

- Epsilon Net Training in the education sector, with the operation of the Epsilon Net College, recognized by the Ministry of Education, and the training sector with the operation of the Level 2 Lifelong Learning Center.

Management for Sustainable Development Issues

In our business activities we incorporate the principles of sustainable development, recognizing that they are the basis for the long-term development and evolution of the Group, as well as for the parallel prosperity of society. In this context, we implement a Sustainable Development Policy, through which the Management of the Group takes care and is committed to the positive impact of the operation of the Group companies in the social, human, labor and environmental field. The fundamental commitments of corporate responsibility and sustainable development are:

- In terms of the environment, the pursuit of optimal services based on its protection.
- In terms of the human resources, confidence in the skills of staff and the development of their skills, creating equal opportunities with respect for diversity.
- In terms of the society, supporting local communities with actions that respond to local issues, concerns and expectations.
- In terms of the market, the commitment to the continuous improvement of the products and services provided.

- Policies and Systems

The Group, with a view to Sustainable Development, has established and implements specific policies, procedures and codes that frame its responsible operation. Specifically, the following apply:

- Sustainable Development Policy
- Internal Operating Regulations
- Code of Ethics and Business Ethics
- Health and Safety Policy
- Anti-Bribery and Corruption Policy
- Policy to Combat Money Laundering
- Procedure for Recruitment of Executives & Evaluation of their Performance
- Training policy for the members of the Board of Directors, the executives, as well as the other executives of the Company
- Procedure for disclosing dependency relations of the independent non-executive members of the Board of Directors and the persons who have close ties with them
- Conflict prevention policies and procedures
- Policy - Procedure for Related Party Transactions
- Legislative and regulatory compliance framework

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- Procedures related to the implementation of Regulation (EU) 596/2014 on market abuse and L. 3556/2007 on transactions notification
 - Corporate governance system evaluation process
 - Evaluation policy of the internal control system
 - Policy - Risk Management process

Corporate Responsibility in the Epsilon Net Group,

The Epsilon Net Group, through the Values it stands for, grows, and creates value, in harmony with initiatives for society, the employees and the environment, with responsibility and compassion for people.

Corporate governance, transparency, and anti-corruption

The Group believes that the correct implementation of the Corporate Governance Principles is the key not only to the sustainable development of its Companies but also to the satisfaction and the protection of the legitimate interests of all parties involved with the Group's Companies. In this context, it operates with integrity in all its activities, adopting ethical business practices and conducting its activities with transparency and reliability, consistently following the guidelines and instructions of the internal control department, for all the companies of the Group. Bribery or any other corruption practice are strictly forbidden in our companies. In any event, the Company's Management is categorically opposed to corruption, money laundering, bribery and any other unethical or illegal conduct.

Personal data protection

EPSILON NET considers the protection of the Personal Data of our customers and the respect of an individual's privacy online a self-evident commitment. We take all the necessary organizational and technical measures required to ensure the security, availability, and validity of the data of our users and customers.

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

Cookies and similar technologies: The Company use cookies (small text files placed in your device) and similar technologies and services that use the IP address to provide its websites and mobile applications and online services.

Use of Personal Data: The Company uses the data it collects exclusively for the performance of its business activities and the provision of the products and services it offers (including improvement and customization) and for communication purposes, including sending promotional material via email or phone call (commercial promotion, offers, etc.).

We do not share the data we collect with natural persons or legal entities without the prior consent of the customer.

Personal Data processing duration: The personal data of our customers and the users of our services are stored and processed exclusively as allowed by law or following the express consent of the users and only for the necessary time.

Responsibility for Employees

The Epsilon Net Group considers its employees as a wider family, and they are clearly its most important asset. Traditionally, the Group's approach is anthropocentric, and the development of an ideal work 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 that are set, putting the Group in the heart of technology. The continuous care for employees and their families has created a multi-awarded work environment.

- Human Right and equal opportunities

Human rights constitute the foundation of the operation of the Company and the Group. In this context, the Group, defending human right principles and values, prohibits the hiring and employment of persons that are not of legal working age. The Group's Management opposes child labor, condemns any form of forced or compulsory work and the occurrence of such incidents is impossible in a company of the Group.

Furthermore, the Epsilon Net Group is committed to offer equal opportunities to all persons, regardless of gender, age, color, race, national origin, socioeconomic background, religious or political beliefs.

Proof of the foregoing is that in the 20 years of operation of the Group no such incident has ever been recorded or reported, not even a complaint of discrimination due to diversity, and no incidents of child or compulsory labor or harassment of any nature whatsoever have ever occurred.

- Respect for workers' rights and trade union freedom

The rights of the employees are fully respected and there is a climate of workplace peace. Trade union freedoms are not restricted in any manner whatsoever and every employee is free to participate in trade unions.

- Training and development

The systematic education and training of employees constitutes a key priority. The continuous educational opportunities offered by the Group to its employees are particularly important, both for the personal and professional development of executives and employees and the achievement of business success, because the daily enrichment of the employees' knowledge base is necessary in the continuously developing IT sector, where the Group's companies belong. A training plan is prepared every year, aiming to fulfill all the needs set by the employees themselves, participating in training seminars, to successfully meet the requirements of the most advanced technology. To cover the needs of the educational body of the

company Epsilon Net Training, modern, certified, educational centers have been established in Athens and Thessaloniki, which contribute to the provision of top-level professional training with their full logistical infrastructure and attention to detail. Furthermore, the personnel are continuously evaluated by the competent directors and the relevant reports are assessed by the Management for potential promotions, salary increases, transfer of employees.

- **Health and Safety at work**

The Group's Management, responsible for the health and safety of employees, provides 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 monthly, attesting their ability to work and in any event is at the disposal of all employees for personal health matters. Furthermore, in order to ensure safe and healthy work conditions for everyone, they provide advice e.g. to take frequent breaks for those working with a computer, correct posture, etc.

Lastly, the Group invests in building infrastructure and in its facilities in Athens and Thessaloniki, to ensure easy access and exit, safety and technological excellence, whereas the Safety Technician who supervises compliance with the safety rules makes visits during the year.

Responsibility for the environment

The protection of the environment is everyone's responsibility and Epsilon Net's Environmental Policy permeates all aspects of corporate activity.

Proof of this is the installation of paper and battery recycling bins in the Company's premises, the incorporation of the phrase "think before you print" in the corporate personal signature of employees, the selection of special light bulbs to save energy and multiple signs in various areas reminding people to deactivate electronic devices, are some of the steps taken.

Considering this and recognizing the crucial importance of the environmental issue, the Company and the Group do not harm the environment due to the nature of their activities (software development – provision of training services). The IT industry and the provision of training services do not require specific procedures for the prevention of environmental impact.

Social Responsibility

- **Employee volunteering and contribution of the Group to Society**

The contribution to, respect of and responsible attitude toward society constitute an integral part of the culture and the Values of the Group since the beginning of its operation.

The personnel of the Group's Companies participate voluntarily in its initiatives, offering material, time, love, and most of all a warm hug and a smile to all fellow human beings that need it. The initiatives organized by the Company regard mostly the collection of necessities for institutions, initiatives for the protection of the environment and general initiatives in support of institutions and non-governmental organizations.

Specifically, the Group and the Company:

-
- Organize blood donations for the personnel for the immediate provision of blood and platelets to employees or relatives of employees or third parties.
 - Collect plastic caps that are given to associations and institutions in order to purchase wheelchairs for fellow citizens that need them.
 - During the Solidarity Week that takes place every year and the “Helping Santa” project that takes place every Christmas, they support social groups that need help, collecting necessities, clothes, school supplies and toys that are offered to people in need and organizations that represent and take care of them.
 - Provides free software and training to associations like “The Smile of the Child”, Doctors Without Borders, “Arktouros”, “Spastics Society of Northern Greece”.
 - In Christmas and Easter, organizes a charity bazaar in its premises in collaboration with “The Smile of the Child”.
 - Collaborates with educational institutions and provides students with access to the premises of the company to familiarize with the work environment.
 - Provides accounting, tax and labor issues learning software to University Institutions in the country and contributed to the expansion of the libraries of Universities and Technical Institutions.
 - Actively supports sports through sponsorship of sports associations.

In the Epsilon Net Group, we apply a business model where the Group’s growth coexists in harmony with corporate responsibility initiatives, respecting everyone!

Essential issues and contribution to the Global Goals for Sustainable Development

The EPSILON NET Group proceeded to the analysis and identification of the essential issues related to its activity per Sustainable Development goal. This process ranked the essential issues according to their impact on the Group's activity in relation to the degree of importance given to it by the participants. The evaluation of these issues, which is based on the guidelines of the Global Reporting Initiative (GRI Standards), the Sustainability Accounting Standards Board (SASB), as well as the AAA000 standard of the AccountAbility, is an important tool in shaping and finalizing the annual action plan of the Group. In addition, as we recognize the importance of developing actions aimed at contributing to the achievement of the United Nations Sustainable Development Goals (SDGs), we have linked our core issues with the Global Goals.

Disclosures according to the EU Taxonomy

In the context of the provisions of the European Taxonomy (EU Taxonomy), the Group, relating its financial activities to the activities included in the regulation on the European taxation system (<https://ec.europa.eu/sustainable-finance-taxonomy/>), has identified as eligible activities, the activity referred to as "62.01 - Computer programming activities" of the "Information and Communication" sector and the activity referred to as "85.5 - Other education" activity of the "Education" sector. The specific

categories that relate to the objectives of mitigation and adaptation to climate change include the activities of the Group related to:

- the design of the structure and content and / or the computer code necessary for the creation and implementation of:

- system software (including updates and patches)
- software applications (including updates and patches)
- databases
- websites

- the adaptation of software, i.e., modification and configuration of an existing application so that it is functional in the environment of the customer information system

-general continuing education and continuing vocational education and training for any profession, or self-development purposes.

The table below presents the percentage of the Group's turnover, capital and operating expenses related to the eligible economic activities in accordance with article 8 of the Taxonomy Regulation and article 10 (2) of Article 8 Delegated Act.

Amounts in €	Turnover	%	Capital expenditure	%	Operating expenditure	%
Taxonomy Eligible Financial Activities						
62.01 - Computer Programming Activities	49,325,819.01	97.65%	1,727,809.35	100.00%	37,872,252.83	98.33%
85.5 Education - other	1,180,539.52	2.34%	-	0.00%	607,776.25	1.58%
Taxonomy-Non-Eligible Financial Activities	4,918.04	0.01%	-	0.00%	34,892.16	0.09%
Total	50,511,276.57	100%	1,727,809.35	100%	38,514,921.24	100%

Key Indicator - Turnover: The percentage of eligible financial activities for the total annual turnover is calculated as part of the net turnover from sales related to Taxonomy-aligned financial activities (numerator), divided by the consolidated turnover net amount (denominator)

Key Indicator-Capital Expenditure: This Indicator is calculated as the quotient of the capital expenditure relating to the taxonomy-aligned financial activity (numerator), divided by capital expenditure (denominator) on a consolidated basis. Total capital expenditure consists of additions to tangible and intangible assets during the year, before amortization, impairment, and any measurements.

Key Indicator - Operating Expenditure: This Indicator is calculated as the quotient of operating expenditure relating to the taxonomy-aligned financial activity (numerator) divided by operating expenditure

(denominator) on a consolidated basis. Operating expenditure is defined as expenses incurred for the purposes of the above activities.

The accounting policies related to the preparation of the above table are presented in Note 2 "Followed Accounting Principles" of the Annual Financial Statements (Consolidated and Corporate) of December 31, 2021. The financial statements of the EPSILON NET Group have been prepared in accordance with the IFRS as adopted by the European Union (EU). This section is included for the first time in the Non-Financial Statement, in accordance with Regulation (EU) 2020/852. The information presented follows the requirements of the requirements of the Regulation and the delegated acts issued. The relevant instructions leave room for interpretation and evolve, thus the EPSILON NET Group will accordingly monitor the developments and will adjust its approach to the assumptions and the methodology it applies.

11) FINANCIAL KEY PERFORMANCE INDICATORS

Financial Performance Indicators (FPIs)

The Company selects financial performance indicators (FPI) to provide comprehensive information to its shareholders and the investing public. The FPI below are considered the most significant, are widespread and the data for their calculation are extracted from the Financial Statements.

Group		2021		2020	
1	GROSS PROFIT MARGIN	Gross Profit	31,030,174.92	61%	12,991,833.28
		Turnover	50,511,276.57		21,696,897.43
2	NET PRETAX PROFIT MARGIN	Net Profit Before Tax	12,215,741.97	24%	3,395,200.90
		Turnover	50,511,276.57		21,696,897.43
3	RETURN ON EQUITY	Net Profit Before Tax	12,215,741.97	29%	3,395,200.90
		Equity	41,454,664.98		23,577,053.21
4	CURRENT ASSETS / TOTAL ASSETS	Current Assets	45,343,863.71	56%	33,194,288.69
		Total Assets	80,820,786.58		49,577,440.83
5	EQUITY TO FIXED ASSETS	Equity	41,454,664.98	212%	23,577,053.21
		Fixed Assets	19,538,837.93		10,891,019.48
6	WORKING CAPITAL RATIO	Current Assets	45,343,863.71	164%	33,194,288.69
		Short term liabilities	27,598,656.63		12,619,737.61
7	DEBT-EQUITY RATIO	Total Liabilities	39,366,121.60	95%	26,000,387.62
		Equity	41,454,664.98		23,577,053.21
8	FIXED TO TOTAL ASSETS RATIO	Fixed Assets	19,538,837.93	24%	10,891,019.48
		Total Assets	80,820,786.58		49,577,440.83
Company		2021		2020	
1	GROSS PROFIT MARGIN	Gross Profit	11,590,842.57	61%	8,112,170.09
		Turnover	18,954,163.77		14,617,792.15
2	NET PRETAX PROFIT MARGIN	Net profit before Tax	6,872,944.28	36%	1,921,056.34
		Turnover	18,954,163.77		14,617,792.15
3	RETURN ON EQUITY	Net Profit Before Tax	6,872,944.28	18%	1,921,056.34
		Equity	37,336,092.75		19,959,110.20
4	CURRENT ASSETS / TOTAL ASSETS	Current Assets	20,906,127.59	38%	21,514,093.48
		Total Assets	55,469,287.93		38,664,062.76
5	EQUITY TO FIXED ASSETS	Equity	37,336,092.75	979%	19,959,110.20
		Fixed Assets	3,811,840.38		5,890,029.96
6	WORKING CAPITAL RATIO	Current Assets	20,906,127.59	164%	21,514,093.48
		Short term liabilities	12,765,101.18		8,231,205.69
7	DEBT-EQUITY RATIO	Total Liabilities	18,133,195.18	49%	18,704,952.56
		Equity	37,336,092.75		19,959,110.20
8	FIXED TO TOTAL ASSETS RATIO	Fixed Assets	3,811,840.38	7%	5,890,029.96
		Total Assets	55,469,287.93		38,664,062.76

12) FURTHER INFORMATION

Branches of the Company and the Group's Subsidiaries (in and out of Greece).

The companies of the Group with registered offices in Greece have branches only in Greece, as listed below:

EPSILON NET S.A.

- Registered Offices and Thessaloniki Training Center– 87, 17th November bystreet, PC 555 34, Pylea, Thessaloniki
- Branch – 350 Syggrou Ave., P.C. 176 74, Athens, Attica
- Branch / Athens Training Center – 120 Syggrou Ave., P.C. 117 41, Athens, Attica
- Branch – 2 P. Tsaldari & Zaimi St., P.C. 151 27, Melissa, Attica

EPSILON HOSPITALITY S.A.

- Registered Offices – 87, 17th November bystreet, PC 555 34, Pylea, Thessaloniki
- Branch – 350 Syggrou Ave., P.C. 176 74, Athens, Attica

EPSILON HR S.A.

- Registered Offices – 87, 17th November bystreet, PC 555 34, Pylea, Thessaloniki
- Branch – 350 Syggrou Ave., P.C. 176 74, Athens, Attica

EPSILON SUPPORT CENTER S.A.

- Registered Offices – 5-7 Andromachis St., PC 562 24, Evosmos, Thessaloniki

DATA COMMUNICATION S.A.

- Registered Offices – 2 P. Tsaldari & Zaimi St., P.C. 151 27, Melissa, Attica
- Branch – 87, 17th November bystreet, PC 555 34, Pylea, Thessaloniki

EPSILON SINGULAR LOGIC S.A.

- Registered Offices – 87, 17th November bystreet, PC 555 34, Pylea, Thessaloniki
- Branch – 350 Syggrou Ave., P.C. 176 74, Athens, Attica
- Branch – 2 P. Tsaldari & Zaimi St., P.C. 151 27, Melissa, Attica

ΤΕΧΝΟΛΑΙΦ Ltd.

- Registered Offices – 9 Agisilaou St., PC 542 50, Charilaou, Thessaloniki

IQOM S.A.

- Registered Offices – 87, 17th November bystreet, PC 555 34, Pylea, Thessaloniki
- Branch – 2 P. Tsaldari & Zaimi St., P.C. 151 27, Melissa, Attica

SYSTEM SOFT S.A.

- Registered Offices – 300 Mesogeion Avenue, PC 155 62, Cholargos, Attica

PCS S.A.

- Registered Offices – 304-306 Mesogeion Avenue & Dedousi 1, PC 155 62, Cholargos, Attica

Respectively the Group's Companies with registered offices outside Greece only have branches in the country of establishment, as listed below:

EPSILON EUROPE PLC Registered Offices – Agias Fylaxeos & 2 Zenonos Rossidi St., PC 596 55, Limassol, 3015, Cyprus

EVOLUTIONSNT PLC

- Registered Offices – 80, Strafford Gate, Potters Bar, Hertfordshire, EN3 1PG, England, United Kingdom

EVOLUTIONSNT (UK) LTD

- Registered Offices – 80, Strafford Gate, Potters Bar, Hertfordshire, EN6 1PG, England, United Kingdom

HOTELIGA INTERNATIONAL SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOŚCIA

- Registered Offices – Al. Jana Pawła II 43b 20 31-864, Krakow, Poland

1) EXPLANATORY REPORT OF THE BOARD OF DIRECTORS of 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 2021, amounted to EUR 4,020,000 divided into 53,600,000 common registered shares, each with a nominal value of €0.075. From the year 2014 to 31/12/2020, the company's share capital changed as follows:

By the decision of the Ordinary 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 Share Issue at a Premium" and by increasing the nominal value of each share of the Company by €0.09. By resolution of the Ordinary General Meeting of 30.06.2014, it was decided to reduce the Company's Share Capital by the same amount of five hundred and two thousand eight hundred and ninety-four euros and eighty cents (€502,894.80), with a reduction of the nominal value of each share of the Company by €0.09. Following the above decisions of the Ordinary General Meeting of 30.06.2014, the share capital of the Company 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 registered shares, each with a nominal value of thirty cents (€0.30).

By the decision of the Ordinary 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 Share Issue at a Premium" and by increasing the nominal value of each share of the Company by €0.09. By resolution of the Ordinary General Meeting of 30.06.2016, it was decided to reduce the Company's share capital by the same amount of five hundred and two thousand eight hundred and ninety-four euros and eighty cents (€502,894.80), with a reduction of the nominal value of each share of the Company by €0.09. Following the above decisions of the Ordinary General Meeting of 30.06.2016, the share capital of the Company 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 registered 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 € 1,676,316.00, by capitalizing 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€. This increase shall 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 registered 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 Share Issue at a Premium" and by increasing the nominal value of each share by €0.039927. By the resolution of the Extraordinary General Meeting of 19.12.2018, it was decided to reduce the Share Capital of the Company by the same amount, i.e. by the amount of four hundred forty-six thousand two hundred and one euros and seventy-nine cents (446,201.79), which has resulted from the capitalization of part of the reserve "Difference from Share Issue at a Premium", with a reduction of the nominal value of each share of the company by the 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 registered shares, each with a nominal value of thirty cents (€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 registered shares, with a nominal value of € 0.30 each. Furthermore, during the above General Meeting it was decided: a) to delete all the Shares from the Alternative Market of the Athens Stock Exchange, subject to the approval of their admission to the Regulated Market of the Athens Stock Exchange (in accordance with the provisions of Law 3371/2005), b) to cancel the pre-emptive right of existing shareholders, in accordance with article 27 of Law 4548/2018, in order to achieve the sufficient dispersion required by Law 3371/2005 and the Regulation of the Athens Stock Exchange.

In this context, by its decision of 26/06/2020, the Athens Stock Exchange approved the admission to trading on the Main Market of the Athens Stock 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 to be announced by the Issuer and the achievement of sufficient dispersion of the shares, as stipulated in the Regulation of the Athens 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 right of the existing shareholders and the admission to trading on the Regulated Market of the Athens Stock Exchange of all the shares.

Following the above, the Board of Directors of the Company met on 14.07.2020 in a meeting where 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 no. 9/687/3.7.2014 Decision of the Hellenic Capital Market Commission and the Regulation of the Athens Stock Exchange (hereinafter referred to as "A.S.E.") through the Electronic Tender Offer Book procedure (hereinafter referred to as "E.T.O.B."), was successfully completed with a capital raising of €5,338,944, corresponding to 2,224,560 new common registered shares, with an offering price of €2.40 per share.

As a result, the Company's share capital amounted to €4,020,000.00, divided into 13,400,000 common registered shares with voting rights, with a nominal value of thirty (€ 0,30) cents each. The difference between the nominal value of the new shares and the issue price of € 4,651,576 was credited to the Company's equity account "Difference from Share Issue at a Premium".

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 an increase in 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 registered shares, each with a nominal value of €0.075.

All shares are common registered shares, held in dematerialized form, listed for trading on the Athens Stock 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. There is also no commitment to increase the Company's Share Capital pending.

There are no agreements that provide that the capital of any member of the Group will be the subject of pre-emptive rights.

All Shares have the same rights and obligations, and each share incorporates all the all the rights and obligations provided for 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 shall be made as provided by law and there are no restrictions on transfer under 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 3556/2007

As of 31/12/2021, the following shareholders held more than 5% of the total voting rights of the Company:

Shareholder	Number of Shares	% of the Share
		Capital
Ioannis Michos	34,100,000	63.62%
BARCA GLOBAL MASTER FUND, L.P.	4,432,116	8.27%
Shareholders with % < 5%	15,067,884	28.11%
Total	53,600,000	100.00%

d. Shares granting special audit rights

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

e. Restrictions on voting rights

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

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

The Company is not aware of any shareholder agreements, nor does the Articles of Association provide for the possibility of shareholder agreements involving 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 Law 4548/2018.

The rules provided for in the Company's Articles of Association for the appointment and replacement of 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 Law 4548/2018.

h. Authority of the Board of Directors or certain members of the Board of Directors, for the issuance of new shares or the purchase of treasury shares pursuant to article 49 of Law 4548/2018.

1. In accordance with the provisions of Article 24 par. 1 of Law 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 has 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 on the date when the Board of Directors was granted such authority. This authority of the Board of Directors may be renewed by the General Assembly by a decision, for a period not exceeding five (5) years for each renewal granted. 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) shall constitute an amendment to the Articles of Association.

Also, in accordance with the provisions of Article 25 par. 2 of Law 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 an increased 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 offered. 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 pursuant to Article 20 of Law No. 4548/2018 shall commence from the adoption of the decision of the Board of Directors, which determines the price at which the shares are to be placed. The authorization shall be subject to public disclosure.

2. The Ordinary General Meeting of the Company's shareholders on 02/09/2020 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 24 months from the date of the decision of the General Meeting, i.e., until 02. 09.2022, with a purchase price range from 1.00 Euro per share (minimum) to 5.00 Euro 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.

The company does not hold own shares at 31 of December 2021, date of preparation of the Annual Financial Statements.

3. The Annual General Meeting of the Company's shareholders on 30/06/2021 decided to authorize the Board of Directors to establish and implement a two-year Stock Options Plan in the form of granting stock options for the acquisition of shares by issuing new shares, in accordance with article 113 of Law No. 4548/2018, to Executives of the Management and Personnel of the Company and its affiliated companies within the meaning of article 32 of Law No.4308/2014 The general characteristics of the Plan are as follows:

i. To satisfy the pre-emptive rights exercised, the Company will increase its share capital accordingly and issue new shares (the "New Shares").

ii. The maximum number of rights that can be approved will be up to four hundred thousand (400,000) rights, each of which will correspond to one New Share, i.e., if all rights are exercised, a total of up to four hundred thousand (400,000) new common registered shares of the Company will be issued, corresponding to 2.98507% of the Company's currently paid-up share capital.

iii. Holders are the members of the Board of Directors, directors/officers and personnel of the Company and its affiliated companies within the meaning of article 32 of Law No. 4308/2014 (the "Holders"), to reward their active participation in the achievement of the Company's strategic objectives and to link their performance to the future performance of the Company and the Group in general.

iv. The offer price of each new share is set at 2.40 euros, equal to the offer price of the shares in the Share Capital Increase for the listing of the Company's shares on the Main Market of the Athens Stock Exchange. The determination of the specific terms and the identification of the Holders of the Plan will be carried out by the Board of Directors, pursuant to the authorization of this General Meeting.

The authorization is proposed to be valid for five (5) years from the date of this General Meeting.

The Board of Directors will disclose, in accordance with the applicable legislation, the terms of the Plan that it will adopt in exercise of the authorization granted by this General Meeting.

i. Any significant agreement entered by the issuer that becomes effective, is amended, or terminated in the event of a change in audit 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 terminated in the event of a change in audit of the Company following a public offer.

j. Agreements entered by the issuer with members of the Board of Directors or personnel 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.

CORPORATE GOVERNANCE STATEMENT

FOR THE FISCAL YEAR FROM 01/01/2021 to 31/12/2021

This statement that has been prepared in accordance with articles 152 and 153 of Law 4548/2018 is included in the annual management report of the company “EPSILON NET – Information Technology, Education and High Technology Products Societe Anonyme” with the trade name “EPSILON NET S.A.” for the fiscal year from 01/01/2021 to 31/12/2021 and is available at the Company’s website <http://www.epsilonnet.gr>. The legal framework governing the operation and the obligations of “EPSILON NET S.A.” as a company with registered offices in Greece is Law 4548/2018 on public limited companies (S.A.) that entered into force on January 1, 2019 replacing Law 2190/1920, and Law 4706/2020 on the corporate governance of public limited companies (S.A.), which incorporated in Greek Law Directive (EU) 2017/828 of the European Parliament and the Council and abolished the provisions of articles 1 to 11 of Law 3016/2002 that regulated corporate governance of public limited companies matters. In addition to the provisions of Law 4548/2018, matters such as the subject of the activities, the object, the duration, the powers of the Board of Directors and the General Meetings, the appointment of Certified Auditors, the liquidation and dissolution of the Company are specified in its Articles of Association, available at the Company’s website. The Company, as a company whose shares are traded in the main market of the Athens Stock Exchange, has additional obligations regarding the separate areas of governance, the provision of information to the investing public and the supervisory authorities, the publication of financial statements, etc.

Based on the foregoing, the Board of Directors of “EPSILON NET S.A.” declares the following:

a) Reference to the corporate governance code governing the Company or the corporate governance code that the Company voluntarily decided to apply and the place where the relevant text is available to the public.

The Company, by decision of the Board of Directors taken on July 16, 2021, adopted the Hellenic Corporate Governance Code (HCCC) issued in June 2021 and decided to replace the current Corporate Governance Code. The HCCC has been drafted by the Hellenic Corporate Governance Council that is a reputable institution in accordance with article 17 of Law 4706/2020 combined with decision no. 916/07.06.2021 of the Hellenic Capital Market Commission.

The Hellenic Corporate Governance Code is adapted to the Greek legislation and business reality and has been drafted based on the principle of “comply or explain”, thus including issues that go beyond existing laws and rules.

Said code has been posted and is available in the Company’s website www.epsilonnet.gr

Practices applied by the Company in addition to the provisions of the Law.

The powers of the Chairman are expressly established by the Board of Directors and are described in the Company's Rules of Procedure which are updated, issued, and approved by the Board of Directors and are posted on the Company's website 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 operation of the internal audit unit and the implementation of an internal audit framework in accordance with international standards for the professional application of internal audit and best practice. The Operating Regulations set out the framework for ensuring the independence and objectivity of its internal auditors.

b) Description of the main characteristics of the internal control and risk management systems of the company in relation to the financial statement preparation procedure.

The Company has designed and implements a procedure for the issuance of the financial statements (corporate and consolidated) and the Financial Report. The Group's Companies register their transactions in their computer systems and the consolidation application is updated with automated procedures. The data is cross-referenced and the data to be deleted is checked (intergroup transactions, receivables, and liabilities, etc.). The consolidation entries are made the financial statements and the informational Tables included in the Financial Report are issued. Upon completion of the control procedures, the Financial Report that includes the financial statements is delivered to the Board of Directors for approval. Before the approval by the Board of Directors, the Audit Committee reviews the Financial Report to assess its completeness and consistency with the information submitted and the accounting principles applied by the Company and advises the Board of Directors accordingly. The main characteristics of the internal control and risk management system implemented by the Company about the preparation procedure of the financial statements and the Financial Report are:

- Sufficiency of knowledge, skills and availability of the executives involved.
- Existence of updated procedures regarding the issuance of the financial statements and appropriate time schedule.
- Use of IT systems for the issuance of the financial statements and the preparation of financial reports, connected to the Company's ERP, accessible, with separate roles and use rights, to all the companies of the Group that are consolidated.

- Existence of security safeguards for the IT systems that are used.
- Regular communication of the Independent Certified Auditors with the Management and the Audit Committee.
- Regular communication of the member of the Audit Committee with the Financial Manager and the head of the Internal Control Department.
- Verification of the fulfilment of the independency conditions for the independent members of the Board of Directors by the Board of Directors, at least once a year, and in any event before publication of the annual financial report.
- Existence of a common accounting plan for all the Group's companies and central management thereof.

c) Information required according to points c', d', f, h' and i' of par. 1 of article 10 of Directive 2004/25/EC of the European Parliament and the Council of 21 April 2004 on takeover bids.

The Company is not subject to said directive.

d) Composition and operation of the management, administration and supervisory bodies and the committees thereof

d.1. General Meeting of the Company

The General Meeting of the Company's shareholder is its supreme body and is entitled to decide on any matter concerning the Company. Its lawful decisions are also binding for the shareholders that are absent or disagree. The General Meeting is exclusively competing to decide on: a) Amendments of the statute. Increases, ordinary or extraordinary and reductions of the share capital are considered amendments; b) the appointment of members of the B.o.D. and auditors; c) the approval of the overall management pursuant to article 108 of Law 4548/2018 and the release of auditors; d) the approval of the annual and consolidated financial statements, e) the distribution of annual profit; f) the approval for the provision remuneration or advance payments pursuant to article 109 of Law 4548/2018; g) the approval of the remuneration policy of article 110 of Law 4548/2018 and the remuneration report of article 112 of Law 4548/2018, h) the merger, split-off, conversion, restoration, extension of the duration or dissolution of the company and i) the appointment of liquidators.

The General Meeting must convene at the Company's registered offices, or in the region of another municipality within the registered offices' prefecture or other neighboring municipality of the registered offices, at least once every fiscal year and no later than the tenth (10th) day of the ninth month after the end of the fiscal year, to deliberate on the approval of the annual financial statements and appoint auditors (ordinary general meeting). The ordinary general meeting may also deliberate on any other matter under its responsibility. The General Meeting may also be convened in the region of the municipality where the Athens Stock Exchange registered offices are located. The General Meeting, subject to the provisions of paragraph 2 of Article 121 of Law 4548/2018 may be convened extraordinarily whenever the Board of Directors deems it expedient or necessary (extraordinary general meeting).

The General Meeting, except for repeat general meetings and equivalent, must be convened at least twenty (20) days before the date set for its meeting, which includes non-business days. The date of publication of the invitation to general meeting and the date of the meeting are not included. In the event of repeat general meeting the invitation is published at least ten (10) full days in advance. However, a new invitation is not required if the initial invitation specified the place and time of the repeat meeting, under the condition that there are at least five (5) days between the adjourned and the repeat meeting. The General Meeting is convened by the board of directors. The General Meeting may be convened upon request of the minority, pursuant to article 29 of these Articles of Association. The auditor of the company is also entitled to request a general meeting with a request to the chairman of the board of directors. Said meeting is mandatorily convened by the board of directors, no later than ten (10) days from the receipt of the request, and the agenda shall include the items included in the request.

An invitation to convene a General Meeting is not required if in the meeting shareholders that represent the entirety of the share capital are present or represented and no one objects to holding the meeting and deliberating (universal general meeting). The invitation of the General Meeting is published by registration in the Company's file in the General Commercial Registry (GEMI). In addition to the publication of the invitation in the GEMI, the full text of the invitation shall be published, within the deadline of paragraph 1 of this article, at the company's website, and within the same deadline it is published, in a manner that ensures rapid and non-discriminatory access, in media that according to the opinion of the board of directors are considered reasonably reliable for the efficient dissemination of the information the investing public, e.g. print and electronic media. Ten (10) days before the ordinary General Meeting, the company makes available to its shareholders the annual financial statements and the relevant reports of the board of directors and the auditors. The company fulfils said obligation by posting the relevant documents in its website.

In the general meeting (initial and repeat) may participate any person that has the capacity of shareholder at the beginning of the fifth day before the date of the initial meeting of the general meeting (registration date). The aforementioned registration date applies in the event of adjourned or repeat meeting, provided that the adjourned or repeat meeting does not take place more than thirty (30) days from the registration date. If this is not the case or if the event of publication of invitation to a repeat general meeting, pursuant to article 130 of Law 4548/2018, in the general meeting may participate any person that has the capacity of shareholder at the beginning of the third day before the date of the repeat or adjourned general meeting. Proof of the capacity of shareholder may be given by any legal means and by information received by the Central Securities Depository, if it provides record services or by the participants and registered intermediaries of the Central Securities Depository in any other case. The shareholder may participate in the general meeting in person or by proxy. The members of the board of directors and the auditors of the company are also entitled to attend the general meeting. The chairman of the general meeting, under their responsibility, may allow the presence of other persons in the meeting, that do not have the capacity of shareholder and are not representatives of shareholders, to the extent that this does not conflict with the interests of the company. These persons shall

not be considered as participating in the meeting because they took the floor on behalf of an attending shareholder or following invitation of the chairman. The General Meeting has quorum and validly deliberates on the items of the agenda, when it is attended by shareholders representing at least one fifth (1/5%) of the paid-up share capital. If said quorum is not achieved in the first meeting, a repeat meeting is convened within twenty (20) days after the date of the cancelled meeting, with a prior invitation of at least ten (10) full days, unless the procedure of article 20 par. 1 hereof is followed. The repeat Meeting has quorum and validly deliberates on the items of the agenda, regardless of the percentage of the paid-up share capital that is represented therein. The decisions of the general meeting are taken by most votes represented therein. Exceptionally, the General Meeting has quorum and validly deliberates on the items of the agenda, when it is attended by shareholders representing at least half (1/2) of the paid-up share capital, in case of decisions that regard: a) change of nationality of the Company; b) change of the object of the Company; c) increases of obligations of the shareholders; d) the ordinary increase of the share capital, unless required by legal provisions or arising from capitalization of reserves; e) the reduction of the share capital, unless performed in accordance with the provisions of par. 5 of article 21 or par. 6 of article 49 of Law 4548/2018; f) changes in the profit distribution method; g) merger, split-up, conversion, restoration, extension of the duration or dissolution of the company; h) granting or renewing powers to the Board of Directors, regarding the increase of the share capital pursuant to par. 1 of article 24 of Law 4548/2018; and i) any other case where the law stipulates that the general meeting shall deliberate with an increased quorum and majority. If the quorum of the previous paragraph is not achieved, a repeat meeting is convened within twenty (20) days after the date of the adjourned meeting, with a prior invitation of at least ten (10) days, said meeting has quorum and validly deliberates on the items of the initial agenda if attended by shareholders representing at one fifth (1/5) of the paid-up share capital. A new invitation is not required if the initial invitation specified the place and time of the repeat meeting, under the condition that there are at least five (5) days between the adjourned and the repeat meeting. The decisions on the matters of par. 1 of this article are taken by a majority of two thirds (2/3) of the votes represented in the meeting.

The deliberations and decisions of the general meeting are limited to the items on the agenda. The general meeting votes by open ballot. The general meeting voting by open ballot may decide that the vote on one or all the items of the agenda will be secret. The secret ballot is not allowed in cases of remuneration to the members of the board of directors and in the cases where the law requires an open ballot. The deliberations and decisions taken during a general meeting are registered in summary in a dedicated book of minutes. The list of the shareholders that attended or were represented in the general meeting is also registered in the same book. Upon request of a shareholder the chairman of the general meeting is obligated to record in the minutes a summary of their opinion. Copies of the minutes of the general meetings, that are subject to registration to GEMI pursuant to article 12 of Law 4548/2018 or other provisions, are submitted to the competent GEMI service within a deadline of twenty (20) days from the general meeting. Copies and excerpts of the minutes are certified by the Chairman of the board of directors or the lawful deputy thereof.

d.2. Composition and operation of the Board of Directors and other administrative and supervisory bodies and committees of the Company.

Board of Directors

The members of the Board of Directors of the Company, their capacity, and their C.V.s are posted in the Company's website. The Company is managed by a board of directors consisting of ten (10) members, to ensure a diversity of gender, age, knowledge, skills and experience that serve the Company's objectives and a balance between executive and non-executive directors. Six (6) members of the Board of Directors are executive, one (1) is non-executive and three (3) are independent non-executive directors. The capacity of a director as executive or non-executive is determined by the Board of Directors. The members of the Board of Directors are appointed by the General Meeting, except for the appointment of a member of the Board of Directors in replacement of a director that resigned, deceased, or otherwise lost the capacity of director in any other manner, pursuant to article 12 par. 1 of the articles of association. The term of office of the Board of Directors is five years and it is exceptionally extended until the elapse of the deadline within which the next Ordinary General Meeting must convene and take the relevant decision and may not exceed six (6) years. The members of the Board of Directors can be freely re-elected. The General Meeting directly appoints the independent members of the Board of Directors. The General Meeting specified the type of Audit Committee, the term of office, the number, and the capacities of the members thereof.

The Ordinary General Meeting of 30/06/2021 decided that the Audit Committee constitutes a committee of the Board of Directors, consisting of three non-executive members of the Board of Directors, the majority of which will be independent, with a term of office equal to the term of office of the directors and the Chairman of the Committee shall be an independent non-executive director. Furthermore, the same General Meeting appointed a new ten-member Board of Directors for a four (4) year term of office and specifically until 30/06/2025, exceptionally extended until the elapse of the deadline within which the next Ordinary General Meeting must convene. The Board of Directors is formed into a body as follows:

1. MICHOS IOANNIS of NIKOLAOS and GEORGIA, Chairman of the B.o.D. and Managing Director, Executive Member,
2. AVDIMIOTIS SPYRIDON of KONSTANTINOS and SOULTANA, Vice Chairman of the B.o.D., Independent Non-Executive Member,
3. ANAGNOSTOU VASILIKI of DIMITRIOS and KATINAS, Deputy Managing Director, Executive Member,
4. KOUTKOUDAKIS IOANNIS of ANTONIOS and ELENI, Executive Member,
5. PRASSAS VASILEIOS of GAVRIIL and IFIGENEIA, Executive Member,
6. MICHALOPOULOS PASCHALIS of GEORGIOS and VARVARA, Executive Member,
7. GRIMPELAS ANDREAS of DIMITRIOS and EUTHALEIA, Executive Member,
8. DASKALOPOULOU AIKATERINI of GEORGIOS and DESPOINA, Non-Executive Member,

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9. KOMNINOS NIKOLAOS of ZACHARIAS and MARINA, Independent Non-Executive Member and
10. KARAMPINAS ELEUTHERIOS of MICHAEL and MELACHROINI, Independent Non-Executive Member

CVs of the members of the Board of Directors

Ioannis Michos

Mr. Ioannis Michos of Nikolaos is the Founder, Chairman and Managing Director of the Epsilon Net Group of Companies. He graduated from the School of Higher Industrial Studies of Thessaloniki and holds a postgraduate degree in Banking Finance. He is a member of the Association of International Accountants (A.I.A). Following his graduation, he worked for several years as an Economist-Financial and Tax Consultant of large companies. He worked as a business consultant and financial analyst specialized in financial organization, analysis, and budgeting. He is also specialized in financial services organization and management matters. From 1997 to date, he issues the distinguished financial journal EPSILON 7 and directs its scientific team. In addition to his business activities, he has authored five books and various articles and analyses on finance. Simultaneously, he served as member of the B.o.D. of the Federation of Industries of Northern Greece (Σ.Β.Ε.Ε.) and Vice Chairman of the Federation of S.A. and LLC Companies. He is distinguished for his teaching experience. From 1997 to date, he has amassed more than 2000 hours of teaching in seminars, in financial and tax matters. He also served as a research fellow in the Technical Educational Institute of Serres. He has been awarded the “Innovative Greek Enterpriser” award in the Entrepreneur of the Year awards by Ernst & Young.

Vassiliki Anagnostou

Mrs. Vassiliki Anagnostou of Dimitrios is the General Manager and Deputy Managing Director of the Epsilon Net Group. She is an Economist, holder of an MBA in Accounting of the National and Kapodistrian University of Athens and is a member of the Association of International Accountants (A.I.A). In Epsilon Net she served as Support Manager until 2007 and as Production Manager until 2010. She has worked as a business consultant and financial analyst with exceptional knowledge of all computerized systems and tools. She is an executive with exceptional know-how on IT systems and is specialized in Audit, Tax, Labor Law and Human Resources subjects. She is a member of Epsilon NET’s scientific team and has a significant activity as an author, both in the book “Practical Labor & Insurance Issues” and as a columnist in the journal Epsilon 7. She is the rapporteur of specialized seminars held by the National and Kapodistrian University of Athens, whereas she also is a keynote speaker in informational and educational events on payroll and HR subjects. In 2012, 2013 and 2014 was one of the three finalists in the National Customer Service Awards, in the category “Manager of the Year”. An exceptional distinction for her was Epsilon Net winning the “Best Workplace” category in the Best Workplace awards, since she was the officer that designed and implemented the transformation of corporate culture, putting the focus on the employee.

Ioannis Koutkoudakis

Mr. Ioannis Koutkoudakis of Antonios is the Financial Manager of Epsilon Net S.A. since July 1, 2013, and he also serves as Investor Relations Manager. He held the position of Vice Chairman of the Board of Directors and General Manager since June 19, 2008, whereas he also served as Production Manager. He has a degree in Finance from the University of Macedonia, holder of an MBA in Accounting of the National and Kapodistrian University of Athens, is a member of the Association of International Accountants (A.I.A), and has attended several seminars on IT systems, project management, as well as tax workshops. In the past he worked as Head of Accounting Department and external consultant for various companies. He has published scientific financial articles and is specialized in income tax, general accounting, VAT subjects and has participate in seminars on tax and accounting subjects. He joined Epsilon Net in 1988.

Vasileios Prassas

Mr. Vasileios Prassas of Gavriil, Economist and Labour Issues Consultant.

In 2005 he joined Epsilon Net, as Head of Payroll and HR Application Analysis. During the period 2009-2011 he held the position of Payroll and HR Applications Manager, and to date he is Epsilon Net's Scientific Director on labor and insurance law matters. In 2010 he assumed the Epsilon Net's Support Management. In 2011 he was assigned the Commercial Management of the Epsilon Network & Epsilon Training Business Units. Since mid-2012 he assumed the Sales Management and from March 2014 he is the General Commercial Manager of the Epsilon Net Group. He is a member of the Board of Directors of Epsilon Net, member of the Scientific Team of Epsilon Net and head of the editorial team of the "Epsilon Payroll" insert of the monthly journal Epsilon 7. He is the author of the Book "Legislation & Payroll, from Theory to Practice" (10,000 copies), of the Practical Guide "A Labour Law Specialist at your Service" and of the Electronic Journal "HR Pylon", that has more than 2.500 visitors. He is the rapporteur of specialized seminars on Payroll & HR subjects, whereas he is the keynote speaker of the seminar "Practical Payroll Department" held by the National and Kapodistrian University of Athens.

Paschalis Michalopoulos

Mr. Paschalis Michalopoulos of Georgios is a graduate of the Law School of the Aristotle University of Thessaloniki. He is a member of the Thessaloniki Bar Association since 1994 and specializes in Civil and Commercial law, with significant court experience in Compulsory Execution Law. Furthermore, he has a long and significant experience in criminal cases. He worked as a lawyer- external associate in various public limited companies. He is the lawyer and legal counsel of EPSILON NET S.A. since 2012 and a member of the Board of Directors since 2014. He is the author of the book "A GUIDE TO PUBLIC LIMITED COMPANIES",

released in 2019, and has published several scientific articles on subjects focusing mainly on civil and commercial law.

Andreas Gribelas

Mr. Gribelas Andreas of Dimitrios is Epsilon Net's Chief Technology Officer (CTO). Mr. Gribelas has many years of experience in software design and implementation for SME, ERP, Retail, CRM applications etc. in large companies of the IT industry in Greece. He served as the Software Platforms Unit Manager in the company SingularLogic, where he designed the Galaxy platform. Furthermore, he served as Technical Director in the company Advice, whereas for multiple years he was Platform Manager and R&D Developer in the company Unisoft, where he participated in the design and implementation of the Atlantis ERP and the ΚΕΦΑΛΑΙΟ/3 product. He joined Epsilon Net in 2013 and he assumed the design and implementation of the new application platform, PYLON. He is a member of the B.o.D. of the Company since November 2014.

Aikaterini Daskalopoulou

Mrs. Daskalopoulou Aikaterini of Georgios, as member of the board of directors of the Company since 2020, participated continuously and with diligence in the introductory training course, applied by the company to all new members of the board of director, on the business model of the company, the issues faced in its industry and the strategy it applies, combined with the most significant business and financial risks it is called to face. During her term in the board of directors of the Company, she participated in the analysis of the e-invoicing software developed by the Company. She studied in the School of Architecture of the Aristotle University of Thessaloniki (1991-1997). During this period, she participated in a 6-month inter-university program in the Polytechnic School of Architecture, Department of Urban Applications, University of Venice. Since 1998 she practices the profession of Architect Engineer, worked in several architecture firms, and since 2007 has her own architectural studio, undertaking the preparation of designs & supervision of various construction projects and has participated as a consultant in several corporate energy transition and digital transformation projects.

Nikolaos Komninos

Mr. Komninos Nikolaos of Zacharias is a graduate of the London School of Economics in Business Administration and of the University of Pennsylvania with a double major in computer science and psychology. Today he is the Commercial Manager for the Project Agora in the region of Europe, and, inter alia, he has served as the financial manager of the startup company Giaola PCC, managing director of the companies Intale Inc and IPG Mediabrands, general manager and executive director of ICAP Group in Athens, Sales and Marketing Manager and Commercial Planning Manager of Hyundai Hellas. He participated in the Athens 2004 Olympic Games Organizing Committee, supervising the procurement procedure for the provision of IT services for the creation of the main website of the event.

Spyridon Avdimiotis

Mr. Avdimiotis Spyridon of Constantinos holds a Ph.D. in knowledge management from the Cyprus University of Technology. He holds the position of assistant professor in the International Hellenic University, in the Department of Business Administration, Marketing and Tourism. He is the vice director of the Laboratory of Regional Development and Tourism of the IHU. His main research interests are the management and transmission of knowledge, the design of information transfer software for hospitality enterprises, the implementation of private and public blockchains, not only to businesses but also to destinations, as well as the implementation of cutting-edge technologies related to sustainable tourism development and the measurement of the carrying capacity of destination. He has conducted several studies, including the Strategic Planning (Rebranding) of Edessa (2019) and Metropolitan Thessaloniki (2019-2020), the development of a Smart Specialization strategy in Cyprus and the environmental impact study of the spatial planning framework (Special Framework for Spatial Planning and Sustainable Development) for tourism. Lastly, he has collaborated with several Greek and foreign universities whereas his scientific work has been published in prestigious scientific journals and the minutes of conferences.

Eleftherios Karabinas

Mr. Karabinas Eleftherios of Michail is an Economist, with a degree in the Finance of Business Administration from the University of Macedonia. He is a Certified Public Accountant certified by the Institute of Certified Public Accountants of Greece and holds a diploma of specialization in the implementation of the International Financial Reporting Standards (IFRS) from the Institute of Chartered Accountants of England and Wales. He has served as the Financial Manager of the company Tsakiris Family Foods, head of accounting department in the shipping company Zouros Group Shipping Companies and as Senior Associate in the company PwC Greece, in the field of shipping companies auditing. Mr. Karabinas, during his university studies but mostly during his training for the professional certification of Certified Public Accountant, has acquired a comprehensive knowledge of auditing procedures and the utilization of IT Systems during the audit process. His professional experience as Senior Associate of PwC Greece ensures critical audit experience during the design and implementation processes, whereas his many years of familiarization with the information systems of private companies, from the positions of Financial Manager, Auditor but also through the company where he exercises his business activity and participates in the Management, enable him to fully grasp the subject matter of the Company and to manage the specialized operational risks the IT field, in a comprehensive manner.

He also has several years of business experience in the IT industry, since 2016. Specifically, he is a partner with 50% share in the company Seldi Group Private Capital Company, that specializes in proprietary software for the fuel industry and other commercial sectors of the economy. Furthermore, Mr. Karabinas, as Chairman

of the Audit Committee meets the independence requirements of the provisions of art. 4 of Law 3016/2002, from his appointment 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 matters concerning the Company, within the framework of the corporate purpose, except for those which, according to the Law and the Articles of Association, are 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 Law 4548/2018 and Law 4706/2020 as applicable. 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 such 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 operation of the Board of Directors and is the head thereof. He is responsible for the convocation of the Board of Directors, the determination of the items of the agenda of its meetings and ensures the proper scheduling of its activities and the effective conduct of its meetings. He ensures the prompt and correct information of the members of the Board of Directors, based on the fair and equal treatment of the interests of all shareholders, the optimization of the return of investments and the protection of the Company's assets. He coordinates the implementation of the Company's corporate governance system and its effective application. The Board of Directors elects its chairman among its members. When he is absent or impeded, he is replaced in all his duties by the Vice Chairman and when the latter is absent or impeded, he is replaced by the Independent Vice Chairman.

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

The Independent Vice Chairman of the Board of Directors replaces the Chairman of the Board of Directors in all his duties, except for the executive duties, in case of absence or impediment. The Independent Vice Chairman is tasked with the coordination and effective communication between executive and non-executive members of the Board of Directors. Furthermore, he chairs the evaluation of the Chairman conducted by the members of the Board of Directors and the meetings of the non-executive members of the Board of Directors.

Responsibilities of Managing Director

The Managing Director monitors and controls the implementation of the strategic objectives of the Company and the management of the Company's affairs and outlines the Company's guidelines. He supervises and ensures its smooth, orderly, and effective operation in accordance with the strategic objectives, the business plans and the action plan, as determined by the decisions of the Board of Directors and the General Meeting. The capacities of the chairman and Managing Director may be held by the same person. The Managing Director participates in and reports to the Board of Directors of the Company and implements the strategic choices and important decisions of the Company. The Board of Directors of the Company may appoint one of its members as Deputy Managing Director. The duties of the Deputy Managing Director may include duties and powers of the Managing Directors, e.g., taking strategic decisions and establishing relevant objectives and the coordination and supervision of the individual Departments of the Company. Furthermore, the Deputy Managing Director replaces the Managing Director in the event of absence or impediment of the latter.

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

The executive members of the Board of Directors deal with the daily management affairs of the Company and the supervision of the execution of the decisions of the Board of Directors. In particular, the executive members of the Board of Directors: a) are responsible for the implementation of the strategy determined by the Board of Directors and b) deliberate regularly with the non-executive members of the Board of Directors regarding the suitability of the implemented strategy. In the event of crisis or risk, as well as when circumstances dictate the implementation of measures that are reasonably expected to significantly affect the Company, e.g., when taking decisions regarding the progress of the business activity and risks assumed, which are expected to affect the financial position of the Company, the executive members promptly inform the Board of Directors, either jointly or separately, submitting a relevant report with their estimates and suggestions.

The non-executive members of the Board of Directors, including the independent non-executive members, monitor and review the Company's strategy and the implementation thereof, as well as the achievement of the objectives, ensure an effective supervision of the executive members, including monitoring and control of their performance and examine and express opinions regarding the proposals submitted by the executive members, based on current information.

A non-executive member of the Board of Directors is considered independent if at the date of their appointment and for the duration of their term of office does not hold, directly or indirectly, a voting share exceeding 0.5% of the share capital of the Company and is free of any financial, business, family or other dependency relationships which could influence their decisions and their independent and objective opinion.

Operation of the Board of Directors

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

The Board of Directors met (58) times during the year 2021. The attendance rate of Board members at the 2021 meetings was 92%. At the meetings of the Board of Directors whose subject was 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 pass a resolution with an increased quorum and majority, in accordance with Law 4548/2018, the Board of Directors was quorate and at least two (2) independent non-executive members of the Board of Directors were present.

The operation 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 article 44 of Law 4449/2017 as amended by article 74 of Law 4706/2020, articles 10, 15 and 16 of Law 4706/2020 and Regulation EE no. 537/2014, the Hellenic Corporate Governance Code voluntarily adopted by the Company and the provisions of the Company's Bylaws. The members of the Company's Audit Committee, their capacities and their CVs are posted in the Company's website. The Audit Committee has specific responsibilities and duties, regarding the supervision of ordinary audit, the financial information procedure, the internal control, regulatory compliance and risk management system, the supervision of the Internal Control Department and sustainable development.

The Ordinary General Meeting of the Shareholders of "EPSILON NET S.A." of June 30, 2021 decided that: a) the Audit Committee shall be a Committee of the Board of Directors; b) the Audit Committee shall consist of three (3) non-executive members of the Board of Directors, all or the majority of which shall be independent (non-executive) members that fulfil the independence conditions of article 4 of Law 3016/2002 and article 9 of Law 4706/2020; c) the members of the Audit Committee shall be appointed by the Board of Directors and d) the Chairman of the Committee shall be appointed by its members and shall be an independent non-executive member of the Board of Directors.

The Audit Committee's composition is the following:

1. KARAMPINAS ELEUTHERIOS of MICHAEL, Chairman
2. AVDIMIOTIS SPYRIDON of KONSTANTINOS, Member and
3. DASKALOPOULOU AIKATERINI of GEORGIOS, Member

The term of office of the Audit Committee members starts with their appointment by the Board of Directors on 30/06/2021 and ends upon expiration of the term of office of the Board of Directors, i.e. on 30/06/2025. The Audit Committee has full and uninterrupted access in the information it needs to perform its duties and has the resources required for the performance of its work. Its duties are determined taking into consideration not only the applicable legal framework but also the specific circumstances and needs of the Company, e.g.

size, ownership structure, organizational complexity, risk profile and the peculiarities of the relevant market. In order to fulfil its purpose, its main duties are the following:

- It is responsible for the selection procedure of a statutory auditor and submits suggestions to the Board of Directors regarding the appointment, re-appointment and revocation of the statutory auditor and the approval of the remuneration and the terms for hiring the statutory auditor, pursuant to article 44 “Audit Committee” of Law 4449/2017 and article 16 of Regulation (EU) 537/2014 to be approved by the General Meeting.
- It examines and monitors the independence of the statutory auditor and the objectivity and effectiveness of the auditing procedure.
- It reviews the financial reports before their approval by the Board of Directors, in order to assess their completeness and consistency with the information provided and the accounting principles applied by the Company, and advises the Board of Directors accordingly.
- Conducts meetings with the Management during the preparation of the financial statements and with the certified auditor during the scheduling and audit stage, during its performance and during the audit report preparation stage.
- It is informed about the procedure and schedule for the preparation of the financial information by the Management and about the annual statutory audit schedule by the certified auditor.
- Receives from the statutory auditor the additional report of article 11 of Regulation (EU) 537/2014 that includes the statutory audit results and any weaknesses of the internal control system, and especially weaknesses in procedures related to financial information and the preparation of the financial statements and advises the Chairman, the Managing Director and the Company’s Board of Directors accordingly.
- Informs the Board of Directors about the results of the statutory audit and explains how the statutory audit contributed to the integrity of financial information and what was the role of the Audit Committee in said procedure.
- Monitors the performance of the external auditors, taking into consideration any findings and conclusions of the competent authority, pursuant to par. 6 of article 26 of Regulation (EU) 537/2014.
- Regarding the financial information procedure and the internal control, regulatory compliance and risk management system, the Audit Committee:
- Monitors the financial information procedure and submits recommendations or suggestions to ensure its integrity and the reliability of the Company’s financial statements.
- Supervises all official announcements related to the financial performance of the Company (announcements, press releases), informs the Board of Directors about its findings and submits proposals for improvement, if deemed necessary.

- Inspects the internal financial audits of the company and monitors the effectiveness of the Company's internal control, regulatory compliance and risk management systems. To this end, the Audit Committee examines on a regular basis the Company's internal control and risk management system, in order to ensure that the main risks are identified, addressed and published in a correct manner. It informs the Board of Directors about its findings and submits proposals for improvement, if deemed necessary.
- Examines and thoroughly evaluates important issues, e.g. significant crises, assumptions and estimates during the preparation of the financial statements, the evaluation of the fair value of assets, the asset recoverability assessment, the adequacy of the disclosure of significant risks faced by the Company, significant transactions with related parties, significant unusual transactions, compliance with accounting principles and standards and any changes from the previous fiscal year.
- Examines the existence and the contents of the procedures to be followed by the Employees in order to express, in confidentiality, their concerns regarding potential illegalities and irregularities in financial information matters or other matters related to the Company's operation. The Audit Committee ensures the existence of procedures for the effective and independent investigation of such issues, as well as for their appropriate resolution.
- Examines the regulatory compliance system that includes the establishment and implementation of appropriate and updated procedures, in order to promptly achieve full and permanent compliance of the Company with the currently applicable regulatory framework and to have at all times a full picture of the degree of achievement of this objective.
- Examines the policy and the procedure for the periodic evaluation of the internal control system by persons that have documented relevant professional experience and do not have dependency relationships pursuant to article 14 of Law 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 shall participate in the meetings of the Audit Committee. It is at the discretion of the Audit Committee to invite, whenever deemed 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 teleconference. The drawing up and signing of minutes by all members of the Audit Committee shall be equivalent to a meeting and a decision even if no meeting has been held. The Audit Committee may elect a secretary to keep the minutes of its meetings. The minutes shall be available to all members of the Audit Committee and the Board of Directors

The Audit Committee has internal Operating Regulations which are posted on the Company's website.

Activity Report of the Audit Committee for the financial year 2021

“Ladies and Gentlemen Shareholders,

This report has been prepared based on the stipulations of the provisions of Law 4449/2017 as amended by article 75 of Law 4706/2020 and refers to the work of the Audit Committee (the “Committee”) for the period 01.01.2021 - 31.12.2021, based on its responsibilities, as described in detail in its Operating Regulations, 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. Minutes were kept during the meetings which outlined the agenda items and any decisions taken by the Committee. More specifically, the Committee carried out the following:

External Audit.

- Reviewed and examined the process of conducting the mandatory audit of the annual financial statements of the Company and the Group for the financial year 2021 and the review of the first half of 2021, as well as the content of the certified auditor's reports. It met three (3) times with the Company's certified auditor.
- Reviewed the significant issues and risks that could have an impact on the financial reporting process, as reported in the Independent Chartered Accountant’s Report and informed the Company's Board of Directors of the result of the mandatory audit.
- Confirmed the independence of the certified auditor.
- Confirmed that the conditions for changing the chartered accountant for the regular audit of the financial year did not exist and recommended the re-election of the auditing company “Associated Chartered Accountants S.A.C.A.” (A.C.A. S.A.C.A.).
- Reviewed the total fees of the external chartered accountants for the audit work performed and confirmed the compliance with the provisions of the European Regulation 537/2014.
- Reviewed and evaluated the financial reporting process followed by the Company in the preparation of the annual and semi-annual financial statements and informed the Board of Directors about it.
- Reviewed and evaluated the process of preparing the condensed financial results of the Group for the first and third quarters of the financial year.
- Has been extensively informed through meetings with the relevant management bodies and the chartered accountants on the significant audit issues, significant judgements, assumptions, and estimates made in the preparation of the financial statements.

- Held meetings with the CFOs of the Group companies, the Internal Audit Manager, the IT director and other executives of the Company and was briefed on important issues, the IT department's work plan, the Group's pending legal cases and related provisions.

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

- Reviewed and evaluated the work of the Internal Audit Unit in terms of 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 senior management and informed the Board of Directors.
- Evaluated the staffing of the Internal Audit Unit and informed the Board of Directors.
- Studied and approved the annual audit plan of the Internal Audit Unit, which was prepared on the basis of the main risks faced by the Group companies.
- Was informed, through a written declaration by the Internal Audit Manager, of the independence of the Internal Audit Unit.
- Evaluated the performance of the Internal Audit Manager
- Monitored the Company's compliance process with the requirements of the Corporate Governance Law 4706/2020.
- Studied and approved the revision of the Company's Operation Regulations, the Operation Regulations of the Internal Audit Unit.

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 service provision with a view to its protection.
- In terms of human resources, confidence in the abilities of the personnel and the 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 to analyze, identify, and evaluate the material issues related to its activity, by Sustainable Development axis.

More detailed information on the Group's performance on corporate responsibility and sustainable development issues, as well as the actions implemented by axis, will be presented on the corporate website.

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

FOR THE AUDIT COMMITTEE
THE CHAIRMAN
KARAMPINAS ELEUTHERIOS

I) Risk Management System.

Risk management is based on the definition of objective purposes 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 directors and other employees.
- is designed to identify potential events that may affect the Company.

IA) Internal Audit System

The Company's Internal Audit System (IAS) comprises the set of policies, procedures, duties, behaviors and other elements that characterize the Company, which are implemented by the Board of Directors, Management and other employees and have as 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 and non-financial statements.

IB) Regulatory Compliance System.

The main mission of the Compliance Department is to establish and implement appropriate and updated policies and 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 degree of achievement of this objective at all times. The complexity and nature of the Company's activities,

including the development and promotion of new products and business practices, have been assessed in establishing the relevant policies and procedures.

IC) Internal Audit Unit.

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

Remuneration and Appointments Committee

The Company's Remuneration and Appointments Committee has been established in order to support the Board of Directors to fulfil its obligations to the shareholders, ensuring that the selection of candidates for the Board of Directors is made with meritocratic and objective criteria, in order to ensure the smooth transition of the members and senior executives with a view to 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 member is appointed as Chairman of the Committee.

In the context of its role, the Remuneration and Appointments Committee: a) makes suggestions to the Board of Directors regarding the remuneration policy submitted for approval by the general meeting, pursuant to par. 2 of article 110 of Law 4548/2018; b) makes suggestions to the Board of Directors regarding the remuneration of the persons that fall within the scope of the remuneration policy, pursuant to article 110 of Law 4548/2018 and regarding the remuneration of the managers of the Company, and especially of the head of the internal control department; c) examines the information included in the final draft of the annual remuneration report, providing its opinion to the Board of Directors, before the submission of said report to the general meeting pursuant to article 112 of Law 4548/2018; and d) identifies and suggests to the Board of Directors persons that are suitable to assume the capacity of member of the Board of Directors, pursuant to the procedure provide in its Bylaws. For the selection of candidates, the appointments committee takes into considerations the factors and criteria established by the Company, pursuant to the suitability policy it adopts. The Remuneration and Appointments Committee consists of the following non-executive members of the Board of Directors:

1. AVDIMIOTIS SPYRIDON of KONSTANTINOS, independent non-executive member of the Board of Directors, Chairman of the Committee
2. KARAMPINAS ELEUTHERIOS of MICHAIL, independent non-executive member of the Board of Directors, Member of the Committee
3. DASKALOPOULOU AIKATERINI of GEORGIOS, non-executive member of the Board of Directors, Member of the Committee.

The term of office of the Remuneration and Appointments Committee members ends upon expiration of the term of office of the Board of Directors, i.e. on 30/06/2025.

The Remuneration and Appointments Committee has bylaws that are posted in the Company's website.

e) description of the diversity policy implemented for the management, administrative and supervisory bodies of the company, regarding aspects such as age, gender or educational and professional background of the members, objectives of said diversity policy, manner in which it was implemented and results during the reference period.

The Company's Board of Directors is composed of persons that meet the required criteria of morality and reputation and has a sufficient number of members and an appropriate composition that reflects the knowledge, the skills and the experience required for the exercise of its duties, in accordance with the business model and the strategy of the Company. The Company ensures sufficient diversity and gender representation in its Board of Directors and in general it ensures equal treatment and equal opportunities as well as the concertation of a wide range of qualifications and skills among the member of the Board of Directors. Furthermore, it ensures that the members of the Board of Directors understand and comprehend the Company's corporate governance regulations, as they arise from the Law, the Corporate Governance Code and the Professional Code of Conduct it implements. The individual and collective suitability, as defined below, are taken into consideration for the selection, the renewal and the replacement of a member of the Board of Directors. The suitability of the members of the Board of Directors is monitored on a permanent basis, in order to identify any cases that require reevaluation. Cases that make the reevaluation of the suitability necessary include: a) when doubts arise regarding the individual suitability of the members of the Board of Directors or the suitability of the body's composition; b) cases of significant impact in the reputation of a member of the Board of Directors and c) occurrence of an event that may significantly affect the suitability of a member of the Board of Directors, including cases where the members fail to comply with the Company's Conflict of Interests Policy. The Company's Board of Directors is responsible to ensure and establish an appropriate succession plan, in order to continue, without interruption, the management of the corporate affairs and the taking of decisions after a departure of members of the Board of Directors, especially of executive members and members of the Company's committees. The suitability of the members of the Board of Directors is distinguished in a) individual and b) collective.

The Company has a Suitability Policy for members of the Board of Directors, which was approved by the Ordinary General Meeting of the Company's Shareholders on 30/06/2020 (1st edition). The key concepts and principles of the Company's suitability policy, which is posted in the Company's website (www.epsilonnet.gr) are the following:

A. Clear, sufficiently documented, governed by the principles of transparency and proportionality, and complies with the Bylaws and the Corporate Governance Code applied by the Company.

B. The size, the internal structure, the risk appetite, the nature, and complexity of the Company's activities were taken into consideration for its establishment.

C. Takes into consideration the detailed description of the duties of each member of the Board of Directors or their participation or not in committees, the nature of their duties (executive or non-executive member of the B.o.D.) as well as more specific incompatibilities or characteristics or contractual commitments.

D. Is evaluated in regular intervals, or when significant events or changes occur.

The Suitability Policy expressly provides for a sufficient gender representation of at least 25% of the total number of members of the Board of Directors and in the event of fraction, said percentage is rounded to the previous integer. The Suitability Policy refers to the Company's Equal Opportunity and Diversity Policy, in order to ensure that it has been taken into consideration during the appointment of new members of the Board of Directors. It is a responsibility of the Board of Directors to monitor the implementation of the Suitability Policy.

f) Remuneration Policy

The Remuneration Policy of EPSILON NET S.A. has been adopted and implemented pursuant to articles 110 and 111 of Law 4548/2018, that incorporate article 9a of Directive 2007/36/EC, as introduced pursuant to Directive 2017/828/EU and is posted in the Company's website www.epsilonnet.gr. The Remuneration Policy is valid for four (4) years from the date of its approval by the Ordinary General Meeting of the Company's Shareholders and may be reviewed in the event that the conditions under which it was prepared have changed substantially. Any review requires the approval of the Ordinary General Meeting of the Company's Shareholders, as specified in paragraph 2 of article 110 of Law 4548/2018 as in force. A temporary derogation from the Remuneration Policy is allowed, provided that the conditions of par. 6 of article 110 of Law 4548/2018 are met cumulatively. Its purpose is to increase the corporate value, through the retention and attraction of the most capable and suitable employees, those that achieve the targets and serve excellently the interests of the Company. In the pursuit of the Company's and the Group's interests and sustainability the Remuneration Policy complies with their business strategy and supports the performance culture, 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 interest of the Company.

The Remuneration Policy is based on the following principles:

- Maximization of performance
- Attract and retain talent
- Alignment of remuneration and rewards with profitability, risk, capital adequacy and sustainable development
- Compliance with the applicable legal and regulatory framework
- Internal transparency
- Ensuring that the remuneration is in line with the duties, responsibilities, position, performance, professional experience, and the qualification of the persons to which it applies.

g) Code of Conduct

The Code of Conduct was adopted by the Company with the decision of its Board of Directors dated 17.12.2019 and is posted in the company's website, www.epsilonnet.gr. Its purpose is to promote a common corporate culture in the EPSILON NET S.A. Group, i.e. EPSILON NET S.A. and its subsidiaries, that encourages behaviors based on the best practices of business ethics and conduct but also compliant with applicable legislation, in the areas of human rights, working conditions, the environment and anticorruption. The Code of Conduct includes the fundamental principles, the rules and the values that shape the context of our activities and determine our daily conduct and practice. This set of principles and rules describes the conduct we expect from our employees, as well as the way we conduct our business activities with our customers, vendors, and partners. The purpose of the Code is to guide us about the correct behavior and the correct way to address issues related to the principles and rules of business ethics. Compliance with the principles of business ethics and conduct adopted by the Group is also sought in the relations with all partners (e.g. vendors and other external collaborators).

h) Bylaws

The Company has updated Bylaws (2nd edition) pursuant to article 14 of Law 4706/2020 which includes:

- The organizational structure, the subject matter of units, the committees of the Board of Directors or other permanent committees, as well as the duties of the heads thereof and their hierarchy.
- A list of the main characteristics of the Internal Control System (ICS) that includes the internal control, the risk management, and the regulatory compliance units.
- The procedure for hiring senior management executives and the evaluation of their performance.
- The procedure for the compliance of the persons exercising management duties and the persons that have close relationships with them, with the obligations of article 19 of Regulation (EU) 596/2014.
- The procedure for the disclosure of any dependency relations between independent non-executive members of the Board of Directors and persons that are closely related to said persons.
- The procedure for compliance with the legal obligations regarding transactions with related parties.
- The policies and procedures for the prevention and resolution of conflict-of-interest situations.
- The Company's policies and procedures for compliance with the legal and regulatory provisions that regulate its structure and operation as well as its activities.
- The procedure available to the Company for the management of privileged information and correct information of the public pursuant to the provisions of Regulation (EU) 596/2014.
- The policy and procedure for the performance of a periodic evaluation of the Internal Control System (ICS) by persons that have the relevant professional experience and do not have dependency relations.

- The training policy for members of the Board of Directors, managers and other officers of the Company, especially those involved with internal control, risk management, regulatory compliance and IT systems.
- The sustainable development policy adopted by the Company.

The Company's Bylaws and any amendment thereof are issued and approved by the Board of Directors. The Bylaws are posted in detail in the Company's website www.epsilonnet.gr.

Thessaloniki, March 21, 2022

The Board of Directors

Independent Auditor's Report

To the Shareholders of EPSILON NET S.A.

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 S.A. (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2021, 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 EPSILON NET S.A. and its subsidiaries (the Group) as at 31 December 2021, 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 our 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
1. Intangible assets	
<p>At 31.12.2021, the intangible assets of the Group amount to € 14.869 thousand (€ 6.228 thousand at 31.12.2020) and of the Company amount to € 2.663 thousand (€ 4.235 thousand at 31.12.2020).</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</p>	<p>Our audit approach included among other the following procedures:</p> <ul style="list-style-type: none"> • 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. • Overview of how to define the cost of generating internally 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. • Examination of management's assumptions regarding the determination of their useful life and check of correctness of the amortisation calculation. • Assessment of the management's estimate on whether there is evidence of impairment of these assets in accordance with IAS 36. • Assessment of the adequacy and appropriateness of the disclosures in Notes 2.4 and 7 to the financial statements.

Key audit matter	Addressing the audit matter
<p>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 7 to the financial statements.</p>	
<p>2. Recognition of goodwill and investments in subsidiaries</p>	
<p>At 31.12.2021, the Group has recognised in the consolidated financial statements “Goodwill” amounting € 8.255 thousand (€ 4.113 thousand at 31.12.2020). In the separate financial statements as at 31.12.2021, the Company has recognised investments of € 25.172 thousand (€ 9.502 on 31.12.2020) 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</p>	<p>Our audit approach included among other the following main procedures:</p> <ul style="list-style-type: none"> • Regarding the recognition of goodwill in the consolidated financial statements and the acquisition cost of investments in subsidiaries in the separate financial statements, we examined the appropriateness of the application of the acquisition method 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. • 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. • Regarding the impairment testing of both goodwill in the consolidated financial

Key audit matter	Addressing the audit matter
<p>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) and 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 in the separate financial statements to be one of most significance matter.</p> <p>The disclosures of the Group and the Company regarding this matter are included in Notes 2.2, 2.4, 8 and 9 to the financial statements.</p>	<p>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.</p> <ul style="list-style-type: none"> • Regarding the value of the Company's participation in its Subsidiary, which resulted both from a spin-off and contribution of branches, in accordance with the provisions of L. 4601/2019, we examined the accounting treatment applied by the Management and the appropriateness of the presentation of the investment in the separate financial statements, as well as the adequacy and appropriateness of the disclosure in Note 9 to the financial statements. • We assessed the reliability of Management's estimates, by comparing the actual performance, against previous estimates. • We assessed the adequacy and appropriateness of the disclosures in Notes 2.2, 2.4, 8 and 9 to the financial statements.
3. Recoverability of trade receivables	

Key audit matter	Addressing the audit matter
<p>At 31.12.2021 the trade receivables of the Group amount to € 18.945 thousand (€ 10.149 thousand in 31.12.2020) and of the Company amount to € 6.768 thousand (€ 6.134 thousand at 31.12.2020).</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 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 are referred to in Notes 2.10 and 16 to the financial statements.</p>	<p>Our audit procedures regarding the recoverability of trade receivables included among other the following:</p> <ul style="list-style-type: none"> • Understanding of the process with respect to monitoring the trade receivables and the factors taken into account for the estimate of the loss allowance of these receivables. • Assessment of the assumptions and methodology used by the Group to determine the recoverability of trade receivables or their classification as doubtful. • Assessment of the customers' aging analysis and the estimate for the loss allowance. • 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. • 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 other trade receivables that may not be recoverable in part or in whole in the future. • Assessment of the adequacy and appropriateness of the disclosures in Notes 2.10 and 16 to the financial statements.

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 our 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 our 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 data and 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 31/12/2021.

c) Based on the knowledge we obtained during our audit of EPSILON NET S.A. 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 the 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 2 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 Format

We examined the digital files of EPSILON NET S.A (hereinafter Company and/or 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 2021, in XHTML format «2138007CWC1NYS6B6N87-2021-12-31-en.xhtml» as well as the provided XBRL file «2138007CWC1NYS6B6N87-2021-12-31-en.zip with the appropriate tag, on the above-mentioned consolidated 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 10th 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, should be tagged with XBRL ‘tags’, 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 2021, 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 Auditor’s work and assurance report on the European Single Electronic Format (ESEF) 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 2021, in XHTML file format «2138007CWC1NYS6B6N87-2021-12-31-en.xhtml» as well as the provided XBRL file «2138007CWC1NYS6B6N87-2021-12-31-en.zip» with the appropriate tag, on the aforementioned consolidated financial statements, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 21 March 2022

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



EPSILON NET

**INFORMATION TECHNOLOGY, TRAINING AND
HIGH-TECH PRODUCTS SOCIETE ANONYME**

G.E.MI. No: 038383705000

Annual Financial Statements

of the Year from January 1 to December 31, 2021

in accordance with International Financial Reporting Standards (IFRS)

A. Financial Statements as of 31st December 2021

Statement of Financial Position

Amounts in Euro €	Note	GROUP		COMPANY	
		31.12.2021	31.12.2020 Revised (Note 44)	31.12.2021	31.12.2020 Revised (Note 44)
ASSETS					
Non-Current Assets					
Tangible Assets	6	4.670.183,31	4.662.583,03	1.148.535,04	1.655.482,87
Intangible Assets	7	14.868.654,62	6.228.436,45	2.663.305,34	4.234.547,09
Goodwill	8	8.255.502,69	4.112.733,28	-	-
Investments in Subsidiary Companies	9	-	-	25.171.763,88	9.502.023,02
Investments in Associates	10	4.835.758,06	1.039.451,47	4.619.360,88	1.000.000,00
Other Participation Titles	11	33.487,36	3.521,30	3.521,30	3.521,30
Deferred Tax Receivables	12	2.188.587,08	-	-	-
Lease Receivables	13	1.321,20	2.910,35	439.790,69	535.147,87
Other Long-term Receivables	14	623.428,55	183.046,26	516.883,21	68.777,13
Total Non-Current Assets		35.476.922,87	16.232.682,14	34.563.160,34	16.999.499,28
Current assets					
Inventories	15	132.612,78	42.768,85	25.077,41	32.549,18
Customers and Other Trade Receivables	16	18.944.616,93	10.148.638,04	6.768.206,92	6.134.004,56
Commercial Portfolio Securities	17	297.754,62	308.513,62	-	-
Lease Receivables	13	1.719,86	1.660,09	112.999,72	97.041,96
Other Receivables	18	2.613.004,50	1.903.832,70	1.632.117,73	1.406.466,56
Cash and Equivalents	19	23.354.155,02	20.788.875,39	12.367.725,81	13.844.031,22
Total Current Assets		45.343.863,71	33.194.288,69	20.906.127,59	21.514.093,48
Non-current Assets held for Sale	10	-	150.470,00	-	150.470,00
Total Assets		80.820.786,58	49.577.440,83	55.469.287,93	38.664.062,76
EQUITY AND LIABILITIES					
Equity					
Share Capital	20	4.020.000,00	4.020.000,00	4.020.000,00	4.020.000,00
Treasury Shares	21	-	-	-	-
Share Premium	22	4.614.507,96	4.614.507,96	4.614.507,96	4.614.507,96
Reserves	23	1.800.859,99	1.506.056,61	1.712.474,95	1.430.432,27
Retained Earnings	24	20.129.699,27	12.145.307,79	26.989.109,84	9.894.169,97
Total Equity Attributable to Parents Shareholders		30.565.067,22	22.285.872,36	37.336.092,75	19.959.110,20
Non-controlling Interests	25	10.889.597,76	1.291.180,85	-	-
Total equity		41.454.664,98	23.577.053,21	37.336.092,75	19.959.110,20
Non-current Liabilities					
Long-term Bank Debt	26	8.910.038,66	10.865.126,36	4.358.329,78	9.068.278,40
Lease Liabilities	27	1.563.493,58	1.973.244,34	728.775,26	965.861,30
Deferred Tax Liabilities	12	-	30.778,92	86.142,12	120.496,16
Liabilities for Pension Plans	28	1.152.257,11	372.902,33	61.949,54	186.213,71
Other Long-term Liabilities	29	141.675,62	138.598,06	132.897,30	132.897,30
Total Non-current Liabilities		11.767.464,97	13.380.650,01	5.368.094,00	10.473.746,87
Current Liabilities					
Suppliers and Other Trade Liabilities	30	5.290.184,92	2.687.859,34	1.654.471,58	1.802.102,22
Current Portion of Non-current Bank Debt	26	6.797.811,77	4.185.465,68	3.029.302,72	2.941.021,22
Current Portion of Lease Liabilities	27	607.241,10	584.347,88	316.732,77	313.012,06
Current Tax Liabilities	31	6.726.741,03	2.446.547,69	3.740.414,39	1.413.572,46
Other Short-term Liabilities	32	8.176.677,81	2.715.517,02	4.024.179,72	1.761.497,73
Total Current Liabilities		27.598.656,63	12.619.737,61	12.765.101,18	8.231.205,69
Total Liabilities		39.366.121,60	26.000.387,62	18.133.195,18	18.704.952,56
Total Equity & Liabilities		80.820.786,58	49.577.440,83	55.469.287,93	38.664.062,76

* Some items of the fiscal year 2020 have been restructured due to a change in accounting policy according to a decision of the IFRS Interpretations Committee. (IFRIC-Committee). A relevant analysis is provided in note 44.

The notes on pages 88 to 185 constitute an integral part of these Financial Statements.

Total Income Statement

Amounts in €	Note	GROUP		COMPANY	
		1.1-31.12.2021	1.1-31.12.2020 Revised (Note 44)	1.1-31.12.2021	1.1-31.12.2020 Revised (Note 44)
Sales	37	50.511.276,57	21.696.897,43	18.954.163,77	14.617.792,15
Cost of Sales	33	(19.481.101,65)	(8.705.064,15)	(7.363.321,20)	(6.505.622,06)
Gross Profit		31.030.174,92	12.991.833,28	11.590.842,57	8.112.170,09
Other Operating Income	34	342.495,53	166.625,37	64.857,90	139.672,54
Administrative Expenses	33	(1.287.126,84)	(340.314,29)	(225.883,48)	(217.858,30)
Research & Development Expenses	33	(9.737.117,95)	(6.268.874,71)	(3.403.215,98)	(4.102.146,73)
Distribution Expenses	33	(6.014.675,21)	(2.508.462,35)	(679.859,82)	(1.551.188,25)
Other Operating Expenses	34	(1.994.899,59)	(309.065,86)	(183.027,02)	(166.385,69)
Operating Profit		12.338.850,86	3.731.741,44	7.163.714,17	2.214.263,66
Financial Revenue	35	120.541,86	130.075,19	98.808,99	137.661,10
Financial Expenses	35	(856.463,56)	(510.647,59)	(389.578,88)	(435.448,81)
Share of Profit / (Loss) of Associates	10	612.812,81	44.031,86	-	4.580,39
Net Profit before Taxes		12.215.741,97	3.395.200,90	6.872.944,28	1.921.056,34
Income Tax	12	(1.436.922,29)	(46.241,51)	(1.232.090,68)	5.721,38
Net Profit After Taxes (A)		10.778.819,68	3.348.959,39	5.640.853,60	1.926.777,72
Attributable to:					
- Parent's Shareholders		9.375.549,84	3.025.211,02	5.640.853,60	1.926.777,72
- Non-controlling Interests		1.403.269,84	323.748,37	-	-
		10.778.819,68	3.348.959,39	5.640.853,60	1.926.777,72
Other Comprehensive Income:					
Result of a Branch Contribution under common control of subsidiary company	9	-	-	12.238.469,21	-
Contribution to Other Comprehensive Income of Relative Companies	10	(435.867,11)	-	-	-
Actuarial Profits / (losses) on Personnel Benefit Programs	28	266.472,77	(26.642,18)	165.822,87	(18.160,50)
Deferred Tax	12	(60.731,20)	6.394,12	(38.363,13)	4.358,52
Exchange Differences		12.760,70	-	-	-
Total Other Comprehensive Income (B)		(217.364,84)	(20.248,06)	12.365.928,95	(13.801,98)
Total Comprehensive Income (A) + (B)		10.561.454,84	3.328.711,33	18.006.782,55	1.912.975,74
Attributable to:					
- Parent's Shareholders		9.153.204,37	3.017.785,15	18.006.782,55	1.912.975,74
- Non-controlling Interests		1.408.250,47	310.926,18	-	-
		10.561.454,84	3.328.711,33	18.006.782,55	1.912.975,74
Weighted Average Number of Shares					
Ordinary Shares in Issue		17.364.932	12.214.784	17.364.932	12.214.784
Basic Earnings per Ordinary Share (in €)	36	0,5399	0,2477	0,3248	0,1577

* Some items of the fiscal year 2020 have been restructured due to a change in accounting policy according to a decision of the IFRS Interpretations Committee. (IFRIC-Committee). A relevant analysis is provided in note 44.

The notes on pages 88 to 185 constitute an integral part of these Financial Statements.

Statement of Changes in Equity

GROUP	Attributable to Parent's Owners					Non-controlling Interests	Total
	Share Capital	Treasury Shares	Reserves	Retained Earnings	Share Premium		
Amounts in Euro €							
Balance 01 January 2020	3,352,632.00	(35,863.68)	1,415,485.10	8,204,742.08	8.61	569,547.95	13,506,552.06
IAS Review 19	-	-	-	673,803.91	-	62,259.38	736,063.29
Adjusted Balance 01 January 2020	3,352,632.00	(35,863.68)	1,415,485.10	8,878,545.99	8.61	631,807.33	14,242,615.35
Total Income After Taxes	-	-	-	3,017,785.15	-	310,926.18	3,328,711.33
Increase in share capital	667,368.00	-	-	-	4,671,576.00	-	5,338,944.00
Share Capital Increase Expenses	-	-	-	-	(57,076.65)	-	(57,076.65)
Transfer to Ordinary Reserve	-	-	93,983.39	(93,983.39)	-	-	-
Sale of Own Shares	-	35,863.68	-	-	-	-	35,863.68
Dividend Paid In Fiscal Year	-	-	-	(348,694.80)	-	-	(348,694.80)
Transfer to Other Reserves	-	-	(3,411.88)	11,942.18	-	-	8,530.30
Inclusion of new subsidiaries and change of percentage of existing subsidiaries	-	-	-	679,712.66	-	348,447.34	1,028,160.00
Balance 31 December 2020	4,020,000.00	-	1,506,056.61	12,145,307.79	4,614,507.96	1,291,180.85	23,577,053.21
Balance 01 January 2021	4,020,000.00	-	1,506,056.61	12,145,307.79	4,614,507.96	1,291,180.85	23,577,053.21
Total Income 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 In Fiscal Year	-	-	-	(629,800.00)	-	-	(629,800.00)
Inclusion of new subsidiaries and change of percentage of existing subsidiaries	-	-	-	(244,209.51)	-	8,190,166.44	7,945,956.93
Balance 31 December 2021	4,020,000.00	-	1,800,859.99	20,129,699.27	4,614,507.96	10,889,597.76	41,454,664.98

* Some items of the fiscal year 2020 have been restructured due to a change in accounting policy according to a decision of the IFRS Interpretations Committee. (IFRIC-Committee). A relevant analysis is provided in note 44.

COMPANY	Share Capital	Treasury Shares	Reserves	Retained Earnings	Difference from Issue of Premium Shares	Total
	Amounts in €					
Balance 01 January 2020	3,352,632.00	(35,863.68)	1,336,448.88	7,897,086.83	8.61	12,550,312.64
IAS Review 19	-	-	-	526,785.59	-	526,785.59
Adjusted Balance 01 January 2020	3,352,632.00	(35,863.68)	1,336,448.88	8,423,872.42	8.61	13,077,098.23
Total Income After Taxes	-	-	-	1,912,975.74	-	1,912,975.74
Increase in share capital	667,368.00	-	-	-	4,671,576.00	5,338,944.00
Share Capital Increase Expenses	-	-	-	-	(57,076.65)	(57,076.65)
Dividend Paid In Fiscal Year	-	-	-	(348,694.80)	-	(348,694.80)
Sale of Own Shares	-	35,863.68	-	-	-	35,863.68
Transfer to Regular Reserve	-	-	93,983.39	(93,983.39)	-	-
Balance 31 December 2020	4,020,000.00	-	1,430,432.27	9,894,169.97	4,614,507.96	19,959,110.20
Balance 01 January 2021	4,020,000.00	-	1,430,432.27	9,894,169.97	4,614,507.96	19,959,110.20
Total Income After Taxes	-	-	-	18,006,782.55	-	18,006,782.55
Dividend Paid In Fiscal Year	-	-	-	(629,800.00)	-	(629,800.00)
Transfer to Regular Reserve	-	-	282,042.68	(282,042.68)	-	-
Balance 31 December 2021	4,020,000.00	-	1,712,474.95	26,989,109.84	4,614,507.96	37,336,092.75

* Some items of the fiscal year 2020 have been restructured due to a change in accounting policy according to a decision of the IFRS Interpretations Committee. (IFRIC-Committee). A relevant analysis is provided in note 44.

Cash Flow Statement

Indirect Method	GROUP		COMPANY	
	1.1-31.12.2021	1.1-31.12.2020 Revised (Note 44)	1.1-31.12.2021	1.1-31.12.2020 Revised (Note 44)
Amounts in Euro €				
Operating Activities				
Profit before tax	12.215.741,97	3.395.200,90	6.872.944,28	1.921.056,34
<i>Plus / minus adjustments for:</i>				
Depreciation	2.754.728,73	1.503.073,98	935.476,11	1.146.339,17
Provisions	2.534.309,78	366.360,62	577.065,38	201.964,88
Exchange differences	-	635,00	-	-
Results (income, expenses, profits and losses) of investment activity	(651.131,45)	(171.959,75)	(75.699,81)	(143.028,71)
Debt interest and related expenses	876.650,41	510.647,59	389.578,88	435.448,81
<i>Plus / minus adjustments for changes in working capital accounts or related to operating activities:</i>				
Decrease / (increase) of Reserves	25.473,46	(12.271,23)	7.471,77	(15.747,84)
Decrease / (increase) of receivables	(11.354.423,36)	820.210,56	(2.884.877,85)	6.594,15
(Decrease) / increase in liabilities (excluding banks)	6.285.265,21	289.684,80	4.019.722,43	2.062.147,37
<i>(Less):</i>				
Debt interest and related expenses paid	(903.312,48)	(465.001,72)	(439.034,85)	(384.408,30)
Taxes paid	(249.774,31)	(162.297,81)	(72.095,15)	(63.939,18)
Total inflows / (outflows) from operating activities (a)	11.533.527,96	6.074.282,94	9.330.551,19	5.166.426,69
Investment Activities				
Acquisition of subsidiaries, relatives, joint ventures and other investments	(14.546.131,24)	(5.295.402,75)	(13.444.710,86)	(6.384.432,00)
Proceeds from sales of subsidiaries, relatives, joint ventures and other investments	4.306.079,12	-	4.306.079,12	-
Purchase of tangible and intangible assets	(1.727.809,35)	(725.396,99)	(309.641,19)	(416.291,88)
Proceeds from sales of tangible and intangible assets	7.288,37	2.000,00	250,09	2.000,00
Rents received	1.529,38	799,11	91.515,32	77.970,51
Interest received	77.430,59	40.223,56	37.690,37	53.832,17
Dividends received	55.231,53	52.638,48	39.649,07	52.638,48
Other elements of investment flows	(1.889,62)	(635,00)	(1.889,62)	-
Total inflows / (outflows) from investment activities (b)	(11.828.271,22)	(5.925.773,59)	(9.281.057,70)	(6.614.282,72)
Funding Activities				
Proceeds from share capital increase	2.095.000,00	5.281.867,34	-	5.281.867,35
Proceeds from sale of Own Shares	-	67.054,13	-	67.054,13
Proceeds from issued / undertaken loans	2.719.962,56	7.702.681,69	1.000.000,00	5.453.534,47
Loan repayments	(2.900.892,35)	(319.227,93)	(1.235.862,70)	(230.573,92)
Repayments of liabilities from financial leases (amortization)	(727.604,37)	(337.261,85)	(283.551,38)	(251.458,41)
Dividends paid	(629.800,00)	(348.694,80)	(629.800,00)	(348.694,80)
Other Financial Flows	228,62	-	-	-
Total inflows / (outflows) from financing activities (c)	556.894,46	12.046.418,58	(1.149.214,08)	9.971.728,82
Net Increase / (Decrease) in Cash and Cash Equivalents (a) + (b) + (c)	262.151,20	12.194.927,93	(1.099.720,59)	8.523.872,79
Cash and Cash Equivalents at the beginning of the Period	20.788.875,39	8.593.947,46	13.844.031,22	5.320.158,43
Cash Available Contributing Sector	2.303.128,43	-	(376.584,82)	-
Cash and Cash Equivalents at the end of the Period	23.354.155,02	20.788.875,39	12.367.725,81	13.844.031,22

* Some items of the fiscal year 2020 have been restructured due to a change in accounting policy according to a decision of the IFRS Interpretations Committee. (IFRIC-Committee). A relevant analysis is provided in note 44.

The notes on pages 88 to 185 constitute an integral part of these Financial Statements.

B. Notes on the Financial Statements for the fiscal year 2021

1. General Information about the Company

The parent company “EPSILON NET – Information Technology, Training and High-Tech Products” with the distinctive title “EPSILON NET S.A.”, was established in its current form in year 1999 (Government Gazette 6383/04.08.1999). The original name was “HELLENIC DEVELOPMENT - Publications, Informatics and High Technology Products Societe Anonyme” with the distinctive title “HELLENIC DEVELOPMENT S.A.” as amended by the decision of the 12th Extraordinary General Meeting of the Shareholders on 14.02.2004 (Government Gazette 2497/24.03.2004), as well as the decision of 22.05.2008 of the 9th Ordinary General Meeting of Shareholders (Government Gazette 6356 / 04.07.2008).

The company’s registered seat is located in Greece, Municipality of Pylaia of the Prefecture of Thessaloniki – Side Road 87, 17th November - EMO Zone. The initial seat was in the Municipality of Thessaloniki, and was transferred to the Municipality of Pylea with the decision of the 9th Extraordinary General Meeting of the Shareholders dated 20.09.2002 (Government Gazette 02.10.2002). The company’s website is www.epsilonnet.gr.

The company is registered in the Societes Anonymes Register with Registration No. 43452/62/B/99/194 and its duration has been defined for fifty (50) years, until 22nd July 2049.

“EPSILON NET S.A.” is active in the IT sector and specifically in the development of software programs for economists, accountants - tax experts, accounting firms and companies’ accounting departments and financial management. In addition, it organizes educational seminars of economic, scientific content. Finally, it publishes and sells the weekly financial magazine “EPSILON 7” and trades scientific - tax books.

The attached consolidated financial statements of “EPSILON NET S.A.” (“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.
- ✓ ΤΕΧΝΟΛΑΪΦ LTD
- ✓ SYSTEM SOFT S.A.
- ✓ IQOM S.A.
- ✓ P.C.S. S.A.

“EPSILON NET SA” prepared consolidated financial statements for the first time in 2009.

The annual corporate and consolidated Financial Statements for the 2020 fiscal year were approved by the Board of Directors of “**EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH TECH PRODUCTS S.A.**” on 21st March 2021, have been made public through their publication on the website of the Athens Stock Exchange (ATHEX) and the Company’s website at www.epsilonnet.gr, where they will remain available to the investing public for a period of two (2) years, and are approved by the Annual shareholders’ Ordinary General Meeting.

Briefly, the basic information about the Company is as follows:

Board of Directors Composition

Today, the composition of the Board of Directors of “EPSILON NET S.A.”, is as follows:

- Michos Ioannis son of Nikolaos : Chairman & CEO, Executive Member
- Avdimiotis Spyridon son of Konstantinos : Vice President, Independent Non-Executive Member
- Anagnostou Vassiliki daughter of Demetrios : Deputy Chief Executive Officer, Executive Member
- Koutkoudakis Ioannis son of Antonios : Executive member
- Prassas Vasileios son of Gabriel : Executive member
- Michalopoulos Paschalis son of Georgios : Executive member
- Gribelas Andreas son of Demetrios : Executive member
- Aikaterini Daskalopoulou daughter of Georgios : Non-Executive Member
- Komninos Nikolaos son of Zacharias : Independent Non-Executive Member
- Karabinas Eleftherios son of Michael : Independent Non-Executive Member

The current Board of Directors of the Company has been elected by the Extraordinary General Meeting of the Company's shareholders on 30.06.2021, formed a body with the meeting of the Board of Directors dated 30.06.2021.

Supervising Authority	: Central Macedonia Region
General Commercial Registration Number	: 038383705000
Tax Identification Number	: 099357493
Legal Advisors	: Michalopoulos Paschalis
Auditor	: Dimitrios Drakopoulos RN SOEL 40061 Collaborating Certified Accountants SA Member of Crowe Global Network

2. Applied Accounting Principles

2.1. Framework for the Preparation of Financial Statements

The consolidated and corporate financial statements of “EPSILON NET SA” as at 31st December 2021 covering the 23rd fiscal year from 1 January to 31 December 2021, have been prepared based on:

- the historical cost principle, as amended by the adjustment of specific assets and liabilities to fair values,
- the principle of continuing activity (going concern principle),
- the principle of fiscal autonomy,

and are in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, under Regulation no. Regulation (EC) No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002.

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

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

Amounts included in the consolidated and corporate financial statements are presented in euros, unless otherwise stated in the separate notes.

The accounting principles followed by the Company for the preparation of the annual financial statements are consistent with those described in the published financial statements for the year ended 31.12.2020.

New Standards and Interpretations

Adoption of New and Revised International Standards

New standards, standard amendments and interpretations have been issued and are mandatory for annual accounting periods beginning on or after 1 January 2021.

Unless otherwise stated, the amendments and interpretations that apply for the first time in the year 2021, have no effect on the (consolidated) financial statements of the Group (the Company). The Group (the Company) did not adopt premature standards, interpretations or amendments that have been issued by the IASB and adopted by the European Union but have no mandatory application in the year 2021.

Mandatory Standards and Interpretations for the current fiscal year 2021

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendment) – “Interest Rate Benchmark Reform” Phase 2

On August 27, 2020, the International Accounting Standards Board issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 as part of the second phase of the project to address issues that may affect the financial statements following a reform of an interest rate benchmark, including its replacement with alternative benchmark interest rates.

The main flexibilities (or exemptions to the application of the accounting provisions of the individual standards) provided by these amendments concern the following:

- Changes in contractual cash flows: When changing the basis for calculating the cash flows of financial receivables and liabilities (including leasehold liabilities), the changes required by the interest rate reform will not result in the recognition of a gain or loss in the income statement but rather a recalculation of the interest rate. The above also applies to insurance companies using the temporary exemption from the application of IFRS 9.

- Hedge accounting: According to the amending provisions, changes in the hedge accounting documentation resulting from interest rate reform will not result in the termination of the hedging relationship or the establishment of a new relationship provided that they relate to changes permitted by the Phase 2 amendments. These changes include redefining the hedged risk to reference a zero-risk rate and redefining the hedging elements and/or hedged items to reflect the zero-risk rate. However, any additional ineffectiveness should be recognised in the results.

The amendment applies to annual accounting periods beginning on or after 1 January 2021.

IAS 19 Employee Benefits – Transitory provisions for applying the agenda final decision titled “Attributing benefit to periods of service”

In May 2021, the Interpretation Committee of International Financial Reporting Standards issued the final agenda decision under the title “Attributing Benefits to Periods of Service (IAS 19)”, which includes explanatory material on how to attribute benefits to periods of service on a specific defined benefit plan similar to the one defined in article 8 of Law 3198 /1955 as regards the provision of retirement benefits (the “Defined Benefits Plan of Labor Law”).

Based on the above Decision, the way in which the basic principles of IAS 19 were applied in Greece in the past differs in this respect, and consequently, in accordance with the provisions of the “IASB Due Process Handbook (paragraph 8.6)”, entities that prepare their financial statements in accordance with IFRS are required to modify their accounting policies accordingly.

The Group (The Company) until the issuance of the agenda decision, applied IAS 19 attributing the benefits defined by article 8 of Law 3198/1955, Law 2112/1920, and its amendment by Law 4093/2012 in the period from recruitment to the completion of 16 years of employment following the scale of Law 4093/2012 or until the employees' retirement date.

The application of this final Decision to the attached financial statements, results in the attribution of benefits in the last sixteen (16) years until the employees' retirement date following the scale of Law 4093/2012.

In view of the above, the application of the above Final Decision has been treated as a change in accounting policy, applying the change retroactively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8, the effect of which is presented in the note 44 of the attached financial statements.

IFRS 16 Leases (Amendment) – “Lease concessions related to the coronavirus epidemic beyond 30 June 2021”

The International Accounting Standards Board in response to the impact of the pandemic issued first on 28 May 2020 and then on 31 March 2021 an amendment to IFRS 16 “Leases” to allow lessees not to account for rent reductions as a lease amendment if they are a direct consequence of COVID-19 and if all of the following conditions are met:

- a) the revised rent was the same or less than the original rent,
- b) the reduction was related to rent due before or up to 30 June 2021, c) no other significant changes have been made to the terms of the lease.

The amendment does not affect lessors. The Board has extended the period of validity of the relevant facility from 30 June 2021 to 30 June 2022.

The amendment is effective for annual accounting periods beginning on or after April 1, 2021. Early adoption is permitted, including interim or annual financial statements that were not authorised for publication on 31 March 2021.

IFRS 4 Insurance Contracts (Amendment) – “Extension of the temporary exemption from the application of IFRS 9”

This amendment, which was issued on 25 June 2020, postpones the effective date by two years to annual reporting periods beginning on or after 1 January 2023 to allow time for the smooth adoption of the amended IFRS 17 by jurisdictions around the world. This will allow more insurance entities to apply the new standard at the same time. In addition, IFRS 4 was amended to allow insurance entities to apply IFRS 9 Financial Instruments alongside IFRS 17.

The amendment applies to annual accounting periods beginning on or after 1 January 2021.

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

The following amendments are not expected to have a significant impact on the financial statements of the Company (or the Group) unless otherwise stated:

Annual improvements to 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 accounting periods beginning on or after 1 January 2022:

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-Time IFRS Adopter

The amendment permits a subsidiary to apply paragraph 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 IFRS.

IFRS 9 Financial Instruments – Fees included 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 derecognise a financial liability. The entity shall include 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 in respect of leasehold improvements in Explanatory Example 13 of the standard, in order to prevent any confusion about the accounting treatment of lease incentives that may arise from the way lease incentives are presented in the example.

IAS 41 Agriculture - Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude cash flows from taxation when measuring biological assets using the present value technique. This amendment ensures consistency with the requirements of IFRS 13.

IAS 16 Property, Plant and Equipment (Amendment) – “Receipts of amounts prior to intended use”

The amendment changes the way in which the cost of testing an asset for good working order and the net proceeds from the sale of items produced in the process of bringing the asset to its location and condition are recorded. The revenue and costs of producing these products will now be recognised in the income statement instead of appearing as a reduction in the acquisition cost of the fixed assets. It also requires entities to disclose separately the amounts of revenue and costs associated with such items produced that are not the result of the entity's ordinary activities.

The amendment applies to annual accounting periods beginning on or after 1 January 2022.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment) – “Onerous Contracts - Cost of fulfilling a contract”

The amendment specifies which costs an entity should include in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment clarifies that 'the cost of fulfilling a contract' includes the directly related costs of fulfilling that contract and an attribution of other costs directly related to its fulfilling. The amendment also clarifies that, before recognising a separate provision for an onerous contract, an entity recognises any impairment loss on the assets used to perform the contract, rather than on assets that were dedicated only to that contract.

The amendment applies to 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 IASB issued the “Reference to the Conceptual Framework (Amendments to IFRS 3)” with amendments to IFRS 3 “Business Combinations”. 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 recognise contingent assets, as defined in IAS 37, at the acquisition date.

The amendment applies to annual accounting periods beginning on or after 1 January 2022.

IFRS 17 Insurance Contracts

On 18 May 2017 the IASB issued IFRS 17, which, together with the amendments issued on 25 June 2020, replaces the existing IFRS 4.

IFRS 17 establishes principles for the registration, valuation, presentation and disclosure of insurance contracts with the objective of providing a more uniform valuation and presentation approach for all insurance contracts.

IFRS 17 requires that insurance liabilities should be valued not at historical cost but at current value in a manner consistent with the use of:

- impartial expected weighted estimates of future cash flows based on updated assumptions,
- discount rates that reflect the cash flow characteristics of the contracts; and
- estimates of the financial and non-financial risks arising from the issue of insurance contracts.

The new standard applies to 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 (or 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 (or the Group) unless otherwise stated:

IAS 1 Presentation of Financial Statements (Amendment) – “Classification of liabilities as current or 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 taken into account and clarified the circumstances that constitute settlement.

The amendment applies to annual accounting periods beginning on or after 1 January 2023.

IAS 1 Presentation of Financial Statements and IFRS 2 Practice Directive: Disclosure 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 paragraph 5 of IAS 8.
- An entity shall disclose significant accounting policies. Accounting policies are significant when, together with other information in the financial statements, they are likely to influence the decisions of the primary users of the financial statements.
- Accounting policies for non-significant 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 insignificant. Accounting policies relating to significant transactions and events are not always significant in their entirety.
- Accounting policies are significant when users of financial statements need them in order to understand other significant information in the financial statements.
- Information about how an entity has applied an accounting policy is more useful to users of financial statements than standardised information or a summary of the provisions of IFRS.
- If an entity chooses to include insignificant accounting policy information, that information shall not interfere with significant accounting policy information.

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

The amendments apply to 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 in which:

- It defined accounting estimates as monetary amounts in 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. By its nature, this does not relate to prior periods or constitute a correction of an error. Changes in data or valuation techniques are changes in accounting estimates unless they relate to a correction of an error.

The amendment applies to annual accounting periods beginning on or after 1 January 2023.

IAS 12 Income Taxes (Amendment) – “Deferred Tax relating to Assets and Liabilities arising from a single transaction”

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

The amendment applies to annual accounting periods beginning on or after 1 January 2023.

IFRS 17 Insurance Contracts (Amendment) – “Initial application of IFRS 17 and IFRS 9 - Comparative information”

On 9 December 2021, the International Accounting Standards Board issued an amendment to IFRS, which adds a new option for transition to IFRS 17 in order to smooth out the accounting mismatches that arise in the comparative information between insurance contract liabilities and the related financial assets upon initial application of IFRS 17, and thereby improve the usefulness of comparative information for users of financial statements. It allows comparative information about financial assets to be presented in a way that is more consistent with IFRS 9.

The amendment applies to annual accounting periods beginning on or after 1 January 2023.

2.2. 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 companies) 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 due to its participation in this company and has the ability to influence these returns through its authority in this 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 to exist.

The Group uses the acquisition method to account for the merger. The acquisition price for the acquisition of a subsidiary is calculated as the total fair values of the assets transferred, the liabilities assumed to the 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 possible consideration agreement.

In a business combination, the costs associated with the acquisition are recorded in the income statement. The identifiable assets acquired, liabilities and contingent liabilities are initially measured at their fair value at the acquisition date. If any, the Group recognizes a non-controlling interest in the subsidiary, either at fair value or at the value of the non-controlling interest in the equity of the acquired company.

If an acquisition is made in individual stages, the present value of the Group's holding in the acquired company is revalued 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 at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration, which was considered as 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 price that was classified as an item of equity is not revalued until its final settlement through equity.

Goodwill is the excess of the total price paid, the amount recognized as a non-controlling interest and the fair value of any prior acquisition in the acquired company, relative to the fair value of the identifiable net assets of the subsidiary acquired. If the fair value of the net assets of the acquired subsidiary is greater than the total cost of the acquisition, the non-controlling interest recognized and the fair value of the previous holding in the acquired company, the gain (undervaluation) on the transaction is recognized immediately in the profit/loss account.

Any profit or loss as well as any item of the statement of comprehensive income is allocated to the shareholders of the parent company and the non-controlling interests, even if this results in the balance of the non-controlling interests becoming negative.

In the Company's balance sheet, participations in subsidiaries are shown at cost less impairment losses, if any. The acquisition value is adjusted to incorporate changes in the price from contingent price changes.

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

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

When the Group ceases to have the control of a subsidiary and if it continues to maintain any participation in it, then the participation is revalued to fair value at the date the control ceases and any difference in relation

to the current value is recognized in the profit/loss account. This asset is then recognized as an associate, joint venture, or financial asset at that fair value. In addition, any amount previously recognized in other comprehensive income relating to this company is accounted for using the same method that the Group would apply if it sold its assets or liabilities directly. This may mean that amounts previously recognized in other comprehensive income are reclassified to the year's profit/loss account.

The Group uses the acquisition method even in joint ventures under joint control. IFRS 3 (paragraph 2) excludes from its scope mergers under joint control. In the absence of a specific provision in the relevant model, the Management considers that the "acquisition method" is the most appropriate accounting method to present in the Company's financial statements the merger of companies under common control, using the fair value approach since the combined entities are separate entities and therefore the accounting for the transaction should not differ from another transaction between willing and informed parties operating under normal market conditions. In such a joint venture, the acquisition cost of the transaction is estimated as the fair value of the consideration received and any difference between the assets contributed, and the equity instruments received is recorded directly in equity through the statement of comprehensive income.

Associates: Associates are legal entities in which the Group has a substantial influence but does not exercise control over their operation (participates directly or indirectly in voting rights with a percentage of 20% or more). Investments in associates are accounted for using the equity method and are initially recognized at acquisition cost. The Group's investments in associates include goodwill (net of any impairment losses) arising at the acquisition.

According to the equity method, the Group's share in profits or losses arising after the acquisition of associates is recognized in the income statement and the Group's share of other comprehensive income is recognized in the Group's other comprehensive income when the carrying amount of the investment changes. When the Group's share in the losses of an associate is equal to or greater than the value of its investment, then the Group does not recognize further losses, unless it has entered legal or contractual obligations or has made payments on behalf of that company.

If the percentage of the Group's participation in an associate decrease, but continues to maintain a significant influence, then only the proportion corresponding to the percentage of the decrease in participation is recorded in the year's profit/loss account from the amounts previously recognized in other comprehensive income.

At each date of the financial statement's preparation, the Group examines whether there are objective indications of impairment of participation in the associate. In this case, the Group calculates the amount of the impairment of its participation as the difference between its recoverable amount and its current value. Impairment value is recognized in the income statement in the account "Profit / (loss) of associates and joint ventures".

Profits and losses arising from transactions between the Group and its associates are recognized in the consolidated financial statements only to the extent that it is attributable to the counterparty not related to the

Group. Unrealized profits on transactions between the Group and its associates are eliminated at the percentage of the Group's participation in these companies. Unrealized losses are also eliminated unless the transaction provides an indication of an impairment of the transferred asset.

The accounting policies of the associates have been amended, whenever 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 individual financial statements of the Company, participations in associates are shown at cost less impairment losses, if any.

Joint Ventures: In joint ventures, the Group, together with the other parties, undertake an activity which is subject to joint control under a contract. Joint ventures are accounted for using the equity method. According to the equity method, the participations in joint ventures are initially recognized at acquisition cost and then adjusted to the Group's percentage of profit (or loss) and other comprehensive income of the joint ventures. When the Group's percentage in the losses of a joint venture is equal to or exceeds its participation in this joint venture (which includes any long-term participation that is, in essence, part of the Group's net investment in it), the Group does not recognize further losses, unless it has made commitments or made payments on behalf of the joint venture. Unrealized profits on transactions between the Group and the joint ventures are eliminated at the percentage of the Group's participation in the joint ventures. Unrealized losses are also eliminated, unless there is evidence from the transaction for the impairment of the transferred asset. The accounting principles of the joint ventures have been amended, whenever deemed 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 individual financial statements of the Company, participations in joint ventures are shown at cost less impairment losses, if any.

Investments in mutual agreements are classified as joint activities or joint ventures and the classification depends on the contractual rights and obligations of each investor. The Group evaluated the nature of its investments in mutual agreements and decided that they constitute joint ventures.

2.3. Tangible Fixed Assets

Valuation of Tangible Fixed Assets

Tangible fixed assets are presented in the Financial Statements based on historical cost, ie the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them. The above costs are reduced by the accumulated depreciation and any impairment of tangible fixed assets.

Repair and maintenance costs are recognized in the Income Statement for the year in which they are incurred. Significant improvements are incorporated in the cost of the respective fixed assets, as they increase the useful life, increase the production capacity or improve the efficiency of the respective fixed assets.

When the carrying amounts of property, plant and equipment exceed their recoverable amount, the difference (impairment) is recognized immediately as an expense in the Income Statement for which the impairment is recognized.

Property, plant and equipment and their accumulated depreciation are derecognised upon sale or disposal or when no further financial benefits are expected from their continued use. Gains or losses arising from the write-off of an asset are included in the Income Statement for which the asset is written off.

Depreciation of Tangible Fixed Assets

The method of amortization of tangible fixed assets used is the fixed method, in which the results are charged at a fixed amount throughout the useful life of fixed assets, which is as follows:

- Installations of buildings on third party properties depending on 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 property, plant and equipment are reviewed and adjusted, if necessary, on an annual basis at the date of preparation of the Financial Statements.

Eligible assets are depreciated over the shortest period of time between the lease term and the useful life of the underlying asset.

2.4. Intangible Assets

Internally Developed Intangible Assets (Self-creation)

These are internally developed software programs within the company, which is the result of applying the Group's research department findings on these programs, which are not intended for sale, but for the development of new or substantially improved products, procedures, systems, methods or services. These expenses concern the cost of purchasing or self-creating the software, such as starting and ancillary materials, salaries and staff expenses, third-party fees and expenses, third-party benefits and other sundry expenses - disposables, etc. Moreover, it encompasses every expense that has been incurred during the development of new software, in order to bring it to an operational state.

Recognition Criteria

Self-produced intangible assets are recognized in the Financial Statements only if they incorporate the following characteristics:

- Identifiability of an intangible asset meaning that it is capable of being separated and sold, transferred, rented, or exchanged, either individually or together with other assets.
- The Group has control of every intangible asset, i.e. it has the power to receive the future economic benefits arising from the asset and consequently be able to deter others from benefiting from these future benefits.

- It is probable that future economic benefits that are attributable to the asset will flow in the company.
- The cost of every self-created intangible asset must be measured reliably. Expenses are included that can be directly attributed or allocated on a logical and consistent basis, e.g.:
 - The cost of materials and services that are used or consumed for the development of the intangible asset.
 - Salaries and other related expenses of staff that is directly involved in the creation of the intangible asset.
 - Every expenses that is directly attributable to the creation of the intangible asset (e.g. fees for the registration of a legal right).
 - Overheads that are necessary for the creation of the intangible asset and can be allocated to it on a logical and steady basis (e.g. distribution of depreciation on assets, premiums, rent, lighting, other direct consumption materials, etc).
 - The borrowing cost of loans that were used for the development of intangible assets, based on the provisions of IAS 23 “Borrowing Cost”, which includes interest on short-term and long-term loans as well as interest on bank overdrafts, supplementary expenses (e.g. commissions) that were incurred for the granting of the loan, finance charges in respect of finance leases recognised in accordance with IAS 16 “Leases”, and exchange differences arising from foreign currency borrowings.

Research Stage

All the expenses that are carried out during the research stage, for the purpose of developing an internally created intangible asset, are recognized directly in the Income Statement in the period that they arise. Only expenses related to the development stage can be recognized as asset items. When it is not possible to make a clear separation between the two stages, then all the expenses that may arise during the development of an intangible asset shall be recognized in the Income Statement.

Expenses that had been transferred as expenses to the profit or loss, prior to the recognition of a specific intangible asset, cannot be capitalized after their recognition.

Development Stage

The development stage, which follows the research stage, enables the company to provide proof that an intangible asset will be created.

In order to recognize the cost that will be incurred during the development stage for internally created intangible assets, the Group’s management estimates and cumulatively provides evidence on an annual basis for the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.

- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate a) the existence of a market for the output of the intangible asset and b) if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development (costing system).

Measurement after Initial Recognition

Subsequent to initial recognition, IAS 38 allows the intangible assets to be measured using one of the following two methods:

- Intangible assets are recognized at acquisition cost less accumulated depreciations and any accumulated impairment losses, due to their value decrease.
- Intangible assets appear at their revalued amount, which is their fair value, on the valuation date, less any accumulated impairment loss, due to their value decrease.

During the first adoption of the IFRSs, the company applied the historical method, which it continues to apply to this day.

Depreciations

The amortization method for internally created (self-generated) intangible assets used, is the systematic allocation of the depreciable value of the Group's intangible asset over its estimated useful life which ranges between 2 and 10 years. The allocation is done so as to reflect how the economic benefits are received by the company.

During the first adoption of the IFRS, the depreciable value is the historical cost value less the residual value. The residual value is considered to be zero for all of the Group's intangibles.

Given that it is necessary to estimate the useful life of the intangible asset in order to determine its depreciable and residual value, the Group's management has taken all of the following factors into account in order to determine the useful life of each intangible asset:

- The intangible asset's expected use.
- The life cycles for similar products or public information on estimates of useful lives of similar assets.
- Technical, technological, commercial or other types of depreciation.
- The stability of the industry in which the company and the intangible assets operate and market demand for the products or services arising from these assets.

- The expected actions by competitors.
- The level of maintenance expenditure required for each intangible asset over the coming periods and the company's intention to carry out the required maintenance expenditure.
- To what extent the asset's useful life is dependent on the useful life of other assets of the company.

Third-Party Software Licenses

This is a one-off acquisition of software licenses by the company's third parties suppliers. Such software is measured at cost less accumulated depreciations and any impairment.

The straight-line method is used based on which profit or loss is charged with a fixed amount over the useful life of these assets, which is 5 years.

Trademarks

Trademarks are measured at cost less accumulated depreciations and any accumulated impairment losses. Depreciations are conducted using the straight-line method is used based on which profit or loss is charged with a fixed amount over the useful life of the trademarks, which is estimated at ten (10) years except for the trademark (distinctive title) Singular Logic whose useful life was deemed indefinite by the Group's Management because no time limit can be predicted for the period during which an inflow of financial benefit is expected. It will be checked on an annual basis for any impairment losses. The brand name in the financial statements of the Group emerged within the fiscal year 2021, with the absorption of the proprietary accounting software sector for businesses and Enterprise Resource Planning (ERP) of the company under the name "SINGULARLOGIC INFORMATION COMPANY AND INFORMATION APPLICATIONS SOCIETE ANONYME" with the distinctive title "SINGULARLOGIC S.A." with Registration Number 008916201000, from the subsidiary Epsilon Singularlogic S.A.

Goodwill

Goodwill represents the difference between the acquisition value and the fair value of the individual assets and liabilities when acquiring subsidiaries and associates. Goodwill at the acquisition of associates is included in the acquisition value of the investment. Goodwill is checked annually for impairment. Profits and losses on the disposal of subsidiaries or associates are determined taking into account the relative goodwill corresponding to the sold financial unit.

For the purpose of controlling goodwill and in order to determine whether there is impairment, 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 constitutes or contains a lease, at the time of its entry into force and recognizes on a case-by-case basis an asset with a right of use and a corresponding lease obligation for all leases in which it is a lessee, except for short-term leases (which re defined as leases with a lease term of 12 months or less) and leases of an underlying asset of low value. For these leases, the Group recognizes leases as operating expenses on a straight-line basis over the term of the lease.

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

- fixed rents (including substantially fixed rents), reduced by any lease incentives,
- floating reant depending on an index or interest rate, which are initially measured using the index or interest rate at the date of the beginning of the lease term,
- amounts that the lessee is expected to pay under the residual value guarantees,
- the price of exercising a purchase right if it is rather certain that the lessee will exercise that right, and
- the payment of a penalty for terminating the lease, if the term of the lease reflects the exercise of the lessee's right to terminate the lease.

The lease liability is measured subsequently, increasing the carrying amount to record interests on the lease liability (using the effective interest method) and decreasing the carrying amount to record lease payments. The Group recalculates the lease liability (and makes the corresponding adjustments to the relevant right-of-use assets) if:

- there is a change in the term of the lease or if there is a change in the assessment of the right of purchase, in this case the lease liability is remeasured by discounting the revised rents based on the revised discount rate.
- there is a change in rents due to the change in the index or interest rate or the amounts that are expected to be paid due to the residual value guarantee. In these cases the lease liability is measured by discounting the revised rents based on the initial 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 rents using the revised discount rate.

The lease liability is presented separately in the Balance Sheet.

The right-of-use asset includes the amount of the initial measurement of the corresponding lease liability, the rents paid at the commencement date of the lease term or earlier, and any initial direct costs. They are subsequently measured at cost less any accumulated depreciation and impairment losses. The Group applies IAS 36 to determine whether the right-of-use asset has been impaired.

In cases where the Group contractually undertakes the obligation to disassemble and remove the underlying asset, to restore the space where it has been placed or to restore the underlying asset to the condition provided by the terms and conditions of the lease agreement, it recognizes a provision which is measured in accordance with IAS 37. These costs increase the book value of the right-of-use asset. The Group did not incur any of these costs during the periods presented in these financial statements.

Eligible assets are depreciated over the shortest period of time between the lease term and the useful life of the underlying asset. If, as a result of the lease, the ownership of the respective underlying asset is transferred or the cost of the underlying asset is included in the acquisition price of the underlying asset, given that the Group expects to exercise that underlying asset's purchase right, the said right-of-use asset is depreciated in the useful life of the respective underlying asset. Depreciation starts at the beginning of the lease term.

The assets with the right of use are presented separately in the Balance Sheet.

Floating rents, which are not dependent on any index or interest rate, are not included in the measurement of the lease liability and therefore do not constitute a component of the carrying amount of the right-of-use asset. Relevant payments are recognized as an expense in the period in which the event or the condition for activating these payments occurred and are included separately in the operating expense items in the Income Statement and Other Comprehensive Income.

According to the provisions of the IFRS 16, the Group applied the practical facilitation of IFRS 16 according to which the lessee is not obliged to separate the non-leased elements, and therefore treats each lease and related non-leased elements as a single contract.

The Group as a lessor

Leases in which the Group is a lessor are classified either as finance or operating. When all the risks and benefits that accompany ownership of the lease are substantially transferred to the lessee, in accordance with the terms of the lease, the lease is classified as financial. All other leases are classified as operating leases.

When the Group is an intermediary lessee, it treats the main lease and the sublease as two separate contracts. The sublease is classified as financial or operating depending on the right-of-use asset arising from the main lease.

Revenue from operating leases is recognized on a straight-line basis over the term of the lease. The initial direct negotiation and transaction costs of an operating lease are added to the carrying amount of the underlying asset and recognized on a straight-line basis during the term of the lease.

The amounts owed by the lessees from finance leases are recognized as receivables in the amount of the Group's net investment in the finance lease. The financial income from the lease is allocated to the reporting periods so as to reflect the fixed periodic rate of return of the Group on the remaining net investment in finance leases.

When the lease includes leasing and non-leasing elements, the Group applies the IFRS 15 in order to divide the contract price into each item separately.

2.6. Impairment of Assets' Value

Assets with an indefinite useful life are not depreciated but are subject to an impairment check on an annual basis, which is also carried out when events prove that the carrying value of these assets cannot be recoverable. Assets that are depreciated are subject to impairment checking when events or changes in conditions indicate that it is likely that their carrying value may not be recoverable.

Recoverable amount is the higher net selling price and value in use of an asset. The net selling price is the amount with which an asset can be exchanged, or a liability can be settled, in a reciprocal commercial transaction, between two parties who enter the transaction freely and knowledgeably, after deducting any additional direct disposal cost if the asset. Value in use is the present value of the future cash flows expected to derive from an asset due to its continuous use and from the inflows expected to arise from its disposal at the end of its useful life.

To estimate impairment losses, assets are classified into the smallest identifiable group of assets generating cash flows. Impairment losses are classified as expenses in the profit/loss account when they arise.

2.7. Financial Assets and Liabilities

The Group recognizes financial instruments as assets or liabilities if it becomes a counterparty that acquires rights or liabilities under the contractual terms of the financial instrument. At initial recognition, financial assets and liabilities are valued at fair value. In the case of financial instruments that are not valued at fair value through the profit/loss account, the value at initial recognition is increased by transaction costs and reduced by income and commissions directly attributable to their acquisition or creation.

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

Trade portfolio securities include the Group's investments in bonds and are valued at fair value with valuation differences being recorded in the profit/loss account.

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

Equity securities are non-derivative financial assets that are either classified as available-for-sale or are not eligible for 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 date of preparation of the Balance Sheet.

The fair values of investments that are traded in an active market are determined by current demand prices. For non-tradable items, fair values are determined using valuation techniques such as recent transaction analysis, comparable items traded and cash flow discounting.

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

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

- they are part of a retention-driven business model in order to collect their contractual cash flows, and
- the contractual terms governing them provide only cash flows of interest and interest on outstanding capital, which must be paid on specific dates (Solely Payments of Principal and Interest - SPPI).

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

Impairment losses (losses on bad-debt receivables) are recognized when there is objective evidence that the Group is unable to recover all amounts due under 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 recorded in the profit/loss account.

Receivables from customers and other financial receivables of the Group are usually immediately receivable and therefore do not include a fee for the passing of time (time value).

The financial liabilities of the Group are valued at amortized cost and are interest-bearing using the effective interest method. The results from the valuation or discontinuation of liabilities valued at fair value are recognized in the line "Financial Income" of Total Income Statement.

The Group discontinues the recognition of financial assets when:

- the cash flows of the financial assets have expired,
- the contractual right to recover cash flows from the financial assets is transferred and at the same time the risks and benefits arising from them are transferred,
- loans or investments in securities become uncollectible, at which point they are written off, and
- the contractual terms of the financial items change substantially.

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

2.8. Fair Value Determination

Fair value is defined as the price that the Company and the Group would receive upon the sale of an asset or the price that it would pay in order to transfer a liability, in an ordinary transaction between market participants, at the valuation date, in the main market of the asset or liabilities or in the most advantageous market for the item, in the absence of a main market.

The Company and the Group determine the fair value of the assets and liabilities that are traded in an active market, based on the available market prices. In all other cases, the Company and the Group determine the fair value using valuation techniques that are appropriate to the circumstances, for which sufficient valuation data is available and which maximize the use of the relevant observable values. In cases where there are no observable data in the market, data based on internal estimates and assumptions are used, e.g. determining expected cash flows, discount rates, possibility of prepayments or counterparty default. In any case, when valuing at fair value, the Company and the Group use assumptions that would be used by market participants, considering that they act based on their maximum financial interest.

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

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

Non-financial assets

The main category of non-financial assets for which a fair value is determined is real estate. As a rule, the procedure followed during the valuation at the fair value of real estate is summarized in the following steps:

- Assignment of the order to the engineer-appraiser,
- Case study - Determination of additional elements,
- Autopsy - Inspection,
- Data processing - Calculations,
- Estimates preparation.

For the calculation of the fair value of each property, the respective appraiser chooses from the following three basic methods:

- Purchase method (or comparative method), which determines the fair value of the property by comparing it with other similar properties for which there are transactions (sales) data.
- Income method, which capitalizes future cash flows that can be secured by the property with an appropriate capitalization rate.

- Cost method, which reflects the amount that would be required in the current period to replace the property with another, of similar specifications, after taking into account the appropriate adjustment due to depreciation.

Examples of data used for the valuation of real estate and which are detailed in the individual estimates are the following:

- Commercial Real Estate: Price per m², increase of rent per year, long-term percentage of non-leased premises/units (for rent), discount rate, rate of return, term of leases in force (years), percentage of non-leased premises/units (for rent), etc.
- Residential Properties: Net (initial) property yield, expected property yield based on estimated lease value (reversionary yield), net rent per m² per year, percentage of long-term non-leased premises/units (for rent), term of leases in force (years), percentage of non-leased premises/units (for rent), estimated value of rents per m², increase of rent per year, discount rate, rate of return, term of leases in force (years), etc..
- General Assumptions such as: building age, remaining useful life, m² per building etc. also refer to the individual estimates for each property. It is noted that the valuation at fair value of a property is based on the ability of market participants to generate financial benefits from its maximum and best use or from selling it to other market participants, who will use this item to the maximum and best way.

2.9. Inventories

Inventories are the assets that are either held for sale in the ordinary course of business of the Group's companies, or are in the process of production, until they take their final form for sale or are materials and raw materials, which will be consumed in the production process or in the provision of services.

Inventories are valued at the lowest price between acquisition cost and net realizable value.

The acquisition cost price for all inventories is determined using the weighted average cost method of similar items.

2.10. Receivables from Commercial Activity

Receivables from commercial activity of the Group are classified as current assets, as they are held mainly for commercial purposes or for a short period and are expected to be liquidated within twelve (12) months from the date of preparation of the Balance Sheet (e.g. bonds for sale , securities receivable, receivables from customers, etc.).

These receivables, which are sold, used or collected within the operating cycle of the Group, are considered as current assets, even if they are not expected to be received within the next twelve (12) months from the balance sheet date.

The Group's operating cycle means the time between the acquisition of the assets that enter a process within the Group's companies and their liquidation in cash or in a financial instrument that is immediately convertible into cash.

Receivables data are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate less any impairment losses (losses on bad-debt receivables) in conjunction with the new IFRS 9 requirements. The Group has established criteria for the provision of credit to customers, which are generally based on the size of the customer's activities, while assessing relevant financial information. Transactions are generally carried out on normal terms and with an expected average receivable time of one hundred and twenty (120) days from the shipment of the sold goods and services.

At the date of preparation of the Financial Statements, all overdue or doubtful receivables are checked to determine whether or not provision for doubtful receivables is required. The balance of this provision is adjusted appropriately at each balance sheet date to reflect the potential risk of impairment loss.

Impairment losses are recognized only when there is an objective indication that the Group's companies are not able 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 the estimated future cash flows discounted at the effective interest rate. Any amount of impairment loss is recognized as an expense in the profit/loss account.

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which, the loss provision is always measured at an amount equal to the expected credit losses throughout life as provided by IFRS 9.

To determine the expected credit losses in relation to receivables from customers, the Group uses a credit loss forecast table based on the maturity of the balances. The Group considers that the "risk of default" for sales on credit increases significantly when for some reason the customers do not comply with the credit limit and the payment has not been made up to 120 days late.

The amount of the expected credit risk losses of the year is recognized in the results, in the account "Other Operating Expenses".

2.11. Cash and Cash Equivalents

Cash and cash equivalents include cash and cash equivalents, such as demand and short-term time deposits, bank accounts and high-liquidity, low-risk investments (Fixed Term Deposits) that can be immediately converted to cash.

2.12. Share Capital

The share capital of the Group is included in the equity of the Balance Sheet and concerns the common registered shares of the parent company. Immediate expenses for the issue of shares appear in a reduction of the issue product.

Direct costs related to the issue of shares for the acquisition of other companies, are included in the acquisition cost of the company acquired.

2.13. Reserves

Reserves are accumulated net profits, which have not been distributed to the shareholders, nor have they been capitalized (i.e. they have not been incorporated in the share capital of the Group with a corresponding increase), but appear in separate accounts of the net position of the company.

i. Statutory Reserve

According to Greek law (Law 4548/2018), the company is obliged, at the date of preparation of the Financial Statements, to form a statutory/regular reserve, equal to at least five percent (5%) of the actual (accounting) net profits of each year.

ii. Extraordinary Reserves

They include reserves that have arisen from taxed profits of the parent company, as a condition for covering the same participation and its inclusion in programs subsidized by various bodies, such as the European Union.

iii. Untaxed Reserves under Special Law Provisions

The Group has reserves formed by the parent company from net profits, which according to special provisions of laws that are characterized as development laws, are not taxed, because they were used to acquire new fixed production equipment. That means that they are formed from net profits, for which no tax is calculated and paid.

iv. Tax-Exempt Reserves and Specially Taxed Income

Reserves from tax-exempt income and reserves taxed in a special way refer to mutual fund income and repos, previously held by the Group parent company, which are exempt from tax or are taxed with withholding tax at source, exhausting the tax liability. In addition to these taxes paid, these reserves are subject to taxation in the event of their distribution.

2.14. Subsidies

A state subsidy is aid, provided by the state in the form of a transfer of resources to a company, in return for compliance with or impending compliance with conditions related to its operation.

The recognition criteria, which must be met cumulatively, are the following:

- Reasonable assurance that the company has complied or will comply with the terms of the subsidy, and
- Reasonable assurance that the amount of the subsidy will be received. Receiving the subsidy alone is not sufficient for recognition because it does not demonstrate the ability to fulfill the conditions.

Government subsidies are recognized at their 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 subsidies, which are recognized in the Financial Statements of the Group and the Company:

a) Asset subsidies

These are sums of money, given to the Company and the Group by government bodies, in order for them to proceed with either the purchase or the construction of a specific fixed asset of long-term exploitation.

Government subsidies related to the purchase of assets are included in long-term liabilities as revenue from subsequent years from government subsidies and are transferred as income to the income statement on a straight-line basis over the estimated useful life of the respective subsidized assets.

b) Expenditure subsidies

These are sums of money, given to the Company and the Group by government bodies, which are related to data that directly determines the results, as an incentive to incur expenses.

Revenue from subsidies is recorded in the profit/loss account when the expenditure related to the subsidy has taken place.

2.15. Loans – Bank Borrowing

Bank loans are initially recorded at fair value less any direct costs that are associated with loan contracts. They are subsequently measured at undepreciated cost based on the effective interest method. Foreign currency loans are measured based on the prevailing exchange rate at the Balance Sheet date.

Any difference between the amounts that are disbursed to the company by the bank (except for loan conclusion expenses) and the repayment value are recognized in the Income Statement, during the loan term.

The Group's Management believes that the interest rates that are used in the concluded loans are the same as the market's current interest rates therefore there is no need to adjust the value that appears in the Financial Statements.

Loans are classified as short-term liabilities, unless the Group is entitled to postpone its repayment for at least twelve (12) months after the preparation of the Annual Financial Statements.

2.16. Employee Benefits

Short-term benefits: Short-term benefits to employees (cash and kind) are recorded in the results when they become accrued.

Employee Benefits due to Retirement: The obligation for the retirement of the staff after their departure from employment is covered by a public insurance body (EFKA, etc). The Company and its staff contribute to this on a monthly basis. The Company has no further obligation to pay additional contributions in case this body does not have the necessary assets to cover the services related to the staff's employment in the current or previous years. The contributions paid by the Company are recognized in the staff remuneration based on the accrued remuneration principle.

In addition, according to Greek employment law, employees are entitled to compensation in the event of leaving the service, the amount of which depends on the amount of their salary, their previous service in the Company and the reason for leaving the service (dismissal or retirement). In case of resignation or justified dismissal, this right does not exist. The amount payable at retirement is 40% of the amount paid in the event of unjustified dismissal.

The Company's liability from the above defined retirement benefit plan is calculated as the present value of the expected future payments that will be required to settle the liability arising from the services of the current and previous periods. The actuarial method of the projected unit credit method is used to determine the liability while the yield of high credit rating bonds with maturity dates that approach approximately the time limits of the Company's liability is used as a discount rate.

Interest on the defined benefit obligation 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 taking into account any changes in the liability. This interest as well as other expenses related to the defined benefit plan, except actuarial profits and losses, are recorded in staff remuneration.

Actuarial profits 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 in the profit/loss account.

2.17. Provisions, Contingent Liabilities and Contingent Receivables

The provision is defined as a liability of indefinite duration or amount, which is recognized in the balance sheet of the company, only when the following conditions apply simultaneously:

- The company has a present obligation, as a result of past actions, legal - contractual with explicit terms, current or presumed legislation – through an established past practice that it accepts certain responsibilities and as a result has created the reasonable expectation that it will meet these responsibilities.
- It is probable that an outflow of resources embodying financial benefits will be required to settle the above liability, ie the provision will be recognized if the probability of an outflow of resources is greater than the probability that it will not occur.
- A reliable estimate can be made on the amount of this obligation.

The expense is estimated by the Group, based on previous experience from similar cases and transactions. In addition, information and financial events that occur after the balance sheet date are taken into account.

When the effect of the time value of money is significant, then the amount of the provision to be recognized is determined as the discounted value of the future expenses required to settle the liability, using a pre-tax discount rate, which reflects the time value of money, current market conditions, and the risks associated with the liability.

Contingent liabilities arise from past events and are not recognized in the Financial Statements, as they depend on uncertain future events, whose settlement is unlikely to give rise to an outflow of financial resources. However, they are disclosed unless the above possibility is minimal.

Contingent receivables are probable receivables that arise from past events, but their existence will be confirmed if one or more uncertain future events occur. For this reason, they are not reflected in the Financial Statements, but are disclosed when the inflow of financial benefits is probable.

2.18. Borrowing Costs

Borrowing costs are the interest arising from borrowing, as well as the other expenses incurred for the conclusion of loan agreements between the Group's companies and financial institutions.

They also include:

- interests on short-term and long-term bank loans, as well as interest on overdrafts,
- additional costs (e.g. commissions) incurred in concluding loan agreements and consequently in obtaining loans,
- financial charges from financial leases and
- foreign exchange differences of foreign currency loans, to the extent that they are considered financial expenses.

Regarding the recognition of borrowing costs, the management of the Group has adopted the alternative method of IAS 23 "Borrowing Costs", so that it is fully harmonized with the amendment of this standard, which is mandatory from 1 January 2009. According to the method, this cost is now capitalized when the loans are related to the purchase, construction and creation of eligible fixed assets and is transferred to an increase in the cost of these assets.

This presupposes that:

- it is probable that the company will have future financial benefits from these data.
- borrowing costs which will increase the value of eligible assets can be reliably determined.

The Group applies the alternative method, according to the standard for all assets included in the category of eligible fixed assets.

In addition, all borrowing costs are capitalized when they meet the capitalization criteria. Lastly, the method is consistently applied from one period to another.

2.19. Income Tax (Current and Deferred)

Current and deferred income tax are calculated based on the relevant items of the financial statements and in accordance with the tax laws applicable in Greece. The current income tax concerns a tax on the taxable profits of the companies of the Group, as reformed according to the requirements of the tax law, and was calculated based on the applicable tax rate.

Deferred tax is calculated using the liability method on all provisional tax differences at the balance sheet date between the tax base and the carrying amount of the assets and liabilities.

Expected tax implications from provisional tax differences are determined and presented either as future (deferred) tax liabilities or as deferred tax liabilities.

Deferred tax liabilities are recorded for all deductible provisional differences and transferable tax losses to the extent that it is probable that a taxable profit will be available against which the deductible provisional difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is probable that there will be sufficient taxable profits against which part or all of the deferred tax assets will be used.

Current tax assets and liabilities for the current and previous years are valued at the amount expected to be paid to (or recovered from) the tax authorities, using tax rates (and tax laws) that have been established, or substantially enacted, up to the date of the Balance Sheet.

Deferred tax assets and liabilities are offset when the company has the legal right to offset the corresponding amounts also when they relate to income taxes, which have been imposed by the same tax authority.

2.20. Income

The Group's income is valued at the fair value of the consideration received or receivable, net of Value Added Tax, taking into account any kind of discount provided, as well as any refunds.

In the Group's sales, the transaction price is in the form of cash or cash equivalents and the amount of income is that of cash or cash equivalents, received or receivable. As 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 completely eliminated.

The new IFRS 15 standard introduces a five-stage model to measure revenue from customer contracts, as follows:

1. Determining the contract (s) with the customer.
2. Determining enforcement obligations.
3. Determining the transaction price.
4. Distributing the transaction price in the contractual execution obligations.
5. Recognising income when the Company fulfills an execution obligation.

In accordance with IFRS 15, revenue is recognized when a customer acquires control of goods or services, specifying the timing of the transfer of control either at a given time or in the long run.

The Group recognizes revenue in relation to the category to which it belongs:

- **Income from the sale of goods**, which are recognized if all of the following conditions are met:

- The Group has transferred to the buyer the substantial risks and benefits of ownership in the goods.
- There is no involvement by the Group in the management of the goods sold, nor does it maintain their actual control.
- The amount of income can be valued reliably.
- It is probable that the financial benefits of the transaction will flow in the company.
- Costs associated with the transaction can be measured reliably.
- **Income from the provision of services**, which are recognized based on the stage of completion of a transaction, related to the provision of service, at the date of preparation of the Financial Statements, when the result of this transaction can be reliably estimated on that date. Reliable assessment is achieved when the following conditions are met:
 - The amount of income can be valued reliably.
 - It is probable that the financial benefits associated with the transaction will flow in the company.
 - The degree of completion can be estimated reliably at the date of preparation of the Financial Statements.
 - Costs incurred, as well as those that will be required until the completion of the service, can be estimated reliably.

The Group, in order to be able to make reliable assessments, concludes agreements for each transaction related to the provision of services, which define, among other things, the exact price of the service, the rights and obligations arising for each party, the manner and the terms of payment of the price.

In addition, the degree of completion of a service transaction is calculated on the basis of the services provided up to the date of preparation of the Financial Statements, in relation to the total services to be provided or the proportion of costs already incurred in relation to its estimated total cost of that transaction.

- **Income from interests**, which result from the use of the Group's assets by third parties and are recognized on a time proportion basis using the effective interest rate. The real interest rate of an asset is the required interest rate, which discounts the future cash flows that will flow into the company, from the use of this asset, throughout its useful life, so that they are equal to its original book value. When an item is impaired, its carrying amount is reduced to its recoverable amount, which is the present value of the expected future cash flows discounted at the original effective interest rate. Subsequently, interests at the same rate are charged on the impaired new carrying amount.
- **Income from dividends**. Dividends are accounted as income when the right to collect them is finalized, i.e. when they are approved by the General Meeting which is legally competent to distribute them.

2.21. Recording Expenses

Expenses are recorded in the profit/loss account when accrued. Payments made for operating leases are carried forward to in the profit/loss account as expenses at the time of use of the leased property. Interest expenses are recognized when accrued.

2.22. Dividend Distribution

The distribution of dividends to shareholders is recorded as a liability in the financial statements when the distribution is approved by the shareholders' General Meeting.

2.23. Earnings per Share

IAS 33 "Earnings per Share" provides two indicators for calculating earnings per share:

- Basic earnings per share, which are calculated by dividing the profit (or loss) of the year, which is proportional to the holders of common shares, by the weighted average of the common shares in circulation, during this fiscal year.
- Fully distributed earnings per share, the philosophy of which lies in the fact that certain categories of securities, which at the time of determining earnings per share are not entitled to participate in the distribution of profits of the year under review, are entitled to participate in the distribution of earnings for future years.

As at 31 December 2021, the share capital of the company consists entirely of common shares. In addition, the company does not hold any categories of securities that may have a reducing effect on earnings per share. Therefore, it calculates basic earnings per share according to the above basic earnings per share calculation method.

2.24. Currency Conversion

Functional Currency and Presentation Currency

The data of the Financial Statements of the Group's companies are measured based on the currency of the primary economic environment in which it operates. Therefore, as the Group operates in Greece, the functional currency is the Euro (€), which is defined as the functional and presentation currency of its Financial Statements.

The conversion of the financial statements of the Group's companies (none of which had a hyperinflationary currency), which have a different functional currency from the Group's presentation currency, is based on the official foreign currency value valid at the balance sheet date for assets and liabilities and the average exchange rate of the foreign currency during the period for income and expenses. The resulting exchange differences are recorded in the other total income in the line "Exchange differences" and are transferred to the results with the sale of these companies.

Transactions and Balances

Transactions in other currencies are converted into the functional currency using the exchange rates applicable at the dates of each transaction. Foreign exchange profits and losses arising from the settlement of such transactions during the year, as well as from the conversion of monetary items expressed in foreign currencies at the exchange rates applicable at the balance sheet date, are recognized in the Income Statement. Transactions that meet the conditions of cash flow hedging, which are shown in equity, are excluded, as well as exchange differences that are proportionally related to the amended main method of IAS 23, applied in the year 2012 by the Group and are presented at the cost of its eligible assets.

Foreign exchange differences on non-monetary items that are measured at fair value are considered as part of fair value and are therefore recorded where the fair value differences are located.

2.25. Financial Information per Sector

The Group is obliged to determine primary and secondary sector for its activities, as well as to present different information about the primary sector, in relation to the secondary sector.

The two sectors' financial data which the Group must present, are:

- Business sector, which is any distinct part of the Group's companies, which provides a product or service or a group of related products or services, which are subject to risks and benefits that differ from those of other business sectors. The factors that are taken into account for the classification of products and services in a business sector, 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 the products or services are marketed, the institutional framework of the operating environment.
- Geographical sector, which is any distinct part of the Group's companies, which provides products or services within a specific economic environment and which is subject to risks and benefits, which differ from those of other sectors operating in other economic environments. Factors taken into account for the delimitation 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 specific area.

Taking into account the fact that the source and nature of the risks and the benefits of the activities of the Group companies, depend mainly on the products it produces and the services it provides, as well as the internal organizational and administrative structure and the existing system of internal information, management defines the business sector as primary and the geographical sector as secondary.

Further analysis is provided in paragraph 34 herein.

2.26. Defining Affiliated Parties

In accordance with IAS 24, an associate is defined as a natural or legal person who is affiliated with an entity that prepares financial statements. Specifically for the Company, related parties are considered:

- 1) The legal entities, which for the Company constitute:
 - i. subsidiaries,
 - ii. joint ventures,
 - iii. related companies
- 2) The natural persons, who belong to the main executives and their close relatives. The main executives consist of all the members of the Board of Directors of the Company, while their spouses as well as their first-degree relatives and their dependent members and their spouses are considered as close relatives.

In addition, the Company discloses transactions and existing balances with companies, in which the above persons exercise control or joint control. In particular, this disclosure concerns participations of the above persons in companies with a percentage of more than 20%.

2.27. Comparative Data

The balances of the comparative information come from the published financial statements for the fiscal year 2020. Where necessary, previous fiscal year comparative figures are adjusted to cover changes in the presentation of the closing year. For the current year, there have been adjustments of comparative items due to a change in accounting policy (note 44).

3. Accounting Estimates and Judgments made by Management

Estimates and judgments made by management are continually evaluated and are based on historical data and expectations of future events that are considered reasonable under the circumstances.

Management makes estimates and assumptions in relation to the outcome of existing figures. The estimates and assumptions that carry a significant risk of causing substantial adjustments to the values recognised in the financial statements, corporate and consolidated, in the coming 12 months include:

- A) Management is required to make a judgment about the income tax provision. If the final tax amount differs from the initially recognized amount, the difference will affect the income tax and the provision for period's deferred tax.
- B) The Group's companies recognize a provision for contested cases based on information from the Group's Legal Service.
- C) Judgment by Management is required on an annual basis, to determine the recoverability of the Group's trade receivables, in order for them to be reflected in their recoverable amount, recognizing the required credit losses.
- D) The Group's companies recognize provisions for the impairment of holdings taking into account future inflows therefrom.

E) Judgment is required, annually, by the Group's companies regarding the determination of the useful lives of intangible assets that are recognized in the Financial Statements.

F) The assumptions used for the preparation of the actuarial study of specified staff benefits involve significant uncertainty and the Management is constantly reassessing them.

4. Financial Risk Management

The activities conducted by the Group and the Company generate various financial risks such as credit risks, liquidity risks and market risks. The Group's and Company's strategy and policy is to prevent and minimize the unfavorable impacts that may arise from these risks.

The financial products that the Group and Company primarily use consist of trade receivable accounts, bank deposits, trade receivables discounting accounts, investments in securities and accounts payables. The accounting department in collaboration with its other divisions that manage these risks, is responsible for their detection, assessment and hedging, where necessary.

- **Market Risk**

Market risk, which include foreign exchange risk, due to changes in foreign exchange rates, fluctuations that affect the prices of financial instruments due to a change in the interest rate and price risk, i.e. is the risk of a decline in the value of a financial instrument, due to a change in market prices either caused by factors that are specifically related to the instrument or to the issuer, or by factors that generally affect the market's tradable instruments.

Even though there is a risk for the company, which arises mainly from trading in foreign currencies, the management does not use financial tools to reduce this risk, because it does not consider the transactions to be significant due to their value and frequency. However, the company's position in relation to the above risk and the use of specific financial management tools to reduce the risk is reviewed on an annual basis.

i. Foreign exchange Risk

Almost all transactions of the Group and the Company take place in euros, therefore there is no exposure to foreign exchange risk.

ii. Risk of Changes in Market Interest Rates and Price Risk

The Group and the Company have interest-bearing financial assets, such as demand and term deposits and equity securities. In addition, the Management's policy is to have a floating interest rate for the borrowing products of the Company and the Group. Despite the fact that there is a risk for the group and the company, the management does not use financial tools to reduce this risk, because it does not consider the transactions important, due to their value and frequency. However, on an annual basis, the position of the company reassessed in relation to the above risk 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 of fluctuating future cash flows of a financial instrument due to a change in market interest rates.

With respect to the Group and the Company, this risk primarily stems from long-term loans, of which those that have been concluded with a variable interest rate expose it to a cash flow risk, whereas those that have been concluded with a fixed interest rate expose it to the risk of fair value changes of these loans. The Group and the Company's policy is to conclude loans with a variable interest rate, thus hedging the future cash flow risk with changes in the values of its sold goods, when significant changes are anticipated in the loan interest payments.

- **Credit Risk**

Credit risk is the chance of loss due to one of the contracting parties to a financial instrument not meeting contractual obligations 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 trading is carried out with credible customers with a positively evaluated credit history and on the other hand, retail sales are primarily made in cash.

The Group and the Company's transactions with customers are developed after an assessment of their solvency and reliability, in order to avoid problems of late payments and bad debts. Customers' credit limits are monitored at regular intervals and redefined if necessary. Receivables from customers are widely dispersed and therefore credit risk is kept to a minimum. The fair value of the financial data at the closing of the balance sheet on 31/12/2021 is presented below:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Customers and other trade receivables	25,759,722.32	11,488,567.46	8,033,171.60	7,235,655.68
Provisions	(6,815,105.39)	(1,339,929.42)	(1,264,964.68)	(1,101,651.12)
	18,944,616.93	10,148,638.04	6,768,206.92	6,134,004.56

At the closing of the Balance Sheet as at 31/12/2021 the Management deems that there is no credit risk not covered by the provision for bad-debt receivables.

It is pointed out that the increase in receivables of 31/12/2021 in the Group is due to the integration of receivables of new subsidiaries that are consolidated for the first time by the method of total consolidation in the current financial statements.

• **Liquidity risk**

Liquidity risk is due to difficulties in finding capital to cover liabilities that are 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 while it also has a positive net fund of 5.48 million euros. The ratio of current assets to short-term liabilities for the Group on 31/12/2021 was set at 164.30% compared to 263.03% on 31/12/2020 and respectively for the Company on 31/12/2021 it was 163.78% compared to 261.37% on 31/12/2020.

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

GROUP				
31.12.2021				
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Borrowing	6,797,811.77	8,910,038.66	-	15,707,850.43
Lease liabilities	607,241.10	1,439,135.83	124,357.75	2,170,734.68
Suppliers and Other Commercial Liabilities	20,093,280.70	141,675.62	-	20,234,956.32
	27,498,333.57	10,490,850.11	124,357.75	38,113,541.43

31.12.2020				
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Borrowing	4,185,465.68	10,865,126.36	-	15,050,592.04
Lease liabilities	584,347.88	1,692,084.50	281,159.84	2,557,592.22
Suppliers and Other Commercial Liabilities	7,849,924.05	138,598.06	-	7,988,522.11
	12,619,737.61	12,695,808.92	281,159.84	25,596,706.37

COMPANY				
31.12.2021				
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Borrowing	3,029,302.72	4,358,329.78	-	7,387,632.50
Lease liabilities	316,732.77	595,644.10	133,131.16	1,045,508.03
Suppliers and Other Commercial Liabilities	9,419,065.69	132,897.30	-	9,551,962.99
	12,765,101.18	5,086,871.18	133,131.16	17,985,103.52

31.12.2020				
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Borrowing	2,941,021.22	9,068,278.40	-	12,009,299.62
Lease liabilities	313,012.06	747,980.43	217,880.87	1,278,873.36
Suppliers and Other Commercial Liabilities	4,977,172.41	132,897.30	-	5,110,069.71
	8,231,205.69	9,949,156.13	217,880.87	18,398,242.69

- **Other Operating Risks**

The insurance coverage for assets and other risks is deemed adequate as at 31/12/2021 for the Group and the Company. Moreover, the Management of the Group and Company has installed an adequate and reliable internal control system to prevent risks associated with its commercial operations.

- **Capital Management**

The objectives of the Company in relation to capital management are to ensure the possibility of smooth operation of the Company in the future in order to provide satisfactory returns to shareholders and other participants and to maintain an ideal distribution of capital thus reducing the cost of capital.

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

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

The leverage ratio on 31 December 2021 and 2020 respectively was as follows:

<i>(amounts in 000 €)</i>	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Total borrowing liabilities (Note 26)	15,707,850.43	15,050,592.04	7,387,632.50	12,009,299.62
Lease liabilities (Note 27)	2,170,734.68	2,557,592.22	1,045,508.03	1,278,873.36
Less:				
Cash and cash equivalents (Note 19)	23,354,155.02	20,788,875.39	12,367,725.81	13,844,031.22
Net borrowing amount	(5,475,569.91)	(3,180,691.13)	(3,934,585.28)	(555,858.24)
Total Equity	41,454,664.98	23,577,053.24	37,336,092.75	19,959,110.21
Total employed capital	35,979,095.07	20,396,362.11	33,401,507.47	19,403,251.97
Leverage ratio	(15.22%)	(15.59%)	(11.78%)	(2.86%)

- **Macroeconomic environment**

Effects of the COVID-19 Pandemic

On 11th March 2020, the World Health Organization declared a SARS CoV 2 coronavirus infection as a Pandemic. The Greek government immediately put the entire health resources on alert and took a series of

decisions aimed at slowing down the spread of the virus while announcing a series of targeted measures to reduce the impact on society and the economy.

The emergence and evolution of the COVID-19 pandemic, in combination with the measures taken to deal with it, had a negative impact on economic activity both internationally, nationally, and locally.

In this context, the Epsilon Net Group, with responsibility, determination and commitment to its corporate values in this difficult time, actively participated in the effort of the Greek state to limit the spread of coronavirus (COVID-19) in the protection of public and of private health, successfully implementing a series of special measures to deal with its transmission, in accordance with the decisions and suggestions of the Ministry of Health, NPHO, of the Committee of Infectious Diseases, which in full harmonization with the decisions of the ECDC and the recommendations of the World Health Organization, aimed at the health and safety of employees, customers, and associates of the Group and their families.

The Management of the Group responsibly acted immediately taking measures to ensure:

- a) The health and safety of employees, customers, and partners.
- b) The business continuity of the Group's activities with the utilization of the Group's technological infrastructures
- c) Minimizing the operational and financial consequences of COVID-19 dispersion measures.

To ensure the health and safety and well-being of employees, the Epsilon Net Group ensured the strict implementation of the legislation in every work issue. He also provided regular information to his staff about the COVID-19 pandemic. The briefing included general information and instructions about the virus, such as:

- proper application of personal and public hygiene rules,
- procedure in case of symptoms or in case of contact with COVID19 case,
- use of public areas and public transport,
- use and disposal of masks, gloves, for the use of antiseptics,
- keeping distances and
- distributing masks free of charge to all employees.

In addition, there was constant communication between employees and occupational physicians, while business trips were limited to what was necessary.

The Epsilon Net Group, having steadily invested in technologies and equipment that support remote work and guarantee maximum security in data management, with the appropriate training of all its staff, designed and implemented policies & procedures for full remote work, without changing the high level in the way 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 with absolute success the operation of all the companies of the Group continues smoothly and efficiently.

The Epsilon Net Group has taken protection measures for both its partners and suppliers. In this context, and following the legislation, it proceeded to stop the implementation of live meetings in its workplaces, implementing online meetings using digital media (Microsoft Teams). For the associates who worked in the workplaces of the Group companies, the policies and practices concerning the Group employees were followed.

Currently, the extent of the impact on the Group's results due to the COVID - 19 pandemic is not significant. 2021 was another year of very positive performance in all economic figures despite the special circumstances. The COVID - 19 epidemic may have further negative effects on the global economy for 2022, while in the future it is likely to negatively affect the Group's activities or reduce the demand for its products and services. Each of these developments can have an impact on the Group's financial results in 2022, but the experience of recent months makes management more optimistic about achieving the goals set for 2022. After all, the initiatives taken by both the Greek Government and the European institutions are in favor of a positive scenario.

At the date of preparation of the Financial Statements, because of the COVID-19 pandemic, there was no termination of existing customers' contracts and therefore the part of sales coming from existing customers was not affected.

In accordance with the requirements of IAS 10, the impact of the financial impact of the COVID-19 pandemic is a non-corrective event for the financial statements ended 31 December 2020. Depending on the development of the above parameters, the Management has prepared comprehensive operational and financial action in order to continue its full and efficient operation. In addition, the Group has strengthened its infrastructure in terms of information systems in order for its business operation to continue smoothly, responding to the needs of its customers.

Furthermore, on February 24, 2022, hostilities between Russia and Ukraine began, a fact that continues to this day and has further aggravated the rise in energy prices and the cost of raw materials that began in the last months of 2021, creating strong inflationary pressures but also great uncertainty worldwide.

The Group and the Company are not active in these countries, however in any case the Management of the Group constantly and uninterruptedly examines the conditions that are created in the Greek economy, which also affect the IT market, adapts its strategy and moves based on the long-term interest of the participants (stakeholders) of the company.

5. GROUP STRUCTURE – SUBSIDIARY & AFFILIATED COMPANIES

A. Subsidiary Companies (direct and/or indirect participation)

The Group has classified its subsidiaries and other holdings according to the business sector in which they operate. The structure of the Group as of 31st December 2021 is as follows:

Name	Address	Purpose	Share Capital	Date of Establishment/Acquisition	Participation Rate (%)	Consolidation Method
EPSILON HOSPITALITY SA	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT Services for Hotels and Tourism Businesses	60,000 shares of 100 € each	05.01.2009 (establishment)	99.98%	Full Consolidation
EPSILON EUROPE PLC	2 Agias Pylaxeos & Zimonos Rossidi - PO Box 596 55 - 4011 - Limassol - Cyprus	Development of Group's Operations in Europe	300,000 shares of 100 € each	23.01.2009 (establishment)	99.97%	Full Consolidation
EVOLUTIONSNT PLC	80 Strafford Gate Potters Bar - Herts - United Kingdom - EN6 1PG	Development of Group's Operations in Europe	2,035,345 shares of 1.00 £ each	26.09.2012 (establishment)	99.956% (indirect participation)	Full Consolidation
EVOLUTIONSNT (UK) LTD	80 Strafford Gate Potters Bar - Hertfordshire - England - EN6 1PG - United Kingdom	Development of Group's Operations in Europe	1,000 shares of 1.00 £ each	02.10.2014 (establishment)	100.000% (indirect participation)	Full Consolidation
EPSILON HR SA	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Software Production and Marketing	25,000 shares of 1.00 € each	22.02.2016 (establishment)	65.00%	Full Consolidation
EPSILON SUPPORT CENTER SA	5-7 Andromachis - 562 24 - Evosmos - Thessaloniki	Provision of IT Services	20,000 shares of 10.00 € each	02.08.2019 (establishment)	51.00%	Full Consolidation
HOTELIGA INTERNATIONAL Sp. Z O.O.	Al. Jana Pawla II 43b 20 31-864, Krakow, Poland	Provision of IT Services	143 shares of 50,000 PLN (€) each	21.07.2020 (acquisition)	51.00%	Full Consolidation
DATA COMMUNICATION SA	2 Panagi Tsaldari & Zaimi - 151 27 - Melissa - Attica	Provision of IT Services	3,750,000 shares of 0.53 € each	27.10.2020 (acquisition)	100.00%	Full Consolidation
EPSILON SINGULARLOGIC SA	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT Services	10,025,000 share of 1,00 € each	20.01.2021 (establishment)	60.00%	Full Consolidation
TECHNOLIFE LTD	6 Agsilaiou str- 542 50 - Charilaou - Thessaloniki	Provision of IT Services	350 shares of 100,00 € each	07.06.2021 (acquisition)	60.00%	Full Consolidation
SYSTEM SOFT SA	300 Mesogeion Avenue - 15562 - Cholongos	Informatics and Business Organization	23,182 shares of 2.59 € each	01.03.2021 (absorption completed on 14.07.2021)	100.00% (indirect participation)	Full Consolidation
IQOM SA	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of Retail IT Services	25,000 share of 1,00 € each	10.09.2021 (acquisition)	80.00% (indirect participation)	Full Consolidation
PROFESSIONAL COMPUTER SERVICES SA	304-306 Mesogeion Avenue & 1 L. Dedousi - 15562 - Cholongos	Provision of Financial IT Services	100,000 share of 3,00 € each	10.11.2021 (acquisition)	88.00%	Full Consolidation
HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA	350 Sygrou Ave, 176 74 Kallithea	Provision of IT Services	86,020 share of 2,93 € each	20.12.2019 (acquisition)	34.00%	Equity
SINGULARLOGIC SA	3 Achaias str & Trizinias - 145 64 - Kifisia-Antiki	Provision of IT Services	9,000,000 shares of 1,00 € each	11.01.2021 (acquisition)	39.93%	Equity
INFOSUPPORT SA	8 Doiranis - 113 62 - Kypseli - Attica	Marketing of Computer Systems	23,196 share of 30,00 € each	01.03.2021 (absorption completed on 14.07.2021)	34.00% (indirect participation)	Equity

The subsidiary companies that belong to the Group are listed below:

The subsidiary company with registered offices in Cyprus “EPSILON EUROPE PLC” participates in the company “EVOLUTIONSNT PLC” with a 99.99% share and in the company “EVOLUTIONSNT (UK) LTD” with a 100.00% share, both with registered offices in England.

Also, the parent company participates with 65% in the subsidiary company EPSILON HR SA, which is active in the production and marketing of software specializing in the field of information systems for human resources.

Furthermore, the parent company participates with a 99.983% share in the company EPSILON HOSPITALITY S.A. (formerly EPSILON PYLON ANΩNYMOΣ ETAIPEIA), which operates in the IT sector for hotels and tourist enterprises.

The public limited company (S.A.) with the registered name “EPSILON SUPPORT CENTER ANΩNYMH ETAIPIA ANAITTYΞHΣ KAI YΠOΣTHPIΞHΣ EPΓΩN ΛOΓIΣMIKOY” and the trade name “EPSILON SUPPORT CENTER S.A.” was incorporated in August 2019, where the parent company

participates with a 51% share. The object of the subsidiary is the development and support of software projects implemented with software produced by the parent company. “EPSILON SUPPORT CENTER S.A.” was included for the first time in the consolidated financial statements on 31/12/2019 with the full consolidation method.

In July 2020 the parent company, in the context of its continuous development and collaboration on a technology partnership basis, welcomed in the Group’s family the company HOTELIGA International sp. Zo.o. with registered offices in Poland. The agreement for the transfer of the majority share signed with the company AILLERON S.A, listed in the Poland Stock Exchange, resulted in the acquisition of 51% of the HOTELIGA International sp. Z o.o. shares held by said company.

HOTELIGA International is a specialized IT company that has created and successfully develops IT products in web environment. The new subsidiary operates in the hospitality software, pms, paperless hotel systems and travel technology market, a particularly demanding market that changes and evolves rapidly at the international level. The company’s customer list already includes a significant number of small and medium sized accommodation establishments in Greece and twenty (20) countries abroad, focusing in the European market. “HOTELIGA International sp. Zo.o” was included for the first time in the consolidated financial statements on 31/12/2020 with the full consolidation method.

In October 2020, the parent company, following with consistency the path of continuous expansion and enhancing its growth model, preceded to the acquisition of 80% of the share capital of DATA COMMUNICATION S.A. (DATA COMMUNICATION ANΩNYMOΣ ETAIPEIA MHXANOΠΓANΩΣH EΠHXEIPHΣEΩN) a company operating in the provision of integrated IT solutions to private and public sector enterprises and organizations and to accounting firms. DATA COMMUNICATION S.A. was included for the first time in the consolidated financial statements on 31/12/2020 with 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. (DATA COMMUNICATION ANΩNYMOΣ ETAIPEIA MHXANOΠΓANΩΣH EΠHXEIPHΣEΩN) and currently owns 100% of the share capital.

Epsilon SingularLogic SA was established in January 2021, with the initial participation share of the parent company amounting to 67.505%. Thereafter, on 30/6/2021 and following the completion of the spin-off procedures for the commercial/accounting applications for businesses and ERP systems developed using the PYLON platform and specifically the Pylon Commercial, Pylon ERP, Pylon CRM, Pylon Shop, Pylon Auto Service, Pylon Auto & Moto Cube, Pylon Retail, Pylon Entry products of the parent company and their contribution in the subsidiary company Epsilon SingularLogic Computer Company Societe Anonyme, the participation share of the parent company amounted to 99.89% of the total share capital. On 29/6/2021 the parent company transferred a 32.39% share of the subsidiary Epsilon SingularLogic Ανώνυμη Εταιρεία to the current shareholder Space Hellas S.A. Furthermore, on 14/7/2021, the spin-off of the proprietary

commercial/accounting applications for businesses and Enterprise Resource Planning (ERP) systems branch of the company with the registered name “SingularLogic Information Systems and Applications Societe Anonyme” and the trade name “SINGULARLOGIC S.A.” was completed by transfer to the “EPSILON NET S.A.” subsidiary “Epsilon SingularLogic Computer Company Societe Anonyme” with the trade name “Epsilon SingularLogic S.A.”, against acquisition of a participation share in the Beneficiary Company by the Shareholders of the Demerged Company. Following the aforementioned action, the participation share of the parent company in its subsidiary Epsilon SingularLogic SA amounted to 60% of the total share capital of the company.

Therefore, the shareholder composition of EPSILON SINGULARLOGIC S.A. is now as follows:

Registered Name	% Of share capital
EPSILON NET A.E.	60.0014%
SPACE HELLAS A.E.	39.9733%
GLOBAL EQUITY INVESTMENTS S.A.	0.0253%

As a result of the spin-off of the proprietary commercial/accounting applications for businesses and Enterprise Resource Planning (ERP) systems branch of the company with the registered name “SingularLogic Information Systems and Applications Societe Anonyme” and the trade name “SINGULARLOGIC S.A.” by transfer to the “EPSILON NET S.A.” subsidiary “Epsilon SingularLogic Computer Company Societe Anonyme” with the trade name “Epsilon SingularLogic S.A.”, the subsidiary company Epsilon SingularLogic S.A. acquired a 100% share in the company Systemsoft S.A.

EPSILON SINGULARLOGIC S.A. was included for the first time in the interim financial statements on 30/06/2021 with the full consolidation method, whereas its subsidiary Systemsoft S.A. was included for the first time in the consolidated financial statements on 31/12/2021 with the full consolidation method.

In June 2021 the parent company, implementing its business plan with consistency, announces the acquisition of a 60% majority share of the company “TECHNOLIFE Ltd” with the trade name “TECHNOLife Ltd”, that specializes in the provision of integrated business solutions in the business software sector.

TECHNOLIFE Ltd was included for the first time in the interim financial statements on 30/06/2021 with the full consolidation method.

In September 2021, the parent company announces that its subsidiary Epsilon SingularLogic S.A. completed the acquisition of an 80% majority share of the company “Α.Τριανταφυλλιδης – Δ.Ζάχος Ο.Ε” with the trade name iQom, that specializes in the provision of specialized IT solutions for private sector enterprises. The

company was converted into a public limited company (S.A.) on 10/12/2021 and was included for the first time in the consolidated financial statements on 31/12/2021.

In November 2021, the parent company acquired an 88% share in the company with the registered name “PROFESSIONAL COMPUTER SERVICES ANONYMH ETAIPEIA” and the trade name “PROFESSIONAL C.S. S.A.” (hereinafter PCS), that specializes in the provision of specialized IT solutions to enterprises of the financial sector. The company was included for the first time in the consolidated financial statements on 31/12/2021.

B. Other Companies Consolidated using the Equity Method

The parent company participated by a percentage of 35.156% in the company SUPERVISOR S.A., which is active in the marketing of computers and software, based on the decision of the Extraordinary General Meeting of 27/08/2014 of the Shareholders of the latter for an increase of its Share Capital, which was fully covered by EPSILON NET SA.

It is noted that, from 1st January 2017, the financial and business policy of SUPERVISOR S.A. was estimated to be controlled by EPSILON NET S.A. and for this reason during fiscal years 2017 and 2018 the consolidation was carried out with the method of full consolidation. The Management of the Company in the fiscal year 2019, reviewed the above assessment considering that the audit criteria are not met and included the company SUPERVISOR S.A. in the 2019 consolidated financial statements with the equity method.

As a result of the above estimation and the strategic direction of the remaining shareholders. in February 2021 the parent company withdrew from its participation by transferring its entire percentage (35.16% to the share capital of SUPERVISOR SA).

The completion of the transaction does not have a significant effect to the financial results of the Group, whereas the value of the transfer is not inferior to the value of the participation in the company’s records. The aforementioned move was part of the implementation of the Group’s investment plan, with the strategic objective of focusing on activities of high added value.

Pursuant to the Private Share Transfer Agreement dated 20.12.2019 between its main shareholder “HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.”, “HIT EXELIXIS INTEGRATED HOTEL - TOURIST APPLICATIONS AND INTERNET CONTENT S.A.” and the parent company, eighty-six thousand twenty (86,020) registered shares were sold, 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 a spirit of creative partnership with SPACE HELLAS S.A. – each acquiring a 49.835% share. Furthermore, following the spin-off of the proprietary commercial/accounting applications for businesses and Enterprise Resource Planning (ERP)

systems branch of the company with the registered name “SingularLogic Information Systems and Applications Societe Anonyme” and the trade name “SINGULARLOGIC S.A.” by transfer to the “EPSILON NET S.A.” subsidiary “Epsilon SingularLogic Computer Company Societe Anonyme” with the trade name “Epsilon SingularLogic S.A.”, against acquisition of a participation share in the Beneficiary Company by the Shareholders of the Demerged Company and the transfer of 10.03% of the total share capital of SINGULARLOGIC S.A. to SPACE HELLAS S.A. by the parent Company, in implementation of the strategic plan for SingularLogic S.A. announced on 01.03.2021, the participation share of the parent company in SINGULARLOGIC S.A. amounts to 39.934% of the total share capital.

As a result of the spin-off of the proprietary commercial/accounting applications for businesses and Enterprise Resource Planning (ERP) systems branch of the company with the registered name “SingularLogic Information Systems and Applications Societe Anonyme” and the trade name “SINGULARLOGIC S.A.” by transfer to the “EPSILON NET S.A.” subsidiary “Epsilon SingularLogic Computer Company Societe Anonyme” with the trade name “Epsilon SingularLogic S.A.”, the subsidiary company Epsilon SingularLogic S.A. acquired a 34% share in the company INFOSUPPORT S.A.

The companies consolidated with the equity method are listed below:

HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.

- Registered offices: 350 Syggrou Ave., PC 176 74, Athens, Attica

INFOSUPPORT S.A.

- Registered offices: 8 Doiranis St., PC 113 62, Kypseli, Attica
- Branch: 64 Evoias St., PC 113 62, Kypseli, Attica
- Branch: 41 Marinou Antypa St., PC 555 35, Themi, Thessaloniki

SINGULARLOGIC S.A.

- Registered offices: Achaïas 3 & Trizinias st., 145 64, Kifissia, Attica.
- Branch: 9th km. Thermis-Thessalonikis Nat. Road, 570 01, Themi, Thessaloniki

C. Companies of Other Participation Interest

EPSILON NET participates, since its establishment, in Technopolis Thessalonikis S.A., creator of the first High Technology Business Park in Greece. It is estimated that this participation will create significant synergies and investment opportunities in the future, due to the concertation of noteworthy IT companies in said Park.

The Group's subsidiary EPSILON SINGULARLOGIC, through the branch it absorbed from SingularLogic S.A. during fiscal year 2021, participates in the following companies:

- ACROPOLIS S.A. - ICT Business Park and
- TECHNOPSIS THESSALONIKIS S.A.- ICT Business Park

The participation in the aforementioned bodies has the same objectives that apply to the parent company.

6. Tangible Assets

GROUP	Buildings - Technical Works in Third Party Properties	Right-of-Use Buildings - Technical Works in Third Party Properties	Vehicles	Right-of-Use Vehicles	Furniture & Other Equipment	Machinery	Total
Amounts in €							
Acquisition Cost							
1st 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
Additions due to Acquisition of Subsidiaries	60,346.52	790,680.00	18,906.90	361,498.18	1,101,475.53	-	2,332,907.13
Additions Period 01.01-31.12.2021	23,128.50	181,583.34	147,124.57	33,168.63	482,865.09	-	867,870.13
Reductions Period 01.01 - 31.12.2021	-	(752,517.55)	(63,296.25)	-	(60,870.54)	-	(876,684.34)
31st December 2021	4,710,931.00	3,029,249.85	397,593.57	931,261.94	5,157,189.23	923.96	14,227,149.55
Accumulated Depreciation							
1st 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
Depreciations due to Acquisition of Subsidiaries	102,234.63	171,001.15	4,880.78	240,897.68	843,315.90	-	1,362,330.14
Depreciation for the Period 01.01 - 31.12.2021	224,290.67	343,022.46	28,267.66	158,833.03	315,931.11	-	1,070,344.93
Depreciation impairment for the period 01.01 - 31.12.2021	-	-	(59,440.32)	-	(56,742.11)	-	(116,182.43)
31st December 2021	3,308,009.64	1,130,768.95	243,607.60	618,621.56	4,255,034.82	923.67	9,556,966.24
ACCOUNTING BALANCE as at 31st DECEMBER 2021	1,402,921.36	1,898,480.90	153,985.97	312,640.38	902,154.41	0.29	4,670,183.31

Acquisition Cost							
1st January 2020	2,080,293.22	1,798,508.43	229,818.18	300,947.38	2,454,449.55	-	6,864,016.76
Additions due to Acquisition of Subsidiaries	2,405,189.26	1,046,956.59	79,710.17	101,855.08	1,111,829.66	923.96	4,746,464.72
Additions Period 01.01-31.12.2020	141,973.50	10,043.71	-	134,223.76	67,439.94	-	353,680.91
Reductions Period 01.01 - 31.12.2020	-	(46,004.67)	(14,670.00)	(431.09)	-	-	(61,105.76)
31st December 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
Accumulated Depreciation							
1st January 2020	1,374,673.66	265,301.00	181,289.70	88,383.29	2,072,771.60	-	3,982,419.25
Depreciations due to Acquisition of Subsidiaries	1,473,430.11	64,428.10	75,820.79	18,238.22	990,133.11	923.67	2,622,974.00
Depreciation for the Period 01.01 - 31.12.2020	153,535.18	314,678.19	25,246.21	112,269.34	89,625.21	-	695,354.13
Depreciation impairment for the period 01.01 - 31.12.2020	(20,154.61)	(27,661.95)	(12,457.22)	-	-	-	(60,273.78)
31st December 2020	2,981,484.34	616,745.34	269,899.48	218,890.85	3,152,529.92	923.67	7,240,473.60
ACCOUNTING BALANCE as at 31st DECEMBER 2020	1,645,971.64	2,192,758.72	24,958.87	317,704.28	481,189.23	0.29	4,662,583.03

COMPANY

Amounts in €	Buildings - Technical Works in Third Party Properties	Right-of-Use Buildings - Technical Works in Third Party Properties	Vehicles	Right-of-Use Vehicles	Furniture & Other Equipment	Total
<u>Acquisition Cost</u>						
1st January 2021	2,129,959.70	797,238.23	162,988.18	296,663.96	2,454,823.91	5,841,673.98
Additions Period 01.01 - 31.12.2021	23,128.50	80,761.95	75,075.00	5,448.49	185,574.92	369,988.86
Reductions Period 01.01 - 31.12.2021 related to Pylon industry	(513,090.94)	-	-	-	(255,805.21)	(768,896.15)
Reductions Period 01.01 - 31.12.2021	-	(12,115.90)	(1.25)	-	(4,929.97)	(17,047.12)
31st December 2021	1,639,997.26	865,884.28	238,061.93	302,112.45	2,379,663.65	5,425,719.57
<u>Accumulated Depreciation</u>						
1st 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 01.01 - 31.12.2021	91,530.07	155,047.30	13,447.99	49,632.68	87,665.68	397,323.72
Depreciation impairment for the period 01.01 - 31.12.2021 related to Pylon industry	(119,295.37)	-	-	-	(182,103.81)	(301,399.18)
Depreciation impairment for the period 01.01 - 31.12.2021	-	-	(1.24)	-	(4,929.88)	(4,931.12)
31st December 2021	1,450,870.95	455,287.94	173,215.79	179,720.17	2,018,089.68	4,277,184.53
ACCOUNTING BALANCE as at 31st DECEMBER 2021	189,126.31	410,596.34	64,846.14	122,392.28	361,573.97	1,148,535.04

<u>Acquisition Cost</u>						
1st January 2020	1,987,986.20	814,266.39	175,158.18	208,216.82	2,396,489.08	5,582,116.67
Additions Period 01.01 - 31.12.2020	141,973.50	-	-	88,878.23	58,334.83	289,186.56
Reductions Period 01.01 - 31.12.2020	-	(17,028.16)	(12,170.00)	(431.09)	-	(29,629.25)
31st December 2020	2,129,959.70	797,238.23	162,988.18	296,663.96	2,454,823.91	5,841,673.98
<u>Accumulated Depreciation</u>						
1st January 2020	1,355,312.01	145,383.19	155,099.12	59,541.19	2,044,344.87	3,759,680.38
Depreciation for the Period 01.01 - 31.12.2020	123,324.24	154,857.45	15,627.14	70,546.30	73,112.82	437,467.95
Depreciation impairment for the period 01.01 - 31.12.2020	-	-	(10,957.22)	-	-	(10,957.22)
31st December 2020	1,478,636.25	300,240.64	159,769.04	130,087.49	2,117,457.69	4,186,191.11
ACCOUNTING BALANCE as at 31st DECEMBER 2020	651,323.45	496,997.59	3,219.14	166,576.47	337,366.22	1,655,482.87

7. Intangible Assets

The significant increase in Intangible Assets during the year 2021 is mainly due to the acquisitions of new companies, as well as the absorption of the proprietary business accounting software industry and Enterprise Resource Planning (ERP) systems, of the company under the name "SingularLogic Information Systems and Applications Societe Anonyme Societe Anonyme" and the distinctive title "SINGULARLOGIC SA", from the subsidiary of EPSILON NET SA, "Epsilon SingularLogic Ανώνυμη Εταιρεία Πληροφορικής" and the distinctive title «Epsilon SingularLogic A.E.», against the acquisition by the Shareholders of the Split Company of a corporate participation in the Beneficiary Company.

Intangible assets resulting from the incorporation of the subsidiary Epsilon SingularLogic SA include an amount of € 2,703,551.35 corresponding to the brand (distinctive title) Singular Logic, whose useful life was determined by the Group's Management as unconditional. This item is not subject to annual depreciation, but the Management audits its impairment annually or when relevant indications arise.

The total Intangible Assets of the Group and the Company are shown in the table below:

GROUP	Software Development - Complete	Trademarks	Software - Purchase from Third Parties	Software Development - Incomplete	Total
Amounts in €					
<u>Acquisition Cost</u>					
1st January 2021	29,583,912.12	57,554.70	1,956,593.07	-	31,598,059.89
Additions due to acquisition of subsidiaries	30,318,987.56	-	704,493.35	-	33,727,032.26
Additions Period 01.01 - 31.12.2021	-	110.00	31,833.01	1,042,748.18	1,074,691.19
Reductions Period 01.01 - 31.12.2021	-	-	(2,767.62)	-	(2,767.62)
Transfers Period 01.01 - 31.12.2021	391,649.49	-	-	(391,649.49)	-
31st December 2021	60,294,549.17	57,664.70	2,690,151.81	651,098.69	66,397,015.72
<u>Accumulated Depreciation</u>					
1st January 2021	23,436,652.05	48,266.22	1,884,705.17	-	25,369,623.44
Additions due to acquisition of subsidiaries	23,806,044.03	-	671,076.54	-	24,477,120.57
Depreciation Period 01.01 - 31.12.2021	1,628,113.17	1,563.55	54,707.08	-	1,684,383.80
Reductions Depreciation Period 01.01 - 31.12.2021	-	-	(2,766.71)	-	(2,766.71)
31st December 2021	48,870,809.25	49,829.77	2,607,722.08	-	51,528,361.10
ACCOUNTING BALANCE as at 31st DECEMBER 2021	11,423,739.92	7,834.93	82,429.73	651,098.69	14,868,654.62
<u>Acquisition Cost</u>					
1st January 2020	27,297,567.91	54,966.70	1,332,850.43	90,890.86	28,776,275.90
Additions due to acquisition of subsidiaries	1,689,964.60	1,050.00	614,785.84	-	2,305,800.44
Additions Period 01.01 - 31.12.2020	303,828.19	1,538.00	8,956.80	201,660.56	515,983.55
Transfers Period 01.01 - 31.12.2020	292,551.42	-	-	(292,551.42)	-
31st December 2020	29,583,912.12	57,554.70	1,956,593.07	-	31,598,059.89
<u>Accumulated Depreciation</u>					
1st January 2020	22,646,318.40	45,756.58	1,246,981.42	-	23,939,056.40
Depreciations due to Acquisition of subsidiaries	47,988.70	1,049.99	573,808.50	-	622,847.19
Depreciation Period 01.01 - 31.12.2020	742,344.95	1,459.65	63,915.25	-	807,719.85
31st December 2020	23,436,652.05	48,266.22	1,884,705.17	-	25,369,623.44
ACCOUNTING BALANCE as at 31st DECEMBER 2020	6,147,260.07	9,288.48	71,887.90	-	6,228,436.45

COMPANY

Amounts in €	Software Development - Complete	Trademarks	Software - Purchase from Third Parties	Software Development - Incomplete	Total
<u>Acquisition Cost</u>					
1st January 2021	27,564,911.98	55,034.70	1,040,681.57	-	28,660,628.25
Additions Period 01.01 - 31.12.2021		110.00	25,752.77		25,862.77
Transfers Period 01.01 - 31.12.2021	(2,275,170.73)				(2,275,170.73)
31st December 2021	25,289,741.25	55,144.70	1,066,434.34	-	26,411,320.29
<u>Accumulated Depreciation</u>					
1st January 2021	23,346,527.66	46,964.22	1,032,589.28	-	24,426,081.16
Depreciation Period 01.01 - 31.12.2021	531,935.54	1,416.55	4,800.30		538,152.39
Reductions of Depreciation Period 01.01 - 31.12.2021	(1,216,218.60)				(1,216,218.60)
31st December 2021	22,662,244.60	48,380.77	1,037,389.58	-	23,748,014.95
ACCOUNTING BALANCE as at 31st DECEMBER 2021	2,627,496.65	6,763.93	29,044.76	-	2,663,305.34

<u>Acquisition Cost</u>					
1st January 2020	27,268,532.37	53,496.70	1,031,724.77	90,890.86	28,444,644.70
Additions Period 01.01 - 31.12.2020	3,828.19	1,538.00	8,956.80	201,660.56	215,983.55
Transfers Period 01.01 - 31.12.2020	292,551.42	-	-	(292,551.42)	-
31st December 2020	27,564,911.98	55,034.70	1,040,681.57	-	28,660,628.25
<u>Accumulated Depreciation</u>					
1st January 2020	22,640,252.34	45,651.57	1,031,306.03	-	23,717,209.94
Depreciation Period 01.01 - 31.12.2020	706,275.32	1,312.65	1,283.25	-	708,871.22
31st December 2020	23,346,527.66	46,964.22	1,032,589.28	-	24,426,081.16
ACCOUNTING BALANCE as at 31st DECEMBER 2020	4,218,384.32	8,070.48	8,092.29	-	4,234,547.09

8. *Goodwill*

The balance of the “Goodwill” account refers to the difference between the total acquisition price and the fair value (corresponding to the acquisition) of the businesses acquired by the Company, during the fiscal year 2020 and 2021.

The resulting goodwill per acquired business is as follows:

Amounts in Euro €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
HOTELIGA INTERNATIONAL Sp. Z. O. O.	79,274.94	79,274.94	-	-
DATA COMMUNICATION S.A.	4,033,458.34	4,033,458.34	-	-
SINGULARLOGIC A.E. - Self-produced software	1,231,573.72			
SYSTEM SOFT S.A.	217,246.41			
TECHNOLIFE LTD	269,790.95			
IQOM S.A.	1,494,338.06			
PCS S.A.	929,820.27			
	8,255,502.69	4,112,733.28	-	-

On 7th June 2021, the Company acquired 60% of the issued share capital of TECHNOLIFE LTD, based in Greece, which is active in providing integrated business solutions in the field of business software for a price of € 425,000.00. On July 14, 2021, the division of the proprietary business accounting software and Enterprise Resource Planning (ERP) systems industry was completed, of the company with the name "SingularLogic Information Systems and Applications Societe Anonyme Societe " and the distinctive title "SINGULARLOGIC A.E.", by transfer to the subsidiary company of EPSILON NET A.E., "Epsilon SingularLogic Computer Company Societe Anonyme" and the distinctive title "Epsilon SingularLogic SA", against the acquisition by the Shareholders of the Split Company of a corporate participation in the Beneficiary Company. Following the above action, the percentage of participation of the parent company in the subsidiary of Epsilon SingularLogic Societe Anonyme amounted to 60% of the total share capital of the company.

The initially calculated goodwill was determined provisionally and based on an assessment by an independent auditing firm, during the absorption of the above branch and then adjusted on 31 December 2021, pursuant to IFRS 3 paragraph 85 b, on the one hand due to a deferred tax claim of accumulated tax losses of the previous five tax years relating to the absorbing industry and on the other hand due to the revision of the IAS 19.

As a result of the aforementioned split, the acquisition of a 100% in SYSTEM SOFT SA, by the above subsidiary Epsilon SingularLogic SA, was also acquired.

On 14th September 2021, the subsidiary of EPSILON NET A.E., "Epsilon SingularLogic Computer Company Societe Anonyme" and the distinctive title "Epsilon SingularLogic SA" acquired 80% of the issued share capital of «A. Triantafillidis-D. Zachos G.P, with the distinctive title “IQOM”, based in Greece, which is active in providing specialized IT solutions to private sector companies for a price of € 1,800,000.00. During the above acquisition, the said company was transformed into a Limited Liability Company under the name “IQOM LP” and the distinctive title “IQOM” and finally, based on the Announcement of GEMI dated 9/12/2021, (KAK 2745529) it was transformed into a societe anonyme with the name “IQOM Computer Company Societe Anonyme” with the distinctive title “IQOM SA”.

On 11th November 2021, the Company acquired 88% of the issued share capital of PROFESSIONAL COMPUTER SERVICES SA, with the distinctive title “PROFESSIONAL C.S. S.A.” which is active in providing specialized IT solutions to companies in the financial sector for a price of € 2,187,988.00.

The fair value, at the acquisition date, of each asset category and liability, per acquired business, within the year 2021, is analyzed as follows:

Acquisition price of acquired companies		425,000.00		9,000,000.00
Less:				
Net position of acquired companies:				
Assets				
Tangible and intangible assets	156,143.60		9,365,232.19	
Other long-term receivables	2,344.43		2,075,843.46	
Customers and other Liabilities	156,848.57		4,435,015.28	
Cash available	<u>271,946.62</u>	587,283.22	<u>359,228.49</u>	16,616,867.09
Less: Liabilities				
Long term loans	11,132.15		-	
Provisions of employees benefits	146,074.18		353,324.73	
Other long-term liabilities	-		2,292.58	
Short-term loans	8,609.10		974,000.00	
Taxes and insurance organizations	28,744.91		970,642.21	
Suppliers - Other liabilities	<u>134,041.13</u>	328,601.47	<u>6,548,181.29</u>	8,848,440.81
Net asset value		<u>258,681.75</u>		<u>7,768,426.28</u>
Percentage (%) acquired		60%		100%
Net assets acquired		<u>155,209.05</u>		<u>7,768,426.28</u>
Goodwill		<u><u>269,790.95</u></u>		<u><u>1,231,573.72</u></u>
Cash outflow / (inflow) of acquisition:				
Acquisition price in cash		425,000.00		-
Cash and cash equivalents of acquired company		<u>271,946.62</u>		<u>359,228.49</u>
Net cash (inflow) / outflow of acquisition:		<u><u>153,053.38</u></u>		<u><u>(359,228.49)</u></u>

	SYSTEM SOFT SA		IQOM SA	
Acquisition price of acquired companies		65,463.40		1,800,000.00
Less:				
Net position of acquired companies:				
Assets				
Tangible and intangible assets	15,897.27		15,568.10	
Other long-term receivables	12,539.61		-	
Stocks	49,818.19		65,499.19	
Customers and other Liabilities	437,580.63		546,097.23	
Cash available	287,921.54	803,757.24	19,569.04	646,733.56
Less: Liabilities				
Long term loans	40,400.03		-	
Provisions of employees benefits	29,130.13		-	
Taxes and insurance organizations	42,479.28		102,125.95	
Suppliers - Other liabilities	921,722.05	1,033,731.49	162,530.19	264,656.14
Net asset value		(229,974.25)		382,077.42
Percentage (%) acquired		66%		80%
Net assets acquired		(151,783.01)		305,661.94
Goodwill		217,246.41		1,494,338.06
Cash outflow / (inflow) of acquisition:				
Acquisition price in cash		65,463.40		1,800,000.00
Cash and cash equivalents of acquired company		287,921.54		19,569.04
Net cash (inflow) / outflow of acquisition:		(222,458.14)		1,780,430.96

	PCS SA	
Acquisition price of acquired companies		2,187,988.00
Intra-Company Profit Exemption		(402,909.73)
Final Acquisition Price of acquired companies		1,785,078.27
Less:		
Net position of acquired companies:		
Assets		
Tangible and intangible assets	73,062.16	
Other long-term receivables	49,356.66	
Customers and other Liabilities	552,472.95	
Cash available	1,364,462.74	2,039,354.51
Less: Liabilities		
Provisions of employees benefits	172,518.55	
Other long-term liabilities	36,797.95	
Taxes and insurance organizations	302,551.90	
Suppliers - Other liabilities	555,602.02	1,067,470.42
Net asset value		971,884.09
Percentage (%) acquired		88%
Net assets acquired		855,258.00
Goodwill		929,820.27
Cash outflow / (inflow) of acquisition:		
Acquisition price in cash		1,785,078.27
Cash and cash equivalents of acquired company		1,364,462.74
Net cash (inflow) / outflow of acquisition:		420,615.53

The acquisition value of the above companies was calculated based on the fair value of the net assets of the acquired companies at the date of their 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 2021.

The acquisition date, the acquisition rate, the fair value of the assets, the acquisition price and the resulting goodwill per acquired business are as follows:

31st December 2021					GROUP	COMPANY
Amounts in €	Goodwill calculation date	% Acquisition rate	Fair value of assets	Acquisition 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	-
SINGULARLOGIC A.E. - Self-produced software	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	-
			11,270,038.98	19,525,541.67	8,255,502.69	-

- **Goodwill Impairment Check**

The Management of the Group audits at least on an annual basis the goodwill, which has been classified in Cash Flow Units (CAS) for any impairment. The recoverable amount of CAS was determined by value-based calculations that require the use of assumptions. Value for money arises as the present value of projected future cash flows of the CAS, discounted at an interest rate that reflects the time value of money and the risk associated with the CAS. The calculations used cash flow forecasts based on budgets approved by management covering a period of five years.

On 31.12.2021 the Management of the group proceeded to an impairment check for the subsidiaries of DATA COMMUNICATION SA and HOTELIGA INTERNATIONAL Sp Z.o.o. using the following key assumptions:

	DATA COMMUNICATION SA	HOTELIGA INTERNATIONAL SP Z.o.o
Discount interest rate before tax	10.01%	7.7%
Growth rate in perpetuity	1%	1%
Sales growth rate	3% – 5%	18% – 20%

Based on the performed audits, the recoverable amount of goodwill exceeds the book value and no impairment loss occurs. Also, if the assumptions used as at 31 December 2021 were negatively changed by 10%, the carrying amount of goodwill would still need no impairment.

The goodwill of the other subsidiaries was calculated based on the fair value of the net assets of the acquired companies at the date of their acquisition. Due to the recent acquisition (within 2021) and the absence of negative indications, no impairment test of the resulting goodwill was performed at the reporting date.

9. *Investments in Subsidiary Companies*

Investments of the Company in the Group's subsidiaries are presented in the table below:

Amounts in €	EPSILON HOSPITALITY A.E.	EPSILON HR A.E.	EPSILON SUPPORT CENTER A.E.	DATA COMMUNICATION A.E.	HOTELIGA INTERNATIONAL SP ZOO	EPSILON SINGULAR LOGIC A.E.	TEKNOΛΑΓΩΓΗ ΕΠΕ	PCS AE	EPSILON EUROPE PLC	ΕΥΝΟΛΟ
1st January 2020	33,630.00	8,750.00	102,000.00	-	-	-	-	-	2,898,211.02	3,042,591.02
Additions Period 01.01 - 31.12.2020	-	9,432.00	-	6,300,000.00	150,000.00	-	-	-	-	6,459,432.00
Reductions Period 01.01 - 31.12.2020	-	-	-	-	-	-	-	-	-	-
ACCOUNTING BALANCE as at 31st DECEMBER 2020	33,630.00	18,182.00	102,000.00	6,300,000.00	150,000.00	-	-	-	2,898,211.02	9,502,023.02
1st January 2021	33,630.00	18,182.00	102,000.00	6,300,000.00	150,000.00	-	-	-	2,898,211.02	9,502,023.02
Additions period 01.01 - 31.12.2021	-	-	-	549,975.00	-	15,753,777.86	425,000.00	2,187,988.00	-	18,916,740.86
Reductions Period 01.01 - 31.12.2021	-	-	-	-	-	(3,247,000.00)	-	-	-	(3,247,000.00)
ACCOUNTING BALANCE as at 31st DECEMBER 2021	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	25,171,763.88

On 11/1/2021 it was announced the joint acquisition of "SINGULARLOGIC SA" by the investment group "EPSILON NET" and "SPACE HELLAS" with a participation rate of 49.835% each (Note 10). On 22/1/2021, Epsilon SingularLogic SA was created, to be the commercial arm of the new business group SINGULARLOGIC, EPSILON NET and SPACE HELLAS. The initial capital amounted to € 25,000, with "EPSILON NET" participating with 57.60% and "SPACE HELLAS" participating with 42.40%.

The Extraordinary General Meeting of the shareholders of "EPSILON NET" from 18/6/2021 approved the announced on 1/3/2021 secession of the commercial applications sector of the PYLON platform of the Company and its contribution to the company Epsilon SingularLogic SA against the acquisition of a corporate participation in the beneficiary company (Law 4601/2019, Law 4548/2018 and Law 4172/2013).

On 28/06/2021 it was approved with the decision no. 72046 / 28.06.2021 of the Ministry of Development and Investments (ΑΔΑ: 9ΝΟ646ΜΤΑΡ-Ι69), which was registered in the General Commercial Register on the same day with K.A.K. 2571373, the above spin-off and contribution of a sector to the subsidiary Epsilon SingularLogic SA.

Pursuant to the above, the share capital of Epsilon SingularLogic SA, increased by € 10 million with the issuance of 10,000,000 new common registered shares, with a nominal value of € 1 each, which were undertaken in their entirety by the Company with the participation percentages amounting to 99.894% for "EPSILON NET" and to 0.00106% for "SPACE HELLAS".

On 29/6/2021 the Company transferred to "SPACE HELLAS", a percentage of 32.389% of the shares of Epsilon SingularLogic SA, for the amount of € 3,247,000.00.

The above spin-off of the PYLON branch of "EPSILON NET" and its contribution to the subsidiary Epsilon SingularLogic SA is a merger of companies under joint control.

The IFRS 3 (paragraph 3) excludes from its scope mergers under joint control. In the absence of a specific provision in the relevant standard (IFRS 3), what is mentioned in IAS 8 (par. 10-12) was applied and the management considered that the "acquisition method" is the most appropriate accounting method to present in the financial statements of the Company the above merger of companies under joint control, using the fair value approach since the contributor and the beneficiary are two separate entities and therefore the accounting representation of the transaction should not differ from another transaction between willing and informed parties operating under normal market conditions. The acquisition cost of the transaction was estimated as the fair value of the consideration received including the change in accounting policy due to the revision of IAS 19 and the positive difference between the contributed sector and the equity instruments received amounting to € 12.23 million is reflected directly in equity through the statement of comprehensive income.

On 14/7/2021 was approved 1) the split of the company with the name "SINGULARLOGIC INFORMATION COMPANY AND INFORMATION APPLICATIONS SOCIETE ANONYME", with the distinctive title "SINGULARLOGIC SA" and Registration Number: 008916201000, by absorption of the self-produced software sector of commercial accounting applications for businesses and Enterprise Resource Planning (ERP) systems, by the company under the name "EPSILON SINGULARLOGIC ANΩNYMH ETAIPIA ΠΛΗΡΟΦΟΡΙΚΗΣ", with distinctive title "EPSILON SINGULARLOGIC SA" and Registration Number: 157876205000, according to:

- i. the provisions of articles 54-103 of law 4601/2019,
- ii. the decisions of the 05/07/2021 and 06/07/2021 General Meetings of the shareholders / partners of the companies participating in the split.
- iii. and the deed numbered 16.533 / 06.07.2021 of the Notary Marina Stavrianou of Christos,

2) the amendment of article 5 of the articles of association of the societe anonyme with the name "SINGULARLOGIC INFORMATION COMPANY AND INFORMATION APPLICATIONS SOCIETE ANONYME ", with the distinctive title "SINGULARLOGIC SA" with Registration Number: 008916201000 and the amendment of article 5 of the articles of association of the societe anonyme with the name "EPSILON SINGULARLOGIC IT SOCIETE ANONYME ", with the distinctive title "EPSILON SINGULARLOGIC SA" with Registration Number: 157876205000.

Pursuant to the above, the share capital of Epsilon SingularLogic SA, increased by € 7.5 million with the issue of 7,500,000 new common registered shares, with a nominal value of € 1 each, which were undertaken in their entirety

by the Shareholders of the said company with the participation percentages being set at 60.000% for EPSILON NET, at 39.972% for SPACE HELLAS and at 0.028% for GLOBAL EQUITY INVESTMENTS.

Finally, based on the decision of the Extraordinary General Meeting of Epsilon SingularLogic dated 27/8/2021, the share capital was increased by € 2.07 million with the issue of 2,070,000 new common registered shares, with a nominal value of € 1 each, which were undertaken in their entirety by the two main Shareholders of the company with the participation percentages amounting to 60.0014% for EPSILON NET, to 39.9733% for SPACE HELLAS and to 0.0253% for GLOBAL EQUITY INVESTMENTS.

On 31/12/2021 the above participation percentage remains unchanged and EPSILON NET holds 60.0014% of the shares of Epsilon SingularLogic SA.

On 24/05/2021, the Company EPSILON NET acquired all the shares of the minority of its subsidiary DATA COMMUNICATION SA. In particular, EPSILON NET SA bought from two legal entities, 750,000 shares, corresponding to 20% of the total shares of DATA COMMUNICATION SA. Specifically, EPSILON NET acquires, 412,500 shares owned by the legal entity EASMUINHOLDINGS LTD and correspond to 11% of the total share capital of DATA COMMUNICATION SA, for an amount of 302,486.25 € and 337,500 shares owned by the legal entity DELMAR CONSULTING LTD, corresponding to 9% of the total share capital of DATA COMMUNICATION SA for an amount of 247,488.75 €. The total price of this acquisition was the amount of € 549,975.00 and the negative difference of € 105,907.80, between acquisition cost and fair value of the participation, was reflected directly in equity. Following this acquisition, on 31/12/2021 EPSILON NET SA remains as the sole shareholder of DATA COMMUNICATION SA.

On 7/6/2021, the Company acquired the 60% of the share capital of TECHNOLIFE Ltd., based in Greece, which is active in providing integrated business solutions in the field of business software, for € 425 thousand.

The financial statements of the above subsidiary were incorporated in the consolidated financial statements of the Group, as of 31/12/2021 by the method of total consolidation.

On 11/11/2021, the Company acquired the 88% of the share capital of PROFESSIONAL COMPUTER SERVICES SOCIETE ANONYME based in Greece, which is active in providing specialized IT solutions to companies in the financial sector, for € 2,187,988.00.

The financial statements of the above subsidiary were incorporated in the consolidated financial statements of the Group, as of 31/12/2021 by the method of total consolidation.

The parent company annually examines whether there are indications of impairment of its holdings in subsidiaries. From this audit no relevant indication emerged on 31/12/2021.

10. Investments in Associates

Investments of the Company in the Group's Associated Companies are presented in the table below:

GROUP

Amounts in €	SUPERVISOR SA	HIT HOSPITALITY SA	SINGULAR LOGIC SA	INFOSUPPORT SA	TOTAL
1st January 2020	145,889.61	1,000,000.00	-	-	1,145,889.61
Participation in the results of affiliated companies	-	92,089.95	-	-	92,089.95
Increase by Participation Evaluation	4,580.39	-	-	-	4,580.39
Transfer to Non-Current Assets held for Sale	(150,470.00)	-	-	-	(150,470.00)
Reductions for the Period 01.01 - 31.12.2020	-	(52,638.48)	-	-	(52,638.48)
ACCOUNTING BALANCE as at 31st December 2020	-	1,039,451.47	-	-	1,039,451.47
1st January 2021	-	1,039,451.47	-	-	1,039,451.47
Additions for the Period 01.01 - 31.12.2021	-	-	9,025,000.00	0.01	9,025,000.01
Participation in the results of affiliated companies	-	114,637.96	537,823.92	-	652,461.88
Change in Equity Due to IAS Review 19	-	54,293.74	(490,160.85)	-	(435,867.11)
Reductions for the Period 01.01 - 31.12.2021	-	(39,649.07)	(5,405,639.12)	-	(5,445,288.19)
ACCOUNTING BALANCE as at 31st December 2021	-	1,168,734.10	3,667,023.95	0.01	4,835,758.06

COMPANY

Amounts in €	SUPERVISOR SA	HIT HOSPITALITY SA	SINGULAR LOGIC SA	INFOSUPPORT SA	TOTAL
1st January 2020	145,889.61	1,000,000.00	-	-	1,145,889.61
Participation in the results of affiliated companies	-	-	-	-	-
Increase by Participation Evaluation	4,580.39	-	-	-	4,580.39
Transfer to Non-Current Assets held for Sale	(150,470.00)	-	-	-	(150,470.00)
Reductions for the Period 01.01 - 31.12.2020	-	-	-	-	-
ACCOUNTING BALANCE as at 31st December 2020	-	1,000,000.00	-	-	1,000,000.00
1st January 2021	-	1,000,000.00	-	-	1,000,000.00
Additions for the Period 01.01 - 31.12.2021	-	-	9,025,000.00	-	9,025,000.00
Participation in the results of affiliated companies	-	-	-	-	-
Change in Equity Due to IAS Review 19	-	-	-	-	-
Reductions for the Period 01.01 - 31.12.2021	-	-	(5,405,639.12)	-	(5,405,639.12)
ACCOUNTING BALANCE as at 31st December 2021	-	1,000,000.00	3,619,360.88	-	4,619,360.88

The Company participates by 35.156% in the company SUPERVISOR S.A., which is active in computer and software marketing. In the context of the implementation of its strategic planning, the Company announced on 19th February 2021 the sale of this participation for 150,470.00 euros.

According to the Private Share Transfer Agreement dated 20.12.2019 between its main shareholder "HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA", "HIT EXELIXIS INTEGRATED HOTEL -

TOURIST APPLICATIONS AND INTERNET CONTENT SA” and “EPSILON NET - INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME”, eighty-six thousand twenty (86,020) registered shares were sold, granted, transferred and delivered to the Company, 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 compliance with the provisions of article 41 of L. 4548.2018, for a price of € 11.6252034 for each sold share of nominal value of € 2.93 and for an amount of one million Euros (€ 1,000,000.00) in total.

According to the Private Share Transfer Agreement from 11/01/2021 between the main shareholder of "SINGULARLOGIC SA" and "EPSILON NET - Information Technology, Education and High Technology Products Societe Anonyme", were sold, assigned, transferred and delivered to the Company nineteen million two hundred one thousand six hundred fifty (19,201,650) registered shares of a nominal value of € (1) 00) each, by full ownership, prefecture and possession and together with all the rights and obligations on them and of them representing thirty four percent (49.835%) of the share capital and voting rights of "SINGULARLOGIC SA", subject to the formalities of article 41 of Law 4548/2018, for a price of € 0.47 for each sold share with a nominal value of € 1.00 and in total for an amount of nine million twenty five thousand Euros (€ 9,025,000.00).

Subsequently, based on the 6/7/2021 Extraordinary General Meeting of Epsilon SingularLogic SA, its share capital was increased, due to the absorption of the self-produced business accounting software sector and Enterprise Resource Planning (ERP) systems contributed by the affiliated company SingularLogic SA and the participation ratio of EPSILON NET amounting to € 4,497,030.00 resulted from an equal reduction of the participation in the said affiliated company.

Finally, on 14/7/2021 based on a relevant share purchase agreement, EPSILON NET sells and transfers to SPACE HELLAS a total of nine thousand two thousand nine hundred eighty nine (902,989) common registered shares with a nominal value of one Euro (1.00 €), with a price, proportional to the supply and consideration, which was set at the amount of one euro and three cents (1.03 €) euro for each sold share with a nominal value of 1.00 euro and in total in the amount of nine hundred thirty thousand seventy eight euros and sixty seven cents (930,078.67 €). The acquisition value of these shares amounted to € 908,609.12 and reduced accordingly the participation of EPSILON NET in the related company Epsilon SingularLogic.

11. Equity Instruments

The Company and Group Title Holdings are presented in the following table:

Amounts in €	GROUP		COMPANY	
	2021	2020	2021	2020
TECHNOPOLI THESSALONIKI SA				
1st January 2021	3,521.30	3,521.30	3,521.30	3,521.30
Additions of Period 01.01 - 31.12.2021	29,966.06	-	-	-
ACCOUNTING BALANCE as at 31st DECEMBER 2021	33,487.36	3,521.30	3,521.30	3,521.30

EPSILON NET participated in the establishment of Technopolis Thessaloniki SA, which is the creator of the first High Technology Enterprise Park in Greece. It is estimated that through this participation significant synergies and investment opportunities will be achieved in the future through this participation, due to the concentration of notable companies in the IT sector.

The Group's subsidiary EPSILON SINGULARLOGIC, through the branch it absorbed from SingularLogic S.A. during fiscal year 2021, participates in the following companies:

- ACROPOLIS S.A. - ICT Business Park and
- TECHNOPSIS THESSALONIKIS S.A.- ICT Business Park

12. Deferred Tax (Receivables / Liabilities)

The tax expense is calculated as follows:

Amounts in €	GROUP		COMPANY	
	2021	2020	2021	2020
Net Profit before Taxes	12,215,741.96	3,395,200.90	6,872,944.28	1,921,056.34
Income Tax Calculated at the statutory Tax Rate	2,691,311.97	815,444.02	1,512,047.74	461,053.52
Tax Impact of Non-Tax Deductible Expenses	(1,289,633.57)	(775,602.51)	(297,126.38)	(468,974.90)
End vocation	12,016.67	6,400.00	2,550.00	2,200.00
Other Taxes Not Incorporated in Operating Costs	23,227.22	-	14,619.32	-
Total Tax Expense / (Income)	1,436,922.29	46,241.51	1,232,090.68	(5,721.38)
<i>The amounts of Income Tax that charge / benefit the Fiscal year are as follows</i>				
Deferred Tax (Expense) / (Income) (see next page analysis)	(201,586.58)	(116,056.30)	(72,717.17)	(69,660.56)
Current Tax	1,638,508.87	162,297.81	1,304,807.85	63,939.18
Total Tax Expense / (Income)	1,436,922.29	46,241.51	1,232,090.68	(5,721.38)

Deferred tax assets and liabilities are offset in the Statement of Financial Position as of December 31, 2021.

With the provisions of L.4799 / 2021 - (Government Gazette A '78 / 18.05.2021) article 58 of KFE (law 4172/2013) was amended.

The new provisions set a fixed tax rate on profits from business activity acquired by legal entities and legal entities at 22%, starting with the reduction of income for the tax year 2021.

Article 22 of the same law exempts from income tax, the income that results from the goodwill of transferring participation securities to a legal person that is a tax resident of an EU member state, collected by a legal person that is a tax resident of Greece, if the legal person whose securities are transferred meets the conditions set by law. These incomes are not taxed during the distribution or capitalization of these profits. Any valuation losses of participations that have been recognized until 31.12.2019, are deducted from the 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%.

The calculation of the deferred taxes was made with the new tax rate and from this adjustment there was a change in the deferred tax of the Group and the Company by € 3,221.97, which was recorded in the Income Statement in the income tax and was charged during the period 01.01-31.12.2021 on the one hand to the results amount of receivable € 1,114.79 and on the other hand directly to Equity amount of receivable reduction (ie liability) -2.107.18 €.

For the corresponding period in Cyprus the income tax rate is 12.5%. Income tax arises after tax reform of non-deductible expenses under applicable tax legislation.

For the corresponding period in the United Kingdom the income tax rate is 19%. Income tax arises after tax reform of non-deductible expenses under applicable tax legislation.

For the corresponding period in Poland the income tax rate is set at 19% and exceptionally 9% especially for the subsidiary Hoteliga, due to the inclusion of favorable tax provisions applicable to the industry in which it operates. Income tax arises after tax reform of non-deductible expenses under applicable tax legislation.

The transaction of deferred taxes is shown in detail in the following table:

GROUP

	Intangible assets	Leases	Other Tangible Fixed Assets	Liabilities of Fixed Personnel Benefits	Credit Risk Provision	Refundable Advance payment	Other Provisions	Accumulated Tax Losses of Previous Fiscal Years	Transitional Accounts	Total
Amounts in €										
Deferred Tax Receivables										
January 1, 2021	-	10,106.64	-	62,977.54	140,091.47	209.35	-	-	-	213,385.00
Integration of New Affiliates	-	2,849.16	162.87	182,978.12	6,602.31	10.16	2,705.58	1,961,032.98	-	2,156,341.18
Debit / Credit in Equity	-	-	-	(60,731.20)	-	-	-	-	-	(60,731.20)
Debit / Credit in 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
December 31, 2021	-	81,475.02	216.03	229,187.61	572,525.72	603.07	8,980.83	1,739,270.39	104,219.52	2,736,478.19
Deferred Tax Liabilities										
January 1, 2021	(244,007.94)	-	(155.98)	-	-	-	-	-	-	(244,163.92)
Integration of New Subsidiaries	(77,830.56)	-	-	-	-	-	-	-	-	(77,830.56)
Debit / Credit in the Income Statement	(225,896.63)	-	-	-	-	-	-	-	-	(225,896.63)
December 31, 2021	(547,735.13)	-	(155.98)	-	-	-	-	-	-	(547,891.11)
TOTAL DEFERRED TAXATION - CLAIM / (LIABILITY) as of DECEMBER 31, 2021	(547,735.13)	81,475.02	60.05	229,187.61	572,525.72	603.07	8,980.83	1,739,270.39	104,219.52	2,188,587.08
Deferred Tax Receivables										
January 1, 2020	-	10,132.18	-	265,888.91	69,268.65	-	-	-	-	345,289.74
Change in IAS Accounting Policy 19	-	-	-	(232,441.04)	-	-	-	-	-	(232,441.04)
Adjusted Balance January 1, 2020	-	10,132.18	-	33,447.87	69,268.65	-	-	-	-	112,848.70
Debit / Credit in Equity	-	(6,031.83)	-	10,136.17	2,289.78	-	-	-	-	6,394.12
Debit / Credit in the Income Statement	-	6,006.29	-	19,393.50	68,533.04	209.35	-	-	-	94,142.18
December 31, 2020	-	10,106.64	-	62,977.54	140,091.47	209.35	-	-	-	213,385.00
Deferred Tax Liabilities										
January 1, 2020	(265,595.15)	-	(482.89)	-	-	-	-	-	-	(266,078.04)
Debit / Credit in the Income Statement	21,587.21	-	326.91	-	-	-	-	-	-	21,914.12
December 31, 2020	(244,007.94)	-	(155.98)	-	-	-	-	-	-	(244,163.92)
TOTAL DEFERRED TAXATION - CLAIM / (LIABILITY) as of DECEMBER 31, 2020	(244,007.94)	10,106.64	(155.98)	62,977.54	140,091.47	209.35	-	-	-	(30,778.92)

COMPANY

	Intangible assets	Leases	Other Tangible Fixed Assets	Liabilities of Fixed Personnel Benefits	Credit Risk Provisions	Refundable Advance payment	Total
Amounts in €							
<i>Deferred Tax Receivables</i>							
January 1, 2021	-	-	-	44,691.29	82,904.65	125.54	127,721.48
Debit / Credit in the Income Statement	40,802.03	-	-	7,300.75	29,020.26	272.63	77,395.67
Debit / Credit in Equity	-	-	-	(38,363.13)	-	-	(38,363.13)
December 31, 2021	40,802.03	-	-	13,628.91	111,924.91	398.17	166,754.02
<i>Deferred Tax Liabilities</i>							
January 1, 2021	(244,007.93)	(4,053.73)	(155.98)	-	-	-	(248,217.64)
Debit / Credit in the Income Statement	-	(4,805.89)	127.39	-	-	-	(4,678.50)
December 31, 2021	(244,007.93)	(8,859.62)	(28.59)	-	-	-	(252,896.14)
TOTAL DEFERRED TAXATION - CLAIM / (LIABILITY) as of DECEMBER 31, 2021	(203,205.90)	(8,859.62)	(28.59)	13,628.91	111,924.91	398.17	(86,142.12)
<i>Deferred Tax Claims</i>							
January 1, 2020	-	-	-	197,349.91	43,769.29	-	241,119.20
Change in IAS Accounting Policy 19	-	-	-	(166,353.35)	-	-	(166,353.35)
Adjusted Balance January 1, 2020	-	-	-	30,996.56	43,769.29	-	74,765.85
Debit / Credit in Equity	-	-	-	4,358.52	-	-	4,358.52
Debit / Credit in the Income Statement	-	-	-	9,336.21	39,135.36	125.54	48,597.11
December 31, 2020	-	-	-	44,691.29	82,904.65	125.54	127,721.48
<i>Deferred Tax Liabilities</i>							
January 1, 2020	(265,595.14)	(3,203.05)	(482.89)	-	-	-	(269,281.08)
Debit / Credit in the Income Statement	21,587.21	(850.68)	326.91	-	-	-	21,063.44
December 31, 2020	(244,007.93)	(4,053.73)	(155.98)	-	-	-	(248,217.64)
TOTAL DEFERRED TAXATION - CLAIM / (LIABILITY) as of DECEMBER 31, 2020	(244,007.93)	(4,053.73)	(155.98)	44,691.29	82,904.65	125.54	(120,496.16)

According to tax law, certain incomes are not taxed at the time of their realization, but at the time of their distribution to the shareholders. The accounting principle of the Group and the Company is to recognize a deferred tax liability for these incomes at the time of their distribution, regardless of the time of their realization.

Deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax liabilities against current tax liabilities and when deferred income taxes relate to the same tax authority.

Deferred tax assets and liabilities are offset in the Statement of Financial Position as at 31 December 2021.

Deferred tax assets are carried forward to the extent that future taxable profits are probable. During the current financial year, a deferred claim for accumulated tax losses of the absorbed sector of SingularLogic S.A. was incorporated in the above line, part of which has already been recovered from the subsidiary Epsilon SingularLogic S.A. During the current financial year, a deferred claim for accumulated tax losses of the absorbed sector of SingularLogic S.A. was incorporated in the above line, part of which has already been recovered from the subsidiary Epsilon SingularLogic S.A.

With article 48 of L.4172 / 2013, the intragroup 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 the recipient of the dividend holds a stake of at least 10% in the share capital of the legal entity it distributes, and the minimum stake is held for at least 2 years. The above is valid from 1.1.2014.

However, it should be clarified that for the calculation of the current income tax for the year 2020 as well as the current year 2021, the Company according to article 22a of Law 4172/2013, increased the “Scientific and Technological Research Expenses” out of balance. This item is expected to be approved by the competent committee of the General Secretary of Research & Innovation.

The income tax statement is submitted on an annual basis, but the declared profits or losses remain temporary until the tax authorities check the taxpayer’s books and records and the final audit report is issued.

According to the provisions of article 84 of L.2238 / 1994, of PD 196/1992, article 57 of L.2859/2000, article 9 of L.2523/1997 (for years up to 31/12/2013) and article 36 of L.4174 / 2013 as well as the Council of State decision 1738/2017 and several circulars, among them POL. 1154/2017 and Prot.no. 1752/2017 and DI.PA. E.E. 1189961 EX2017 (for the years after 1/1/2014), it appears that the right of the State to impose tax for the years up to 2015 for the Company and the Greek subsidiaries, has expired until 31.12.2021, without prejudice to special or exceptional provisions which may provide for a longer expiry period and under the conditions laid down therein.

Based on the above, the tax liabilities of the Company as well as the Greek subsidiaries included in the consolidation have been audited or completed or expired until the year 2015.

Based on article 82 par.5 of law 2238/94, starting from the year 2011, and then article 65 A of Law 4174/2013, Certified Public Accountants and the auditing firms that carry out statutory audits in public limited companies

are obliged to issue a Tax Compliance Report regarding the application of tax provisions to tax objects. This Report is submitted to the audited company, and electronically to the Ministry of Finance.

The following table shows the unaudited fiscal years of the Greek companies included in the consolidation.

Name	Audit or completion or expiry until fiscal year	Unaudited fiscal years having received tax certificate
EPSILON NET A.E.	2015	2016–2021
EPSILON HOSPITALITY A.E.	2015	2016–2021
EPSILON HR A.E.	-	2016–2021
EPSILON SUPPORT CENTER A.E.	-	2019-2021
DATA COMMUNICATION A.E.	2015	2016–2021
EPSILON SINGULARLOGIC A.E.	-	2021
TECHNOLIFE E.I.E	2015	2016–2021
SYSTEM SOFT A.E.	2015	2016–2021
IQOM A.E.	2015	2016–2021
P.C.S. A.E.	2015	2016–2021

For the fiscal years 2011-2020, the Company and the Greek subsidiaries included in the consolidation have been audited by their statutory Auditor and received the relevant Tax Compliance Report without reservation. For the fiscal year 2021, the Company and the Greek subsidiaries included in the consolidation have chosen the above tax audit of the Certified Public Accountants, which is in progress from the relevant Tax Compliance Report, which is expected to be issued after the publication of the 2021 financial statements. It is estimated that no substantial tax burdens will arise.

The subsidiary EPSILON EUROPE PLC (based in Cyprus) has submitted tax returns for the years 2009 - 2020 and has been audited by the tax authorities for the years up to 2011 receiving a relevant certificate (tax assessment) as audited finally. It has also received a tax clearance for its tax obligations 2012-2020.

The subsidiaries EVOLUTIONSNT PLC and EVOLUTIONSNT (UK) LTD (based in UK) have submitted tax returns for the years 2012-2020 and 2014-2020 respectively, and have received tax clearance for their tax liabilities until 31.12 .2020.

The subsidiary HOTELIGA INTERNATIONAL Sp. Z.o.o (based in Poland) has submitted tax returns until the year 2020 and has no tax pending.

We note that, although the public authorities retain the right of re-audit for the above non-expired fiscal years, the Group's Management estimates that during the conduct of a possible tax audit, the public authorities do not expect substantial tax liabilities to arise that significantly affect the financial situation, asset structure, profitability and cash flows of the Company and the Group.

13. Lease Receivables

The lease receivables of the Company and the Group are depicted in the table below and concern non-owned real estate leases of the parent company to its subsidiaries:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Lease receivables	3,041.06	4,570.44	552,790.41	632,189.83
Less: Short-term portion	(1,719.86)	(1,660.09)	(112,999.72)	(97,041.96)
Long-term portion	1,321.20	2,910.35	439,790.69	535,147.87

The future minimum lease receivables and the present value of the net minimum receivables for the Group and the Company as at 31 December 2021 and 2020 are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021		31.12.2021	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Up to 1 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
More than 5 years	-	-	140,610.75	115,176.83
Total minimum lease receivables	3,121.91	3,041.06	612,508.22	552,790.41
Less: amounts that constitute financial income	(80.85)	-	(59,717.81)	-
Present value of minimum lease receivables	3,041.06	3,041.06	552,790.41	552,790.41

	GROUP		COMPANY	
	31.12.2020		31.12.2020	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Up to 1 year	1,794.72	1,660.09	116,014.88	97,041.96
From 2 to 5 years	2,991.20	2,910.35	391,541.97	348,927.32
More than 5 years	-	-	229,361.83	186,220.55
Total minimum lease receivables	4,785.92	4,570.44	736,918.68	632,189.83
Less: amounts that constitute financial income	(215.48)	-	(104,728.85)	-
Present value of minimum lease receivables	4,570.44	4,570.44	632,189.83	632,189.83

The financial income of lease receivables was recorded in the income statement (Note 35).

14. Other Long-term Receivables

GROUP

	Rent Guarantee	PPC Guarantee	Loan Guarantee	Vehicles Guarantee	Gas Guarantee	Elinoil Guarantee	CORAL S.A. (SHELL) Guarantee	Equipment Lease Guarantee	NBG Leasing	LeasePlan	Total
Amounts in Euro €											
Acquisition Cost											
January 1 2021	135.250,45	2.235,80	68,00	42.320,58	68,11	1.000,00	2.000,00	103,32	-	-	183.046,26
Additions due to Acquisition of subsidiaries	6.006,50	1.031,06	-	3.168,43	-	-	-	-	-	-	10.205,99
Additions for the Period 01.01 - 31.12.2021	39.079,76	-	-	8.638,28	-	-	-	-	450.000,00	949,84	498.667,88
Reductions / Write off of Period 01.01 - 31.12.2021	(63.579,72)	(717,38)	-	(4.194,48)	-	-	-	-	-	-	(68.491,58)
ACCOUNTING BALANCE as at 31st DECEMBER 2021	116.756,99	2.549,48	68,00	49.932,81	68,11	1.000,00	2.000,00	103,32	450.000,00	949,84	623.428,55

Acquisition Cost											
January 1 2019	50.268,34	502,00	68,00	21.163,54	68,11	1.000,00	-	103,32	-	-	73.173,31
Additions due to Acquisition of subsidiaries	83.578,97	1.733,80	-	12.854,64	-	-	2.000,00	-	-	-	100.167,41
Additions for the Period 01.01 - 31.12.2020	-	-	-	-	-	-	-	-	-	-	-
Reductions / Write off of Period 01.01 - 31.12.2020	(1.000,00)	-	-	-	-	-	-	-	-	-	(1.000,00)
ACCOUNTING BALANCE as at 31st DECEMBER 2020	135.250,45	2.235,80	68,00	42.320,58	68,11	1.000,00	2.000,00	103,32	-	-	183.046,26

COMPANY

	Rent Guarantee	PPC Guarantee	Loan Guarantee	Vehicles Guarantee	Equipment Lease Guarantee	Gas guarantee	Guarantee to Ethniki Leasing	Leaseplan Guarantee	Total
Amounts in Euro €									
Acquisition Cost									
January 1 2021	47,363.08	197.00	64.00	20,981.62	103.32	68.11	-	-	68,777.13
Additions for the Period 01.01 - 31.12.2021	-	-	-	-	-	-	450,000.00	949.84	450,949.84
Reductions / Write-off of Period 01.01 - 31.12.2021	-	-	-	(2,843.76)	-	-	-	-	(2,843.76)
ACCOUNTING BALANCE as at 31st DECEMBER 2021	47,363.08	197.00	64.00	18,137.86	103.32	68.11	450,000.00	949.84	516,883.21

Acquisition Cost									
January 1 2020	46,726.34	197.00	64.00	14,774.82	103.32	68.11	-	-	61,933.59
Additions for the Period 01.01 - 31.12.2020	1,636.74	-	-	6,206.80	-	-	-	-	7,843.54
Reductions / Write-off of Period 01.01 - 31.12.2020	(1,000.00)	-	-	-	-	-	-	-	(1,000.00)
ACCOUNTING BALANCE as at 31st DECEMBER 2020	47,363.08	197.00	64.00	20,981.62	103.32	68.11	-	-	68,777.13

15. Inventories

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Raw Materials - Consumables	-	863.13	-	-
Merchandise	132,612.78	41,905.72	25,077.41	32,549.18
Total	132,612.78	42,768.85	25,077.41	32,549.18

The Company and the Group's inventories consist of electronic equipment and books of scientific-economic content. There are no encumbrances on stock.

16. Customers and Other Trade Receivables

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Customers	19,529,356.69	8,551,583.07	4,721,630.41	4,588,714.37
Notes Receivable	275,525.75	339,545.86	236,583.76	238,846.95
Cheques receivable	6,263,226.09	2,597,438.53	3,074,957.43	2,408,094.36
	26,068,108.53	11,488,567.46	8,033,171.60	7,235,655.68
Less: Impairment Provisions	(7,123,491.60)	(1,339,929.42)	(1,264,964.68)	(1,101,651.12)
Total	18,944,616.93	10,148,638.04	6,768,206.92	6,134,004.56

The movement of impairment provisions for doubtful receivables of the Group and the Company for the years ended 31st December 2021 and 31st December 2020, is analyzed as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance at the beginning of the year	1,339,929.42	1,044,834.35	1,101,651.12	938,587.14
Provisions from Acquisition of Subsidiary	3,850,967.77	9,540.73	-	-
Formed provisions for the year	1,932,594.41	285,554.34	163,313.56	163,063.98
Balance at the end of the year	7,123,491.60	1,339,929.42	1,264,964.68	1,101,651.12

The maturity of trade receivables is set out below:

GROUP						
31.12.2021						
	Balance	Updated not	Overdue	Overdue	Overdue	Overdue
	31.12.2021	impaired	from 1 to 90	from 91 to 120	from 121 to 360	over 360
		Receivables	days	days	days	days
Customers receivable	12,973,925.35	6,497,179.88	4,093,664.53	1,608,589.38	774,491.56	-
Cheques receivable	5,891,888.11	5,881,308.28	4,884.83	5,695.00	-	-
Notes receivable	78,803.47	2,290.94	15,867.31	6,000.00	54,645.22	-
Total	18,944,616.93	12,380,779.10	4,114,416.67	1,620,284.38	829,136.78	-

31.12.2020						
	Balance	Updated not	Overdue	Overdue	Overdue	Overdue
	31.12.2020	impaired	from 1 to 90	from 91 to 120	from 121 to 360	over 360
		Receivables	days	days	days	days
Customers receivable	7,586,642.28	5,062,924.55	1,501,051.42	648,105.69	374,560.62	-
Cheques receivable	2,419,158.10	2,272,027.68	117,374.58	29,755.84	-	-
Notes receivable	142,837.66	57,720.49	42,123.65	1,750.00	41,243.52	-
Total	10,148,638.04	7,392,672.72	1,660,549.65	679,611.53	415,804.14	-

COMPANY						
31.12.2021						
	Balance	Updated not	Overdue	Overdue	Overdue	Overdue
	31.12.2021	impaired	from 1 to 90	from 91 to 120	from 121 to 360	over 360
		Receivables	days	days	days	days
Customers receivable	3,867,815.01	2,327,840.95	965,696.13	416,984.34	157,293.59	-
Cheques receivable	2,859,824.90	2,859,824.90	-	-	-	-
Notes receivable	40,567.01	-	9,367.31	5,000.00	26,199.70	-
Total	6,768,206.92	5,187,665.85	975,063.44	421,984.34	183,493.29	-

31.12.2020						
	Balance	Updated not	Overdue	Overdue	Overdue	Overdue
	31.12.2020	impaired	from 1 to 90	from 91 to 120	from 121 to 360	over 360
		Receivables	days	days	days	days
Customers receivable	3,853,916.23	2,257,253.16	888,542.31	549,557.38	158,563.38	-
Cheques receivable	2,237,297.21	2,229,513.53	7,783.68	-	-	-
Notes receivable	42,791.12	10,341.42	10,556.18	-	21,893.52	-
Total	6,134,004.56	4,497,108.11	906,882.17	549,557.38	180,456.90	-

The fair values of trade and other receivables are not presented separately as, due to their short-term duration, Management considers that the book values recognized in the balance sheet are a reasonable approximation of the fair values.

As of 1st January 2018, the Group and the Company apply the simplified approach of IFRS 9 and calculate the expected credit losses throughout the life of their receivables. At each balance sheet date, impairment of receivables is carried out using a table based on which the expected credit losses are calculated.

The receivables of the Group and the Company on 31.12.2021, which remain uncollected for more than one year, are covered 100% by relevant impairment provisions.

17. Trade Portfolio Securities

Amounts in	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Financial assets at fair value through profit or loss account	<u>297,754.62</u>	<u>308,513.62</u>		-

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance at the beginning of fiscal year	<u>308,513.62</u>	<u>268,922.00</u>		-
Additions from Acquisition of Subsidiary	-	38,956.62		-
Exchange differences	-	-		-
Purchases	-	-		-
Sales	-	-		-
Valuation at fair value	(10,759.00)	635.00		-
Impairments	-	-		-
Balance at the end of fiscal year	<u>297,754.62</u>	<u>308,513.62</u>		-

Trade portfolio securities relate to Financial Data at Fair Value through profit/loss account. The Group's portfolio consists of international bonds of large foreign companies, which are listed on international stock exchanges, ETFs traded on regulated stock exchanges and mutual funds that are also traded on regulated stock markets.

During the fiscal year 2021, there were no indications of impairment formation for the trade portfolio securities. The above securities are categorized at the following levels of fair value:

GROUP

	31st December 2021			
	Level 1	Level 2	Level 3	Total
Trade portfolio securities	297,754.62	-	-	297,754.62

	31st December 2020			
	Level 1	Level 2	Level 3	Total
Trade portfolio securities	308,513.62	-	-	308,513.62

COMPANY

	31st December 2021			
	Level 1	Level 2	Level 3	Total
Trade portfolio securities				

	31st December 2020			
	Level 1	Level 2	Level 3	Total
Trade portfolio securities	-	-	-	-

On 31st December 2021, the valuation profit of trade portfolio securities, amounting to € 10,759.00 for the Group (profit € 635 for the Group on 31st December 2020), were recognized in the Income Statement.

18. Other Receivables

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Long-Term Receivables Receivable for the Next Fiscal Year	193,186.81	291,902.01	193,186.81	211,809.96
Short-term receivables from other participating companies	-	902,500.00	-	902,500.00
Miscellaneous Debtors - Staff Advance Payments	-	-	-	-
- Staff Financial Facilities	6,170.86	-	2,100.00	-
- Income Tax Advance	1,350,859.39	175,236.37	1,026,620.86	58,273.66
- Withholding Interest Tax	72.10	-	-	-
- Other Withholding Income Taxes	3,633.59	3,633.59	-	-
- Greek State - Other Receivables	49,511.81	11,430.30	11,430.30	11,430.30
- Credit Cards Receivable	134,667.83	29,847.49	133,192.16	28,658.91
- Advances to Suppliers	264,283.93	259,771.13	165,796.10	128,107.08
- Advances to Other Beneficiaries of Remuneration	11,322.48	15,625.46	2,666.79	4,305.12
- Other current liabilities	-	-	-	-
- Value added tax	25,109.86	20,873.96	-	-
- Other Debtors	34,151.33	5,178.56	-	-
Advance Payment & Credit Management Accounts - Other Partners Third Parties	56,558.93	39,958.17	53.50	8,774.60
- Courier	249.72	4,433.11	-	4,433.11
- Other Accounts	-	56,808.65	-	53.50
Transitional Asset Accounts - Next Year Expenses	211,815.35	141,893.55	97,071.21	48,173.82
- Accrued Income of fiscal year	11,949.35	1,549.00	-	-
		2,632.33		
Total	2,613,004.50	1,903,832.70	1,632,117.73	1,406,466.56

19. Cash and Cash Equivalents

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Cash - Headquarter	17,720.03	15,303.43	1,500.57	757.68
Cash - Branch	602.80	652.70	602.80	652.70
Deposits in Bank accounts	23,335,832.19	20,772,919.26	12,365,622.44	13,842,620.84
Total	23,354,155.02	20,788,875.39	12,367,725.81	13,844,031.22

Short-term bank deposits consist of demand or term deposits in Greece and abroad. Actual interest rates are set according to floating interest rates and are traded on a case-by-case basis.

Cash and cash equivalents of the Company and the Group are broken down into the following currencies as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
EURO	23,006,415.75	20,689,865.61	12,367,725.81	13,844,031.22
USD	74,810.00	67,288.36	-	-
PLN	27,342.71	31,735.47	-	-
CHF	245,586.63	-	-	-
GBP	-0.07	-14.05	-	-
Total	23,354,155.02	20,788,875.39	12,367,725.81	13,844,031.22

The analysis of short-term bank deposits based on the creditworthiness of banking institutions is as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
A	663,321.01	300,030.42	-	-
BBB	2,928,872.73	3,219,275.67	425,133.73	426,312.50
B+	-	-	-	-
B	16,002,344.81	11,815,613.79	9,720,440.62	8,695,458.85
B-	3,759,616.47	5,453,955.51	2,222,151.46	4,722,259.87
Total	23,354,155.02	20,788,875.39	12,367,725.81	13,844,031.22

20. Share Capital

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Share Capital consisting of 53.600.000 Common Nominal Shares of thirty cents (€ 0.075) each	<u>4,020,000.00</u>	<u>4,020,000.00</u>	<u>4,020,000.00</u>	<u>4,020,000.00</u>

On 10th July 2020, the Public Bidding and the sale of 2,224,560 new common registered shares of the Company were completed.

The Bidding price of the New Shares (hereinafter the “Bidding Price”) was set at € 2.40 per Share for the total Public Bidding (Special and Private Investors).

The total funds raised from the Public Bidding, before the deduction of commissions and expenses, amount to Euro € 5,338,944 (€ 2.40 x 2,224,560). More specifically, 866,940 new common registered shares (or 38.97% of the total Public Bidding) were distributed to Private Investors and 1,357,620 new common registered shares (or 61.03% of the total Public Bidding) were distributed to Special Investors.

The total demand from the applications of the Special Investors submitted during the Public Bidding, at the Bidding Price, amounted to 2,589,132 New Shares, exceeding the ones offered in this category, ie 1,357,620 new common registered shares by approximately 1.91 times. Applications were submitted by 23 Special Investors in total.

The total demand from the applications of 368 Private Investors, submitted during the Public Bidding, amounted to 963,267 New Shares.

Therefore, the total demand from the applications of Special Investors and Private Investors submitted during the Public Bidding amounted to 3,552,399 New Shares, exceeding the available 2,224,560 New Shares, by approximately 1.60 times.

Then, on Tuesday, 14.07.2020, the following actions were performed:

- Release of investors’ funds and payment for the distributed Shares by the Special and Private Investors
- Certification of the payment of the raised funds by the Issuer
- Delivery of Shares to investors through registration in their Shares in the Intangible Securities System
- Publication of an announcement for the commencement of trading

Furthermore, on Wednesday 15.07.2020, the process of listing the Company’s shares in the Regulated Market of the Athens Stock Exchange was completed through the following actions:

- Deletion of the Shares from the Alternative Market of the ATHEX.
- Commencement of trading of the Company’s Shares in the Regulated Market of the ATHEX.

Therefore, the paid-up share Capital of the Company after the decision of the Extraordinary General Meeting of 15.11.2019 and the above listing of the Company’s shares on the Regulated Market of the Athens Stock Exchange, as of 31st December 2021, amounts to four million twenty thousand euros (€ 4,020,000.00), divided into thirteen million four hundred thousand (13,400,000) common registered shares, with a nominal value of thirty cents (€ 0.30) each.

Finally, 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 registered shares (split) and the replacement of each one (1) old common registered share with four (4) new common registered shares.

Following the above decision and the approval of the Athens Stock Exchange, the Share Capital of the Company as at 31 December 2021, now amounts to the amount of four million twenty thousand euros (€ 4,020,000.00), divided into fifty three million six hundred thousand (53,600,000) common registered shares, with a nominal value of each € 0.075.

21. Treasury Shares

The Company at the Shareholders' Ordinary General Meeting of 29th June 2018 decided the purchase of treasury shares in accordance with article 16 of Law 2190/1920 and article 49 of Law 4548/2018 at a percentage of up to 5% of all the Company's existing shares with a maximum purchase price of € 5.00 and a minimum of € 0.50 per share, within twenty-four (24) months from the date of the Ordinary General Meeting's decision. It also authorized the Board of Directors to make use of this decision at its discretion and according to market conditions.

Then, in June 2020, EPSILON NET S.A. announced to the investing public, the completion/expiration of the treasury shares purchase program, which had been approved in accordance with the provisions of article 16 of law 2190/1920, by the Ordinary General Meeting of the Company's Shareholders of 29th June 2018. During the above program (i.e. from 29/06/2018 to 29/06/2020) the Company acquired 24,949 treasury common registered shares representing 0.22% of its share capital with an average purchase price of 1.4567 euros per share and a total value of 36,342.62 Euros.

Finally, at the Ordinary General Meeting of Shareholders of 2nd September 2020 the Company decided to purchase treasury shares from the Company up to 5% of its paid-up share capital (including the shares previously acquired and held by the company), according to article 49 of Law 4548/2018, within (24) months from 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 euros per share and the Company's Board of Directors was authorized to determine, within the above limits, the exact time, number and price of the shares to be acquired.

The Company with its Board of Directors decision dated 24 September 2020 as well as the relevant announcement dated 24 September 2020, proceeded on Friday 25 September 2020 with the sale of all treasury shares, ie 24,949 Own Shares corresponding to 0.186% of the share capital with a sale price of 2.70 euros per share and a total value of € 67,362.30.

The Company no longer holds Treasury Shares, as shown in the table below.

Amounts in €	GROUP		COMPANY	
	2021	2020	2021	2020
1st January 2021		35,863.68		35,863.68
Additions / (Reductions) Period 01.01 - 31.12.2021		(35,863.68)		(35,863.68)
ACCOUNTING BALANCE as at 31st DECEMBER 2021	-	-	-	-

22. Share Premium

During the 2007 fiscal year and specifically on 21 December 2007 the Extraordinary General Meeting decided to increase the share capital by one hundred and sixty-eight thousand euros (€ 168,000.00), a process which was completed through the payment of cash in 2008. The above increase resulted in a Share Premium amounting to one million five hundred twelve thousand euros (1,512,000.00 €), reduced by sixty thousand euros (60,000.00 €) as admission costs to the Alternative Market (E.N.A.) of the Athens Stock Exchange (ATHEX).

However, the Company's Shareholders General Meetings held on 30 June 2014, 30 June 2016 and 19 December 2018, respectively, at the company's offices in the Municipality of Pylaia, Prefecture of Thessaloniki, Side Road, 87 17th November Str., decided among others:

- Equal increase and decrease of Share Capital, return of cash to the shareholders, amounting to € 502,894.50, ie amount of € 0.09 per share based on the relevant General Meeting decision of 30/6/2014 and
- Equal increase and decrease of Share Capital, return of cash to shareholders, amounting to € 502,894.50, ie amount of € 0.09 per share based on the relevant General Meeting decision of 30/6/2016.
- Equal increase and decrease of Share Capital, return of cash to shareholders, amounting to € 446,201.79, ie amount of € 0.039927 per share based on the relevant decision of the General Meeting of 19/12/2018.

The above decisions were similarly approved by the relevant authority of the General Commercial Register (G.E.MI.) with relevant corresponding decisions.

With the successful increase of the Share Capital in by € 5,338,944.00 from the Public Offer of 2,224,560 shares at the price of € 2.40 per share that took place in July 2020 and the consequent transfer of the Company's shares from the Alternative to Main Market of the ATHEX, there was an increase in **Share Premium amounting to € 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.

Following the above decisions, the Share Premium is shown in the following table:

Amounts in €	GROUP		COMPANY	
	2021	2020	2021	2020
1st January 2021	4,614,507.96	8.61	4,614,507.96	8.61
Additions Period 01.01 - 31.12.2021		4,671,576.00	-	4,671,576.00
(Reductions) Period 01.01 - 31.12.2022		(57,076.65)	-	(57,076.65)
ACCOUNTING BALANCE as at 31st DECEMBER 2021	4,614,507.96	4,614,507.96	4,614,507.96	4,614,507.96

23. Reserves

• **Statutory Reserve**

According to the Greek legislation (L. 4548/2018) and is in force, the companies of the Group are obliged, at the date of preparation of the Financial Statements, to form a statutory reserve, equal to at least five percent (5%) of the real (accounting) net profits of each fiscal year.

• **Extraordinary Reserves**

During fiscal year 2005, based on the provisions of the Decision with prot. no. 9452/253/A/3210/7-9-05 of the Special Secretary of Competitiveness for the inclusion of the act 1st cycle - Inclusion in Action 2.5.3. “Business Plans of Existing Medium Processing Companies and Laboratories for the Provision of Quality Services”, in the Operational Program Competitiveness and Entrepreneurship (EPAN) of the 3rd Community Support Framework, the parent company formed an extraordinary reserve from taxed profits, with the commitment to distribute it no longer than five (5) years from its formation, as a condition for its inclusion in Action 2.5.3.

The investment plan of the parent company, according to the decision with Prot. no. 10210/DBE 1074 of the Minister of Development, was included in Action 2.5.3. of EPAN.

Based on the decision of the Company’s Shareholders Extraordinary General Meeting of 9/4/2014, a Reserve was formed from taxed profits of previous years in application of a relevant term of the subsidized investment program ICT4GROWTH amounting to 251,927.89 €.

• **Tax-free Reserves of Special Provisions of Laws**

The development laws, in which the parent company of the Group has been included, are:

- ✓ Law 1828/1989 (article 22), as a company producing products of extremely advanced technology, whose activities are included in article 3 § 1 of Law 2601/1998.
- ✓ L.2601 / 1998, as a software development company, whose activities are included in article 3 § 1 of this law.
- ✓ L.3220 / 2004, as a software development company, whose activities are included in article 3 § 1 of L. 2601/1998.

The Group’s parent company meets all the required conditions under Greek law for the formation and coverage of the above reserves at the date of preparation of the Financial Statements.

However, following the decision of the Company's Shareholders Extraordinary General Meeting of 19 December 2018, which approved the increase of the Company’s share capital by € 1,676,316.00, with capitalization of the following reserves: a) € 1,371,092.40 which concerns Tax Free Reserve of L.2601 / 98, which will be taxed according

to par. 2, Article 71B of Law 4172/2013, b) € 54,438.74 which concerns Special Tax-Free Investment Reserve of Article 22 of L.1828/89 and is exempt from income tax and c) € 250,784.86 which concerns Special Tax-Free Investment Reserve of Article 2 of L.3220/04 and is exempt from income tax. This increase took place with the issuance of 5,587,720 new registered shares, with a nominal value of € 0.30 each and their free distribution to the company's shareholders, in a ratio of 1 new registered share for each 1 old registered share.

Reserves analysis is shown in the table below:

Table of Reserves

GROUP

	Statutory Reserve	Other Reserves	Total
Amounts in €			
Acquisition Cost			
1st January 2021	681,888.94	824,167.67	1,506,056.61
Additions for Period 01.01 - 31.12.2021	282,042.68	12,760.70	294,803.38
Reductions for Period 01.01 - 31.12.2021	-	-	-
ACCOUNTING BALANCE as at 31st DECEMBER 2021	963,931.62	836,928.37	1,800,859.99

Acquisition Cost			
1st January 2020	587,905.55	827,579.55	1,415,485.10
Additions for Period 01.01 - 31.12.2020	93,983.39	-	93,983.39
Reductions for Period 01.01 - 31.12.2020	-	(3,411.88)	(3,411.88)
ACCOUNTING BALANCE as at 31st DECEMBER 2020	681,888.94	824,167.67	1,506,056.61

COMPANY

	Statutory Reserve	Other Reserves	Total
Amounts in €			
Acquisition Cost			
1st January 2021	681,888.94	748,543.33	1,430,432.27
Additions for Period 01.01 - 31.12.2021	282,042.68	-	282,042.68
Reductions for Period 01.01 - 31.12.2021	-	-	-
ACCOUNTING BALANCE as at 31st DECEMBER 2021	963,931.62	748,543.33	1,712,474.95

Acquisition Cost			
1st January 2020	587,905.55	748,543.33	1,336,448.88
Additions for Period 01.01 - 31.12.2020	93,983.39	-	93,983.39
Reductions for Period 01.01 - 31.12.2020	-	-	-
ACCOUNTING BALANCE as at 31st DECEMBER 2020	681,888.94	748,543.33	1,430,432.27

Special Provisions Tax-free Reserve Analysis

GROUP

	ACTION 2.5.3	ICT4GROWTH	L.3220/04	Other	Total
Amounts in €					
ACCOUNTING BALANCE as at 31st DECEMBER 2021	375,000.00	251,927.89	121,615.44	88,385.04	836,928.37

COMPANY

	ACTION 2.5.3	ICT4GROWTH	L.3220/04	Total
Amounts in €				
ACCOUNTING BALANCE as at 31st DECEMBER 2021	375,000.00	251,927.89	121,615.44	748,543.33

24. Retained Earnings

During the year 2021, the Company changed the method of calculating the obligation of defined benefits deriving from the compensation due to retirement based on the Greek labor legislation, considering a decision of the IFRIC Interpretations Committee. With the implementation of this decision, the distribution of the obligation in periods of service no longer starts from the first day of employment but later, according to what is defined in article 8 of Law 3198/1955. Therefore, the Results of the Group and the Company are shown in the table below, including the revised items in this IAS 19 Revision:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance at the Beginning of the period	12.145.307,79	8.204.742,08	9.894.169,97	7.897.086,83
IAS Review 19	-	673.803,91	-	526.785,59
Adjusted Balance at the Beginning of the Period	12.145.307,79	8.878.545,99	9.894.169,97	8.423.872,42
Net Profit for the Period after Taxes	10.778.819,68	3.348.959,39	5.640.853,60	1.926.777,72
Impairment of Participation in Affiliated Companies	(435.867,11)	-	-	-
Result of a Branch Contribution to a Joint Venture Subsidiary	-	-	12.238.469,21	-
Dividend paid within the year	(629.800,00)	(348.694,80)	(629.800,00)	(348.694,80)
Other Reserves	-	11.942,18	-	-
Transfer to Ordinary Reserve	(282.042,68)	(93.983,39)	(282.042,68)	(13.801,98)
Actuarial results	205.741,57	(20.248,06)	127.459,74	(93.983,39)
Minority Rights corresponding to Period Equity	(4.980,63)	12.822,19	-	-
Change in Minority Rights During the Acquisition of Subsidiaries	(244.209,51)	679.712,66	-	-
Minority Rights corresponding to Total Period Income	(1.403.269,84)	(323.748,37)	-	-
Balance at the End of the Period	20.129.699,27	12.145.307,79	26.989.109,84	9.894.169,97

25. Non-controlling Interests

The Non-controlling Interests of the group's subsidiaries are presented in the following table:

Amounts in €	31.12.2021	31.12.2020
EPSILON HOSPITALITY A.E.	60.96	61.67
EPSILON HR A.E.	871,470.45	542,727.11
EPSILON SUPPORT CENTER A.E.	160,613.07	97,695.91
HOTELIGA INTERNATIONAL	87,258.19	67,577.51
DATA COMMUNICATION AE	-	582,099.91
EPSILON SINGULARLOGIC A.E.	9,311,825.68	-
EPSILON EUROPE PLC	1,011.06	1,018.84
TECHNOLIFE E.Π.E.	109,387.89	-
SYSTEM SOFT A.E.	(71,434.86)	-
IQOM A.E.	294,128.95	-
PCS A.E.	125,276.37	-
	10,889,597.76	1,291,180.95

26. Bank Debt

As part of the implementation of its investment plan, the Company has received long-term borrowing with a maturity of five years, in order to meet its investment needs.

The outstanding balance of the company's loans during the year ended 31st December 2021 and during the previous year, is shown as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<u>Long-term borrowing</u>				
Bank borrowing	8.910.038,66	10.865.126,36	4.358.329,78	9.068.278,40
<u>Short-term borrowing</u>				
Bank borrowing	-	-	-	-
Long-term bank borrowing	-	4.185.465,68	3.029.302,72	2.941.021,22
Payable in the coming 12 months	6.797.811,77	-	-	-
	6.797.811,77	4.185.465,68	3.029.302,72	2.941.021,22
Total	15.707.850,43	15.050.592,04	7.387.632,50	12.009.299,62

The long-term loans of the Group and the Company as at 31st December 2021 and 2020 respectively relate to common long-term bank borrowing. The Group and the Company have not issued bond loans.

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance of loans at the beginning of the year	15,050,592.04	6,804,834.61	12,009,299.62	6,735,298.56
Additions Due to Acquisition of Subsidiaries	864,850.25	800,000.00	-	-
Additions for Period	2,719,962.56	7,702,681.69	1,000,000.00	5,453,534.47
Change in Accrued Interest	(26,662.07)	62,303.67	(49,455.97)	51,040.51
Payments	(2,156,892.35)	(319,227.93)	(1,235,862.70)	(230,573.92)
Transfer of Payments related to Pylon Sector	(744,000.00)	-	(4,336,348.45)	-
Balance of loans at the end of the year	15,707,850.43	15,050,592.04	7,387,632.50	12,009,299.62

The annual capital installments required to repay all long-term loans of the Group and the Company as at 31st December 2021 and 2020, are as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Up to 1 year	6,797,811.77	4,185,465.68	3,029,302.72	2,941,021.22
From 2 to 5 years	8,910,038.66	10,865,126.36	4,358,329.78	9,068,278.40
More than 5 years	-	-	-	-
Total long-term loans	15,707,850.43	15,050,592.04	7,387,632.50	12,009,299.62

The financial expenses of the long-term loans were recorded in the income statement (Note 35).

27. Lease Liabilities

The Group's lease liabilities are presented below according to the IFRS 16 requirements:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Lease Liabilities	2,170,734.68	2,557,592.22	1,045,508.03	1,278,873.36
Less: Short-term portion	(607,241.10)	(584,347.88)	(316,732.77)	(313,012.06)
Long-term portion	1,563,493.58	1,973,244.34	728,775.26	965,861.30

The total balance of liabilities from lease liabilities is analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Liability balance				
at the beginning of the fiscal year	2,557,592.22	1,787,989.03	1,278,873.36	1,497,344.96
IFRS 16 application	-	-	-	-
Additions due to acquisition of subsidiaries	438,738.45	1,041,012.71	-	-
Additions for Period	23,658.89	133,369.40	144,443.55	88,283.03
Write-offs	(56,482.02)	(2,460.05)	(56,482.02)	-
Interests	89,075.25	70,078.28	42,577.59	52,660.17
Rent reductions due to Covid	(65,168.49)	(65,057.02)	(37,775.48)	(55,296.22)
Payments	(816,679.62)	(407,340.13)	(326,128.97)	(304,118.58)
Liability balance				
at the end of the fiscal year	2,170,734.68	2,557,592.22	1,045,508.03	1,278,873.36

The future minimum lease payments and the present value of the net minimum payments to the Group and the Company as at 31st December 2021 and 2020 are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021		31.12.2021	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Up to 1 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
More than 5 years	129,967.36	124,357.75	140,610.75	133,131.16
Total minimum lease payments	2,513,226.48	2,170,734.68	1,140,019.36	1,045,508.03
Less: amounts that are financial expenses	(342,491.80)	-	(94,511.33)	-
Present value of minimum lease payments	2,170,734.68	2,170,734.68	1,045,508.03	1,045,508.03

	GROUP		COMPANY	
	31.12.2020		31.12.2020	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Up to 1 year	668,030.93	584,347.88	355,066.32	313,012.06
From 2 to 5 years	1,831,013.29	1,692,084.50	821,393.28	747,980.43
More than 5 years	307,386.69	281,159.84	229,361.83	217,880.87
Total minimum lease payments	2,806,430.91	2,557,592.22	1,405,821.43	1,278,873.36
Less: amounts that are financial expenses	(248,838.69)	-	(126,948.07)	-
Present value of minimum lease payments	2,557,592.22	2,557,592.22	1,278,873.36	1,278,873.36

The financial cost of leases was recorded in the income statement (Note 35).

28. 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 an amount of their monthly salary to the fund, along with the Company that also pays an amount. Upon retirement, the pension fund is responsible for paying employees' pensions. Thus, the company has no legal or constructive obligation to pay future benefits under this plan. The contributions to the insurance funds for the years ended 31st December 2021 and 2020 were recorded in the results of the fiscal year and amounted to € 4,293,545.21 and € 2,186,486.74 for the Group, € 1,086,153.04 and € 1,420,005.55 for the Company, respectively (Note 33).

(b) Employee severance pay: Under Greek employment law, every employee is entitled to a one-time compensation in the event of dismissal or retirement. The amount of compensation depends on the time of service and the employee's earnings on the day of dismissal or retirement. If the employee remains in the Company until he retires normally, he is entitled to a lump sum equal to 40% of the compensation he would receive if he were dismissed on the same day. Greek commercial law stipulates that companies must form a provision for all personnel and at least for the liability created upon retirement due to retirement (40% of the total liability). For the subsidiaries of the group abroad there is no liability from benefits due to termination of employment.

Liabilities for personnel compensation were determined through an actuarial study. The following tables show the composition of the net expense for the relevant liability recorded in the profit/loss of the fiscal years from 1st January to 31st December 2021 and 2020, as well as the transaction of the relevant liability accounts for personnel compensation that are presented in the attached balance sheet for the year ended 31st December 2021 and 2020.

Expenditure on staff compensation recognized in profit/loss:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Current employment Cost	224,207.72	79,211.67	46,786.70	37,237.01
Interests Cost	5,857.09	3,446.66	932.00	1,663.89
Exit Benefits/ Effect of cut / Settlement	26,073.70	49,979.00	23,741.93	42,991.67
Personnel Absorption / (Secondment)		-	-	-
Total	256,138.51	132,637.33	71,460.63	81,892.57

The transaction of the relevant provision in the Balance Sheet is as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance at the beginning of the period	372,902,33	1,107,870,45	186,213,71	822,291,26
Amount to be included in Net Equity due to Change in Accounting Policy - (Profit) / Loss	-	(968,504,33)	-	(693,138,94)
Additions due to acquisition of subsidiaries	827,022,64	126,087,76	-	-
Provision recognized in the period's profit/loss	256,138,51	132,637,33	71,460,63	81,892,57
Compensation payments	(37,333,60)	(51,831,06)	(29,901,93)	(42,991,67)
Provision recognised in Comprehensive Income	(266,472,77)	26,642,18	(165,822,87)	18,160,49
Balance at the end of the period	1,152,257,11	372,902,33	61,949,54	186,213,71

In accordance with the newly revised IAS 19, actuarial effects arising from the recalculations of the present value of fixed benefit commitments and the fair value of assets are now recognized in equity. The transaction of the actuarial gain / (loss) reserve is as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Actuarial gains / (losses) at the beginning of the year	(126,230.27)	(99,588.10)	(94,105.11)	(75,944.62)
Integration of New Subsidiaries	28,074.16	-	-	-
Actuarial gains / (losses) for the year	266,472.77	(26,642.17)	165,822.87	(18,160.49)
Actuarial gains / (losses) at the end of the year	168,316.66	(126,230.27)	71,717.76	(94,105.11)

The main actuarial assumptions used for the year 2021 are as follows:

	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Prepayment Rate	0.40	0.40	0.40	0.40
Average annual rate of long-term inflation increase	2.00	1.70	2.00	1.70
Average annual long-term salary increase taken into account for retirement benefit	4.20	4.20	4.20	4.20

29. Other Long-term Liabilities

Other Long-Term Liabilities include liabilities to suppliers that are to be settled in subsequent years, as well as grants for investments in fixed equipment and a budget for software development projects.

Below is a relevant table of other long-term liabilities analysis:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Other Long-term Liabilities - Suppliers	132,897.30	138,598.06	132,897.30	132,897.30
Other Long-term Liabilities - Fixed Equipment Grants	7,488.82	-	-	-
Other Long-term Liabilities - Software Development Projects	1,289.50	-	-	-
	141,675.62	138,598.06	132,897.30	132,897.30

30. Suppliers and Other Trade Liabilities

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Suppliers	2,370,296.67	1,308,368.15	1,058,150.11	650,747.97
Checks Payable (Postdated)	1,444,855.61	822,141.07	259,828.96	762,190.69
Customers' advance payments	1,314,208.39	507,323.27	321,917.14	354,172.30
Transitional Liabilities Accounts - Accrued Expenses	160,824.25	50,026.85	14,575.37	34,991.26
Total	5,290,184.92	2,687,859.34	1,654,471.58	1,802,102.22

31. Current Tax Liabilities

The current tax liabilities for the current fiscal year from 1st January to 31st December 2021 and the previous fiscal year, are presented in the following table:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Liabilities from Taxes - Fees - Value Added Tax	2,935,222.85	1,716,064.06	1,242,311.99	1,013,948.20
- Staff Remuneration Taxes-Fees	709,575.17	361,096.20	137,406.61	220,828.55
- Third party remuneration Taxes - Fees	57,678.28	69,767.64	42,152.16	62,641.10
- Tax Clearance Account - Income Tax Return Fees	434.55	289,669.14	2,305,238.99	106,998.64
- Contractor's Tax	4,582.50	3,000.00	120.00	3,000.00
- Stamp duty from Sublease Rents	9,744.52	4,441.88	3,927.30	3,786.68
- Advertising stamp duty & Special Advertising Tax	265.00	2,508.77	9,257.34	2,369.29
Total	6,726,741.03	2,446,547.69	3,740,414.39	1,413,572.46

32. Other Short-term Liabilities

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Social Insurance Organisations - EFKA	1,177,317.77	619,683.15	279,347.29	327,182.06
- EDOEAP	26,856.03	(244.60)	279,053.38	(244.60)
Dividends Payable	26,922.20	354.04	1,012.04	354.04
Miscellaneous Creditors - Staff Remuneration Payable	2,777.00	379,834.22	11,119.21	284,550.19
- O.T.E.	13,833.72	1,499.40	2,777.00	1,499.40
- Water supply	75,000.00	78.00	78.00	78.00
- Due Participation Installments	111,920.54	75,000.00	75,000.00	75,000.00
- Other Remuneration Beneficiaries	3,323.04	79,870.82	71,281.55	77,274.80
- Shareholders - Value of their Shares to be granted	28.49	3,323.04	3,323.04	3,323.04
- Shareholders - Reserve L.4172/13 to be granted	25,753.67	28.49	28.49	28.49
- Credit Cards Payable	2,843.84	22,234.73	14,238.62	13,340.08
- Other various debtors	83,204.06	5,441.85	501.60	3,945.09
- Advance & Credit Management Accounts	145,665.50	491,350.06	23,100.03	3,768.94
- Other Creditors	4,957,797.77	12,319.46	-	201,447.54
Transitional Liabilities Accounts - Next Year Income		1,510,612.98	3,542,666.76	971,398.20
Total	8,176,677.81	2,715,517.02	4,024,179.72	1,761,497.73

33. Expenses per Category

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Expenses Distribution by Category				
Inventory Cost Recognized as Expense	805,815.31	412,966.25	293,273.64	203,519.56
Staff Remuneration & Expenses	24,282,496.31	11,713,766.96	6,323,991.92	7,518,333.32
Assets Depreciation	2,754,728.73	1,503,073.98	935,476.11	1,146,339.17
Other Expenses	10,671,880.89	4,501,974.17	4,302,565.83	3,675,008.98
Total	38,514,921.24	18,131,781.36	11,855,307.50	12,543,201.03
Expenses Distribution by Operation				
Cost of Sales	19,481,101.65	8,705,064.15	7,363,321.20	6,505,622.06
Administrative Expenses	1,287,126.84	340,314.29	225,883.48	217,858.30
Research & Development Expenses	9,737,117.95	6,268,874.71	3,403,215.98	4,102,146.73
Distribution Expenses	6,014,675.21	2,508,462.35	679,859.82	1,551,188.25
Other Operating Expenses	1,994,899.59	309,065.86	183,027.02	166,385.69
Total	38,514,921.24	18,131,781.36	11,855,307.50	12,543,201.03

Staff Remuneration and Expenses

Benefits of the Group and the Company's staff are analyzed as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<u>Staff Benefits Distribution</u>				
Salaries & Wages	19,861,466.97	9,515,036.69	5,152,781.25	6,201,265.76
Employer Contributions	4,293,545.21	2,186,486.74	1,086,153.04	1,420,005.55
Other Benefits	724,093.80	81,266.76	13,597.00	16,830.00
Staff Benefits Provisions	256,138.51	132,637.33	71,460.63	81,892.57
	25,135,244.49	11,915,427.52	6,323,991.92	7,719,993.88
Staff Benefits Attributable to Software Production	(852,748.18)	(201,660.56)	-	(201,660.56)
Total	24,282,496.31	11,713,766.96	6,323,991.92	7,518,333.32

The number of the Group and the Company's employees (EME) at the end of the current and previous period was:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Employed Personnel	781	495	283	256

Assets Depreciation

Assets' depreciation which burdened the fiscal year's profit/loss for the Group and the Company, is analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Depreciation of own tangible assets	568,489.44	268,406.60	192,643.74	212,064.20
Depreciation of leased tangible assets	501,855.49	426,947.53	204,679.98	225,403.75
Depreciation of intangible assets	1,684,383.80	807,719.85	538,152.39	708,871.22
Total Depreciation	2,754,728.73	1,503,073.98	935,476.11	1,146,339.17

34. Other Operating Income / Expenses

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<i>Other Operating Income</i>				
Subsidized Programs Revenue	45,404.36	61,241.33	8,091.03	48,715.21
Building Rents	1,306.32	4,812.60	-	4,812.60
Grants Proportionate to the fiscal year	-	370.56	-	370.56
Extraordinary Income	6,238.72	8,071.18	422.87	6,046.08
Extraordinary Profits from Sale of Fixed Assets	2,566.54	787.22	249.99	787.22
Revenue from rent reductions due to covid	1,586.78	65,057.02	37,775.48	55,296.22
Other Operating Income	17,387.47	26,285.46	18,318.53	23,644.65
Other Revenue from ancillary activities	65,168.49			
Total	139,902.09	166,625.37	64,857.90	139,672.54
<i>Other Operating Expenses</i>				
Extraordinary Expenses	32,819.75	2,851.01	383.32	537.79
Previous Fiscal years Expenses	22,921.11	19,660.51	17,440.52	2,783.92
Extraordinary Losses	6,564.32	1,000.00	1,889.62	-
Provisions for Impairment of bad-debt receivables (note 16)	1,932,594.41	285,554.34	163,313.56	163,063.98
Total	1,994,899.59	309,065.86	183,027.02	166,385.69

35. Financial Income / Expenses

Amounts in €	ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<i>Financial Income</i>				
Interests on Demand & Term Deposits	37,631.48	40,030.67	20,114.69	31,430.68
Lease Interests	134.62	192.89	17,575.68	22,401.49
Income from Sale of Bonds	21,469.55	31,190.45	21,469.55	31,190.45
Participation Income	52,274.07	52,638.48	39,649.07	52,638.48
Bonds Income	6,074.68	6,022.70	-	-
Other Financial Income	2,957.46	-	-	-
Total	120,541.86	130,075.19	98,808.99	137,661.10
<i>Financial Expenses</i>				
Long-term Bank Loans Interests	550,905.20	342,088.27	300,153.07	326,240.57
Short-term Bank Loans Interests	-	6,143.86	-	-
Lease Interests	89,075.25	70,078.29	42,577.59	52,660.17
Borrowing Costs Capitalization	-	(3,828.19)	-	(3,828.19)
Purchase / Sales Commissions of Debt Instruments	-	-	-	-
Letters of Guarantee Commissions	46,550.72	621.69	2,029.63	324.09
Other Financial Expenses	29,368.65	95,543.67	44,818.59	60,052.17
	140,563.74			
Total	856,463.56	510,647.59	389,578.88	435,448.81

36. Profits per Share

	GROUP		COMPANY	
	2021	2020	2021	2020
Net Profit after Taxes	10,778,819.68	3,348,959.39	5,640,853.60	1,926,777.72
<i>Attributable to:</i>				
- Parent's Shareholders	9,375,549.84	3,025,211.02	5,640,853.60	1,926,777.72
- Non-controlling Interests	1,403,269.84	323,748.37	-	-
	10,778,819.68	3,348,959.39	5,640,853.60	1,926,777.72
Weighted Average Number of Shares				
Regular Shares in issue	17,364,932	12,214,784	17,364,932	12,214,784
Basic Earnings per Share (in €)	0.5399	0.2477	0.3248	0.1577

37. Information per Sector

Primary Information - Business Sector

GROUP

Amounts in €

31.12.2021

	Software	Education	Non-attributable	Total
Business Sector				
Sales	49,325,819.01	1,180,539.52	4,918.04	50,511,276.57
Operating Profit / (Loss)	11,796,061.70	572,763.27	(29,974.12)	12,338,850.85
Financial Income	13,783.19	-	106,758.67	120,541.86
Financial Expenses	(454,455.82)	-	(402,007.74)	(856,463.56)
Share of Profit of Associates	612,812.81	-	-	612,812.81
Net Profit / (Loss) before Taxes	11,968,201.88	572,763.27	(325,223.19)	12,215,741.96
Income Tax	(204,708.66)	-	(1,232,213.63)	(1,436,922.29)
Net Profit / (Loss) After Taxes	11,763,493.22	572,763.27	(1,557,436.82)	10,778,819.67
ASSETS				
Non-current Assets				
Tangible 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
Current Assets	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
LIABILITIES				
Non-current Liabilities	11,569,210.55	112,112.30	86,142.12	11,767,464.97
Current 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

GROUP

Amounts in €

31.12.2020

	Software	Education	Non-attributable	Total
Business Sector				
Sales	20,756,147.78	918,571.11	22,178.54	21,696,897.43
Operating Profit / (Loss)	3,326,682.87	305,826.94	7,702.96	3,640,212.77
Financial Income	12,245.33	-	117,829.86	130,075.19
Financial Expenses	(84,419.24)	-	(426,228.35)	(510,647.59)
Share of Profit / (Loss) of Associates	-	-	44,031.86	44,031.86
Net Profit / (Loss) before Taxes	3,254,508.96	305,826.94	(256,663.67)	3,303,672.23
Income Tax	(45,279.72)	-	21,005.09	(24,274.63)
Net Profit / (Loss) After Taxes	3,209,229.24	305,826.94	(235,658.58)	3,279,397.60
ASSETS				
Non-current Assets				
Tangible Assets	4,662,583.03	-	-	4,662,583.03
Intangible Assets	6,228,436.45	-	-	6,228,436.45
Other Non-current Assets	2,647,945.70	-	2,970,509.45	5,618,455.15
	13,538,965.18	-	2,970,509.45	16,509,474.63
Current assets	29,672,060.57	294,085.17	3,228,142.95	33,194,288.69
Non-current assets held for sale				-
Total Assets	43,361,495.75	294,085.17	6,198,652.40	49,854,233.32
LIABILITIES				
Non-current Liabilities	15,019,000.86	112,112.30	(102,259.89)	15,028,853.27
Current Liabilities	11,010,040.34	27,555.32	1,582,141.95	12,619,737.61
Total Liabilities	26,029,041.20	139,667.62	1,479,882.06	27,648,590.88

COMPANY

Amounts in €

31.12.2021

	Software	Education	Non-attributable	Total
Business Sector				
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)
Share of Profit of Associates	-	-	-	-
Net Profit / (Loss) before Taxes	6,590,950.90	572,763.27	(290,769.89)	6,872,944.28
Income Tax	-	-	(1,232,090.68)	(1,232,090.68)
Net Profit / (Loss) After Taxes	6,590,950.90	572,763.27	(1,522,860.57)	5,640,853.60

ASSETS				
Non-current Assets				
Tangible Assets	1,148,535.04	-	-	1,148,535.04
Intangible Assets	2,663,305.34	-	-	2,663,305.34
Other Non-current Assets	27,332,704.43	-	3,531,615.25	30,864,319.68
	31,144,544.81	-	3,531,615.25	34,676,160.06
Current Assets	20,192,766.31	600,361.56	-	20,793,127.87
Non-current assets held for sale	-	-	-	-
Total Assets	51,337,311.12	600,361.56	3,531,615.25	55,469,287.93

LIABILITIES				
Non-current Liabilities	5,169,839.58	112,112.30	86,142.12	5,368,094.00
Current Liabilities	8,975,967.16	48,719.63	3,740,414.39	12,765,101.18
Total Liabilities	14,145,806.74	160,831.93	3,826,556.51	18,133,195.18

COMPANY

Amounts in €

31.12.2020

	Software	Education	Non-attributable	Total
Business Sector				
Turnover	13,699,221.04	918,571.11	-	14,617,792.15
Operating Profit / (Loss)	1,846,449.97	305,826.94	-	2,152,276.91
Financial Income	-	-	137,661.10	137,661.10
Financial Expenses	-	-	(435,448.81)	(435,448.81)
Share of Profit / (Loss) of Associates	-	-	4,580.39	4,580.39
Net Profit / (Loss) before Taxes	1,846,449.97	305,826.94	(293,207.32)	1,859,069.59
Income Tax	-	-	20,598.19	20,598.19
Net Profit / (Loss) After Taxes	1,846,449.97	305,826.94	(272,609.13)	1,879,667.78

ASSETS				
Non-current Assets				
Tangible Assets	1,655,482.87	-	-	1,655,482.87
Intangible Assets	4,234,547.09	-	-	4,234,547.09
Other Non-current Assets	8,241,219.76	-	2,970,509.45	11,211,729.21
	14,131,249.72	-	2,970,509.45	17,101,759.17
Current Assets	21,220,008.31	294,085.17	-	21,514,093.48
Non-current assets held for sale	150,470.00	-	-	150,470.00
Total Assets	35,501,728.03	294,085.17	2,970,509.45	38,766,322.65

LIABILITIES				
Non-current Liabilities	11,169,288.60	112,112.30	-	11,281,400.90
Current Liabilities	6,790,077.91	27,555.32	1,413,572.46	8,231,205.69
Total Liabilities	17,959,366.51	139,667.62	1,413,572.46	19,512,606.59

Secondary Sector Information – Geographical

SALES	GROUP		COMPANY	
	2021	2020	2021	2020
Amounts in €				
North Hellas Sales	17,466,512.55	8,258,548.87	10,766,161.79	6,504,643.04
South Hellas Sales	32,574,228.17	13,306,499.34	8,188,001.98	8,113,149.11
Foreign Sales	470,535.85	131,849.22	-	-
	50,511,276.57	21,696,897.43	18,954,163.77	14,617,792.15

38. Capital Commitments

The Group's companies have no commitments for the acquisition of assets, facilities and equipment.

39. Contingent Assets and Contingent Liabilities

There are no court or arbitration disputes of court or arbitration 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 course of their ordinary business, as follows:

Amounts in €	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Guarantees to secure receivables	82,662.00	82,662.00	82,662.00	82,662.00
Guarantees to secure the sound performance of contracts with customers	1,363.50	1,363.50	1,363.50	1,363.50
Guarantees to secure the sound performance of contracts of acquisition	90,000.00	90,000.00	90,000.00	90,000.00
Guarantees to secure the sound performance of commission contracts	33,555.00	45,415.00	-	-
Guarantees to secure the sound payment of suppliers	86,061.16	16,800.00	86,061.16	16,800.00
	293,641.66	236,240.50	260,086.66	190,825.50

In addition to the above, the Company proceeded within the current fiscal year 2021 to the following actions:

On 14/4/2021 a special license with a validity of six (6) months, in accordance with article 100 of Law 4548/2018, for the provision of a guarantee to the société anonyme banking company under the name "ATTICA BANK SOCIETE ANONYME" in favour of the affiliated company (within the meaning of the provisions of Law 4548/2018 and the International Accounting Standard 24) under the name "SINGULARLOGIC SOCIETE ANONYME OF INFORMATION SYSTEMS AND INFORMATICS APPLICATIONS" and the distinctive title "SINGULARLOGIC S.A." (hereinafter referred to as "Obligor"), for the granting of a long-term loan up to the amount of seven hundred thousand euros (€ 700,000.00) for the purpose of refinancing a loan of the obligated company as well as the repayment of a loan of its subsidiary. In favor of "SINGULARLOGIC S.A." to "ATTICA BANK SOCIETE ANONYME" for the aforementioned loan agreement will provide a guarantee and the société anonyme under the name "SPACE HELLAS SOCIETE ANONYME SYSTEMS AND TELECOMMUNICATIONS SERVICES INFORMATION TECHNOLOGY, SECURITY - PRIVATE ENTERPRISE PROVIDING SECURITY SERVICES" and the distinctive title "SPACE HELLAS".

On 30/11/2021, a special license with a validity of six (6) months, in accordance with article 100 of Law 4548/2018, for the provision of a guarantee in favour of the affiliated, within the meaning of the provisions of Law 4548/2018 and IAS 24, of a société anonyme under the name "EPSILON SINGULARLOGIC SOCIÉTÉ ANONYME" and the distinctive title "EPSILON SINGLOGICULAR S.A." (hereinafter referred to as 'obligor') to the following: A. The société anonyme banking company under the name "Eurobank S.A." for the refinancing of a loan up to the amount of euro six hundred and seventy-five thousand (€ 675,000.00), which resulted from the secession of the commercial accounting applications sector for businesses and ERP that have been developed using the PYLON platform and its contribution from EPSILON NET S.A. to the obligor, B. The société anonyme banking company under the name "NATIONAL BANK OF GREECE S.A." for the refinancing of a loan up to the amount of one million five hundred and seventy-five thousand (€ 1,575,000.00), which resulted from the secession of the commercial accounting applications for businesses and ERP that have been developed using the PYLON platform and its contribution by EPSILON NET S.A. to the obligor, C. The société anonyme banking company under the name "PIRAEUS BANK Société Anonyme" for the provision of working capital up to the amount of one million six hundred and forty-five thousand (€ 1,645,000.00) and the refinancing of loans up to the amount of two million two hundred and thirty-three thousand seventy-three and fifty-eight cents (€ 2,233,073.58), which resulted from the spin-off of the commercial accounting applications sector for businesses and ERP, that have been developed using the PYLON platform and its contribution from EPSILON NET S.A. to the obligor, of a total amount of one million four hundred eighty-nine thousand seventy-three and fifty-eight cents (€1,489,073.58), as well as the split of "SINGULARLOGIC S.A.", by absorption of the sector of self-produced commercial accounting software applications for businesses and Enterprise Resource Planning (ERP) systems by the obligor, of a total amount of seven hundred and forty-four thousand euros (€ 744,000.00).

40. Related Party Transactions

The amounts of the parent company's transactions resulting from transactions with its related parties, in accordance with IAS 24, during the period from 01.01 to 31.12.2021 are as follows:

Amounts in €	TOTALLY CONSOLIDATED													CLEAR POSITION METHOD				OTHER RELATED COMPANIES					TOTAL AMOUNT		
	EPSILON NET S.A.	EPSILON PYLON S.A.	EPSILON EUROPE P.C.	EPSILON RB S.A.	EPSILON SUPPORT CENTER S.A.	ROYALMA INTERNATIONAL S.A.	DATA COMMERCIAL S.A.	EPSILON SINGULARLOGIC S.A.	TECHNOLOGIE LTD	RQM S.A.	SYSTEM SOFT S.A.	P.C.S. S.A.	NET HORIZONTALITY INTEGRATED TECHNOLOGIES S.A.	SINGULARLOGIC S.A.	INFOREPORT S.A.	ORONOMIES & MECHANOGRAFIES LVSER L.P.	ORONOMIES EDONDES L.P.	SCAN S.A.	SINGULARLOGIC CYPRUS LTD	SINGULARLOGIC BULGARIA C.A. BDOO.	SINGULARLOGIC ROMANIA COMP APPS SRL	TAX-ESORT LTD			
EPSILON NET S.A.	-	231,067.50	-	118,603.75	7.60	6,092.49	12,774.36	92,843.61	16,403.95	1,061.22	24,695.46	-	-	875.00	21,471.36	-	-	68.20	190.96	24,719.40	-	-	-	1,377.96	351,475.32
EPSILON PYLON S.A.	2,574.00	-	-	236.22	-	-	-	195,920.00	-	-	-	-	-	-	-	-	-	0.07	-	-	-	-	-	-	196,710.29
EPSILON EUROPE P.C.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,441.31
EPSILON RB S.A.	8,442.82	-	-	-	-	-	-	6,886.30	-	-	4,132.05	-	-	-	-	-	-	-	-	-	-	-	-	-	146,056.79
EPSILON SUPPORT CENTER S.A.	13,975.21	496.00	-	-	-	-	2,610.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,249.40
ROYALMA INTERNATIONAL SP. ZOOD	-	11,349.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146,045.99
DATA COMMERCIAL S.A.	-	-	-	-	-	-	-	5,823.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,249.40
EPSILON SINGULARLOGIC S.A.	-	-	-	-	873.37	-	-	19,872.88	43,312.75	2,161.60	202,763.00	-	-	74,554.88	1,315,527.23	7,228.96	-	17,141.26	-	1,334,803.16	8,750.00	331,708.00	-	-	3,261,127.00
TECHNOLOGIE LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,872.88
RQM S.A.	-	-	-	-	-	-	-	6,819.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,819.20
SYSTEM SOFT S.A.	15,601.68	-	-	-	-	-	-	-	-	-	-	-	-	1,744.64	-	-	-	-	-	-	-	-	-	-	15,601.68
P.C.S. S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	4,491.28	-	-	-	-	-	-	-	-	-	-	4,491.28
NET HORIZONTALITY INTEGRATED TECHNOLOGIES S.A.	-	-	-	-	-	-	-	2,539,495.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,539,495.78
SINGULARLOGIC S.A.	-	-	-	12.34	-	-	-	416.75	-	-	14,094.04	5,093.92	-	-	-	-	-	-	-	-	-	-	-	-	2,598,885.74
INFOREPORT S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,093.92
ORONOMIES & MECHANOGRAFIES LVSER L.P.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,605.60
ORONOMIES EDONDES L.P.	114,605.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,605.60
SCAN S.A.	38,977.27	-	-	4,628.69	-	-	-	14,087.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,693.60
SINGULARLOGIC CYPRUS LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SINGULARLOGIC BULGARIA C.A. BDOO.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SINGULARLOGIC ROMANIA COMP APPS SRL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAX-ESORT LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL AMOUNT	242,141.38	242,912.90	-	122,481.00	880.97	6,072.49	20,781.90	2,079,213.00	64,048.75	3,249.20	241,252.90	5,093.92	-	1,399,929.23	28,720.21	68.20	190.96	41,681.23	1,254,802.16	8,750.00	331,708.00	1,877.76	-	-	7,102,292.70

Amounts in €	TOTALLY CONSOLIDATED													CLEAR POSITION METHOD				OTHER RELATED COMPANIES					TOTAL AMOUNT			
	EPSILON NET S.A.	EPSILON PYLON S.A.	EPSILON EUROPE P.C.	EPSILON RB S.A.	EPSILON SUPPORT CENTER S.A.	ROYALMA INTERNATIONAL S.A.	DATA COMMERCIAL S.A.	EPSILON SINGULARLOGIC S.A.	TECHNOLOGIE LTD	RQM S.A.	SYSTEM SOFT S.A.	P.C.S. S.A.	NET HORIZONTALITY INTEGRATED TECHNOLOGIES S.A.	SINGULARLOGIC S.A.	INFOREPORT S.A.	ORONOMIES & MECHANOGRAFIES LVSER L.P.	ORONOMIES EDONDES L.P.	SCAN S.A.	SINGULARLOGIC CYPRUS LTD	SINGULARLOGIC BULGARIA C.A. BDOO.	SINGULARLOGIC ROMANIA COMP APPS SRL	TAX-ESORT LTD				
EPSILON NET S.A.	-	1,315,041.31	-	1,895,681.22	6,865.68	7,869.68	15,137.52	47,160.00	32,113.87	625.00	736.94	-	-	875.00	59,785.53	-	-	154.00	-	-	-	-	-	-	3,466,996.98	
EPSILON PYLON S.A.	2,574.00	-	-	-	-	-	-	158,000.00	362.84	-	-	-	-	5,075.00	-	-	-	-	-	-	-	-	-	-	164,813.44	
EPSILON EUROPE P.C.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,254.28	
EPSILON RB S.A.	11,973.85	18,200.00	-	-	-	-	-	9,734.40	-	-	8,050.00	-	-	-	-	-	-	700.04	-	-	-	-	-	-	299,691.79	
EPSILON SUPPORT CENTER S.A.	164,978.79	1,194.40	-	-	-	-	1,640.00	128,886.96	9,734.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,497.18	
ROYALMA INTERNATIONAL SP. ZOOD	4,884.14	29,813.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	161,045.99	
DATA COMMERCIAL S.A.	7,256.41	-	-	-	-	-	-	42,900.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	311,561.82	
EPSILON SINGULARLOGIC S.A.	3,175.00	704.36	-	-	360.00	-	16,026.50	70,929.38	1,743.25	394,541.21	-	-	-	1,680,314.98	263,517.67	-	-	13,814.00	4,947.25	13,740.00	1,200.00	-	-	2,413,073.82		
TECHNOLOGIE LTD	577.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,026.50	
RQM S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SYSTEM SOFT S.A.	12,580.00	-	-	-	-	-	-	-	12,132.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,132.50
NET HORIZONTALITY INTEGRATED TECHNOLOGIES S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SINGULARLOGIC S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
INFOREPORT S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ORONOMIES & MECHANOGRAFIES LVSER L.P.	30,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ORONOMIES EDONDES L.P.	164,978.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SCAN S.A.	35,771.22	-	-	91,619.55	-	-	-	-	-	-	17,214.68	2,723.00	-	-	-	-	-	-	-	-	-	-	-	-	-	
SINGULARLOGIC CYPRUS LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SINGULARLOGIC BULGARIA C.A. BDOO.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SINGULARLOGIC ROMANIA COMP APPS SRL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TAX-ESORT LTD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL AMOUNT	216,921.90	1,384,976.71	-	2,095,368.09	7,896.24	7,869.68	28,781.52	3,976,160.07	113,148.68	2,488.20	684,071.21	2,723.00	-	8,811.94	1,725,461.23	263,517.67	20.00	124.00	16,324.04	4,947.25	13,740.00	1,200.00	-	-	3,520.33	

The companies

SINGULARLOGIC CYPRUS LTD

SINGULARLOGIC BULGARIA C.A. EOOD.

SINGULARLOGIC ROMANIA COMP APPL SRL

ΟΙΚΟΝΟΜΙΚΕΣ ΚΑΙ ΜΗΧΑΝΟΓΡΑΦΙΚΕΣ ΛΥΣΕΙΣ ΕΕ

ΟΙΚΟΝΟΜΙΚΕΣ ΕΚΔΟΣΕΙΣ Ε.Ε.

SCAN A.B.E.E.

TAX-RIGHT E.Π.Ε

are not consolidated with the EPSILON NET Group.

The amounts of the transactions of the Group and the company, which resulted from transactions with executives & members of management, according to IAS 24, at the end of the current period are as follows :

	GROUP		COMPANY	
	2021	2020	2021	2020
Amounts in €				
Transactions and remuneration of Executives and Members of Management	1,684,542.81	730,798.69	563,863.14	501,001.65
Receivables from Executives and Members of Management	42,227.17	9,690.06	4,273.01	1,461.82
Liabilities to Executives and Members of Management	14,860.32	21,550.81	14,860.32	21,550.81

41. Unaudited Tax Years

The following table shows the unaudited tax years of the parent company and the group's subsidiaries:

Name	Audit or completion or expiry until fiscal year	Unaudited fiscal years having received tax certificate
EPSILON NET SA	2015	2016–2021
EPSILON HOSPITALITY SA	2015	2016–2021
EPSILON HR SA	-	2016–2021
EPSILON SUPPORT CENTER SA	-	2019-2021
DATA COMMUNICATION SA	2015	2016–2021
EPSILON SINGULARLOGIC SA	-	2021
TECHNOLIFE LTD	2015	2016–2021
SYSTEM SOFT SA	2015	2016–2021
IQOM SA	2015	2016–2021
P.C.S. SA	2015	2016–2021

42. Audit Fees and Other Remuneration

The Remuneration of certified public accountants for the group and the company for the year 2021 are analyzed as follows:

Amounts in Euro €	GROUP		COMPANY	
	Remuneration	% on Total Remuneration	Remuneration	% on Total Remuneration
Regular audi remuneration	66,880.00	62.83%	20,000.00	66.49%
Tax compliance auditremuneration	35,960.00	33.78%	8,080.00	26.86%
Remuneration for other audit services	3,600.00	3.38%	2,000.00	6.65%
	106,440.00	100%	30,080.00	100%

43. Encumbrances

There are no mortgages or prenotations registered on the movable and immovable property of the Group's companies.

44. Financial Statement Reform

During the year, the Company changed the method of calculating the defined benefit obligation arising from retirement compensation based on Greek labor law, taking into account a decision of the IFRIC Interpretations Committee. With the implementation of this decision, the distribution of the obligation in periods of service no longer starts from the first day of employment but later, according to what is defined in article 8 of Law 3198/1955.

The following are the revised items of the financial position statement of 31/12/2020 and 31/12/2019, as well as the revised statements of total income and cash flows for the year ended 31 December 2020:

- i) In the Statement of Financial Position 1.1.2020, 31.12.2020 and 31.12.2021

	GROUP					
	December 31, 2020 as published	Impact of IAS 19 change	1 January 2021 after the impact of the change in IAS 19	December 31, 2019 as published	Impact of IAS 19 change	1 January 2021 after the impact of the change in IAS 19
Amounts expressed in €						
ASSETS						
Non-Current Assets						
Deferred Tax Assets	276,792.49	(276,792.49)	-	79,211.70	(79,211.70)	-
Total Non-Current Assets	16,509,474.63	(276,792.49)	16,232,682.14	9,020,612.93	(79,211.70)	8,941,401.23
Total Assets	49,854,233.32	(276,792.49)	49,577,440.83	27,106,781.39	(79,211.70)	27,027,569.69
EQUITY CAPITAL AND LIABILITIES						
Equity Capital						
Retained Earnings	10,788,883.17	1,356,424.62	12,145,307.79	8,204,742.08	673,803.91	8,878,545.99
Total Equity Capital Attributable to Owners of Parent Company	20,929,447.74	1,356,424.62	22,285,872.36	12,937,004.11	673,803.91	13,610,808.02
Minority Interests	1,276,194.70	14,986.15	1,291,180.85	569,547.95	62,259.38	631,807.33
Total Equity Capital	22,205,642.44	1,371,410.77	23,577,053.21	13,506,552.06	736,063.29	14,242,615.35
Long-Term Liabilities						
Deferred Tax Liabilities	-	30,778.92	30,778.92	-	153,229.34	153,229.34
Personnel Benefit Obligations due to Departure from the Service	2,051,884.51	(1,678,982.18)	372,902.33	1,107,870.45	(968,504.33)	139,366.12
Total Long-Term Liabilities	15,028,853.27	(1,648,203.26)	13,380,650.01	6,933,487.87	(815,274.99)	6,118,212.88
Total Liabilities	27,648,590.88	(1,648,203.26)	26,000,387.62	13,600,229.33	(815,274.99)	12,784,954.34
Total Equity Capital & Liabilities	49,854,233.32	(276,792.49)	49,577,440.83	27,106,781.39	(79,211.70)	27,027,569.69

	COMPANY					
	December 31, 2020 as published	Impact of IAS 19 change	1 January 2021 after the impact of the change in IAS 19	December 31, 2019 as published	Impact of IAS 19 change	1 January 2021 after the impact of the change in IAS 19
Amounts expressed in €						
ASSETS						
Non-Current Assets						
Deferred Tax Assets	102,259.89	(102,259.89)	-	-	-	-
Total Non-Current Assets	<u>17,101,759.17</u>	<u>(102,259.89)</u>	<u>16,999,499.28</u>	<u>11,408,282.28</u>	<u>-</u>	<u>11,408,282.28</u>
Total Assets	<u>38,766,322.65</u>	<u>(102,259.89)</u>	<u>38,664,062.76</u>	<u>24,473,699.91</u>	<u>-</u>	<u>24,473,699.91</u>
EQUITY CAPITAL AND LIABILITIES						
Equity Capital	9,188,775.83	705,394.14	9,894,169.97	7,897,086.83	526,785.59	8,423,872.42
Retained Earnings	-	-	-	-	-	-
Total Equity Capital Attributable to Owners of Parent Company	<u>19,253,716.06</u>	<u>705,394.14</u>	<u>19,959,110.20</u>	<u>12,550,312.64</u>	<u>526,785.59</u>	<u>13,077,098.23</u>
Minority Interests	-	-	-	-	-	-
Total Equity Capital	<u>-</u>	<u>120,496.16</u>	<u>120,496.16</u>	<u>28,161.88</u>	<u>166,353.35</u>	<u>194,515.23</u>
Long-Term Liabilities	1,114,363.90	(928,150.19)	186,213.71	822,291.26	(693,138.94)	129,152.32
Deferred Tax Liabilities	11,281,400.90	(807,654.03)	10,473,746.87	6,406,122.39	(526,785.59)	5,879,336.80
Personnel Benefit Obligations due to Departure from the Service	-	-	-	-	-	-
Total Long-Term Liabilities	<u>19,512,606.59</u>	<u>(807,654.03)</u>	<u>18,704,952.56</u>	<u>11,923,387.27</u>	<u>(526,785.59)</u>	<u>11,396,601.68</u>
Total Liabilities	<u>38,766,322.65</u>	<u>(102,259.89)</u>	<u>38,664,062.76</u>	<u>24,473,699.91</u>	<u>-</u>	<u>24,473,699.91</u>
Total Equity Capital & Liabilities	<u>38,766,322.65</u>	<u>(102,259.89)</u>	<u>38,664,062.76</u>	<u>24,473,699.91</u>	<u>-</u>	<u>24,473,699.91</u>

ii) In the Statement of Comprehensive Income 31.12.2020 and 31.12.2021:

	GROUP			COMPANY		
	December 31, 2020 as published	Impact of IAS 19 change	1 January 2021 after the impact of the change in IAS 19	December 31, 2019 as published	Impact of IAS 19 change	1 January 2021 after the impact of the change in IAS 19
Amounts expressed in €						
Cost of Sales	(8,768,915.47)	63,851.32	(8,705,064.15)	(6,550,531.46)	44,909.40	(6,505,622.06)
Gross Operating Results (Profits)	12,927,981.96	63,851.32	12,991,833.28	8,067,260.69	44,909.40	8,112,170.09
Administrative Operating Expenses	(343,172.26)	2,857.97	(340,314.29)	(220,337.77)	2,479.47	(217,858.30)
Costs of Disposal Operations	(2,533,281.73)	24,819.38	(2,508,462.35)	(1,565,786.13)	14,597.88	(1,551,188.25)
Operating Profit	3,640,212.77	91,528.67	3,731,741.44	2,152,276.91	61,986.75	2,214,263.66
Net Profit before Taxes	3,303,672.23	91,528.67	3,395,200.90	1,859,069.59	61,986.75	1,921,056.34
Income Tax	(24,274.63)	(21,966.88)	(46,241.51)	20,598.19	(14,876.81)	5,721.38
Net Profit after Taxes (A)	3,279,397.60	69,561.79	3,348,959.39	1,879,667.78	47,109.94	1,926,777.72
<u>Attributed to:</u>						
- Owners of Parent Company	2,965,004.31	60,206.71	3,025,211.02	1,879,667.78	47,109.94	1,926,777.72
- Minority Interests	314,393.29	9,355.08	323,748.37	-	-	-
	3,279,397.60	69,561.79	3,348,959.39	1,879,667.78	47,109.94	1,926,777.72
Other Total Revenue after Taxes						
Actuarial Gains / (losses) on Personnel Benefit Programs	(253,237.76)	226,595.58	(26,642.18)	(191,184.99)	173,024.49	(18,160.50)
Attributable Tax	60,777.07	(54,382.95)	6,394.12	45,884.40	(41,525.88)	4,358.52
Other Total Revenue after Taxes (B)	(192,460.69)	172,212.63	(20,248.06)	(145,300.59)	131,498.61	(13,801.98)
Aggregate Total Revenue after Taxes (A) + (B)	3,086,936.91	241,774.42	3,328,711.33	1,734,367.19	178,608.55	1,912,975.74
<u>Attributed to:</u>						
- Owners of Parent Company	2,790,996.88	226,788.27	3,017,785.15	1,734,367.19	178,608.55	1,912,975.74
- Minority Interests	295,940.03	14,986.15	310,926.18	-	-	-
	3,086,936.91	241,774.42	3,328,711.33	1,734,367.19	178,608.55	1,912,975.74
Basic Earnings per share in €	0.2685	0.0057	0.2742	0.1539	0.0039	0.1577

iii) In the Cash Flow Statement 01.01.2020 to 31.12.2020:

Indirect Method	GROUP			COMPANY		
	December 31, 2020 as published	Impact of IAS 19 change	1 January 2021 after the impact of the change in IAS 19	December 31, 2019 as published	Impact of IAS 19 change	1 January 2021 after the impact of the change in IAS 19
Amounts in €						
Operative Activities						
Profits before taxes	3,303,672.23	91,528.67	3,395,200.90	1,859,069.59	61,986.75	1,921,056.34
<i>Plus / less adjustments for:</i>						
Depreciation	1,503,073.98	-	1,503,073.98	1,146,339.17	-	1,146,339.17
Impairment of Tangible and Intangible Fixed Assets	-	-	-	-	-	-
Provisions	457,889.29	(91,528.67)	366,360.62	263,951.63	(61,986.75)	201,964.88
Exchange differences	635.00	-	635.00	-	-	-
Results (income, expenses, profits and losses) of investment activity	(171,959.75)	-	(171,959.75)	(143,028.71)	-	(143,028.71)
Debt interest and related expenses	510,647.59	-	510,647.59	435,448.81	-	435,448.81
<i>Plus / less adjustments for changes in working capital accounts or related to operating activities:</i>						
Decrease / (increase) in stocks	(12,271.23)	-	(12,271.23)	(15,747.84)	-	(15,747.84)
Decrease / (increase) of receivables	820,210.56	-	820,210.56	6,594.15	-	6,594.15
(Decrease) / increase in liabilities (excluding banks)	289,684.80	-	289,684.80	2,062,147.37	-	2,062,147.37
<i>(Less):</i>						
Debt interest and related expenses paid	(465,001.72)	-	(465,001.72)	(384,408.30)	-	(384,408.30)
Taxes paid	(162,297.81)	-	(162,297.81)	(63,939.18)	-	(63,939.18)
Total inputs / (outputs) from operating activities (a)	6,074,282.94	-	6,074,282.94	5,166,426.69	-	5,166,426.69

45. Events After the Balance Sheet Date

- 11-01-2022: The parent company announced an agreement for the acquisition of 100% of the company with the registered name “ΣΩΤΗΡΗΣ ΜΑΤΣΟΥΚΑΣ Α.Ε ΠΛΗΡΟΦΟΡΙΚΗΣ” and the trade name “CSA”, which specializes in the development of specialized IT and automation systems solutions for pharmacies and enterprises operation in the pharmaceutical products trade and distribution sector in Greece.
- 01-02-2022: Epsilon Net announced the appointment of Mrs. Anastasia Karamournioti as Chief Marketing Officer of the Epsilon Net Group, highlighting the key role of human resources as the driving force of its continuous growth. The Group’s management estimates that Mrs. Karamournioti, using her long experience, will contribute to a substantial enhancement of the corporate image of the Group and its subsidiaries and to the promotion of the Group’s strategy to act as a Digital Transformation and growth catalyst for Greek enterprises.
- 07-02-2022: The Epsilon Net Group announced that Epsilon Training (the Group’s business unit for the provision of training services to professionals and business executives) was certified by Microsoft as official Technical Training body “Microsoft Certified Technical Learning Partner”. This significant recognition regards the provision of Certified technical training courses for all Microsoft products and technologies, e.g.: Azure, SQL Server, SharePoint Server, Windows Server, Exchange Server, Microsoft Security, Visual Studio, Office 365.
- 14-02-2022: Another important award received by the Epsilon Net Group for its successful course in 2021. After a vote conducted with the participation of HRIMA magazine readers and the visitors of the financial-business portal www.banks.com.gr, the Group came first in preferences and won 1st place in the category "Business Innovation" of the "HRIMA Business Awards 2021", which aim to highlight companies that support the Greek economy and actively contribute to the development of the stock market institution in Greece.

Apart from the events already mentioned, there are no events after the Financial Statements of 31st December 2021, which concern the Group, to which reference is required by the International Financial Reporting Standards (IFRS).

THESSALONIKI, 21 MARCH 2022

CHAIRMAN OF THE BOARD OF DIRECTORS
AND CHIEF EXECUTIVE OFFICER

EXECUTIVE MEMBER
OF THE BOARD OF DIRECTORS

HEAD OF ACCOUNTING
DEPARTMENT

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

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

THOMAS A. KAZINERIS
ID No.: Π 782615 / 03.12.1990
ECONOMIC CHAMBER OF GREECE
(OEE) LICENSE No. 50345 /
CLASS A'

Report of Disposal of Raised Capital as at 31 December 2021

Notification in accordance with the provisions of the decision 8/754/14.04.2016 of the Hellenic Capital Market Commission and the Decision 25/06.12.2017 of the Athens Stock Exchange (hereinafter “ATHEX”), as in force.

At its 885th/1.7.2020 meeting, the Board of Directors of the Hellenic Capital Market Commission approved the content of the newsletter of EPSILON NET S.A. for the public Bidding of new common, intangible, registered, voting shares with cash payment and abolition of the right of old shares and the listing of all shares on the Regulated Market of the Athens Stock Exchange. The public Bidding of up to 2,224,560 new shares of the Company was completed successfully by raising capital amounting to € 5,338,944 corresponding to 2,224,560 new common registered with a sale price of € 2.40 per share, in accordance with the decision of the Company’s shareholders’ Extraordinary General Meeting dated 15.11.2019 and the decision of the Company’s Board of Directors dated 25.06.2020, which took place from Wednesday 8 July 2020 to Friday 10 July 2020 according to the Decision No. 9/687/3.7.2014 of the Hellenic Capital Market Commission and the Regulation of the Athens Stock Exchange through the Electronic Bidding procedure. More specifically, 866,940 new common registered shares (or 38.97% of the total Public Bidding) were distributed to Private Investors and 1,357,620 new common registered shares (or 61.03% of the total Public Bidding) were distributed to Special Investors. The certification of the payment of the Share Capital increase took place on 14/07/2020.

The total net income after deduction of issuance expenses of 419,940.63 euros amounted to € 4,919,003.37, in order to be used:

- 1) For the participation in IT & technology companies and the development of new software products for Vertical Markets in Greece and/or abroad and
- 2) For the participation in international IT exhibitions with the aim of finding partners for the expansion of the Group abroad.

31/12/2021 TABLE OF DISPOSAL OF RAISED CAPITALS

METHOD OF DISPOSAL OF RAISED CAPITAL BASED ON NEWSLETTER (section 4.4 Reasons for the Bid and Use of Revenue)	DISPOSAL OF RAISED CAPITAL AS PROVIDED BY THE NEWSLETTER (Amounts €)	DISPOSED CAPITAL UNTIL 31/12/2020	DISPOSED CAPITAL UNTIL 31/12/2021	UNDISPOSED CAPITAL AT 31/12/2021
1. Participation in IT & technology companies Participation in the share or company capital of IT and technology companies in Greece and/or abroad. The participation will be made through the purchase of existing shares and/or company shares and/or through participation in capital increases and/or through participation in bond loans convertible into voting shares.	4,427,103.03	4,375,000.00	4,919,003.37	0.00
2. Development of new software products for Vertical Markets in Greece and / or abroad Expansion of the company's product line to meet the needs of companies and entities in Vertical markets, new and/or existing.				
3. Participation in international IT exhibitions with the aim of finding partners for the expansion of the Group abroad Coverage of participation costs in international IT exhibitions (renting and forming an exhibition stand, renting equipment, promotional material, costs of similar events for prospective clients/partners, entries in printed and electronic catalogs & promotional actions to increase visitors).	491,900.34	0.00	0.00	0.00
Total	4,919,003.37	4,375,000.00	4,919,003.37	0.00
NOTE 1: By decision of the Board of Directors of the Company on 10.01.2021, it was decided, non-significant, change of the use of the funds of the fund for participation in exhibitions and trips abroad for the obvious reason of the weakness due to a pandemic. With the above decision, an amount of 487,696.96 euros from the aforementioned item was used for the acquisition of SINGULAR LOGIC together with the remaining amount of 52,103.04 euros that had remained for this year. The total funds allocated for the acquisition of SINGULAR LOGIC amounted to 540,000 euros and the remaining amount of funds raised 4,003.38 euros was allocated for the acquisition of PCS SA.				

Report of Factual Findings on Agreed-Upon Procedures on the Report of Disposal of Funds Raised

To the Board of Directors of the Company “**EPSILON NET S.A.**”

In accordance with the mandate we received from the Board of Directors of “**EPSILON NET S.A.**” (the Company), we carried out the following agreed-upon procedures as provided by the regulatory framework of the Athens Stock Exchange as well as the relevant legislative framework of the Capital Market Commission, regarding the Report of Disposal of Funds Raised of the Company, which concerns the share capital increase made in 2020. The management of the Company is responsible for the preparation of the above-mentioned Report. We undertook this engagement in accordance with the International Standard on Related Services (ISRS) 4400, “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”. Our responsibility is to carry out the following agreed-upon procedures and inform you of our findings.

Procedures:

- 1) We compared the amounts reported as disbursements in the attached "Table of Disposal of Funds Raised", with the corresponding amounts recognized in the Company's records and data, during the period indicated.
- 2) We examined the completeness of the Report and the consistency of its content with what is stated in the Prospectus, issued by the Company for this purpose, as well as, the relevant decisions and announcements of the relevant bodies of the Company regarding the use of funds raised.

Factual Findings:

- a) The amounts per category of use/investment shown as disbursements in the attached "Table of Disposal of Funds Raised", derive from the Company's records and data during the period indicated.
- b) The content of the Report includes the minimum information provided for this purpose by the regulatory framework of the Athens Stock Exchange as well as the relevant legislative framework of the Hellenic Capital Market Commission and is consistent with the relevant Prospectus, as amended by the decision of the as of 10.01.2021 decision of the Company's Board of Directors regarding the disposal of funds raised, and the relevant decisions and announcements of the competent bodies of the Company.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any other assurance further to as much as is referred to above. Had we performed an audit or a review, other matters might have come to our attention that would have been reported to you, in addition to what is mentioned in the previous paragraph.

This Report is solely addressed to the Board of Directors of the Company, for the purpose of meeting its obligations to the regulatory framework of the Athens Stock Exchange as well as the relevant legislative framework of the Capital Market Commission. Therefore, this Report cannot be used for any other purpose, since it is limited only to the items mentioned above and does not extend to the financial statements prepared by the

company for the year 01.01.2021-31.12.2021 for which we issued a separate Auditor's Report, dated 21 March 2022.

Athens, 21 March 2022

Dimitris Drakopoulos

Certified Public Accountant Auditor
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