

Company Report

FLASH NOTE
September 2012

Valuation & Research Specialists (VRS)
Equity Research Team
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Financial Performance (2008-2011)

P&L (in thousand EUR)	2008	2009	2010	2011
Net Revenue	324.64	538.1	626.3	1,489.8
EBITDA	82.35	171.5	54.4	431.54

Source: Skrutz's Management.

Cost Per Click (CPC)

CPC	Jan-May 2011	Jan-May 2012
Unique Visitors	5.78 mil.	7.71 mil.
Clicks Invoiced (thousands)	128.3	434.6
Avg. Clicks / Day (thousands)	19.5	24.9
Avg. Gross Revenue Per Click (EUR)	0.009	0.023
Total CPC Revenue (thousand EUR)	141.39	438.96

Source: Skrutz's Management.

Projected Revenues and EBITDA

(in thousand EUR)	2012	2013
Net Revenue	2,228.5	3,490.2
EBITDA	769.6	881.5

Source: Skrutz's Management.

SKROUTZ S.A. [Non-Quoted Company]

Business Sector: Software Development in the E-Commerce Field

Business Profile & Latest Developments

- Skrutz (or the Company) develops the price comparison engine named www.skrutz.gr. The price aggregator is online since January 2005 and is the most popular and largest price comparison engine of retail products in the Greek market. Skrutz.gr aggregates 3.18 million indexed products (with the most popular being laptops, television sets, mobile phones, game consoles, GPS navigators, watches), serving 108,540 registered users and 781 stores.
- Skrutz's business concept is oriented towards expanding the range of services offered by attracting a large number of stores, thus expanding the scope of its price aggregator. The company aspires to commit itself to modern software development methodologies by offering user-oriented software solutions as well as to expand proven products, procedures and services into new vertical and horizontal markets [source: Company presentation]. Skrutz is headquartered in Athens, Greece. The Company's revenue stream is generated in the Greek market.
- Apart from the primary activity of price aggregation for retailers, Skrutz operates four sub-portals: Skrutz Books, Skrutz Store, Gameover and Soby. Skrutz Books provides price aggregation for over 150,000 books. Skrutz Store provides e-shop building services to the customer, according to his/her budget and range of products offered. Soby is an offers aggregator of most of the Greek deal sites, online since 2010. Gameover is a Greek gaming portal that provides gaming news and reviews to the Greek gaming community for the last 7 years.
- Skrutz's revenue model is based primarily on fixed fees that are paid by retailers listed on the Skrutz price aggregator. The fees amount from 0.01968 to 0.05043 euros per click, including VAT, with the exact amount depending on the category of each product sold. Skrutz receives revenue when the user clicks on the link of each product displayed on Skrutz's search engine, regardless of whether the user has bought the product or not. The retailer pays also a one-time lump sum of 346 euros in order to be included in the Skrutz database. The Company does not charge any fees on the sales of the retailer. Fixed fees amount to 60% of total income (January – May 2012) as compared to 34% in the first half of the previous year.
- Apart from fixed fees, the Company generates advertising revenue, amounting to 40% of total revenue. Advertising revenue comes mainly from the company's own advertising services, Soby and Skrutz Store, as well as from the Google AdSense channel.
- According to the management, Skrutz plans to charge a special fee supplementary to the cost per click that will take into consideration also the number of products that are sold through the Skrutz search engine. [Information provided to VRS by Dionic, the mother company of Skrutz, owning 50% of Skrutz]
- Number of clicks invoiced for the January – May 2012 period amounted to 434,598, a 239% increase compared to January – May 2011. Average gross revenue per click stood at 0.023 euros (159% increase), with the total Cost per Click Revenue (January – May 2012) amounting to 438,965 euros (210% growth as compared to the same period in 2011). Advertising revenue amounted to 292,784 euros (growth of 6.5% as compared to the previous period). Total revenue was 731,748 euros (76%).

International Expansion

- According to the Company's strategy, Skrutz plans to penetrate foreign markets in order to gather organic traffic and to achieve synergies with local sponsors for market establishment. The Company plans to enter the Turkish market in 2012 because it sees high potential in the country's increasing internet penetration as well as in the upward sloping online spending trends. Skrutz plans to expand to countries where price aggregation services are not yet in the process of advanced maturation, notably in Italy, Germany, France and Australia.

Capital Placement

- The Company is planning a funding round of EUR 2 million for the second half of 2012. Upon successful completion of this funding round, Skrutz will implement its international expansion strategy starting with the Turkish market.
- The Company is planning to invest EUR 1.678 million in capital over the period 2012-2018. According to the management, upon completion of the EUR 2 million funding, the subsequent capital expenditures will be covered by the company's operating cash flows.

Management Team - Bios

- **George Chatzigeorgiou** (Electrical Engineering graduate from NTUA) is co-founder of Skrutz.gr. He has worked in various positions in the field of software development in Greece and specializes in Ruby and Rails, net framework, HTML, CSS, JavaScript, database and Linux server administration.
- **Vasilis Dimos** (Electrical and Computer Engineering degree from NTUA) is co-founder of Skrutz.gr. He has worked for Telemotive AG in Germany and has founded a startup named fortytwo.gr. He is specialized in Ruby, RoR, Python, Java, MySQL and XHTML/CSS.

Important Note: Skrutz's Management Team has provided to VRS the aggregate information contained in this report. Valuation & Research Specialists (VRS) have compiled this report solely for information purposes. Valuation & Research Specialists (VRS) do not intend to express any view or judgment about the covered company, Skrutz, via this report.

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SKROUTZ S.A.	Non-Listed	Non-Listed	n/a	September 10, 2012	2

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