

**Report of the Board of Directors of the Company**  
**"IDEAL HOLDINGS S.A."**  
**Reg. No (G.E.MI) 000279401000**  
**in accordance with paragraph 4.1.3.13.2 of the Athens Stock Exchange Regulation, article 22**  
**par. 1 of Law 4706/2020 and article 27 of Law 4548/2018**

Dear Shareholders,

The Board of Directors of the Company convened an Extraordinary General Meeting of the Company, by virtue of its resolution dated 20.06.2023, in accordance with the following terms, in order to decide on the increase of the share capital of the Company by cash payment, under the conditions set out below and with the exemption of the pre-emptive rights of existing shareholders.

**A. Reasons for the exemption of the pre-emptive rights**

The Board of Directors of the Company considers that it is in the best interest of the Company to abolish the pre-emptive rights of the existing shareholders in the context of the proposed Increase, for the following reasons:

1. The Board of Directors of the Company, unanimously, by virtue of its resolution dated 20.06.2023, decided to acquire "KT Golden Retail Venture Ltd", 100% parent company of the Greek company "ATTICA DEPARTMENT STORES S.A" (the "**Transaction**"). The Transaction is considered highly beneficial for the Company and serves its corporate interest, as it will substantially enhance its financial performance and the dispersion of its business portfolio.
2. In this context, and particularly as a necessary condition for the completion of the Transaction, it was decided to carry out an increase of the Company's share capital, with the exemption of the pre-emptive rights of existing shareholders, in favor of the ulterior and/or ultimate shareholders of the two (2) selling companies of 100% of the shares of KT Golden Retail Venture Ltd and sole shareholders of KT Golden Retail Venture Ltd, namely the two (2) Cypriot companies under the name Medzino Limited and Qemerito Holding Limited (the "**New Shareholders**").
3. The Board of Directors decided to propose an increase of the Company's share capital in cash, through the issue of 7.869.000 new common registered voting shares of the Company, with a nominal value of EUR 0,40 per share, for a total amount of 3.147,600, as a result of which the share capital of the Company, after full coverage and payment of the amount of the increase, will amount to EUR 19,201,568.40, divided into 48,003,921 common registered shares with voting rights, each with a nominal value of EUR 0.40. As regards the offer price, it was set, as a necessary condition of the Transaction, at EUR 4.15 per share (the "**Increase**").
4. In particular, the implementation of the Increase, with the exemption of the pre-emptive rights of the existing shareholders in favor of the New Shareholders, at the aforementioned issue price, is a necessary condition for the implementation of the acquisition itself and the completion of the Transaction, which we consider to be a significant opportunity for the Group's non – integral growth and we believe that it will substantially enhance its financial performance, but also that, through diversification, it will contribute to the successful spread of business and investment risk.

Specifically, the financials of the acquired business on a consolidated basis for the most recent fiscal year (2022) are summarized as follows:

- Turnover: € 190 million
- EBITDS: € 19.3 mil excluding the impact of IFRS 16
- Equity: € 79.8 mil.
- Bank Borrowing: zero net borrowing

In addition, the main target company, i.e. ATTICA DEPARTMENT STORES, is managed by a stable, competent and highly functional management team, which implies valid expectations for further growth of these financial figures in the future.

5. According to the valuation carried out by the Board of Directors with the assistance of financial advisors, the fair value of the Company, using reasonable and widely accepted methods, varies between 4 and 5 euros per share, therefore the offering price of 4.15 euros (at which the corresponding share capital increase in kind in favor of Byte's shareholders was also carried out last year) is within the range of acceptable prices.
6. It is noted that the weighted average stock share price for the last six months amounts to EUR 4,037 per share, which is fully in line with the aforementioned issue price.
7. The share capital increase, in addition to the expected increase of Company's value for the benefit of the shareholders, will add to the Company's shareholder family some particularly high-profile entrepreneurs, significantly strengthening the Company's shareholder scheme and enhancing its ability to finance with own funds its future business plans.

For the above reasons, the Board of Directors considers that the exemption of the pre-emption rights is beneficial and necessary, and that the issue price of EUR 4.15 per share is fully justified from a business point of view. The final decision of course rests with you, the Shareholders.

#### **B. General guidelines of the Company's investment plan, its implementation schedule and detailed analysis of funds destination.**

The Increase is expected to raise an amount of up to thirty-two million six hundred and fifty-six thousand three hundred and fifty euros (€32,656,350.00), which the Company intends to use to reduce the bank borrowings, which will be received for the funding of the Transaction, immediately as soon as the Increase is completed and the funds have been raised.

#### **C. Review of the use of the funds raised from the previous increase**

During the last three years prior to the date of this report, there have been no increases in the Company's share capital by cash payment, in order to present herein information, regarding the use of the funds raised from investors.

It is noted that the only increases that took place within the last three (3) years do not fall within the scope of Article 22 par. 1 of Law 4706/2020, since:

- they were either made by means of contributions in kind, namely by means of the contribution of (a) the shares of the foreign companies "ESM Effervescent Sodas Management Limited", 100%, and "S.I.C.C. Holding Limited" pursuant to a resolution of the Company's Ordinary General Assembly dated 17.06. 2021, and (b) the shares of the Greek company "BYTE COMPUTER S.A.", pursuant to the resolution of the Company's Extraordinary General Meeting dated 22.07.2022,

- or were nominal increases, which did not involve actual inflow of capital from the investors associated with the establishment and adhering to an investment plan.

Likewise, the share capital increase pursuant to the resolution of the Board of Directors dated 03.10.2022 following the exercise of stock options rights under the share allotment plan to the Members of the Board of Directors and Executives of the Company, as well as to its affiliated companies, as laid down in article 32 of Law 4308/2014, pursuant to article 113 of Law 4548/2018, does not constitute a real capital increase with cash raised from the investors for the implementation of a certain investment project, therefore the Company does not fall under the obligation of article 22 par. 1 of Law 4706/2020.

**Athens, 20.06.2023**

**The Board of Directors**