

The Board of Directors  
Demetra Holdings Plc  
Lemessos Avenue 13  
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2112 Aglantzia  
Nicosia  
Cyprus

11 December 2024

Dear Sirs

**INDEPENDENT EXPERT REPORT ON THE REASONABLE AND FAIR SALE PRICE OF THE 21.33% HOLDING OWNED BY DEMETRA HOLDINGS PLC IN HELLENIC BANK PLC TO EUROBANK S.A**

**Background Information and Scope**

Demetra Holdings Plc (“Demetra”, the “Group”, the “Company”) is a holding company. The group engages, amongst others, in real estate management and development, in the development, operation and management of sea-water desalination plants jointly with other stakeholders and holds stakes in other private and listed entities.

Demetra is listed on the Main Market of the Cyprus Stock Exchange (“CSE”) and is a member of the FTSE/CySE20 index. The Company applies the Corporate Governance Code of the CSE.

Demetra’s investment portfolio includes a 21.33% shareholding in Hellenic Bank Public Company Ltd (“Hellenic”), which is one of only two systemic banking institutions in the Republic of Cyprus that are also listed on the CSE.

Following a series of share purchases that began in July 2021 and ended in August 2023, Eurobank S.A. (“Eurobank”), a banking group based in Greece acquired a controlling shareholding in Hellenic. Eurobank also has a separate banking subsidiary licenced and operating in the Republic of Cyprus, Eurobank Cyprus Ltd.

Eurobank has made an offer for the 21.33% shareholding that Demetra holds in Hellenic for a total price of €426,497,366.32, equivalent to €4.843 per share (the “Offer”). We have been requested by the Board of Directors of Demetra (the “Board”) to express an opinion on whether the proposed price of €4.843 per share is fair and reasonable for the shareholders of Demetra.

### **Information on which our Opinion is Based**

In providing this opinion, we have considered financial information of Hellenic as contained in the Interim Unaudited Financial Statements for the period 1 January 2023 to 30 June 2023, the Audited Financial Statements for the year ended 31 December 2023 and the Interim Unaudited Financial Statements for the period ended 30 June 2024, recent share issues, as well as publicly available information on comparable listed banks in Cyprus and stock market performance in the period from 1 June 2023 to 30 November 2024.

### **Hellenic Recent Financial Performance and Position and the Cyprus Banking Sector**

According to the unaudited Group Financial Results of Hellenic for the period 1 January 2024 to 30 September 2024, Hellenic generated profits after tax of €284.4m. According to the audited results for the year ended 31 December 2023, the Bank generated profits after tax of €365.4m (year ended 31 December 2022: €21.8m). According to the same information the total equity of Hellenic stood at €1,791m as at 30 September 2024, €1,506m as at 31 December 2023 and €1,130m as at 31 December 2022. As at 30 September 2024, the nonperforming loan exposures (excluding assets under the asset protection scheme) was 2.4% of total gross loans and the regulatory capital ratio was 32.5%.

The current financial position, as presented in the information provided by Hellenic, would appear to show a comparatively strong financial performance and position, and shows steady improvement over a prolonged period.

The current banking sector in Cyprus is characterized and affected by the following conditions:

- A significant recovery from various crisis from which it had been affected over recent years including the restructuring of the banking sector following the March 2013 banking crisis and the subsequent requirements to recapitalise local banking institutions;
- A significant de-risking of the balance sheets of banking institutions, by offloading of non-performing loan portfolios to credit acquiring companies;
- Improvements in bank's liquidity with a record low of net loans to deposit ratio being achieved at the end of 2023.
- Cost optimisation from reduced employee and branch numbers;
- A shift away from business lending (particularly SMEs) towards household lending;
- A reduction in international banking activities as a result of changing geo-political climate and increased scrutiny and monitoring over the sector;
- Emergence of disruptive technologies in Fintech, such as Electronic Money Institutions and peer-to-peer banking solutions;
- Few market participants in terms of traditional banking institutions and little presence of international banking groups besides Greek banks;

- The higher interest rate environment has contributed to banks achieving significant profits in the past 12-18 months, as a result of better margins.

### Comparison of the Offer to Recent Significant Acquisitions by Eurobank

We have summarised the most recent significant offers for (block) acquisition of shares that Eurobank has made to shareholders of Hellenic in the last 18 months in the following table, Table I. The information includes the total prices offered, the number of shares acquired/to be acquired and related proportion of total shares in Hellenic, the total cumulative shareholding that Eurobank has acquired/will acquire as a result of the offer and the resulting price per share offered:

<b>Demetra Holdings Plc: Fairness Report December 2024</b>						
<b>Table I: Summary of Recent Significant Acquisitions by Eurobank in Hellenic Bank Plc</b>						
Date		Total	No. of Shares	% of Shares	Total %	Price (€)
Acquired	Seller	Price (€m)	Acquired	Acquired	Acquired (*)	per Share
25-Nov-24	Demetra	426	88,064,705	21.33%	93.47%	4.843
25-Nov-24	Logicom	66	13,729,704	3.33%	72.14%	4.843
07-Nov-24	ETYK and other:	243	53,037,786	12.85%	68.81%	4.580
30-Aug-23	Wargaming	70	29,710,012	7.20%	55.30%	2.350
23-Aug-23	Poppy S.a.r.l	168	71,428,572	17.30%	46.50%	2.350
<i>(*) Total Cumulative Acquired by Eurobank</i>						

The total number of shares in issue by Hellenic as at 30 September 2024 is 412,805,230 (most recent information available).

The shares held by “Logicom” in the above table relate to the entity, Logicom Service Ltd, which Demetra has a direct minority shareholding in.

The recent agreement to sell shares in Hellenic on 7 November as detailed in the above table relates to shares held in Hellenic by the Cyprus Union of Bank Employees, the Cyprus Bank Employees Welfare Fund, the Cyprus Bank Employees Health Fund and the Financial Sector Provident Fund.

The above table shows that the offer price, per share, made by Eurobank to Demetra on 25 November 2024 is higher than any of the previous public offers made by Eurobank during the last 18 months including the offer made to other shareholders on 7 November 2024.

Demetra has also provided us with a schedule of all Eurobank acquisitions of Hellenic shares since July 2021. According to this information, Eurobank has paid €411m to acquire the first c. 56% and €880m to acquire the remaining c. 44% (the latter including the offer to Demetra).

### Comparison of the Offer to the Quoted Share Price

Since Hellenic is listed on the Cyprus stock exchange, there is publicly available information as to the value of its traded share price as well as information as to the liquidity of the share as traded on the stock exchange.

Table II below shows a comparison of the publicly traded share price to the price offered by Eurobank:

<b>Demetra Holdings Plc: Fairness Report December 2024</b>				
<b>Table II: Price Premium Paid over Share Price</b>				
	<b>Offered</b>	<b>Quoted</b>	<b>Premium</b>	<b>Premium</b>
<b>Date</b>	<b>Price (€)</b>	<b>Price (€)</b>	<b>(€)</b>	<b>%</b>
<b>Acquired</b>	<b>per Share</b>	<b>per Share (*)</b>	<b>per Share</b>	<b>per Share</b>
25-Nov-24	4.843	4.320	0.523	12.11%
<i>(*) Quoted Price per share based on the previous day closing share price</i>				

The quoted share price used in the above table is the closing share price of the previous day's trading, to reduce the effect of the announcement of the offer itself in the comparison.

The offer to Demetra therefore implies a premium of €0.523, or 12.11% over the quoted price per share as per the Cyprus Stock Exchange price.

In order to evaluate whether the quoted price on the Cyprus Stock Exchange is a reasonable indication of the market value of the share, we have also analysed both the volume of trading and price variation. In the three months prior to the Offer on 25 November 2024, the weekly trading volume varied between 157,305 and 2,117,921 shares (being between c. 0.04% and 0.51% of the total shares in issue). The largest week of trading which resulted in 2,117,921 shares occurred in the week ended 25 October 2024. Excluding this week, the next highest volume was 0.23% of total shares.

Whilst the trading volume is low, this is largely due to the fact that during this period, only c. 7% of issued shares were not held by either Eurobank or the parties subject to offers in November.

As a comparison, the trading volume of Bank of Cyprus during the same period varied between 0.05% and 3.69% of total shares in issue. However, this is skewed by exceptionally high trading in the last 2 weeks of the period (possibly as a result of Q3 financial results announcements and/or the Hellenic share purchase offers). Without these 2 weeks, which are considered outliers, the trading volume of Bank of Cyprus varied between 0.05% and 0.20%. Bank of Cyprus is also listed on the Athens Stock Exchange, and therefore it is more liquid than the shares in Hellenic.

The price per share for Hellenic during the same period varied between €3.06 and €4.32 per share. This is a further indication that there is an active market for the share and that the share price can be used as a reasonable indicator of the value of its market value.

It is also noted that the offer price, per share, made by Eurobank to Demetra on 25 November 2024 is higher than the quoted share price at any point during the last 2 years.

Graphs showing the movement in share price and trading volume for both Hellenic and Bank of Cyprus for the last 18 months are included in Appendices I and II. These show that apart from some outliers the overall trend is fairly consistent trading volumes between both banks, and steadily increasing value in share price for both banks over that period with a more marked increase in the value of Hellenic over the last c. 3 months.

#### Comparison of the Price Offered to the Net Asset Value

We have summarised the price offered in the Offer to the net asset value of the share in the following table, Table III. We have also included information on the premiums and discounts that were included in the previous offers that were made by Eurobank (as per table I):

Demetra Holdings Plc: Fairness Report December 2024						
Table III: Price Premium over Net Asset Value						
Date	Total Shares	Price (€)	Total Market	Net Asset	Premium/(Discount)	
Acquired	in Issue	per Share	Value (€m)	Value (€m)	% Total	€ per share
25-Nov-24	412,805,230	4.843	1,999	1,791	11.63%	0.504
07-Nov-24	412,805,230	4.580	1,891	1,791	5.56%	0.241
30-Aug-23	412,805,230	2.350	970	1,290	-24.80%	-0.775
23-Aug-23	412,805,230	2.350	970	1,290	-24.80%	-0.775

In the above table we have calculated the total market value of Hellenic, based on the price offered by Eurobank and the total shares in issue. We have compared this to the net asset value as per the most recent financial information available (in the case of the August 2023 offers, the unaudited interim financial statements for the 6 month period ended 30 June 2023, in the case of the November 2024 offers, the unaudited interim financial statements for the 9 month period ended 30 September 2024).

We have also calculated the resulting premium or discount on the Offer to the net asset value as both a percentage and in absolute monetary terms per share.

It is noted that the 25 November 2024 offer represents a significant premium over net asset value of 11.63% or 50 cents per share. In addition, the current offer represents the largest premium over net asset value in percentage terms that has been offered by Eurobank over the last 18 months.

For information, we have in Appendix III, also included a similar table for Bank of Cyprus, showing the quoted share price compared to net asset value on the same dates. For the above dates Bank of Cyprus is trading at a discount (not a premium) on net asset value of between c. 28% and 41%.

## Opinion

In forming our opinion, we have considered the above factors and summarise below our main considerations:

- The state of the current banking sector in Cyprus means there are inherent difficulties in valuing the shares of banks and quoted share prices of comparable banks may not be wholly representative of their true market value or indicative of the banking sector as a whole;
- However, Eurobank has entered into a series of transactions to purchase shares in Hellenic of which the Offer is the latest one;
- These offers provide directly comparable and relevant information. We have performed an analysis of this comparable information and it is evident that the current Offer represents a higher price per share than any of the other previous significant offers made by Eurobank in the last 2 years;
- We have also made a comparison of the Offer to the quoted share price as per the value of Hellenic on the Cyprus Stock Exchange. The price per share in the Offer is higher than the quoted share price on the same day by a factor of 12.11% and is also higher than the share price on any day during the last 18 months;
- Our final comparison was to compare the Offer to the net asset value of Hellenic. This showed that the price being offered was 11.63% higher than the net asset value per share, and in addition the proportional premium over net asset value was higher than any of the previous offers made by Eurobank for other share purchases in the last two years;
- It was also noted that the shares of Bank of Cyprus are currently trading on the Cyprus Stock Exchange at a price representing a significant discount (c. 28%) on net asset value. The Offer would therefore appear to be favourable when compared to the only other bank in Cyprus which has relevant information publicly available;

**In our opinion, the issue price of €4.843 offered for the sale of the Hellenic shares, is therefore considered reasonable and fair for Demetra and its shareholders.**

## Disclaimer

There are a number of other areas which you should consider as part of your due diligence but which are outside the scope of our review and as such you should not place sole reliance on our report to support your Board's decision regarding whether or not to support or otherwise the terms of the offer being made.

We accept no responsibility for matters not covered by our report or needed due to the limited nature of our review.

We shall assume that the information and data included in the information described above to be true and accurate. We are not required and shall not carry out any audit procedures to verify any accuracy of information included therein and stress that our work cannot be considered to constitute in any way a valuation of the shares of Hellenic nor to constitute financial due diligence of the financial statements of Hellenic.

Our report and opinion, data and information included therein are intended to be used solely by the Board of Directors to confirm the fairness of the proposed offer price of €4,843 and for no other purpose. Our report is not intended and will not constitute investment, legal or tax advice. Investment decisions of shareholders of Demetra should be made after obtaining professional advice and having regard to their specific circumstances and investment profile at their own risk and responsibility.

Any significant change or variance on the information provided to us, would likely impact our opinion.

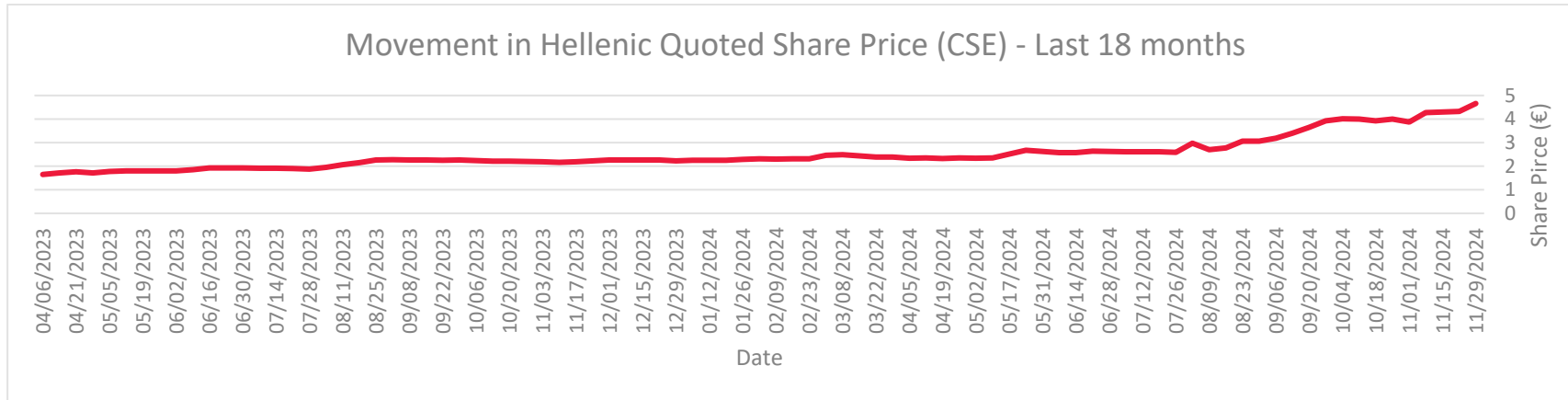
Yours faithfully

A handwritten signature in blue ink, appearing to read 'T. Kiely', written over a dotted line.

**Terence Kiely**

Member of the Board

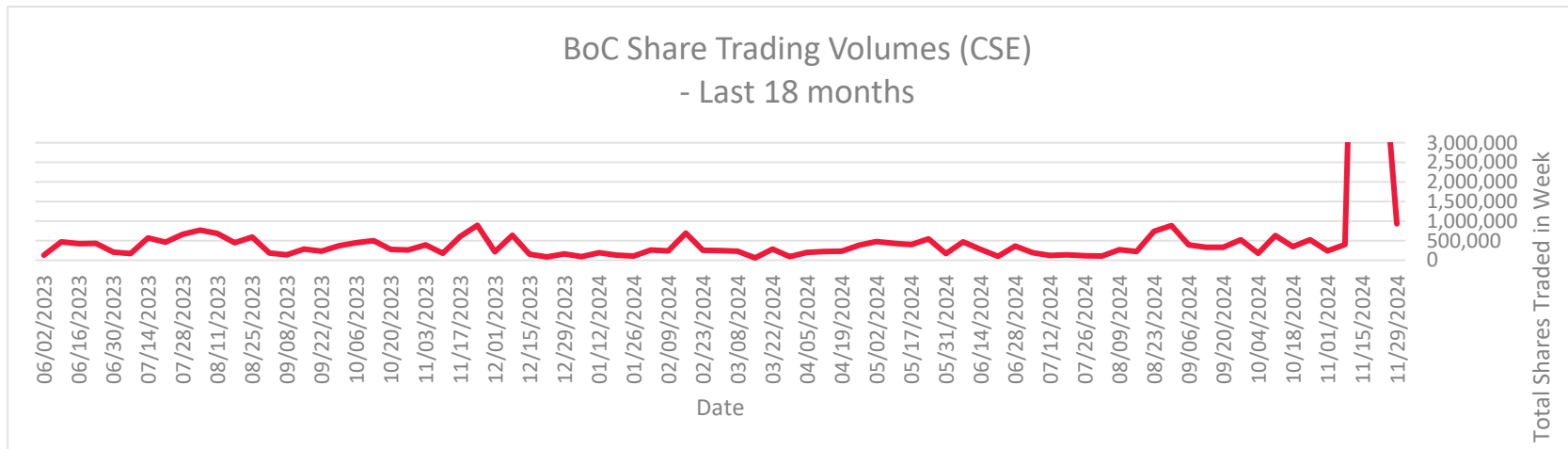
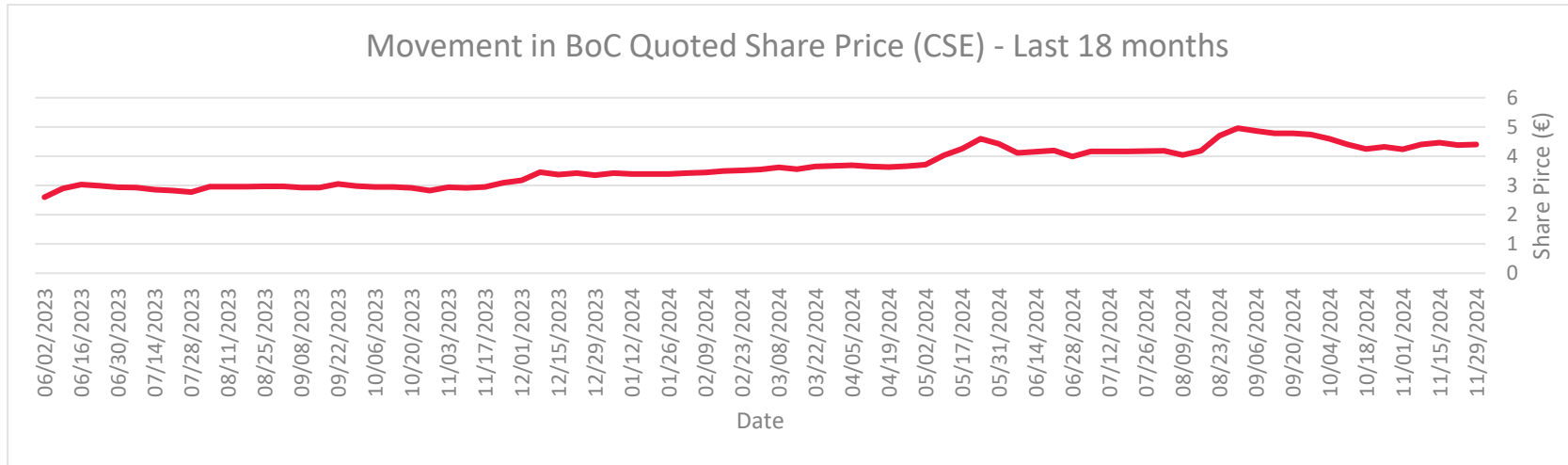
### Appendix I - Movement in Hellenic Share Price and Volume, Last 18 months







## Appendix II - Comparable Movement in Bank of Cyprus Share Price and Volume, Last 18 months





Appendix III - Net Asset Discount Information for Bank of Cyprus

Demetra Holdings Plc: Fairness Report December 2024						
Appendix III: Similar Price Premium over Net Asset Value for Bank of Cyprus						
Date	Total Shares	Price (€)	Total Market	Net Asset	Premium/(Discount)	
Acquired	in Issue	per Share	Value (€m)	Value (€m)	% Total	€ per share
25-Nov-24	442,943,279	4.450	1,971	2,751	-28.35%	-1.761
07-Nov-24	442,943,279	4.390	1,945	2,751	-29.32%	-1.821
30-Aug-23	446,200,000	2.960	1,321	2,243	-41.12%	-2.067
23-Aug-23	446,200,000	3.010	1,343	2,243	-40.12%	-2.017

Appendix IV - Sales of Hellenic shares to Eurobank (client provided information)

## Τιμές που πληρώθηκαν από Eurobank στους μετόχους της HB

Sellers of HB Shares	# of shares bought by Eurobank	Price per share paid	Total Cash Cost per transaction
<b>ThirdPoint</b> (12.59% of HB)	40,800,000	€ 0.80	€ 32,640,000
	11,191,639	€ 0.80	€ 8,953,311
		<b>Wtd Avg price: € 0.80</b>	
<b>Senvest</b> (4.79% of HB)	13,230,000	€ 1.27	€ 16,739,919
	6,555,717	€ 2.56	€ 16,782,636
		<b>Wtd. Avg price: € 1.69</b>	
<b>Wargaming</b> (20.60% of HB)	55,337,721	€ 1.27	€ 70,018,818
	29,710,012	€ 2.56	€ 76,057,631
		<b>Wtd.Avg price: € 1.72</b>	
<b>Poppy Sarl</b> (17.30% of HB)	71,428,572	€ 2.56	€ 182,857,144
<b>Demetra Holdings plc</b> (21.333% of HB)	88,064,705	€ 4.84	€ 426,497,366
<b>LOGICOM Public Co Ltd</b> (3.326% of HB)	13,729,704	€ 4.84	€ 66,492,956
<b>ETVK</b> (as at 07/11/2024)(12.851% of HB)	53,051,086	€ 4.84	€ 256,926,409
<b>Others</b> (as at 07/11/2024) (6.527%)	26,944,929	€ 4.84	€ 130,494,291
<b>GRAND TOTAL OF HB SHARES TO BE PURCHASED</b>	<b>412,805,230</b>	<b>(Avg. PPS) € 3.13</b>	<b>€ 1,291,529,014</b>