



EPSILON NET
IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS
SOCIETE ANONYME

GENERAL COMMERCIAL REGISTRY (GEMI) Nr:
038383705000

SEMI-ANNUAL
FINANCIAL STATEMENT

(ACCORDING TO ARTICLE 5 OF LAW 3556/2007)

For the period from January 1st to June 30th, 2022

THESSALONIKI
SEPTEMBER 2022

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STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(According to Article 5 of Law 3556/2007)

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

In compliance with the provisions of article 5 of Law 3556/2007 we state that to the best of our knowledge:

- a) The semi-annual condensed financial statements of “EPSILON NET - IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME” for the period from 1 January 2021 to 30 June 2022, which were prepared pursuant to the applicable accounting standards, present a true and fair view of the assets and liabilities, equity and comprehensive income items of the Company as well as of the entities included in the consolidation, taken as a whole, pursuant to the provisions of Article 5(3)-(5) of Law 3556/2007.
- b) The Semi-annual Report of the Board of Directors presents a true and fair view of the information required as per article 5(6) of Law 3556/2007, i.e. the significant events that occurred during the first half of the fiscal year and their effect on the Semi-annual Financial Statements, the progress, performance and position of the Company and the entities included in the consolidation, taken as a whole, the main risks and uncertainties for the second half of the fiscal year, as well as the significant transactions concluded between the Company and the entities included in the consolidation, as well as between their related parties.

THESSALONIKI, SEPTEMBER 18, 2022

The CHAIRMAN OF THE BoD
& CHIEF EXECUTIVE OFFICER

THE DEPUTY
CHIEF EXECUTIVE OFFICER

EXECUTIVE MEMBER OF THE BoD

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

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

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

**SEMI-ANNUAL MANAGEMENT REPORT OF THE BOARD OF
DIRECTORS**

**Of “EPSILON NET - IT, TRAINING AND HIGH TECHNOLOGY
PRODUCTS SOCIETE ANONYME”**

**On the Consolidated and Separate Financial Statements for the period from
January 1 to June 30, 2022**

Introduction

This report of the Board of Directors of “EPSILON NET - IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME” (hereinafter the “Company”) has been prepared in accordance with the provisions of article 5 of Law 3556/2007 and the relevant decisions of the Board of Directors of the Hellenic Capital Market Commission and refers to the Condensed Interim Financial Statements (Consolidated and Separate) as of June 30, 2022.

The Report is included as is in the semi-annual financial report on the period 01.01.2022 – 30.06.2022 together with the financial statements of the Company and the Group and the other information and statements required by the law.

The Condensed Interim Consolidated and Separate Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and applied in compliance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

This report summarizes financial information on the period 01.01.2022 – 30.06.2022, the significant events that occurred during the first half of 2022, the prospects for the second half of 2022, a description of main risks and uncertainties for the second half of the fiscal year, the important transactions of the Group and the Company with their related parties and finally the major events that occurred after the end of the first half of 2022.

The Semi-annual Condensed Financial Statements (consolidated and separate) and the semi-annual report of the Company’s Board of Directors are uploaded on: www.epsilonnet.gr.

Financial Position and Performance of H1 2022

During the past few years, the Company and the Group present high financial performance in their basic financial figures, addressing effectively the difficult financial circumstances caused by the COVID-19 pandemic and the energy crisis of the previous 2 years.

This section presents in brief the development, performance and activities of both the Group and Company.

Consolidated Results

Turnover: The Group's turnover stood at €30.75 million in H1 2022 compared to €17.83 million in the respective H1 2021, registering an increase of 72.49%

Profit before tax: Profit before tax amounted to €8.59 million in H1 2022 compared to €4,98 million in H1 2021, recording an increase of 72.68% while **profit after taxes** in H1 2022 amounted to €7.52 million compared to €4.30 million in H1 2021, registering an increase of 74.88%.

Operating earnings before interest, taxes, depreciation and amortization (EBITDA): Earnings before interest, taxes, depreciation and amortization (EBITDA) in H1 2022 amounted to €10.74 million compared to €6.19 million in H1 2021, registering an increase of 73.42%

Fixed Assets: In H1 2022 the total value of Tangible Assets amounted to €9.56 million compared to €4.67 million in H1 2021 while the respective value of Intangible Assets amounted to €16.01 million compared to €6.27 million in H1 2021. The amount of finance leases which, as per IFRS 16, is reflected on the Group's Tangible Assets, amounts to €3.66 million.

Equity: In H1 2022 the Group's Equity increased to €49.67 million from €30.68 million in H1 2021, registering an increase of 61.91%.

Company results

Turnover: The Company's turnover stood at €11.52 million in H1 2022 compared to €8.35 million in H1 2021, registering an increase of 37.92%

Profit before tax: Profit before tax amounted to €4.79 million in H1 2022 compared to €3.47 million in H1 2021, registering an increase of 37.93% while **profit after taxes** in H1 2022 amounted to €4.00 million compared to € 2.83 million in H1 2021, registering an increase of 41.43%

Operating earnings before interest, taxes, depreciation and amortization (EBITDA): Earnings before interest, taxes, depreciation and amortization (EBITDA) in H1 2022 amounted to €5.59 million compared to €4.13 million in H1 2021, registering an increase of 35.46%.

Fixed Assets: In H1 2022 the total value of Tangible Assets amounted to €3.54 million compared to €1.30 million in H1 2021 while the respective value of Intangible Assets amounted to €3.09 compared to €3.06

million in H1 2021. The amount of finance leases which, as per IFRS 16, is reflected on the Group's Tangible Assets, amounts to €0.47 million.

Equity: In H1 2022 the Company's Equity amounted to €41.69 compared to €35.52 million in H1 2021, registering an increase of 17.37%.

Real Estate

In April 2022, the Company acquired an independent building complex of a total area of 7,244 sq.m, on a 2,942 sq.m. land plot, located in Eastern Thessaloniki and specifically on 92 Georgikis Scholis Avenue, at a distance of 3.5 km from the Thessaloniki International Airport. Said owned property in the city of Thessaloniki will become, after the necessary modifications, the new, modern facilities of the Group's companies.

Of the Group's subsidiaries, EPSILON CSA S.A. also owns a property, whereas the other subsidiaries do not own properties as of H1 2022.

Dividend Yield

Based on a decision made by the Company's Ordinary General Meeting of Shareholders on 30/06/2022, the allocation of profits of the fiscal period 01.01.2021 - 31.12.2021 was approved together with the distribution of dividend to the Company's shareholders, amounting to one million eight hundred ninety-seven thousand euro (€1,897,000), corresponding to €0.035 per share. Of this amount, tax was withheld to be paid to the Greek State and, therefore, the net payable dividend per share amounted to €0.03325.

19/07/2022 and 20/07/2022 were approved as cut-off date and beneficiary designation date, respectively (based on the record date rule) while the respective dividend amount started being paid to the shareholders as of 26/07/2022.

SIGNIFICANT EVENTS DURING H1 2022

10-01-22: The parent Company **EPSILON NET** acquired a **100% share** of the company with the registered name EPSILON CSA S.A. (formerly “MATSOUKAS SOTIRIS A.E. PLIROFORIKI”) with the trade name “CSA” (hereinafter **CSA**), which is active in the development of specialized IT solutions and automation systems for **pharmacies** and businesses operating in the field of wholesale trade and **distribution of pharmaceuticals** in Greece. Since 1985, **CSA** has been active in the development of software for small and large commercial enterprises, constantly investing in cutting-edge technologies and human resources in order for its applications to offer a high level of usability and interoperability.

07-02-22: Epsilon Net Group, announces the certification of Epsilon Training (Group’s business unit for the provision of educational services to professionals and business executives) by Microsoft, in the wider Microsoft training partner network. This certification, is a key point in the Group’s strategy to provide integrated solutions to technology and digital transformation issues, confirms the high level of experience and know-how of its executives and its ever-increasing potential in the fields of innovation and development. All training programs, which will be implemented by certified Microsoft Certified Trainers (MCTs), are addressed to IT professionals, Developers in Greece & Cyprus but also to executives who want to evolve in the relevant fields of technology. A parallel goal of Epsilon Training is the gradual development of online educational programs for the region of Southeastern Europe.

08-02-22: Epsilon SingularLogic S.A. and SingularLogic S.A. were awarded the project for the supply of the Fuel Retail applications of the Galaxy Retail platform for the 350 Shell filling stations operated by Coral S.A., following international tender. The execution of the project for the 350 Shell filling stations of Coral S.A. was completed on 31.01.2022, in accordance with the original 10-month time schedule.

14-02-22: The Epsilon Net Group took 1st place in the "Business Innovation" category at the CHRIMA Business Awards 2021.

25-02-22: The Group’s subsidiary PCS S.A. was nominated “FINTECH of the Year” winning eight awards in this year’s Digital Finance Awards 2022. The outstanding performance of PCS S.A. in 2021 was rewarded in the best possible manner in the context of the annual “Digital Finance Awards 2022”.

23-03-22: The Board of Directors of the company “EPSILON NET”, exercising the authorization granted by the Shareholders’ Ordinary General Meeting of June 30, 2021, during its meeting of March 23, 2022, established a plan for the distribution of shares through stock options (hereinafter the “Plan”) to Management Officers and Employees of the Company and affiliated companies within the meaning of article 32 of LAW 4308/2014, in accordance with the applicable regulatory network. The detailed terms, the procedure and the arrangements of the Plan were promptly posted on the Company’s website.

05-04-22: The parent Company Epsilon Net S.A., acquired an independent building complex of a total area of 7,244 sq.m, on a 2,942 sq.m. land plot, located in Eastern Thessaloniki and specifically on 92 Georgikis Scholis Avenue, at a distance of 3.5 km from the Thessaloniki International Airport. The company has

already started the study for the development and reconstruction of the property, in accordance to the required technical and architectural specifications. In the new building complex, which will be equipped with high quality infrastructure, will be transferred all the operations of the company's headquarters and the new technological structures developed by the Group and specifically:

- 1) The Group's registered offices and administrative services, as well as all personnel employed in Thessaloniki;
- 2) The Group's Digital Technology Center that is under establishment, which will initially focus on the INFORMATION SYSTEMS, FINTEC & ANALYTICS sectors;
- 3) The Group's incubator that is under establishment, aiming to attract young scientists in the context of the Group's partnerships with the country's academic institutions, utilize the scientific capital and support startup entrepreneurship & small business enterprises.

12-04-22: The parent Company EPSILON NET S.A. completed the acquisition of 51% of the company "DIGITAL4U ANONYMI ETAIREIA PAROCHIS YPIRESION DIADIKTYOU PLIROFORIKIS KAI DIAFIMISIS" with the trade name "DIGITAL4U", a specialized provider of solutions & services in the e-Commerce and Digital Marketing sectors. DIGITAL4U was established in 2013, with the objective to establish an integrated Online Communication Strategy for every business. It has vast experience in the creation of e-shop/e-Commerce solutions, both with regard to the construction/optimization and promotion, offering a full range of solutions, depending on the objectives of each business. Simultaneously, the General Meeting of DIGITAL4U S.A., dated 14/04/2022 decided the increase of the company's Share Capital, after the conclusion of which Epsilon Net's share amounted to **60%** of the share capital of **DIGITAL4U**.

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

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

09-05-22: The EPSILON NET Group, for the eighth consecutive year, is among the leading companies with the best workplace in Greece, taking the 4th position in the category of enterprises with more than 250 employees certified by the internationally recognized organization **Great Place to Work**.

26-05-22: on Tuesday 31/05/2022, the parent Company EPSILON NET S.A. announces the trading of the 600,000 new common registered shares of the Company in the Athens Stock Exchange, shares originating from the recent increase of its share capital by 45,000 euro, corresponding to the nominal value of the new shares (i.e. 600,000 shares X €0.075) and a 315,000 premium. Said increase is due to the exercise of the Stock Option Plan by **five hundred fifty-nine (559) members** of the Management and Employees of the Company and its affiliated companies, at the subscription price of 0.60 euro, in accordance with the decision of the Ordinary General Meeting of the shareholders dated 30.06.2021 and the relevant decisions of the Company's B.o.D. dated 23.03.2022 and 28.03.2022.

31-05-22: At the end of May, an informative Conference was held with great success by the Epsilon Net Group and Info Quest Technologies with the support of Microsoft on the topic "Recovery Fund: Vouchers Program for the Digital Transformation of Small and Medium Enterprises".

02-06-22: The acquisition of a 60% share in the company TAXHEAVEN S.A., information provided on financial-tax topics, was completed in early June. TAXHEAVEN S.A. was established in 2007 and is one of the largest Greek providers of information, training and knowledge management system services for business and accounting firms.

15-06-22: The EPSILON NET Group demonstrates in practice its commitment to the management's people-centric strategy and the emphasis on the values of transparency, cooperation and equality, signing the Diversity Charter, an action that promotes the acceptance of diversity and the equal opportunities policy in the workplace.

16-06-22: The EPSILON NET Group and Skrouz.gr the largest e-shopping platform in our country, announce their strategic cooperation. The partnership starts with the integration of Epsilon Smart solutions, the number one e-invoicing solution, as well as with Pylon ERP, the ultimate ERP solution for the digital transformation of businesses, along with the skrouz.gr platform, offering the most appropriate sales solution through an application.

30-06-22: The Ordinary General Meeting of the shareholders of EPSILON NET S.A. was held at the end of June, approving all items on the agenda.

Impact of the COVID-19 Pandemic

The Group continues to monitor closely the developments concerning the COVID-19 pandemic, in order to adapt to the special circumstances arising from the measures to address it and limit its spread and complied immediately and full with the official instructions of the competent authorities. The operation of the offices was in line with the applicable legislation, in accordance with the protocols and instructions of the Hellenic National Public Health Organization (EODY). Meanwhile, when deemed necessary, the management and competent directors took the necessary information, prevention and protection measures to limit the spread of the COVID-19 pandemic.

The impact to the Group's financial performance is deemed insignificant and did not cause problems to customer and partner service or to the operation of the Group's companies in general during the first semester of the year.

Impact of the energy crisis

The Group monitors the developments concerning the energy crisis, in order to adapt to the special circumstances that emerge. The cost of energy for the operation of the Group's facilities is affected by the great increases observed internationally, however it constitutes a very small part of the operating costs.

Impact of the Russo-Ukrainian war

Regarding the developments in Ukraine, the Group declares that it does not have parent, subsidiary or affiliated companies with registered offices in Russia or Ukraine, nor significant transactions with related parties in Russia or Ukraine. Furthermore, the Group declares that it does not have major customers or vendors or subcontractors or partners in Russia or Ukraine and does not have accounts in or loans from Russian or Ukrainian financial institutions.

MAIN RISKS AND UNCERTAINTIES

a) Significant judgments, estimates and assumptions

The preparation of the Financial Statements requires estimates and assumptions-making, which may affect the accounting balance of the assets and liabilities and the required disclosures for possible receivables and liabilities as well as the amount of income and expenses identified. 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 adverse impact that may arise from these risks.

(b) Significant contingencies and risks

Current Economic Developments in Greece

The digital transformation that is taking place today in both the private and the wider public sector is the most important factor for the development of the examined market. New international trends that demand the shift of businesses to Cloud Computing (which is a more flexible way of distributing software than on-premises software) and the utilization of their data also affect the domestic market. Furthermore, the intention of the Independent Public Revenue Authority (AADE) to compulsorily implement electronic invoicing and transmission as well as the application of electronic books (My Data) for all businesses, drives the developments of the digital transformation of businesses at a faster pace. The ability to use software applications via mobile (Mobile Applications) and the need to operate businesses remotely, especially during the COVID-19 pandemic period, create new conditions in the business software market. Lastly, the global energy crises and the war between Russia and Ukraine, created major shortages in raw material and tradable goods in all European countries, including Greece, a fact that makes more necessary than ever to reorganize the computer systems of businesses with modern systems and applications that will assist them to achieve a

better management of their stock, an optimized operational organization and a more efficient management of their production functions.

• Market Risk

Market risk, which includes foreign exchange risk, due to changes in foreign exchange rates, the risk of fluctuation of the value of financial instruments due to changes in the market's interest rates and price risk, i.e. 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.

Although the company is exposed to this risk, arising mostly from commercial transactions in foreign currencies, the management does not use financial tools to reduce said risk because it does not consider that the transactions are 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 are made in euro, 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. Even though 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. Furthermore, the Group uses its high cash reserves as a tool to guarantee short-term loans with the benefit of further reducing the variable interest rate.

• Credit Risk

Credit risk is the possibility that a contracting party to a financial instrument breach their contractual obligations causing financial loss to the counterparty. The Group and the Company are not significantly exposed to credit risk because on the one hand, sales within the Group's reseller network are made to reliable

customers with a positively evaluated credit history and on the other hand, sales to customers are primarily made in cash.

The Group and the Company's transactions with customers are developed after an assessment of their solvency and reliability, 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 30/06/2022 is presented below:

	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Customers and other trade receivables	26,739,901.57	26,068,108.53	8,046,605.78	8,033,171.60
Relevant provisions	(6,865,929.76)	(7,123,491.60)	(1,018,582.20)	(1,264,964.68)
	19,873,971.81	18,944,616.93	7,028,023.58	6,768,206.92

At the closing of the Balance Sheet as at 30/06/2022 the Management deems that there is no credit risk not covered by the provision for doubtful debts.

• Liquidity Risk

Liquidity risk is due to potential difficulties in obtaining capital to cover liabilities concerning 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. In addition, it has high limits on unused bank financing. The ratio of current assets to short-term liabilities for the Group on 30/06/2022 was set at 145.96% compared to 164.30% on 31/12/2021 and respectively for the Company on 30/06/2022 it was 126.87% compared to 163.78% on 31/12/2021.

The following table presents the maturity analysis of the financial obligations of the Group and the Company:

	GROUP			
	(amounts in €)			
	30.06.2022			
	up to 1 year	From 2 to 5 years	Over 5 years	Total
Loans	10,630,561.62	7,425,736.48	-	18,056,298.10
Lease liabilities	709,406.22	1,994,461.94	996,751.99	3,700,620.15
Suppliers and Other Liabilities	21,531,700.91	141,862.12	-	21,673,563.03
	32,871,668.75	9,562,060.54	996,751.99	43,430,481.28

31.12.2021

	up to 1 year	From 2 to 5 years	Over 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
Suppliers and Other Liabilities	20,193,603.76	141,675.62	-	20,335,279.38
	27,598,656.63	10,490,850.11	124,357.75	38,213,864.49

COMPANY

(amounts in €)

30.06.2022

	up to 1 year	From 2 to 5 years	Over 5 years	Total
Loans	5,067,607.47	3,461,801.94	-	8,529,409.41
Lease liabilities	315,495.64	490,883.90	125,668.12	932,047.66
Suppliers and Other Liabilities	9,400,591.44	132,897.30	-	9,533,488.74
	14,783,694.55	4,085,583.14	125,668.12	18,994,945.81

31.12.2021

	up to 1 year	From 2 to 5 years	Over 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
Suppliers and Other 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

• Other Operating Risks

The insurance coverage for assets and other risks is deemed adequate as of 30/06/2022 for the Group and the Company. Moreover, the Management of the Group and Company has established an adequate and reliable internal control system to prevent risks associated with its commercial operations.

• Capital Management

The objectives of the Company about capital management are to ensure the capability of an uninterrupted operation of the Company in the future, in order to provide satisfactory returns to shareholders and other

stakeholders and to maintain an ideal distribution of capital, thus reducing the cost of capital. 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 debt by total capital employed. Net debt is calculated as “Total debt” (including “short-term and long-term debt” 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 debt.

The leverage ratio, as of 30/06/2022 and 31/12/2021 respectively, was as follows:

<i>(amounts σε €)</i>	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Total debt liabilities (Note 15)	18,056,298.10	15,707,850.43	8,529,409.41	7,387,632.50
Lease liabilities (Note 16)	3,700,620.15	2,170,734.68	932,047.66	1,045,508.03
Minus:				
Cash and cash equivalents (Note 13)	23,856,933.92	23,354,155.02	10,124,082.28	12,367,725.81
Net debt amount	(2,100,015.67)	(5,475,569.91)	(662,625.21)	(3,934,585.28)
Total Equity	49,674,159.52	41,454,664.98	41,693,409.03	37,336,092.75
Total employed capital	47,574,143.85	35,979,095.07	41,030,783.82	33,401,507.47
Leverage ratio	(4.41%)	(15.22%)	(1.61%)	(11.78%)

ANTICIPATED COURSE AND GROWTH

Information about the Prospects and the Development of the Group & the Company

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

Epsilon Net Group Management observes the developments in the Greek economy and in particular in the developments of the sector in which it operates and using the experience of successful management of previous years, evaluates the existing conditions aiming at the continuous assessment of future investment and operational needs and the immediate adjustment of the Group’s Business Plan as necessary, with the aim of maintaining and increasing the operational efficiency of the Group’s companies, the expansion of clientele and the implementation of new investments.

Furthermore, the Group continues to operate focusing on the long-term interest of the stakeholders of the company, focusing on the penetration in the market of small, medium and large companies in Greece, with

regard to business software sales, further penetration of software payroll and human resource management applications (Payroll & HRM Systems) in companies and further penetration in the market of accounting offices and freelance accountants - tax technicians with new programs and specialized services as well as new technologically advanced solutions, pioneering in the Greek market, such as the Digital Accounting solutions, simultaneously developing strategies aiming at the development and investment in the field of Financial Technology (FinTech). Furthermore, as mentioned above, Epsilon Net S.A. was certified as a Provider of e-Invoicing Services (ΥΠΙΑΗΕΣ) obtaining license of Epsilon Digital, which is among the first software that received the relevant license from the Independent Authority for Public Revenue as e-invoicing provider software.

At the same time, based on its comprehensive contribution to the Digital Transformation of the private sector, Epsilon Net Group systematically monitors the developments in the field of new financing possibilities that will arise in the near future from the EU "Recovery and Resilience Fund" and the "NSRF 2021-2027" and has prepared strategic partnerships with both financial institutions and multinational technology providers in order to take advantage of the business opportunities created by the new global developments related to technological evolution.

The Group's goal is to constantly update its customers on the possibility to utilize financial programs in order to support their digital upgrade. At the same time, the partnerships that the Group develops with banking and financial organizations enables the leverage of the organizations' clientele by simultaneously providing information services both on the financing programs and the Group's information systems and services.

The Group, loyal to its vision for continuous development and innovation in the digital transformation of companies, is at the forefront of developments to provide leading services and technology services in the Greek market.

The strategy of the Epsilon Net Group concerns both the level of business development and expansion as well as the development-provision of integrated IT solutions and services. In particular, the areas in which it focuses with targeted actions are the following:

- Strengthening the anthropocentric management model and the further utilization of the human resources of the Company and the Group, aiming and on organic development and obtaining the capability to support the requirements of the Group's expanding customer base.
- Expansion in Greece and abroad through technological collaborations utilizing the PYLON platform (ISV partnership agreement).
- Expanding market share in the category of accounting firms and tax technicians through the constant provision of support services, information, and innovative solutions.
- Growth of sales in the fields of Human Resources (HR) and payroll systems with the extension of solutions to specialized categories of companies and monitoring, training and evaluation of staff subjects.
- Development of comprehensive digital services for the implementation of the legislation regarding the "DIGITAL WORK CARD", which are automatically connected both with the ERGANI system of the Ministry of Labor and Social Affairs and with the relevant information systems of the Group (HRMS&PAYROLL) for companies and accounting offices.
- Growth of sales to companies with needs for new business software systems, which include:

a) Enterprise Resource Planning (ERP),

b) Customer Relationship Management (CRM), and c) Trading Accounting Applications.

- Integrated approach and meeting the needs of the "very small" and "small" and "personal" companies of the Greek market which due to the new framework of "Digital Transformation" prepared by AADE for electronic accounting records (myDATA), they will also proceed with the digitalization and monitoring of their financial activities.

-Comprehensive approach to meet the needs of the dynamic Hospitality sector, by providing a complete product portfolio that includes: ERP, PMS Systems for Hotels, CloudPMS for small hotels and tourist accommodations, E-Invoicing systems, Management and Booking Systems (ChannelManager & BookingEngine), HRMS solutions for tourist units.

- Utilization of all products and services of the Group's subsidiaries, providing all-in-one solutions for businesses that operate in all industries, as well as in vertical, specialized markets.

Enhancement of the educational services provided by the two business units of the Group:

- EpsilonTraining (professional diplomas in cooperation with AIA and National and Kapodistrian University of Athens)
- Epsilon College (Bachelor's & Master's degree in cooperation with the University of Northampton in the fields of Information Technology, Entrepreneurship and Innovation)

- Strengthening the cooperation with alternative channels for the distribution of products in the Greek market.

- Utilization of the hybrid technology of the PYLON platform and the expansion in modern technologies and applications in the field of Financial Technology (FinTech).

- Maintaining sufficient liquidity by expanding commercial partnerships and taking advantage of the comparative advantage held by the Group in the industry.

- Continuous increase of the operational efficiency of the business activities of the Group's companies, in combination with the cost advantages obtained from the maximization of the synergies within the Group.

GROUP STRUCTURE – SUBSIDIARIES AND AFFILIATED COMPANIES as of 30th June 2022

Registered Name	Registered Offices Address	Purpose	Share/Corporate Capital	Establishment/Consolidation Date	Participation Share (%)	Consolidation Method
EPSILON HOSPITALITY S.A.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT Services for Hotels and Tourist Enterprises	60,000 shares of 1.00 € each	05.01.2009 (establishment)	99.98%	Full Consolidation
EPSILON EUROPE PLC	2 Agias Fylaxeos & Zinonos 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 S.A.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Software Production and Trade	25,000 shares of 1.00 € each	22.02.2016 (establishment)	65.00%	Full Consolidation
EPSILON SUPPORT CENTER S.A.	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 50.00 PLN (€) each	21.07.2020 (acquisition)	51.00%	Full Consolidation
DATA COMMUNICATION S.A.	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 S.A.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT Services	10,025,000 shares 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 units of 100.00 € each	07.06.2021 (acquisition)	60.00%	Full Consolidation
SYSTEM SOFT S.A.	300 Mesogeion Ave. - 155 62 - Cholargos	IT and Business Administration Services	23,182 shares of 2,59 € each	01.03.2021 (absorption completed on 14.07.2021)	100.00% (indirect participation)	Full Consolidation
IQOM S.A.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT and Retail Services	25,000 shares of 1.00 € each	10.09.2021 (acquisition)	80.00% (indirect participation)	Full Consolidation
PROFESSIONAL COMPUTER SERVICES S.A.	304-306 Mesogeion Ave. & 1 L.Dedousi St. - 155 62 - Cholargos	Provision of FinTech Services	100,000 shares of 3.00 € each	10.11.2021 (acquisition)	88.00%	Full Consolidation
EPSILON CSA S.A.	29 Al. Panagoulis - 153 43 – Ag. Paraskevi	Provision of Pharmacy IT Services	7,000 shares of 10.00 € each	11.01.2022 (acquisition)	100.00%	Full Consolidation
DIGITAL 4U S.A.	125-127 Kifisias Ave.- 115 24 - Ampelokipoi	Internet Marketing	245,000 shares of 1.00 € each	12.04.2022 (acquisition)	60.00%	Full Consolidation
EPSILON SUPPORT CENTER ATHENS S.A.	196 Mesogeion Ave. - 155 61 - Cholargos	Provision of IT Services	7,000 shares of 10.00 € each	28.04.2022 (establishment)	60.00%	Full Consolidation
EPSILON SINGULARLOGIC CYPRUS LTD	70 Kyrillou Loukareos - KAKOS TWR 2FL - 4156 - Kato Polemidia	Provision of IT Services	50,000 shares of 1.00 € each	09.05.2022 (establishment)	100.00%	Full Consolidation
TAXHEAVEN S.A.	64 Apostolopoulou - 152 31 - Chalandri – Attica	Online Information Services	900 shares of 30.00 € each	02.06.2022 (acquisition)	60.00%	Full Consolidation
HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.	350 Syggrou Ave., 176 74 Kallithea	Provision of IT Services	86,020 shares of 2.93 € each	20.12.2019 (acquisition)	34.00%	Equity
SINGULARLOGIC S.A.	3 Achaïas & Troizinias - 145 64 - Kifisia - Attica	Provision of IT Services	9,000,000 shares of 1.00 € each	11.01.2021 (acquisition)	39.93%	Equity
INFOSUPPORT S.A.	8 Doiranis - 113 62 - Kipseli - Attica	Trading of Computer Systems	23,196 shares of 30.00 € each	01.03.2021 (absorption completed on 14.07.2021)	34.00% (indirect participation)	Equity
SANTORINI DREAMS P.C.	125-127 Kifisias Ave. - 115 24 - Ampelokipoi	Tourist Agency	1,300 shares of 100.00 € each	12.04.2022 (acquisition)	40.00% (indirect participation)	Equity

Group		30/6/2022		30/6/2021	
GROSS PROFIT MARGIN	Gross Profit	19,342,168.21	63%	10,757,790.85	60%
	Turnover	30,751,932.95		17,828,511.71	
NET PROFIT MARGIN BEFORE TAXES	Net Profit Before Tax	8,593,092.61	28%	4,976,270.66	28%
	Turnover	30,751,932.95		17,828,511.71	
		30/6/2022		31/12/2021	
CURRENT ASSETS / TOTAL ASSETS	Current Assets	47,978,615.15	51%	45,343,863.71	56%
	Total Assets	94,456,438.25		80,820,786.58	
ASSETS FINANCED BY EQUITY RATIO	Equity	49,674,159.52	194%	41,454,664.98	212%
	Fixed Assets	25,564,162.41		19,538,837.93	
CURRENT RATIO	Current Assets	47,978,615.15	146%	45,343,863.71	164%
	Short-term liabilities	32,871,668.75		27,598,656.63	
DEBT TO EQUITY	Total Liabilities	44,782,278.73	90%	39,366,121.60	95%
	Equity	49,674,159.52		41,454,664.98	
FIXED ASSETS TO NET WORTH RATIO	Fixed Assets	25,564,162.41	27%	19,538,837.93	24%
	Total Assets	94,456,438.25		80,820,786.58	
Company		30/6/2022		30/6/2021	
GROSS PROFIT MARGIN	Gross Profit	7,178,367.26	62%	5,036,565.91	60%
	Turnover	11,521,360.27		8,353,655.82	
NET PROFIT MARGIN BEFORE TAXES	Net Profit Before Tax	4,786,302.93	42%	3,470,002.32	42%
	Turnover	11,521,360.27		8,353,655.82	
		30/6/2022		31/12/2021	
CURRENT ASSETS / TOTAL ASSETS	Current Assets	19,009,529.63	31%	20,906,127.59	38%
	Total Assets	60,835,767.47		55,469,287.93	
ASSETS FINANCED BY EQUITY RATIO	Equity	41,693,409.03	629%	37,336,092.75	979%
	Fixed Assets	6,632,071.71		3,811,840.38	
CURRENT RATIO	Current Assets	18,756,480.63	127%	20,906,127.59	164%
	Short-term liabilities	14,783,694.55		12,765,101.18	
DEBT TO EQUITY	Total Liabilities	19,142,358.44	46%	18,133,195.18	49%
	Equity	41,693,409.03		37,336,092.75	
FIXED ASSETS TO NET WORTH RATIO	Fixed Assets	6,632,071.71	11%	3,811,840.38	7%
	Total Assets	60,835,767.47		55,469,287.93	

OTHER INFORMATION

Shareholder Composition

Significant direct or indirect holdings within the meaning of Law 3556/2007

As of 30/06/2022 the shareholders, natural persons, or legal entities, are the following:

Shareholder	Number of Shares	% in the Share Capital
Ioannis Michos	34,100,000	62.92%
BARCA CAPITAL MASTER FUND	4,432,116	8.18%
Shareholders with % < 5%	15,667,884	28.90%
Total	54,200,000	100.00%

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

Shareholder	Number of Shares	% in the Share Capital
Ioannis Michos	34,100,000	62.92%
BARCA CAPITAL MASTER FUND	4,432,116	8.18%
Total	38,532,116	71.10%

Board of Directors

The current composition of the B.o.D. of “EPSILON NET IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME” is the following:

Full Name	Member Capacity
Michos Ioannis of Nikolaos	Chairman & CEO, Executive Director
Manis Pantelis of Anastasios	Vice Chairman, Independent Non-Executive Director
Anagnostou Vasiliki of Dimitrios	Deputy CEO, Executive Director
Koutkoudakis Ioannis of Antonios	Executive Director
Prassas Vasileios of Gavriil	Executive Director
Michalopoulos Paschalis of Georgios	Executive Director
Grimbelas Anderas of Dimitrios	Executive Director
Aikaterini Daskalopoulou of Georgios	Non-Executive Director
Karabinas Eleutherios of Michail	Independent Non-Executive Director
Komninos Nikolaos of Zacharias	Independent Non-Executive Director

The current Board of Directors of the Company has been appointed by the Ordinary General Meeting of the Company’s shareholders on June 30, 2022 and was established as a body in the meeting of the Board of Directors dated June, 30, 2022.

Two (2) committees operate in the context of the Board of Directors:

- Audit Committee
- Remuneration & Nomination Committee

The Audit Committee of “EPSILON NET IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME” has the following composition:

Full Name	Capacity	Position
Karambinas Eleutherios of Michail	Independent Non-Executive Director	Chairman
Manis Pantelis of Anastasios	Independent Non-Executive Director	Member
Aikaterini Daskalopoulou of Georgios	Non-Executive Director	Member

The Audit Committee meets at least four (4) times per year, and extraordinarily if required. Its meetings have quorum when attended by three (3) members.

The Remuneration & Nomination Committee of “EPSILON NET IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME” has the following composition:

Full Name	Capacity	Position
Karambinas Eleutherios of Michail	Independent Non-Executive Director	Chairman
Manis Pantelis of Anastasios	Independent Non-Executive Director	Member
Aikaterini Daskalopoulou of Georgios	Non-Executive Director	Member

Significant Events after the end of H1, 2022

- **29-7-2022 Establishment of Hoteliga S.A.** The Epsilon Net Group established the company Hoteliga S.A., with registered offices in Thessaloniki. Epsilon Net S.A. participates with a 51% share in Hoteliga S.A. and Mrs. Evangelia Mpsakari and Mr. Dimitrios Van Leusden with a 24.5% share each. The company will operate in the Hospitality Software market, aiming to provide modern technologic management solutions to hotels and accommodations in Greece and abroad.
- **09-09-2022: EPSILON NET Group** among the top 10 companies in Europe for working environment in the “Europe’s Best Workplaces 2022” awards. **EPSILON NET Group** received one of the most important awards in its history, as it was **ranked 10th** in the large companies category (500+ employees) in **Europe's Best Workplaces 2022**, among thousands of companies from all over Europe that claimed the distinction. With the motto **#PeopleHaveThePower**, EPSILON NET Group is among the top companies with the best working environment in Europe for the third time. Moreover, it holds **the highest position of a Greek Company in the institution!**
- **12-09-2022:** EPSILON NET announced the completion of the agreement for the acquisition of a majority stake in three business software companies, specializing in the field of technology systems for the dynamic sector of tourism. Specifically, the parent company of the Group acquired - **70%** of the share capital of the English company "**Hotel Availabilities Ltd**" which is active in the development of **Channel Manager** systems for hotel units and tourist accommodation,

- 55% of the share capital of the Greek company "**BookOnlineNow IKE**" which is active in the development of on-line **booking engine** systems for hotels and tourist accommodation and,
- 55% of the Cypriot company "**HotelonCloud Ltd**", a strategic distributor of BookOnlineNow abroad.

These transactions are part of the Group's growth policy in dynamic vertical markets and the creation of an integrated portfolio of product solutions and services with the goal of fully meeting the needs of the Greek market and gradually developing similar solutions abroad. With the addition of the products of the new companies, the Group now has the most complete palette of "all in one solution" for the tourism industry in Greece.

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Board of Directors of EPSILON NET S.A.

Introduction

We have reviewed the accompanying separate and consolidated statement of financial position of EPSILON NET S.A. as at 30 June 2022 and the relative separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007.

Management is responsible for the preparation and presentation of this interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that have been incorporated into the Greek Legislation and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard “IAS 34”.

Report on other Legal and Regulatory Requirements

Our review did not identify material inconsistency or error in the statements of the members of the Board of Directors and the information of the six-month Financial Report of the Board of Directors as these are defined in article 5 and 5a of L. 3556/2007, with respect to the interim condensed separate and consolidated financial information.

Athens, 19 September 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

A. INTERIM CONDENSED FINANCIAL STATEMENTS DATED JUNE 30, 2022

Statement of Financial Position

Amounts in €	Note	GROUP		COMPANY	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
Assets					
Noncurrent Assets					
Tangible Fixed Assets	6	9,557,992.28	4,670,183.31	3,541,680.32	1,148,535.04
Intangible Assets	7	16,006,170.13	14,868,654.62	3,090,391.39	2,663,305.34
Goodwill	8	11,482,457.62	8,255,502.69	-	-
Investments in Subsidiaries	9	-	-	30,117,108.48	25,171,763.88
Investments in affiliated companies	10	4,885,575.48	4,835,758.06	4,619,360.88	4,619,360.88
Other holdings		38,487.36	33,487.36	8,521.30	3,521.30
Investment Securities		2,266,415.61	-	253,049.00	-
Deferred tax assets	11	2,049,572.75	2,188,587.08	-	-
Lease receivables		5,902.83	1,321.20	380,440.76	439,790.69
Other Long Term Receivables		185,249.04	623,428.55	68,734.71	516,883.21
Total noncurrent assets		46,477,823.10	35,476,922.87	42,079,286.84	34,563,160.34
Current assets					
Reserves		323,411.36	132,612.78	46,388.41	25,077.41
Clients and Other Trade Receivables	12	19,873,971.81	18,944,616.93	7,028,023.58	6,768,206.92
Commercial Portfolio Securities		-	297,754.62	-	-
Lease receivables		1,593.00	1,719.86	116,843.84	112,999.72
Other receivables		3,922,705.06	2,613,004.50	1,441,142.52	1,632,117.73
Cash and cash equivalents	13	23,856,933.92	23,354,155.02	10,124,082.28	12,367,725.81
Total Current Assets		47,978,615.15	45,343,863.71	18,756,480.63	20,906,127.59
Total Assets		94,456,438.25	80,820,786.58	60,835,767.47	55,469,287.93
EQUITY and LIABILITIES					
Equity					
Share Capital	14	4,065,000.00	4,020,000.00	4,065,000.00	4,020,000.00
Difference from Shares Issued at Premium		4,929,507.96	4,614,507.96	4,929,507.96	4,614,507.96
Reserves		1,619,567.87	1,800,859.99	1,712,474.95	1,712,474.95
Retained earnings		26,716,656.22	20,129,699.27	30,986,426.12	26,989,109.84
Total Equity Attributable to Owners of Parent company		37,330,732.05	30,565,067.22	41,693,409.03	37,336,092.75
Minority rights		12,343,427.47	10,889,597.76	-	-
Total Equity		49,674,159.52	41,454,664.98	41,693,409.03	37,336,092.75
Long Term Liabilities					
Loans	15	7,425,736.48	8,910,038.66	3,461,801.94	4,358,329.78
Lease liabilities	16	2,991,213.93	1,563,493.58	616,552.02	728,775.26
Deferred tax liabilities	11	-	-	85,463.09	86,142.12
Liabilities for Pension Plans		1,351,797.45	1,152,257.11	61,949.54	61,949.54
Other Long Term Liabilities		141,862.12	141,675.62	132,897.30	132,897.30
Total Long Term Liabilities		11,910,609.98	11,767,464.97	4,358,663.89	5,368,094.00
Short Term Liabilities					
Suppliers and other trade liabilities	17	6,478,091.81	5,290,184.92	1,722,602.38	1,654,471.58
Banks – long term liabilities payable in the next fiscal year	15	10,630,561.62	6,797,811.77	5,067,607.47	3,029,302.72
Long term lease liabilities payable in the next fiscal year	16	709,406.22	607,241.10	315,495.64	316,732.77
Current tax liabilities		6,250,369.11	6,726,741.03	3,371,338.17	3,740,414.39
Other short term liabilities		8,803,239.99	8,176,677.81	4,306,650.89	4,024,179.72
Total short term liabilities		32,871,668.75	27,598,656.63	14,783,694.55	12,765,101.18
Total liabilities		44,782,278.73	39,366,121.60	19,142,358.44	18,133,195.18
Total Equity and Liabilities		94,456,438.25	80,820,786.58	60,835,767.47	55,469,287.93

The notes in pages 29 to 64 constitute integral part of the Financial Statements

Total Income Statement

	Note	GROUP		COMPANY	
		1.1-30.06.2022	1.1-30.06.2021	1.1-30.06.2022	1.1-30.06.2021
Amounts in €					
Turnover (sales)	19	30,751,932.95	17,828,511.71	11,521,360.27	8,353,655.82
Sales Cost		(11,409,764.74)	(7,070,720.86)	(4,342,993.01)	(3,317,089.91)
Gross Operating Results (Profits).		19,342,168.21	10,757,790.85	7,178,367.26	5,036,565.91
Other operating income		715,078.82	278,286.06	370,275.81	256,095.76
Management Costs		(1,176,120.56)	(271,855.57)	(153,801.29)	(90,729.25)
Research and Development Costs		(5,343,189.62)	(3,564,458.11)	(1,892,589.33)	(1,164,639.12)
Distribution Costs		(4,184,420.36)	(1,817,082.58)	(513,289.13)	(398,133.26)
Other operating costs		(370,278.79)	(178,463.54)	(38,938.40)	(10,486.33)
Operating Profit		8,983,237.70	5,204,217.11	4,950,024.92	3,628,673.71
Financial Income		25,045.64	19,633.12	22,707.55	20,967.51
Financial Expenses		(453,008.15)	(361,716.82)	(186,429.54)	(179,638.90)
Participation in affiliated companies' profit		37,817.42	114,137.25	-	-
Net profit before tax		8,593,092.61	4,976,270.66	4,786,302.93	3,470,002.32
Income tax	11	(1,071,387.72)	(675,287.93)	(788,986.65)	(643,709.10)
Net profit after tax (A)	18	7,521,704.89	4,300,982.73	3,997,316.28	2,826,293.22
Allocated to:					
- Owners of Parent Company		6,504,592.32	3,841,242.06	3,997,316.28	2,826,293.22
- Minority right		1,017,112.57	459,740.67	-	-
		7,521,704.89	4,300,982.73	3,997,316.28	2,826,293.22
Other comprehensive income after tax					
Result of Branch Contribution to Jointly Controlled Subsidiary		-	-	-	12,750,000.00
Actuarial Gains / (losses) on Employee Benefit Plans		-	-	-	-
Corresponding tax		-	(18,314.73)	-	(13,494.23)
Investment Portfolio Valuation		(181,200.54)	-	-	-
Exchange differences		(297.89)	11,096.27	-	-
Other comprehensive income after tax (B)		(181,498.43)	(7,218.46)	-	12,736,505.77
Other comprehensive income after tax (A) + (B)	18	7,340,206.46	4,293,764.27	3,997,316.28	15,562,798.99
Attributable to					
- owners of parent company		6,323,300.20	3,834,023.60	3,997,316.28	15,562,798.99
- minority rights		1,016,906.26	459,740.67	-	-
		7,340,206.46	4,293,764.27	3,997,316.28	15,562,798.99
Weighted Average Number of Shares					
Common Registered Shares		53,701,087	13,400,000	53,701,087	13,400,000
Basic Earnings per Share in €	18	0.1211	0.2867	0.0744	0.2109

The notes in pages 29 to 64 constitute integral part of the Financial Statements

Statement of change in equity

Group	Attributable to the owners of the Parent Company					Minority rights	Total
	Share Capital	Own Shares	Reserves	Retained Earnings Balance			
Amounts in €							
Balance as of January 01, 2021	4,020,000.00	1,506,056.61	10,788,883.17	4,614,507.96	1,276,194.70	22,205,642.44	
Revision IAS19	-	-	1,356,424.62	-	14,986.15	1,371,410.77	
Balance as of January 01, 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	
Net Earnings of period 01.01 - 30.06.2021 after tax	-	-	4,300,982.73	-	-	4,300,982.73	
Transfer to other reserves	-	11,096.27	-	-	-	11,096.27	
Actuarial Gains	-	-	(18,314.73)	-	-	(18,314.73)	
Increase or holding share in an Existing Subsidiary	-	-	105,907.80	-	(655,882.80)	(549,975.00)	
Incorporation of New Subsidiaries into a Group	-	-	-	-	3,360,172.29	3,360,172.29	
Minority rights corresponding to total earnings of the period 01.01 - 30.06.2021	-	-	(459,740.67)	-	459,740.67	-	
Balance as of June 30, 2021	4,020,000.00	1,517,152.88	16,074,142.92	4,614,507.96	4,455,211.01	30,681,014.77	
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Balance as of January 01 2022	4,020,000.00	1,800,859.99	20,129,699.27	4,614,507.96	10,889,597.76	41,454,664.98	
Net Earnings of period 01.01 - 30.06.2022 after tax	-	(181,292.12)	6,504,592.32	-	1,016,906.26	7,340,206.46	
Increase or holding share in an Existing Subsidiary	45,000.00	-	-	315,000.00	-	360,000.00	
Incorporation of New Subsidiaries into a Group	-	-	82,364.63	-	436,923.45	519,288.08	
Transfer to other reserves	-	-	-	-	-	-	
Balance as of June 30, 2022	4,065,000.00	1,619,567.87	26,716,656.22	4,929,507.96	12,343,427.47	49,674,159.52	
Certain figures of fiscal year 2021 have been adjusted due to changes in the accounting policy, pursuant to the decision of the IFRS Interpretations Committee. Relevant analysis is provided in note 44 of the Annual Financial Report of 31.12.2021.							

Amounts in €	Share Capital	Reserves	Retained Earnings Balance	Difference from Shares Issued at Premium	Total
COMPANY					
Balance as of January 01, 2021	4,020,000.00	1,430,432.27	9,188,775.83	4,614,507.96	19,253,716.06
Αναθεώρηση IAS 19	-	-	705,394.14	-	705,394.14
Αναπροσαρμοσμένο Υπόλοιπο 01 Ιανουαρίου 2021	4,020,000.00	1,430,432.27	9,894,169.97	4,614,507.96	19,959,110.20
Net Earnings of period 01.01 - 30.06.2021 after tax	-	-	2,826,293.22	-	2,826,293.22
Result of Branch Contribution to Jointly Controlled Subsidiary	-	-	12,750,000.00	-	12,750,000.00
Actuarial Gains	-	-	(13,494.23)	-	(13,494.23)
Balance as of June 30, 2021	4,020,000.00	1,430,432.27	25,456,968.96	4,614,507.96	35,521,909.19
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Balance as of January 01, 2022	4,020,000.00	1,712,474.95	26,989,109.84	4,614,507.96	37,336,092.75
Net Earnings of period 01.01 - 30.06.2022 after tax	-	-	3,997,316.28	-	3,997,316.28
Share Capital Increase	45,000.00	-	-	315,000.00	360,000.00
Balance as of June 30, 2022	4,065,000.00	1,712,474.95	30,986,426.12	4,929,507.96	41,693,409.03

* Certain figures of fiscal year 2021 have been adjusted due to changes in the accounting policy, pursuant to the decision of the IFRS Interpretations Committee. Relevant analysis is provided in note 44 of the Annual Financial Report of 31.12.2021.

The notes in pages 29 to 64 constitute integral part of the Financial Statements

Cash Flow Statement

Indirect Method	GROUP		COMPANY	
Amounts in €	1.1-30.06.2022	1.1-30.06.2021	1.1-30.06.2022	1.1-30.06.2021
Operating Activities				
Profit before Tax	8,593,092.61	4,976,270.66	4,786,302.93	3,470,002.32
<i>Plus / minus adjustments for:</i>				
Amortization	1,759,539.54	990,269.35	639,363.14	497,659.79
Provisions	(284,640.00)	70,988.79	(246,382.48)	(136,885.57)
Exchange differences	(9,425.61)	(4,470.00)	-	-
Results (income, expenses, profits and losses) of investment activity	(20,413.79)	(137,257.61)	(10,332.94)	(20,143.60)
Charged interest and similar expenses	450,966.97	353,369.63	184,617.74	95,597.43
<i>Plus/ minus adjustments for changes related to working capital or operating activities accounts</i>				
Decrease / (increase) of reserves	(65,712.31)	(7,545.69)	(21,311.00)	(2,436.56)
Decrease / (increase) of receivables	1,998,247.05	(1,107,340.90)	679,875.20	844,793.93
(Decrease) / increase of liabilities (other than banks)	(4,136,028.18)	1,014,610.02	(856,064.38)	(1,322,039.53)
<i>(Minus):</i>				
Charged interest and similar expense paid	(491,664.13)	(319,649.36)	(179,585.64)	(174,411.41)
Paid Taxes	(101,063.35)	(688,078.22)	(1,575.62)	(511,827.45)
Total inflows / (outflows) from operating activities (a)	7,692,898.80	5,141,166.67	4,974,906.95	2,740,309.35
Investment Activities				
Acquisition of subsidiaries, affiliates, joint ventures and other investments	(7,074,617.72)	(10,014,375.00)	(5,203,393.60)	(10,014,375.00)
Proceeds from sales of subsidiaries, affiliates, joint ventures and other investments	-	3,397,470.00	-	3,397,470.00
Purchase of tangible and intangible fixed assets	(4,416,480.57)	(864,022.37)	(3,421,618.89)	(360,991.54)
Proceeds from sales of tangible and intangible fixed assets	193,000.00	1,917.34	-	-
Rents collected	1,320.14	629.92	57,749.72	35,911.12
Interest collected	45,121.18	40,265.66	16,909.60	20,967.51
Subsidies collected	-	-	-	-
Other elements of investment flows	(6,598.80)	1,486.52	(6,576.66)	(823.90)
Total inflows / (outflows) from investment activities (b)	(11,258,255.77)	(7,436,627.93)	(8,556,929.83)	(6,921,841.81)
Financial Activities				
Proceeds from share capital increase	945,000.00	25,000.00	360,000.00	-
Receipts from loans issued / assumed	3,287,837.04	838,000.00	1,800,000.00	640,000.00
Loan repayments	(1,364,857.11)	(357,422.86)	(663,255.19)	(357,026.08)
Payments of liabilities from financial leases (instalments)	(432,613.76)	(307,434.14)	(158,365.46)	(121,239.11)
Other elements of investment flows	212.55	-	-	-
Total inflows / (outflows) from financial activities (c)	2,435,578.72	198,143.00	1,338,379.35	161,734.81
Net Increase / (Decrease) in Cash & Cash Equivalents (a)+(b)+(c)	(1,129,778.25)	(2,097,318.26)	(2,243,643.53)	(4,019,797.65)
Cash and Cash Equivalents at Beginning of Period	23,354,155.02	20,788,875.39	12,367,725.81	13,844,031.22
Cash of new Subsidiaries	1,632,557.15	271,946.62	-	-
Cash and Equivalents at Period End	23,856,933.92	18,963,503.75	10,124,082.28	9,824,233.57

The notes in pages 29 to 64 constitute integral part of the Financial Statements

B. NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS ON H1 2022

1. General Information on the Company

The parent company “EPSILON NET - IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME” and with the trade name “EPSILON NET S.A.” was established in its current form in 1999 (Government Gazette 6383 / 04.08.1999). Its initial registered name was: “GREEK DEVELOPMENT COMPANY - Craft and Commercial Company of Publishing, IT and High Technology Products” with the trade name “GREEK DEVELOPMENT S.A.” and was changed into the current one following the decision of 14/02/2004 taken by the 12th Extraordinary General Meeting of Shareholders (Government Gazette 2497 / 24.03.2004), and the decision of 22/05/2008 of the 9th Ordinary General Meeting of Shareholders (Government Gazette 6356 / 04.07.2008).

The Company’s registered offices are located in Greece, in the Municipality of Pylea, Prefecture of Thessaloniki, side road of 87, 17 Noemvri Street - EMO Zone, Greece. The Company’s electronic address is www.epsilonnet.gr.

When established, the company was registered in the Public Companies Register (No. 43452/62/B/99/194) and its term was fixed at fifty (50) years, i.e., until July 22, 2049. The Company has been registered in the General Commercial Registry (GEMI) with number 038383705000.

“EPSILON NET SA.” operates in the IT sector and in particular in the development of software for economists, accountants - tax consultants, accounting firms and departments and corporate financial divisions. Moreover, the company organizes training seminars of economic and scientific content. Finally, it publishes and sells the weekly financial magazine “EPSILON 7” and markets scientific - tax books.

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

- ✓ EPSILON EUROPE PLC
- ✓ EPSILON HOSPITALITY S.A.
- ✓ EVOLUTIONSNT PLC
- ✓ EVOLUTIONSNT (UK) LTD
- ✓ EPSILON HR S.A.
- ✓ EPSILON SUPPORT CENTER S.A.
- ✓ HOTELIGA International Sp. Z O. O.
- ✓ DATA COMMUNICATION S.A.
- ✓ EPSILON SINGULARLOGIC S.A.
- ✓ TECHNOLIFE LTD
- ✓ SYSTEM SOFT S.A.
- ✓ IQOM S.A.
- ✓ PCS S.A.
- ✓ EPSILON CSA S.A.
- ✓ DIGITAL 4U S.A.
- ✓ EPSILON SUPPORT CENTER ATHENS S.A.
- ✓ EPSILON SINGULARLOGIC CYPRUS LTD
- ✓ TAXHEAVEN S.A.

“EPSILON NET S.A.” prepared consolidated financial statements in fiscal year 2009.

The interim condensed separate and consolidated financial statements for H1 2022 (from January 1 to June 30, 2022) were approved by the Board of Directors of “**EPSILON NET - IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME**” on September 19, 2022. In brief, the main information about the Company is as follows:

Board of Directors Composition

The current composition of the B.o.D. of “EPSILON NET IT, TRAINING AND HIGH TECHNOLOGY PRODUCTS SOCIETE ANONYME” is as follows:

Full Name	Member Capacity
Michos Ioannis of Nikolaos	Chairman & CEO, Executive Director
Manis Pantelis of Anastasios	Vice Chairman, Independent Non-Executive Director
Anagnostou Vasiliki of Dimitrios	Deputy CEO, Executive Director
Koutkoudakis Ioannis of Antonios	Executive Director
Prassas Vasileios of Gavriil	Executive Director
Michalopoulos Paschalis of Georgios	Executive Director
Grimbelas Anderas of Dimitrios	Executive Director
Aikaterini Daskalopoulou of Georgios	Non-Executive Director
Karambinas Eleutherios of Michail	Independent Non-Executive Director
Komninos Nikolaos of Zacharias	Independent Non-Executive Director

The current Board of Directors of the Company has been appointed by the Ordinary General Meeting of the Company’s shareholders on June 30, 2022 and was established as a body in the meeting of the Board of Directors dated June, 30, 2022.

Supervising Authority	: Directorate of Companies (General Secretariat of Trade & Consumer Protection)
General Commercial Registry No.	: 038383705000
Tax Identification Number	: 099357493
Legal Consultants	: Michalopoulos Paschalis
Auditor	: Dimitrios Dracopoulos SOEL Reg. No. 40061 Collaborating Certified Public Accountants (SOL) S.A. Member of the Crowe Global network

2. Accounting principles applied — Basis of preparation of financial statements

The consolidated and separate interim financial statements of “EPSILON NET S.A.” as of June 30, 2022 comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union, pursuant to Regulation (EU) No 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The condensed interim financial statements for the period that ended on June 30, 2022 have been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting”. The financial statements do not contain all the information and notes required by annual financial statements and should be read in conjunction with the financial statements of the Company and the Group dated December 31, 2021, available on the Company’s website <https://www.epsilonnet.gr>.

The amounts included in the consolidated and separate financial statements are presented in euro, unless otherwise indicated in separate notes.

The accounting principles applied by the Company to the preparation of the interim financial statements are in line with those described in the published financial statements of the year that ended on 31/12/2021. Moreover, the accounting principles applied to the current period took into account the following new standards and amendments to standards:

Adoption of new and revised International Standards

New standards, amendments to standards and interpretations have been issued which must be mandatorily applied to annual accounting periods beginning on or after January 1, 2022.

Unless otherwise indicated, the amendments and interpretations applying for the first time to the year 2022 have no effect on the (consolidated) financial statements of the Group (Company). The Group (Company) has not adopted early any standards, interpretations or amendments that have been issued by the International Accounting Standards Board (IASB) and adopted by the European Union but have no mandatory effect for fiscal year 2022.

Standards and Interpretations mandatory for current financial year 2022

Annual Improvements to International Financial Reporting Standards 2018-2020

On May 14, 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020 that include the following amendments to the International Financial Reporting Standards, that are effective for annual periods beginning on or after January 1, 2022:

IFRS 1, First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

The amendment permits a subsidiary that applies paragraph D16(a) of the annex of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs.

IFRS 9, Financial Instruments - Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

IFRS 16, Leases - Lease incentives

The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

IAS 41, Agriculture - Taxation in fair value measurements

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

IAS 16, Property, Plant and Equipment (Amendment) — “Proceeds before Intended Use”

On May 14, 2020, the International Accounting Standards Board issued an amendment to IAS 16. The amendment changes the accounting treatment of the costs of testing whether an asset is functioning properly, and the net proceeds from selling items produced while bringing such asset into a specific location and condition. The proceeds and costs of producing such items will now be recognized in profit or loss instead of being deducted from the acquisition cost of an item of property, plant and equipment. Furthermore, it required that entities must disclose separately the amounts of proceeds and costs related with items produced in this manner and do not constitute the result of the entity’s usual activity.

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

IAS 37 Provisions, Contingent Liabilities and Contingent Assets(Amendment) - “Onerous contracts - Cost of Fulfilling a Contract”

On May 14, 2020, the International Accounting Standards Board issued an amendment to IAS 37. The amendment clarifies the costs an entity should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendment clarifies that the ‘costs to fulfil a contract’ includes the direct cost of fulfilling this contract and an allocation of other costs that relate directly to fulfilling the contract. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss incurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

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

IFRS 3 Business Combinations (Amendment) - “Reference to the Conceptual Framework”

On 14 May 2020, the IASB has amended IFRS 3 with regard to the references to the Conceptual Framework of the International Financial Reporting Standards. The amendment updated the standard to refer to the Conceptual Framework for Financial Reporting issued in 2018, in order to determine what constitutes an asset or a liability in a business combination. Furthermore, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Lastly, it should be clarified that the acquirer must not recognize contingent assets as defined in IAS 37 on the acquisition date.

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

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

The following amendments are not expected to have significant effect on the Company’s and the Group’s financial statements unless otherwise indicated.

IFRS 17 Insurance Contracts

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

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosures of insurance contracts in order to provide a more uniform measurement and presentation approach for all insurance contracts.

IFRS 17 requires that insurance liabilities should not be measured at historic 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 reflecting the characteristics of cash flows of contracts; and
- estimates about 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 January 1, 2023.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (Amendments)

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

- The definition of accounting policies is set out in paragraph 5 of IAS 8.
- The economic entity should disclose the significant accounting policies. Accounting policies are significant when, considered together with other information included in an entity's financial statements, they can be reasonably expected to influence decisions that the primary users of financial statements make.
- The accounting policies that relate to immaterial transactions are considered immaterial and need not be disclosed. Accounting policies, however, may be significant because of the nature of the related transactions even if the amounts are immaterial. However, not all accounting policy information relating to material transactions and events is itself material.
- Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements.
- Information as to how an entity has applied an accounting policy is more useful to users of financial statements than standardized information or a summary of the provisions of IFRSs.
- In case the entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

Furthermore, it added instructions and examples in the second Practice Statement to assist with the application of the concept of materiality to making judgments in disclosures of accounting policies.

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

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment) – “Definition of Accounting Estimates”

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

- defining accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty.
- clarifying that accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty. In this case the entity develops an accounting estimate. Development an accounting estimate requires the use of judgments and assumptions.
- When developing accounting estimates, an entity uses measurement techniques and inputs.

- An entity may be required to change its accounting estimates. This fact is neither related per se to previous financial years nor is the correction of an error. Changes in an input or a measurement technique are changes in accounting estimates unless resulting from the correction of errors.

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

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

The following amendments are not expected to have significant effect on the Company's and the Group's financial statements unless otherwise indicated.

IAS 1 Presentation of Financial Statements (Amendment) - "Classification of liabilities as short-term or long-term"

On January 23, 2020, the International Accounting Standards Board issued an amendment to IAS 1, with regard to the classification of liabilities as short-term or long-term. The amendment affects only the presentation of the liabilities in the statement of financial position. The amendment clarifies that the classification of the liabilities must be based on rights existing at the end of the reference period. Furthermore, the amendment clarified that the Management's expectation for events expected to occur after the balance sheet date must not be taken into account and clarified the cases where they constitute settlement of the liability. On July 15, 2020 the International Accounting Standards Board extended the date of mandatory application of the standard by one year, taking into account the impact caused by the pandemic.

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

IAS 12 Income Taxes (amendment) – “Deferred tax related to assets and liabilities arising from a single transaction”

On May 7, 2021 the International Accounting Standards Board issued an amendment to IAS 12, wherein it limited the scope of the initial recognition exemption according to which the entities in certain cases were exempted from the obligation to recognize deferred tax at the initial recognition of assets or liabilities. The amendment clarifies that said exemption does not apply anymore to transactions that at the initial recognition give rise to equal taxable and deductible temporary differences, such as lease liabilities for tenants and restoration liabilities.

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

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

On December 9, 2021, the International Accounting Standards Board issued a narrow-scope amendment to the transition requirements in IFRS 17, in order to avoid accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time and therefore improve the usefulness of comparative information on financial assets in a manner that is more consistent with IFRS 9.

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

3. Accounting Estimates and Judgments made by Management

The preparation of the interim financial statements in accordance with the International Accounting Standards requires making estimates, judgments and assumptions, which may affect the accounting balances of assets and liabilities and the required disclosures for any receivables and liabilities as well as the number of receivables and liabilities recognized.

During the preparation of these interim condensed financial statements, the material accounting judgments and estimates adopted by the Management for the implementation of the Group's accounting policies, as well as the main sources of uncertainty estimates, remained the same as those applied to the annual financial statements of 31 December 2021.

4. Financial Risk Management

The activities conducted by the Group and the Company generate various financial risks such as credit risk, liquidity risk and market risk. The Group's and Company's strategy and policy is to prevent and minimize the adverse impact that said risk may potentially cause.

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 includes foreign exchange risk, due to changes in foreign exchange rates, the risk of fluctuation of the value of financial instruments due to changes in the market's interest rates and price risk, i.e. 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.

The rapid spread of the coronavirus (COVID-19), found the international financial system and enterprises largely unprepared. The economy enters a period of uncertainty and instability, the consequences of which are difficult to assess based on the currently available data. The financial effects will depend on the duration, intensity and spread rate of the disease in Greece and globally. The exposure of the Group to a relevant market risk will depend on the duration and extent of the financial instability.

Although the company is exposed to this risk, arising mostly from commercial transactions in foreign currencies, the management does not use financial tools to reduce said risk because it does not consider that the transactions are 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.

The Group monitors the developments concerning the energy crisis, in order to adapt to the special circumstances that emerge. The cost of energy for the operation of the Group's facilities is affected by the great increases observed internationally, however it constitutes a very small part of the operating costs. With regard to the developments in Ukraine, the Group declares that it does not have parent, subsidiary or affiliated companies with registered offices in Russia or Ukraine, nor significant transactions with related parties in Russia or Ukraine. Furthermore, the Group declares that it does not have major customers or vendors or subcontractors or partners in Russia or Ukraine and does not have accounts in or loans from Russian or Ukrainian financial institutions.

- i. **Foreign exchange Risk**

Almost all transactions of the Group and the Company are made in euro, therefore there is no exposure to foreign exchange risk. The foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and the net worth of the investments in enterprises operating in foreign countries.

The Group, per standard policy, does not pre-purchase foreign currencies and does not enter into currency futures and currency hedging contracts with external counterparties.

The Group has holdings in subsidiaries operating in foreign countries whose net worth is exposed to foreign exchange risk during the conversion of their financial statements for consolidation purposes. Furthermore, the Group's activities outside Greece do not include significant commercial transactions and therefore there is no significant 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. Furthermore, the Group uses its high cash reserves as a tool to guarantee short-term loans with the benefit of further reducing the variable interest rate.

• **Credit Risk**

Credit risk is the possibility that a contracting party to a financial instrument breaches their contractual obligations causing financial loss to the counterparty. The Group and the Company are not significantly exposed to credit risk because on the one hand, sales within the Group's reseller network are made to reliable customers with a positively evaluated credit history and on the other hand, sales to customers are primarily made in cash.

The Group and the Company's transactions with customers are developed after an assessment of their solvency and reliability, 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 30/06/2022 is presented below:

	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Customers and other trade receivables	26,739,901.57	26,068,108.53	8,046,605.78	8,033,171.60
Relevant provisions	(6,865,929.76)	(7,123,491.60)	(1,018,582.20)	(1,264,964.68)
	19,873,971.81	18,944,616.93	7,028,023.58	6,768,206.92

At the closing of the Balance Sheet as at 30/06/2022 the Management deems that there is no credit risk not covered by the provision for doubtful debts.

- **Liquidity Risk**

Liquidity risk is due to potential difficulties in obtaining capital to cover liabilities concerning 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. In addition, it has high limits on unused bank financing. The ratio of current assets to short-term liabilities for the Group on 30/06/2022 was set at 145.96% compared to 164.30% on 31/12/2021 and respectively for the Company on 30/06/2022 it was 126.87% compared to 163.78% on 31/12/2021.

The following table presents the maturity analysis of the financial obligations of the Group and the Company:

GROUP				
(amounts in €)				
30.06.2022				
	up to 1 year	From 2 to 5 years	Over 5 years	Total
Loans	10,630,561.62	7,425,736.48	-	18,056,298.10
Lease liabilities	709,406.22	1,994,461.94	996,751.99	3,700,620.15
Suppliers and Other Liabilities	21,531,700.91	141,862.12	-	21,673,563.03
	32,871,668.75	9,562,060.54	996,751.99	43,430,481.28
31.12.2021				
	up to 1 year	From 2 to 5 years	Over 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
Suppliers and Other Liabilities	20,193,603.76	141,675.62	-	20,335,279.38
	27,598,656.63	10,490,850.11	124,357.75	38,213,864.49

The leverage ratio, as of 30/06/2022 and 31/12/2021 respectively, was as follows:

<i>(amounts in €)</i>	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Total debt liabilities (Note 15)	18,056,298.10	15,707,850.43	8,529,409.41	7,387,632.50
Lease liabilities (Note 16)	3,700,620.15	2,170,734.68	932,047.66	1,045,508.03
Minus :				
Cash and cash equivalents (Note 13)	23,856,933.92	23,354,155.02	10,124,082.28	12,367,725.81
Net debt amount	(2,100,015.67)	(5,475,569.91)	(662,625.21)	(3,934,585.28)
Total Equity	49,674,159.52	41,454,664.98	41,693,409.03	37,336,092.75
Total employed capital	47,574,143.85	35,979,095.07	41,030,783.82	33,401,507.47
Leverage ratio	(4.41%)	(15.22%)	(1.61%)	(11.78%)

5. Group Structure

The Group's structure as of 30th June 2022 was as follows:

Registered Name	Registered Offices Address	Purpose	Share/Corporate Capital	Establishment/Consolidation Date	Participation Share (%)	Consolidation Method
EPSILON HOSPITALITY S.A.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT Services for Hotels and Tourist Enterprises	60,000 shares of 1.00 € each	05.01.2009 (establishment)	99.98%	Full Consolidation
EPSILON EUROPE PLC	2 Agias Fylaxeos & Zinonos 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 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)	100.00% (indirect participation)	Full Consolidation
EPSILON HR S.A.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Software Production and Trade	25,000 shares of 1.00 € each	22.02.2016 (establishment)	65.00%	Full Consolidation
EPSILON SUPPORT CENTER S.A.	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 50.00 PLN (€) each	21.07.2020 (acquisition)	51.00%	Full Consolidation
DATA COMMUNICATION S.A.	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 S.A.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT Services	10,025,000 shares 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 units of 100.00 € each	07.06.2021 (acquisition)	60.00%	Full Consolidation
SYSTEM SOFT S.A.	300 Mesogeion Ave. - 155 62 - Cholargos	IT and Business Administration Services	23,182 shares of 2,59 € each	01.03.2021 (absorption completed on 14.07.2021)	100.00% (indirect participation)	Full Consolidation
IQOM S.A.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of IT and Retail Services	25,000 shares of 1.00 € each	10.09.2021 (acquisition)	80.00% (indirect participation)	Full Consolidation
PROFESSIONAL COMPUTER SERVICES S.A.	304-306 Mesogeion Ave. & 1 L.Dedousi St. - 155 62 - Cholargos	Provision of FinTech Services	100,000 shares of 3.00 € each	10.11.2021 (acquisition)	88.00%	Full Consolidation
EPSILON CSA S.A.	29 Al. Panagoulis - 153 43 - Ag. Paraskevi	Provision of Pharmacy IT Services	7,000 shares of 10.00 € each	11.01.2022 (acquisition)	100.00%	Full Consolidation
DIGITAL 4U S.A.	125-127 Kifisias Ave.- 115 24 - Ampelokipoi	Internet Marketing	245,000 shares of 1.00 € each	12.04.2022 (acquisition)	60.00%	Full Consolidation
EPSILON SUPPORT CENTER ATHENS S.A.	196 Mesogeion Ave. - 155 61 - Cholargos	Provision of IT Services	7,000 shares of 10.00 € each	28.04.2022 (establishment)	60.00%	Full Consolidation
EPSILON SINGULARLOGIC CYPRUS LTD	70 Kyrillou Loukairoos - KAKOS TWR 2FL - 4156 - Kato Polemidia	Provision of IT Services	50,000 shares of 1.00 € each	09.05.2022 (establishment)	100.00%	Full Consolidation
TAXHEAVEN S.A.	64 Apostolopoulou - 152 31 - Chalandri - Attica	Online Information Services	900 shares of 30.00 € each	02.06.2022 (acquisition)	60.00%	Full Consolidation
HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.	350 Syggrou Ave., 176 74 Kallithea	Provision of IT Services	86,020 shares of 2.93 € each	20.12.2019 (acquisition)	34.00%	Equity
SINGULARLOGIC S.A.	3 Achaia & Troizinias - 145 64 - Kifisia - Attica	Provision of IT Services	9,000,000 shares of 1.00 € each	11.01.2021 (acquisition)	39.93%	Equity
INFOSUPPORT S.A.	8 Doiranis - 113 62 - Kipseli - Attica	Trading of Computer Systems	23,196 shares of 30.00 € each	01.03.2021 (absorption completed on 14.07.2021)	34.00% (indirect participation)	Equity
SANTORINI DREAMS P.C.	125-127 Kifisias Ave. - 115 24 - Ampelokipoi	Tourist Agency	1,300 shares of 100.00 € each	12.04.2022 (acquisition)	40.00% (indirect participation)	Equity

6. Tangible Fixed Assets

GROUP

Amounts in €	Land plots – Buildable plots	Buildings	Buildings – Technical Works in Third Party Properties	Building Use Rights – Technical Works in Third Party Properties	Machinery	Vehicles	Vehicle Use Rights	Furniture and other equipment	Total
Acquisition Cost									
January 1, 2022	-	-	4,710,931.00	3,029,249.85	923.96	397,593.57	931,261.94	5,157,189.23	14,227,149.55
Addition due to acquisition of subsidiaries	450,000.00	797,554.30	3,765.23	299,908.74	11,595.96	29,049.40	39,967.84	484,539.34	2,116,380.81
Additions period 01.01 - 30.06.2022	513,675.00	1,872,306.54	-	1,350,715.29	30.56	95,195.55	155,504.73	205,959.19	4,193,386.86
Reductions period 01.01 - 30.06.2022	-	-	-	-	-	-	(11,970.28)	-	(11,970.28)
June 30, 2022	963,675.00	2,669,860.84	4,714,696.23	4,679,873.88	12,550.48	521,838.52	1,114,764.23	5,847,687.76	20,524,946.94
Accumulated depreciations									
January 1, 2022	-	-	3,308,009.64	1,130,768.95	923.67	243,607.60	618,621.56	4,255,034.82	9,556,966.24
Addition due to acquisition of subsidiaries	-	247,554.30	3,303.31	75,169.17	9,382.20	22,126.24	6,841.01	383,940.79	748,317.02
Depreciations Period 01.01 - 30.06.2022	-	6,222.37	137,207.45	286,288.62	207.50	23,760.08	75,206.88	139,834.94	668,727.84
Depreciation reductions period 01.01 - 30.06.2022	-	-	-	-	-	-	(7,056.44)	-	(7,056.44)
June 30, 2022	-	253,776.67	3,448,520.40	1,492,226.74	10,513.37	289,493.92	693,613.01	4,778,810.55	10,966,954.66
ACCOUNTING BALANCE as of June 30, 2022	963,675.00	2,416,084.17	1,266,175.83	3,187,647.14	2,037.11	232,344.60	421,151.22	1,068,877.21	9,557,992.28
Acquisition Cost									
January 1, 2021	-	-	4,627,455.98	2,809,504.06	923.96	294,858.35	536,595.13	3,633,719.15	11,903,056.63
Incorporation of new 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)
December 31, 2021	-	-	4,710,931.00	3,029,249.85	923.96	397,593.57	931,261.94	5,157,189.23	14,227,149.55
Accumulated depreciations									
January 1, 2021	-	-	2,981,484.34	616,745.34	923.67	269,899.48	218,890.85	3,152,529.92	7,240,473.60
Incorporation of new subsidiaries	-	-	102,234.63	171,001.15	-	4,880.78	240,897.68	843,315.90	1,362,330.14
Depreciations 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 reductions period 01.01 - 31.12.2021	-	-	-	-	-	(59,440.32)	-	(56,742.11)	(116,182.43)
December 31, 2021	-	-	3,308,009.64	1,130,768.95	923.67	243,607.60	618,621.56	4,255,034.82	9,556,966.24
ACCOUNTING BALANCE as of December 31, 2021	-	-	1,402,921.36	1,898,480.90	0.29	153,985.97	312,640.38	902,154.41	4,670,183.31

COMPANY

	Land plots – Buildable plots	Buildings	Buildings – Technical Works in Third Party Properties	Building Use Rights – Technical Works in Third Party Properties	Vehicles	Vehicle Use Rights	Furniture and other equipment	Total
Amounts in €								
<u>Acquisition Cost</u>								
January 1, 2022	-	-	1,639,997.26	865,884.28	238,061.93	302,112.45	2,379,663.65	5,425,719.57
Additions period 01.01 - 30.06.2022	513,675.00	1,870,608.66	-	10,727.09	95,195.55	29,492.40	86,191.22	2,605,889.92
Reductions period 01.01 - 30.06.2022	-	-	-	(2,243.91)	-	-	-	(2,243.91)
June 30, 2022	513,675.00	1,870,608.66	1,639,997.26	874,367.46	333,257.48	331,604.85	2,465,854.87	8,029,365.58
<u>Accumulated depreciations</u>								
January 1, 2022	-	-	1,450,870.95	455,287.94	173,215.79	179,720.17	2,018,089.68	4,277,184.53
Depreciations 01.01 - 30.06.2022	-	-	41,821.02	81,341.29	12,352.37	23,148.91	51,837.14	210,500.73
Depreciation reductions period 01.01 - 30.06.2022	-	-	-	-	-	-	-	-
June 30, 2022	-	-	1,492,691.97	536,629.23	185,568.16	202,869.08	2,069,926.82	4,487,685.26
ACCOUNTING BALANCE as of JUNE 30, 2022	513,675.00	1,870,608.66	147,305.29	337,738.23	147,689.32	128,735.77	395,928.05	3,541,680.32

<u>Acquisition cost</u>								
January 1, 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
Pylon branch split-off	-	-	(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)
December 31, 2021	-	-	1,639,997.26	865,884.28	238,061.93	302,112.45	2,379,663.65	5,425,719.57
<u>Accumulated depreciations</u>								
January 1, 2021	-	-	1,478,636.25	300,240.64	159,769.04	130,087.49	2,117,457.69	4,186,191.11
Depreciations 01.01 - 31.12.2021	-	-	91,530.07	155,047.30	13,447.99	49,632.68	87,665.68	397,323.72
Pylon branch split-off	-	-	(119,295.37)	-	-	-	(182,103.81)	(301,399.18)
Depreciation reductions period 01.01 - 31.12.2021	-	-	-	-	(1.24)	-	(4,929.88)	(4,931.12)
December 31, 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 of DECEMBER 31, 2021	-	-	189,126.31	410,596.34	64,846.14	122,392.28	361,573.97	1,148,535.04

The parent Company Epsilon Net S.A. purchased an independent building complex for the amount of €2.4 million, located in the Eastern Thessaloniki area, destined to be used as its headquarters. The newly acquired EPSILON CSA S.A. is the only subsidiary owning a property, located in Agia Paraskevi, Attica Prefecture.

7. Intangible Assets

GROUP

Amounts in €	Software development - completed	Trademarks	Software –Purchase from third parties	Software development- incomplete	Brand	Other Intangible Assets	Total
<i>Acquisition Cost</i>							
January 1, 2022	60,294,549.17	57,664.70	2,690,151.81	651,098.69	2,703,551.35	-	66,397,015.72
Addition due to acquisition of subsidiaries	374,436.02	-	407,398.25	-	-	85,117.08	866,951.35
Additions period 01.01 - 30.06.2022	-	310.00	73,075.51	1,655,928.22	-	-	1,729,313.73
Transfers Period 01.01 - 30.06.2022	651,098.69	-	-	(651,098.69)	-	-	-
June 30, 2022	61,320,083.88	57,974.70	3,170,625.57	1,655,928.22	2,703,551.35	85,117.08	68,993,280.80
<i>Accumulated depreciations</i>							
January 1, 2022	48,870,809.25	49,829.77	2,607,722.08	-	-	-	51,528,361.10
Depreciations due to acquisition of subsidiaries	-	-	349,681.11	-	-	78,895.64	428,576.75
Depreciations Period 01.01 - 30.06.2022	1,059,084.48	788.39	28,697.92	-	-	2,240.91	1,090,811.70
Depreciation reductions period 01.01 - 30.06.2022	(60,638.88)	-	-	-	-	-	(60,638.88)
June 30, 2022	49,869,254.85	50,618.16	2,986,101.11	-	-	81,136.55	52,987,110.67
ACCOUNTING BALANCE as of JUNE 30, 2022	11,450,829.03	7,356.54	184,524.46	1,655,928.22	2,703,551.35	3,980.53	16,006,170.13
<i>Acquisition cost</i>							
January 1, 2021	29,583,912.12	57,554.70	1,956,593.07	-	-	-	31,598,059.89
Incorporation of new subsidiaries	30,318,987.56	-	704,493.35	-	2,703,551.35	-	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)	-	-	-
December 31, 2021	60,294,549.17	57,664.70	2,690,151.81	651,098.69	2,703,551.35	-	66,397,015.72
<i>Accumulated depreciations</i>							
January 1, 2021	23,436,652.05	48,266.22	1,884,705.17	-	-	-	25,369,623.44
Incorporation of new subsidiaries	23,806,044.03	-	671,076.54	-	-	-	24,477,120.57
Depreciations period 01.01 - 31.12.2021	1,628,113.17	1,563.55	54,707.08	-	-	-	1,684,383.80
Depreciation reductions period 01.01 - 31.12.2021	-	-	(2,766.71)	-	-	-	(2,766.71)
December 31, 2021	48,870,809.25	49,829.77	2,607,722.08	-	-	-	51,528,361.10
ACCOUNTING BALANCE as of DECEMBER 31, 2021	11,423,739.92	7,834.93	82,429.73	651,098.69	2,703,551.35	-	14,868,654.62

COMPANY

	Software development - completed	Trademarks	Software –Purchase from third parties	Software development- incomplete	Total
Amounts in €					
<u>Acquisition Cost</u>					
January 1, 2022	25,289,741.25	55,144.70	1,066,434.34	-	26,411,320.29
Additions period 01.01 - 30.06.2022	-	310.00	240,000.00	615,638.46	855,948.46
Reductions period 01.01 - 30.06.2022	-	-	-	-	-
June 30, 2022	25,289,741.25	55,454.70	1,306,434.34	615,638.46	27,267,268.75
<u>Accumulated depreciations</u>					
January 1, 2022	22,662,244.60	48,380.77	1,037,389.58	-	23,748,014.95
Depreciations period 01.01 - 30.06.2022	416,676.57	714.87	11,470.97	-	428,862.41
Depreciations reductions period 01.01 - 30.06.2022	-	-	-	-	-
June 30, 2022	23,078,921.17	49,095.64	1,048,860.55	-	24,176,877.36
ACCOUNTING BALANCE as of JUNE 30, 2022	2,210,820.08	6,359.06	257,573.79	615,638.46	3,090,391.39

<u>Accumulated depreciations</u>					
January 1, 2021	27,564,911.98	55,034.70	1,040,681.57	-	28,660,628.25
Additions 01.01 - 31.12.2021	-	110.00	25,752.77	-	25,862.77
Pylon branch split-off	(2,275,170.73)	-	-	-	(2,275,170.73)
December 31, 2021	25,289,741.25	55,144.70	1,066,434.34	-	26,411,320.29

<u>Accumulated depreciations</u>					
January 1, 2021	23,346,527.66	46,964.22	1,032,589.28	-	24,426,081.16
Depreciations period 01.01 - 31.12.2021	531,935.54	1,416.55	4,800.30	-	538,152.39
Pylon branch split-off	(1,216,218.60)	-	-	-	(1,216,218.60)
December 31, 2021	22,662,244.60	48,380.77	1,037,389.58	-	23,748,014.95
ACCOUNTING BALANCE as of DECEMBER 31, 2021	2,627,496.65	6,763.93	29,044.76	-	2,663,305.34

8. Goodwill

The balance of the “Goodwill” account regards the difference between the total price of the acquisition and the fair value (at the acquisition date) of the enterprises acquired by the Company, within fiscal year 2021 and H1 2022. The resulting goodwill per acquired enterprise, is as follows:

Amounts in €	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
HOTELIGA INTERNATIONAL Sp. Z. O. O.	79,274.94	79,274.94	-	-
DATA COMMUNICATION S.A.	4,033,458.34	4,033,458.34	-	-
SINGULARLOGIC S.A. - Acquisition of Branch	1,231,573.72	1,231,573.72	-	-
SYSTEM SOFT S.A.	217,246.41	217,246.41	-	-
TECHNOLIFE LTD	269,790.95	269,790.95	-	-
IQOM S.A.	1,494,338.06	1,494,338.06	-	-
PCS S.A.	929,820.27	929,820.27	-	-
EPSILON CSA S.A	1,694,864.59	-	-	-
DIGITAL 4U S.A	820,202.78	-	-	-
TAXHEAVEN S.A	711,887.56	-	-	-
	11,482,457.62	8,255,502.69	-	-

On January 10, 2022 the Company acquired for the price of S.A. € 2,727,344.60 100% of the issued share capital of EPSILON CSA S.A. (formerly “MATSOUKAS SOTIRIS A.E. PLIROFORIKI”), with registered offices in Greece, which is active in the development of specialized IT solutions and automation systems for pharmacies and businesses operating in the field of wholesale trade and distribution of pharmaceuticals in Greece.

On April 12, 2022, the Company acquired for the price of € 500,000.00 51% of the issued share capital of DIGITAL4U, with registered offices in Greece, operating in the e-commerce and Digital Marketing sectors. Thereafter, the General Meeting of April 14, 2022 decided the increase of the company’s share capital, after the completion of which the share of Epsilon Net S.A. amounted to 60% of the issued share capital of DIGITAL4U, following payment of the additional sum of €450,000.00.

On June 2, 2022, the Company acquired for the price of € 1,176,000.00 60% of the issued share capital of TAXHEAVEN S.A., with registered offices in Greece, which is active in the provision of integrated information products and services, training, on line database systems and related IT applications for business and accounting firms.

The goodwill of the acquisition of the aforementioned enterprises was calculated on the basis of the fair value of the net assets of the acquired companies, as of the acquisition date thereof. Due to the recent dates of the acquisitions and the absence of negative indications, an audit of the depreciation of the resulting goodwill was not conducted as of the reference date.

The acquisition date, the acquisition share, the fair value of the assets, the acquisition price and the resulting goodwill are as follows:

30th June 2022

Amounts in Euro €	Date of calculation of goodwill	% Acquisition rate	Fair value of assets	Acquisition price	GROUP	COMPANY
					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 S.A. - 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	-
EPSILON CSA S.A.	11/1/2022	100%	1,032,480.01	2,727,344.60	1,694,864.59	-
DIGITAL 4U S.A.	12/4/2022	60%	129,797.22	950,000.00	820,202.78	-
TAXHEAVEN S.A.	2/6/2022	60%	464,112.44	1,176,000.00	711,887.56	-
			12,896,428.65	24,378,886.27	11,482,457.62	-

	EPSILON CSA S.A.		DIGITAL 4U S.A.		TAXHEAVEN S.A.	
Acquisition price of acquired companies		2,727,344.60		950,000.00		1,176,000.00
Less:						
Net position of acquired companies:						
Assets						
Tangible and intangible assets	1,416,694.71		173,393.79		216,349.89	
Holdings in subsidiaries	-		-		-	
Other long-term receivables	5,817.77		21,849.59		3,410.00	
Reserves	103,390.11		-		-	
Customers and other Liabilities	537,474.61		764,845.43		195,715.72	
Cash available	297,039.99	2,360,417.19	286,136.05	1,246,224.86	1,049,381.11	1,464,856.72
Less: Liabilities						
Long term loans	205,983.94		44,920.39		-	
Long Term Settlements	-		-		-	
Provisions of employees benefits	60,894.89		30,000.00		-	
Other Long Term Receivables	101,841.06		93,549.22		111,594.89	
Short-terms loans	181,997.06		-		-	
Taxes and insurance organizations	218,606.58		722,365.56		80,722.66	
Suppliers - Other liabilities	558,613.65	1,327,937.18	139,060.99	1,029,896.16	499,018.43	691,335.98
Net asset value		1,032,480.01		216,328.70		773,520.74
Percentage (%) acquired		100%		60%		60%
Net assets acquired		1,032,480.01		129,797.22		464,112.44
Goodwill		1,694,864.59		820,202.78		711,887.56
Cash outflow / (inflow) of acquisition:						
Acquisition price in cash		2,727,344.60		950,000.00		1,176,000.00
Cash and cash equivalents of acquired company		297,039.99		286,136.05		1,049,381.11
Net cash (inflow) / outflow of acquisition:		2,430,304.61		663,863.95		126,618.89

The financial statements of the aforementioned companies were incorporated in the Group's consolidated financial statements, with the full consolidation method, for the first time in June 30, 2022.

9. Investments in Subsidiaries

The Company investigates on an annual basis the presence of indications of depreciation of holdings and conducts a depreciation audit for the holdings that present indications.

The Company's investments in the group's subsidiaries are presented in the table below:

Amounts in €	EPSILON HOSPITALITY S.A.	EPSILON HR S.A.	EPSILON SUPPORT CENTER S.A.	DATA COMMUNICATION S.A.	HOTELIGA INTERNATIONAL SP ZOO	EPSILON SINGULARLOGIC S.A.	TECHNOLIFE LTD	PCS S.A.	EPSILON C.S.A. S.A.	DIGITAL 4U S.A.	EPSILON SUPPORT CENTER ATHENS S.A.	TAXHEAVEN S.A.	EPSILON SINGULARLOGIC CYPRUS LTD	EPSILON EUROPE PLC	TOTAL
January 1, 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 of DECEMBER 31, 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
January 1, 2022	33,630.00	18,182.00	102,000.00	6,849,975.00	150,000.00	12,506,777.86	425,000.00	2,187,988.00	-	-	-	-	-	2,898,211.02	25,171,763.88
Additions period 01.01 - 31.12.2022	-	-	-	-	-	-	-	-	2,727,344.60	950,000.00	42,000.00	1,176,000.00	50,000.00	-	4,945,344.60
Reductions period 01.01 - 31.12.2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACCOUNTING BALANCE as of JUNE 30, 2022	33,630.00	18,182.00	102,000.00	6,849,975.00	150,000.00	12,506,777.86	425,000.00	2,187,988.00	2,727,344.60	950,000.00	42,000.00	1,176,000.00	50,000.00	2,898,211.02	30,117,108.48

On January 10, 2022 the Company acquired for the price of € 2,727,344.60 100% of the issued share capital of EPSILON CSA S.A. (formerly "MATSOUKAS SOTIRIS A.E. PLIROFORIKI"), with registered offices in Greece, which is active in the development of specialized IT solutions and automation systems for pharmacies and businesses operating in the field of wholesale trade and distribution of pharmaceuticals in Greece.

On April 12, 2022, the Company acquired for the price of € 500,000.00 51% of the issued share capital of DIGITAL4U, with registered offices in Greece, operating in the e-commerce and Digital Marketing sectors. Thereafter, the General Meeting of April 14, 2022 decided the increase of the company's share capital, after the completion of which the share of Epsilon Net S.A. amounted to 60% of the issued share capital of DIGITAL4U, following payment of the additional sum of €450,000.00.

On April 28, 2022, EPSILON SUPPORT CENTER ATHENS S.A. was founded based in Athens after the significant success of the 1st Epsilon Support Center in Thessaloniki. The parent company EPSILON NET S.A. participates in the new company with a percentage of 60%, paying the amount of 42,000,00. The "Epsilon Support Centers" aim, in direct cooperation with the service departments of the Epsilon Net Group companies, to exclusively serve the partners - members of the Group's network, providing B2B specialized services,

strengthening their support at all levels and simultaneously offering solutions related to project analysis and implementation, after sales support, programming solutions to the Group's technological solutions.

On May 9, 2022, the new subsidiary of the EPSILON SINGULARLOGIC CYPRUS LTD group was established, based in Limassol, Cyprus, with the aim, in direct cooperation with all the companies of the Epsilon Net Group, to promote and support both the existing installed applications of the group in the Cyprus market and promoting new software applications aimed at this market. The parent company EPSILON NET S.A. participates in the new company with a percentage of 100% in its share capital which amounts to 50,000.00.

On June 2, 2022, the Company acquired for the price of € 1,176,000.00 60% of the issued share capital of TAXHEAVEN S.A., with registered offices in Greece, which is active in the provision of integrated information products and services, training, on line database systems and related IT applications for business and accounting firms.

10. Investments in Affiliated Companies

The investments of the Company and the Group in Affiliated Companies are presented in the table below:

GROUP	HIT HOSPITALITY S.A.	SINGULARLOGIC S.A.	INFOSUPPORT S.A.	SANTORINI DREAMS P.C.	TOTAL
Amounts in €					
January 1, 2021	1,039,451.47	-	-	-	1,039,451.47
Additions 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
Participation in the other comprehensive income of affiliated companies	54,293.74	(490,160.85)	-	-	(435,867.11)
Reductions period 01.01 - 31.12.2021	(39,649.07)	(5,405,639.12)	-	-	(5,445,288.19)
ACCOUNTING BALANCE as of DECEMBER 31, 2021	1,168,734.10	3,667,023.95	0.01	-	4,835,758.06
January 1, 2022	1,168,734.10	3,667,023.95	0.01	-	4,835,758.06
Additions period 01.01 - 30.06.2022	-	-	-	52,000.00	52,000.00
Participation in the other comprehensive income of affiliated companies	198,014.04	(155,796.62)	-	(4,400.00)	37,817.42
Reductions period 01.01 - 30.06.2022	-	-	-	(40,000.00)	(40,000.00)
ACCOUNTING BALANCE as of JUNE 30, 2022	1,366,748.14	3,511,227.33	0.01	7,600.00	4,885,575.48

COMPANY

Amounts in €	HIT HOSPITALITY S.A.	SINGULARLOGIC S.A.	INFOSUPPORT S.A.	SUPERVISOR S.A.	TOTAL
January 1, 2022	1,000,000.00	-	-	-	1,000,000.00
Additions period 01.01 - 31.12.2021	-	9,025,000.00	-	-	9,025,000.00
Participation in the results of affiliated companies	-	-	-	-	-
Participation in the other comprehensive income of affiliated companies	-	-	-	-	-
Reductions period 01.01 - 31.12.2021	-	(5,405,639.12)	-	-	(5,405,639.12)
ACCOUNTING BALANCE as of DECEMBER 31, 2021	1,000,000.00	3,619,360.88	-	-	4,619,360.88
January 1, 2022	1,000,000.00	3,619,360.88	-	-	4,619,360.88
Additions period 01.01 - 30.06.2022	-	-	-	-	-
Participation in the other comprehensive income of affiliated companies	-	-	-	-	-
Reductions period 01.01 - 30.06.2022	-	-	-	-	-
ACCOUNTING BALANCE as of JUNE 30, 2022	1,000,000.00	3,619,360.88	-	-	4,619,360.88

Pursuant to the Private Agreement for the transfer of shares dated 20.12.2019, between the major shareholder of “HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.” (HIT EXELIXIS INTEGRATED HOTEL - TOURIST APPLICATIONS AND INTERNET CONTENT SA) 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.”.

On January 2021, the parent company acquired SINGULAR LOGIC – in a spirit of creative collaboration with SPACE HELLAS S.A. – each acquiring a 49.835% share. Furthermore, and following the split-off of the self-produced software for commercial applications for businesses and Enterprise Resource Planning (ERP) systems of the company with the registered name “SINGULARLOGIC SA” and the trade name “SINGULARLOGIC S.A.” by transfer to the subsidiary of EPSILON NET S.A. “Epsilon SingularLogic S.A.” and the trade name “Epsilon SingularLogic S.A.”, against the acquisition of a share in the Beneficiary company by the Shareholders of the De-Merged Company and the transfer of shares by the parent company amounting to 10.03% of the total share capital of SINGULARLOGIC S.A. to SPACE HELLAS S.A., in the context of implementation of the strategic plan for SingularLogic S.A. announced on 01.03.2021, the parent company’s share in SINGULARLOGIC S.A. amounted to 39.934% of the total share capital.

Furthermore, the items of the self- produced software for commercial applications for businesses and Enterprise Resource Planning (ERP) systems branch of the company with the registered name “SingularLogic S.A.” and the trade name “SINGULARLOGIC S.A.” included, in the Annual Financial Statements for the Period from January 1, 2021 to December 31, 2021, the 34% participation of “SINGULARLOGIC S.A” in the company INFOSUPPORT S.A., which due to the demerger was transferred/contributed to the subsidiary of EPSILON NET S.A., public limited company with the registered name “Epsilon SingularLogic S.A.” and the trade name “Epsilon SingularLogic S.A.”.

Finally, the new subsidiary company DIGITAL 4U S.A., has a participation of 34% to the company SANTORINI DREAMS P.C. which is active on the tourism industry.

The companies, consolidated with the equity method, are listed below:

HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A. ➤ Registered offices –350 Syggrou Ave., 176 74, Athens, Attica

INFOSUPPORT S.A. ➤ Registered offices –8 Doiranis St., 113 62, Kipseli, Attica

➤ Branch –64 Evoias St., T.K. 113 62, Kipseli, Attica

➤ Branch –41 Marinou Antypa St., 555 35, Thermi, Thessaloniki

SINGULARLOGIC S.A. ➤ Registered offices –3 Achaias & Troizinias St., 145 64, Kifisia, Attica

➤ Branch – 9th km Thermi -Thessaloniki Rd. – 570 01, Thermi, Thessaloniki

SANTORINI DREAMS P.C. ➤ Registered office – 125-127 Leof. Kifisias St., 115 24, Athens, Attica

11. Deferred Tax and Income Tax

The tax expenses are calculated as follows:

Amounts in €	GROUP		COMPANY	
	1.1 - 30.6.2022	1.1 - 30.6.2021	1.1 - 30.6.2022	1.1 - 30.6.2021
<i>The Income Tax amounts for the Period are as follows:</i>				
Deferred Tax Expense / (Income)	60,435.93	(12,790.29)	(679.03)	131,881.65
Current tax	1,010,951.79	688,078.22	789,665.68	511,827.45
Total Tax Expense / (Income)	1,071,387.72	675,287.93	788,986.65	643,709.10

The deferred tax receivables and liabilities are presented offset in the Statement of Financial Position dated June 30, 2022.

The provisions of Law 4799/2021 – (Gov. Gaz. A' 78/18.05.2021) amended article 58 of the Income Tax Code (Law 4172/2013). The new provisions set a 22% fixed tax rate for profits from business activities acquired by legal persons and entities, starting with the deduction for the income of fiscal year 2021. Therefore, the calculation of the deferred taxes used the new tax rate.

12. Customers and Other Trade Receivables

Amounts in €	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Customers	19,516,989.20	19,529,356.69	5,199,577.13	4,721,630.41
Note receivable	262,380.58	275,525.75	229,277.58	236,583.76
Checks receivable	6,960,531.79	6,263,226.09	2,617,751.07	3,074,957.43
	26,739,901.57	26,068,108.53	8,046,605.78	8,033,171.60
Minus: Depreciation Provisions	(6,865,929.76)	(7,123,491.60)	(1,018,582.20)	(1,264,964.68)
Total	19,873,971.81	18,944,616.93	7,028,023.58	6,768,206.92

The movement of the depreciation provisions for doubtful debt of the Group and the Company, for the periods that ended on June 30, 2022 and December 31, 2021, are broken down as follows:

Amounts in €	ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Balance at the start of the fiscal year	7,123,491.60	1,339,929.42	1,264,964.68	1,101,651.12
Provisions from incorporation of new subsidiaries	120,266.09	3,850,967.77	-	-
Fiscal period provisions	170,077.83	1,932,594.41	-	163,313.56
Provision reversal	(547,905.76)	-	(246,382.48)	-
Balance at the end of fiscal year	6,865,929.76	7,123,491.60	1,018,582.20	1,264,964.68

The maturity of receivables originating from commercial activities is presented below:

GROUP

30.06.2022

	Balance	Updated not	Overdue from	Overdue from	Overdue from	Overdue over
	30.06.2022	impaired	1 to 90 days	91 to 120 days	121 to 360 days	360 days
		Receivables				
Customers receivable	13,236,478.75	9,789,233.75	2,639,733.46	533,801.15	273,710.39	-
Cheques receivable	6,606,225.53	6,569,725.53	36,500.00	-	-	-
Notes receivable	31,267.53	6,000.00	-	-	25,267.53	-
Total	19,873,971.81	16,364,959.28	2,676,233.46	533,801.15	298,977.92	-

31.12.2021

	Balance	Updated not	Overdue from	Overdue from	Overdue from	Overdue over
	31.12.2021	impaired	1 to 90 days	91 to 120 days	121 to 360 days	360 days
		Receivables				
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	-

COMPANY

30.06.2022

	Balance	Updated not	Overdue from	Overdue from	Overdue from	Overdue over
	30.06.2022	impaired	1 to 90 days	91 to 120 days	121 to 360 days	360 days
		Receivables				
Customers receivable	4,568,113.59	3,501,763.34	763,053.93	303,296.32	-	-
Cheques receivable	2,453,909.99	2,421,409.99	32,500.00	-	-	-
Notes receivable	6,000.00	6,000.00	-	-	-	-
Total	7,028,023.58	5,929,173.33	795,553.93	303,296.32	0.00	0.00

31.12.2021

	Balance	Updated not	Overdue from	Overdue from	Overdue from	Overdue over
	31.12.2021	impaired	1 to 90 days	91 to 120 days	121 to 360 days	360 days
		Receivables				
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	-

The fair value of trade and other receivables are not presented separately since, due to their short-term duration, the Management deems that the accounting values recognized in the balance sheet constitute a reasonable approximation of the fair values.

As of January 1, 2018, the Group and the Company implement the simplified approach of IFRS 9 and calculate the expected credit losses for the duration of their receivables. On each balance sheet date, an audit of the depreciation of receivables is conducted using a table as the basis for the calculation of the expected credit losses.

The Group's and the Company's receivables on 30.06.2022 and remain uncollected beyond the end of the year are 100% covered by relevant depreciation provisions.

13. Cash and Cash Equivalents

Amounts in €	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Treasury – Registered offices	45,747.91	17,720.03	1,885.93	1,500.57
Treasury – Branch	887.30	602.80	602.80	602.80
Deposits in bank accounts	23,810,298.71	23,335,832.19	10,121,593.55	12,365,622.44
Total	23,856,933.92	23,354,155.02	10,124,082.28	12,367,725.81

14. Share Capital

Amounts in €	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Share capital consisting of 54,200,000 Common Registered Shares of €0.075 each	4,065,000.00	4,020,000.00	4,065,000.00	4,020,000.00

The Public Offering and allocation of 2,224,560 new, common registered shares of the Company was completed on July 10, 2020.

The subscription price of the New Shares (hereinafter the “Subscription Price”) was set at €2.40 per Share for the entire Public Offering (Institutional and Private Investors).

The total proceeds raised from the Public Offering, before deducting fees and commissions, amount to €5,388,944 (€2.40 X 2,224,560). Specifically, 866,940 new, common, registered shares (or 38.97% of the Public Offering) were allocated to Private Investors and 1,357,620 new, common, registered shares (or 61.03% of the Public Offering) were allocated to Institutional Investors.

The total demand from the applications of the Institutional Investors submitted during the Public Offering at the Subscription Price amounted to 2,589,132 New Shares, oversubscribing the shares offered in this category, i.e. 1,357,620 new, common, registered shares, by approximately 1.91 times. In total, 23 Institutional Investors submitted applications.

The total demand from the applications of 368 Private Investors, submitted during the Public Offering, amounted to 963,267 New Shares.

Therefore, the total demand from the applications of Private and Institutional Investors submitted during the Public Offering, amounted to 3,552,399 New Shares, oversubscribing the 2,224,560 shares offered by approximately 1.60 times.

Thereupon, on Tuesday, 14.07.2020 the following actions took place:

- Release of investor funds and payment of price of the Shares allocated to Private and Institutional Investors;
- Certification of the payment of the proceeds by the Issuer;
- Delivery of the Shares to investors by registration in their Shares in the Dematerialized Securities System;
- Publication of announcement for the commencement of trading.

Moreover, the procedure for the listing of the Company's shares in the Regulated Market of the Athens Stock Exchange was completed on Wednesday 15.07.2020, through the following actions:

- Deletion of the Shares from the ATHEX Alternative Market;
- Commencement of trading in the ATHEX Regulated Market.

The paid-up share capital of the Company, following the decision of the Extraordinary General Meeting dated 15.11.2019 and the aforementioned listing of the Company's shares in the Regulated Market of the Athens Stock Exchange, as of June 30, 2021 amounted to the sum of four million twenty thousand euro (€4,020,000.00) divided in thirteen million four hundred thousand (13,400,000) common, registered shares with a nominal value of thirty cents (€0.30) each.

The Extraordinary General Meeting of the Shareholders of 03.11.2021, decided the split of the Company's shares with a ratio of four (4) new shares issued in replacement of one (1) old share and reduction of the nominal value of each share from €0.30 to €0.075 and the simultaneous increase of the total number of common shares of the company from thirteen million four hundred thousand (13,400,000) to fifty-three million six hundred thousand (53,600,000). Thereafter, the total paid-up share capital of the Company remains unchanged and amounts to €4,020,000 paid-up in cash, divided in 53,600,000 common, registered shares with a nominal value of €0.075 each.

On 08.11.2021, decision no. ΑΠ 2481548/08.11.2021 approving the amendment of article 5 of the articles of association pursuant to the decision of the Extraordinary General Meeting of the Shareholders dated 03.11.2021, was registered in the General Commercial Registry with Registration Code Number **2675456**.

The Corporate Actions Committee of the Athens Stock Exchange in its meeting of 18.11.2021, approved the admission for trading of the forty million two hundred thousand (40,200,000) new free shares that resulted pursuant to the aforementioned decision.

On 13.05.2022 was registered in the General Commercial Registry (GEMI) with Registration Code Number 2860373 by the Directorate of Companies of the Ministry of Development and Investments as the Supervisory Authority, the Minutes of the Board of Directors dated 10.05.2022 and the Assurance Report dated 10.05.2022 for the certification of the payment of the share capital, pursuant to article 20 of Law 4548/2018, of Certified Public Accountant Mr. Timotheos Vlahopoulos with SOEL Reg. No. 30261 of the auditing firm BDO CERTIFIED PUBLIC ACCOUNTANTS S.A., certifying the full coverage and payment of the share capital increase of the Company by the amount of forty-five thousand Euro (€45,000.00) by payment in cash from the beneficiaries exercising the option rights within the context of the Stock Option Plan for selected Management executives and the employees of the Company and affiliated companies, within the meaning of article 32 of Law 4308/2014 and the issuance of six hundred thousand (600,000) new, common, registered shares of a nominal value of €0.075 each, with subscription price €0.60 per share. The difference between the subscription price of the new shares and the nominal value thereof, amounting to three hundred fifteen thousand euro (€315,000) was deposited in a special reserve account with the indication "Difference from issuance of shares at a premium".

It is noted that following the aforementioned increase, the Company's share capital amounts to the sum of €4,065,000.00 divided in 54,200,000 common, registered shares of a nominal value of €0.075 each.

15. Loans

In the context of implementation of its investment plan, the Company has obtained long term loans with a five-year term, in order to cover its investment needs. The Company does not have short term loans as of 30/06/2022.

The outstanding balance of the Company's and the Group's loans, during the period that ended on June 30, 2022 and the previous fiscal year is as follows:

Amounts in €	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
<u>Long term loans</u>				
Bank loans	7,425,736.48	8,910,038.66	3,461,801.94	4,358,329.78
<u>Tot</u>				
Bank loans	-	-	-	-
Long term bank loans	10,630,561.62	6,797,811.77	5,067,607.47	3,029,302.72
Payable the next 12 months	-	-	-	-
Total	18,056,298.10	15,707,850.43	8,529,409.41	7,387,632.50

The Company's and the Group's loans, as of June 30, 2022 and December 31, 2021 respectively, regard common long term bank loans. The Group and the Company have not issued bond loans.

16. Lease Liabilities

The funds resulting after the application of IFRS 16 are presented in summary below:

	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Lease liabilities	3,700,620.15	2,170,734.68	932,047.66	1,045,508.03
Minus: short term part	(709,406.22)	(607,241.10)	(315,495.64)	(316,732.77)
Long term part	2,991,213.93	1,563,493.58	616,552.02	728,775.26

The financial cost of the lease liabilities was entered in the income statement.

17. Suppliers and Other Trade Liabilities

Amounts in €	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Suppliers	2,987,083.32	2,370,296.67	1,283,633.10	1,058,150.11
Checks Payable (Postdated)	1,583,363.24	1,444,855.61	122,775.85	259,828.96
Customer advance payments	1,702,068.25	1,314,208.39	304,893.99	321,917.14
Deferred Income and Accrued Expenses - Accrued expenses	205,577.00	160,824.25	11,299.44	14,575.37
Total	6,478,091.81	5,290,184.92	1,722,602.38	1,654,471.58

18. Profits per Share

Amounts in €	Note	GROUP		COMPANY	
		1.1-30.06.2022	1.1-30.06.2021	1.1-30.06.2022	1.1-30.06.2021
Net Profit after Tax (A)		7,521,704.89	4,300,982.73	3,997,316.28	2,826,293.22
Allocated to:					
- Owners of Parent Company		6,504,592.32	3,841,242.06	3,997,316.28	2,826,293.22
- Minority Rights		1,017,112.57	459,740.67	-	-
		7,521,704.89	4,300,982.73	3,997,316.28	2,826,293.22
Other Comprehensive Income after Tax					
Result of branch contribution in a jointly controlled subsidiary		-	-	-	12,750,000.00
Actuarial Profits / (losses) in Employee Benefit Schemes		-	-	-	-
Corresponding Tax		-	(18,314.73)	-	(13,494.23)
Investment Portfolio Valuation		(181,200.54)	-	-	-
Exchange Differences		(297.89)	11,096.27	-	-
		(181,498.43)	(7,218.46)	-	12,736,505.77
Total Comprehensive Income after Tax (A) + (B)		7,340,206.46	4,293,764.27	3,997,316.28	15,562,798.99
Allocated to:					
- Owners of Parent Company		6,323,300.20	3,834,023.60	3,997,316.28	15,562,798.99
- Minority Rights		1,016,906.26	459,740.67	-	-
		7,340,206.46	4,293,764.27	3,997,316.28	15,562,798.99
Weighted Average Number of Shares					
Common Registered Shares		53,701,087	13,400,000	53,701,087	13,400,000
Basic Earnings per Share in €		0.1211	0.2867	0.0744	0.2109

19. Reporting per Segment

Primary Reporting Segment – Business

GROUP

Amounts in €

30.06.2022

	IT	Training	Unallocated	Total
<i>Business Segment</i>				
Turnover	30,160,979.32	590,953.63	-	30,751,932.95
Operating Profits / (Losses)	8,810,608.65	172,629.05	-	8,983,237.70
Financial Income	19,037.12	-	6,008.52	25,045.64
Financial expenses	(443,175.16)	-	(9,832.99)	(453,008.15)
Participation in results of affiliated companies	37,817.42	-	-	37,817.42
Net Results Profit / (Loss) before Tax	8,424,288.03	172,629.05	(3,824.47)	8,593,092.61
Income tax	(1,033,409.33)	(37,978.39)	-	(1,071,387.72)
Net Results Profit / (Loss) after Tax	7,390,878.70	134,650.66	(3,824.47)	7,521,704.89
ASSETS				
Noncurrent assets				
Tangible Fixed Assets	9,557,992.28	-	-	9,557,992.28
Intangible assets	16,006,170.13	-	-	16,006,170.13
Other items of noncurrent assets	18,939,021.69	-	1,974,639.00	20,913,660.69
	44,503,184.10	-	1,974,639.00	46,477,823.10
Current assets	46,581,171.59	360,481.40	1,036,962.16	47,978,615.15
Total Assets	91,084,355.69	360,481.40	3,011,601.16	94,456,438.25
LIABILITIES				
Long term liabilities	11,798,497.68	112,112.30	-	11,910,609.98
Short term liabilities	32,555,242.65	177,583.67	138,842.43	32,871,668.75
Total Liabilities	44,353,740.33	289,695.97	138,842.43	44,782,278.73

GROUP

Amounts in €

30.06.2021

	IT	Training	Unallocated	Total
Business Segment				
Turnover	17,296,078.70	532,433.01	-	17,828,511.71
Operating Profits / (Losses)	4,951,521.60	252,695.51	-	5,204,217.11
Financial Income	15,263.57	-	4,369.55	19,633.12
Financial expenses	(175,285.66)	-	(186,431.16)	(361,716.82)
Participation in results of affiliated companies	-	-	114,137.25	114,137.25
Net Results Profit / (Loss) before Tax	4,791,499.51	252,695.51	(67,924.36)	4,976,270.66
Income tax	(634,283.66)	(41,004.27)	-	(675,287.93)
Net Results Profit / (Loss) after Tax	4,157,215.85	211,691.24	(67,924.36)	4,300,982.73

31.12.2021

	IT	Training	Unallocated	Total
ASSETS				
Noncurrent assets				
Tangible Fixed Assets	4,670,183.31	-	-	4,670,183.31
Intangible assets	14,868,654.62	-	-	14,868,654.62
Other items of noncurrent 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
Noncurrent assets held for sale	-	-	-	-
Total Assets	73,497,990.98	600,361.56	6,722,434.04	80,820,786.58
LIABILITIES				
Long term liabilities	11,569,210.55	112,112.30	86,142.12	11,767,464.97
Short term liabilities	23,654,920.54	48,719.63	3,895,016.46	27,598,656.63
Total Liabilities	35,224,131.09	160,831.93	3,981,158.58	39,366,121.60

Company

Amounts in €

30.06.2022

	IT	Training	Unallocated	Total
Business Segment				
Turnover	10,930,406.64	590,953.63	-	11,521,360.27
Operating Profits / (Losses)	4,777,395.87	172,629.05	-	4,950,024.92
Financial Income	22,707.55	-	-	22,707.55
Financial expenses	(186,429.54)	-	-	(186,429.54)
Participation in results of affiliated companies	-	-	-	-
Net Results Profit / (Loss) before Tax	4,613,673.88	172,629.05	-	4,786,302.93
Income tax	(751,008.26)	(37,978.39)	-	(788,986.65)
Net Results Profit / (Loss) after Tax	3,862,665.62	134,650.66	-	3,997,316.28
ASSETS				
Noncurrent assets				
Tangible Fixed Assets	3,541,680.32	-	-	3,541,680.32
Intangible assets	3,090,391.39	-	-	3,090,391.39
Other items of noncurrent assets	32,270,744.83	-	3,176,470.30	35,447,215.13
	38,902,816.54	-	3,176,470.30	42,079,286.84
Current Assets	18,395,999.23	360,481.40	-	18,756,480.63
Total Assets	57,298,815.77	360,481.40	3,176,470.30	60,835,767.47
LIABILITIES				
Long term liabilities	4,246,551.59	112,112.30	-	4,358,663.89
Short term liabilities	14,606,110.88	177,583.67	-	14,783,694.55
Total liabilities	18,852,662.47	289,695.97	-	19,142,358.44

COMPANY

Amounts in €

30.06.2021

	IT	Training	Unallocated	Total
Business Segment				
Turnover	7,821,222.81	532,433.01	-	8,353,655.82
Operating Profits / (Losses)	3,375,978.20	252,695.51	-	3,628,673.71
Financial Income	-	-	20,967.51	20,967.51
Financial expenses	-	-	(179,638.90)	(179,638.90)
Participation in results of affiliated companies	3,375,978.20	252,695.51	(158,671.39)	3,470,002.32
Net Results Profit / (Loss) before Tax	-	-	(643,709.10)	(643,709.10)
Net Results Profit / (Loss) before Tax	3,375,978.20	252,695.51	(802,380.49)	2,826,293.22

31.12.2021

	IT	Training	Unallocated	Total
ASSETS				
Noncurrent assets				
Tangible Fixed Assets	1,148,535.04	-	-	1,148,535.04
Intangible assets	2,663,305.34	-	-	2,663,305.34
Other items of noncurrent assets	27,219,704.71	-	3,531,615.25	30,751,319.96
	31,031,545.09	-	3,531,615.25	34,563,160.34
Current Assets	20,305,766.03	600,361.56		20,906,127.59
Noncurrent assets held for sale	-	-	-	-
Total assets	51,337,311.12	600,361.56	3,531,615.25	55,469,287.93
LIABILITIES				
Long term liabilities	5,169,839.58	112,112.30	86,142.12	5,368,094.00
Short term liabilities	8,975,967.16	48,719.63	3,740,414.39	12,765,101.18
Total liabilities	14,145,806.74	160,831.93	3,826,556.51	18,133,195.18

Secondary Reporting Segment – Geographical

TURNOVER	GROUP		COMPANY	
	1.1 - 30.6.2022	1.1 - 30.6.2021	1.1 - 30.6.2022	1.1 - 30.6.2021
Amounts in €				
Northern Greece	9,764,444.17	5,345,594.79	5,217,615.53	3,697,539.24
Southern Greece	20,588,375.64	12,320,078.05	6,282,128.46	4,656,116.58
Outside Greece	399,113.14	162,838.87	21,616.28	-
	30,751,932.95	17,828,511.71	11,521,360.27	8,353,655.82

20. Capital Commitments

The Group's companies have assumed no commitments for the purchase of property, plant and equipment.

21. Contingent Assets and Contingent Liabilities

There are no pending dispute under court or arbitration proceedings that have material impact on the financial situation or the operation of the Group's companies.

The Group and the Company have contingent liabilities with regard to banks, other guarantees and other matters that occur in the context of their normal course of business, as follows:

Amounts in €	GROUP		COMPANY	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Guarantees to Secure Claims	82,662.00	82,662.00	82,662.00	82,662.00
Performance bonds for contracts with customers	46,829.89	1,363.50	1,501.50	1,363.50
Performance bonds for holding acquisition contracts	90,000.00	90,000.00	90,000.00	90,000.00
Performance bonds for procurement contracts	-	33,555.00	-	-
Performance bonds for payment of suppliers	16,800.00	86,061.16	16,800.00	86,061.16
	236,291.89	293,641.66	190,963.50	260,086.66

22. Transactions with related parties

The amounts of the parent company's transactions resulting from transactions with the related parties thereof, in accordance with IAS 24, for the period from 01.01 to 30.06.2022, are as follows:

Parent Company	PARENT COMPANY														GROUP COMPANY				OTHER RELATED COMPANIES				TOTAL
	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021					
EPSILON NET S.A.	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00				
EPSILON NET S.A. (continued)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00			

The other related companies are not consolidated with the EPSILON NET Group.

For fiscal year 2021, the tax audit of the Certified Public Accountants in order to obtain a Tax Compliance Certificate is in progress and the relevant tax certificate is expected to be issued after the publication of the Financial Statements of H1 of 2022. Upon completion of the tax audit, the Management does not expect the emergence of tax liabilities other than those registered and presented in the financial statements.

24. Current Encumbrances

There are no mortgages or prenotations of mortgages on the movable and immovable property of the Group's companies.

25. Number of employees

The number of persons employed by the Group and the Company at the end of the current and previous fiscal period was:

	GROUP		COMPANY	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Employees	1,047	555	299	308

26. Events after the Balance Sheet date

• **29-7-2022:** The Epsilon Net Group established the company Hoteliga S.A., with registered offices in Thessaloniki. Epsilon Net S.A. participates with a 51% share in Hoteliga S.A. and Mrs. Evangelia Mpasakari and Mr. Dimitrios Van Leusden with a 24.5% share each. The company will operate in the Hospitality Software market, aiming to provide modern technologic management solutions to hotels and accommodations in Greece and abroad.

• **12-09-22:** **EPSILON NET** announced the completion of the agreement for the acquisition of a majority stake in three business software companies, specializing in the field of technology systems for the dynamic sector of tourism. Specifically, the parent company of the Group acquired

- **70%** of the share capital of the English company "**HOTEL AVAILABILITIES Ltd**" which is active in the development of **Channel Manager** systems for hotel units and tourist accommodation;

- **55%** of the share capital of the Greek company "**BOOKONLINENOW PC**" which is active in the development of on-line **booking engine** systems for hotels and tourist accommodation and

- **55%** of the Cypriot company "**HOTELONCLOUD Ltd**", a strategic distributor of BookOnlineNow abroad.

These transactions are part of the Group's growth policy in dynamic vertical markets and the creation of an integrated portfolio of product solutions and services with the goal of fully meeting the needs of the Greek market and gradually developing similar solutions abroad. With the addition of the products of the new companies, the Group now has the most complete palette of "all in one solution" for the tourism industry in Greece.

Other than the aforementioned events, there are no further events after the Interim Financial Statements of June, 30, 2022 that regard the Group and which require reporting in accordance with the International Financial Reporting Standards (IFRS).

THESSALONIKI, SEPTEMBER 18, 2022

**THE CHAIRMAN OF THE
B.O.D.
& CEO**

**EXECUTIVE MEMBER OF
THE BOARD OF DIRECTORS**

**THE HEAD OF THE
ACCOUNTING
DEPARTMENT**

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

IOANNIS A. KOUTKOUTDAKIS
ID Card No. ID Card No.

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