CEPAL HELLAS FINANCIAL SERVICES SINGLE MEMBER S.A. - SERVICING OF RECEIVABLES FROM LOANS AND CREDITS

Annual Financial Statements

for the period from 01.01.2019 to 31.12.2019

In accordance with the
International Financial Reporting Standards (IFRS)
as they have been endorsed by the European Union

Contents

ANNUAL REPORT OF THE BOARD OF DIRECTORS

(In accordance with Law 3556/2007, Article 4)

Dear Shareholders,

Pursuant to Article 150 of Law 4548/2018 (Article 43a (3) of Codified Law 2190/1920) and the Articles of Association of CEPAL HELLAS FINANCIAL SERVICES SINGLE MEMBER S.A. - SERVICING OF RECEIVABLES FROM LOANS AND CREDITS, (hereinafter "the Company"), we hereby submit to the General Meeting this report regarding the activities of the fiscal year that ended on 31 December 2019.

A. GENERAL

The Company was established on 24 February 2016 and it is engaged in the servicing of receivables from loans and credits, in accordance with Article 1 par. 1.a of Law 4354/2015, as in force. On 29 November 2016, the Bank of Greece granted the Company the first license for servicing receivables in Greece pursuant to decision no. 207/29.11.2016 by the Credit and Insurance Committee (Government Gazette, Series II, 3717/30.11.2016), pursuant to law 4354/2015 and Executive Committee Act 95/27.5.2016, as in force.

B. SIGNIFICANT EVENTS IN THE COMPANY'S ACTIVITIES

I. Activities during Year 2019

During 2019, the Company continued to expand its activities by signing new servicing agreements with third parties for the servicing of both retail and wholesale receivables and maintained its position as the major independent servicer in the Greek market.

II. Main Risks and Uncertainties for 2020

The main risks and uncertainties that the Company is exposed to for the following period are the following:

• Credit Risk:

Credit Risk pertaining to receivables is very low due to the credit quality of the counterparties.

• Liquidity Risk:

The Company ensures the necessary cash liquidity in order to be able to meet its obligations on due time based on a cash planning and cash collection from its customers and the close monitoring of its cash flows.

• Market Risk:

a) Foreign Exchange Risk

There is no foreign exchange risk as almost all the Company's transactions are in Euro.

b) Price Risk

There is no price risk, since the Company has no investments or other market traded investments.

c) Interest Rate Risk

There is no interest rate risk since the Company has no borrowings or material deposits.

III. Estimates and Perspectives for 2020

The main objective of the Company is the further development of its business activities, as well as the enhancement of its infrastructure and human resources capabilities, in order to continue to provide high quality servicing of its current and additional loan and credit portfolios.

The Company is monitoring the recent developments in the Coronavirus Pandemic (COVID-19) and has adopted the necessary measures with primary concern to ensure the safety of its staff, while implementing a comprehensive business continuity plan, which includes remote working, with which the Company retained the ability to provide effective services to its customers during this difficult time.

The Company is constantly evaluating the effects of the pandemic on its profitability and has already taken steps to mitigate its effects. The above efforts are being carried out simultaneously with the actions of the Greek Government and the European institutions to support the economy and maintain liquidity in the market (see Note 24 of the Financial Statements).

IV. Board of Directors

The current Board of Directors, the term of which expired on 27 April 2020 but was extended until the Regular Shareholders Meeting which will also approve the Financial Statements, is comprised of the following:

1. Richard Terrell Langstaff, Chairman and CEO;
2. Periklis Kitrilakis, Member;
3. Plutarchos Sakellaris, Member;
4. Anastasia Martsekis, Member;and
5. Randy Paul Shannon, Member.

Each of the following are authorized to sign on behalf and represent the Company:

1. Richard Terrell Langstaff; and
2. Periklis Kitrilakis;

V. Events after the Balance Sheet date

Apart from Coronavirus pandemic (see III above), no further events have occurred that would have a material effect on the financial statements.

C. PRESENTATION OF FINANCIAL RESULTS

Total turnover was €22,287 thousand (2018: €17,303 thousand), while the result before tax was a loss of €4,523 thousand (2018: €812 thousand).

The After Tax Loss for the year was €3.778 thousand (2018: €800 thousand).

Based on the 31 December 2019 Balance Sheet, the total equity of the Company is less than half of its share capital and therefore the management of the Company is assessing alternative ways in order to meet the requirements of article 119 of Law 4548/2018.

The capital structure of the Company is adequate to maintain its activities, with equity at year end of €5,569 thousand and Cash and Cash Equivalents of €2,149 thousand.

I. Key financial indicators

The key financial indicators are as follows:

	2019	2018
1. Current assets / Total assets	44%	72%
2. Equity / Total liabilities	64%	126%
3. Equity / Non-current assets	70%	202%
4. Current assets / Short-term liabilities	105%	168%
5. Earnings Before Interest and Tax (EBIT) / Sales of services	-20%	-5%

II. Preparation of Financial Statements

The Financial Statements of 31 December 2019 were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and include the statement of financial position, the Statement of Comprehensive Income, the Cash Flow Statement, and the Statement of Changes in Equity for the period between 1 January 2019 and 31 December 2019, with detailed notes on accounting policies, as well as the individual items.

D. ENVIRONMENTAL ISSUES

The Company, with a view to sustainable development, is committed to operate responsibly, considering economic, social and environmental operating parameters. The Company behaves responsibly in relation to matters that relate to the protection of the environment and is committed to addressing the environmental impact of its activities.

E. EMPLOYMENT ISSUES

The Company ensures the creation of appropriate structures for the effective management of human resources, since its staff is the most significant parameter of its operation. In this context, the Company actively seeks to, and where applicable has established policies to:

- Respect and defend the diversity of its employees;
- Provide its employees with development opportunities on the principles of meritocracy and non-discrimination including the implementation of a fair promotion system;
- Invest in the education and training of its employees;
- Acknowledge employee's rights, including the freedom of trade union activity and collective bargaining; and
- Ensure the health and safety of employees at work

Athens 25 May 2020

The Chairman of the Board of Directors	The Member of the Board of Directors
Richard Terrell Langstaff	Periklis Kitrilakis

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TRUE TRANSLATION

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CEPAL HELLAS FINANCIAL SERVICES SINGLE MEMBER S.A. – SERVICING OF RECEIVABLES FROM LOANS AND CREDITS

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CEPAL HELLAS FINANCIAL SERVICES SINGLE MEMBER S.A. – SERVICING OF RECEIVABLES FROM LOANS AND CREDITS** (the "Entity"), which comprise the balance sheet as at 31 December 2019 and the statements of income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CEPAL HELLAS FINANCIAL SERVICES SINGLE MEMBER S.A. – SERVICING OF RECEIVABLES FROM LOANS AND CREDITS as at 31 December 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union.

Basis for Opinion

We concluded our audit in accordance with International Standards on Auditing (ISAs) as these have been incorporated into the Greek legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We have been independent of the Entity during the whole period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated into the Greek legislation and the ethical requirements in Greece relevant to the audit of the financial statements. We have fulfilled our ethical requirements in accordance with the applicable legislation and the above mentioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Deloitte.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these have been transposed into the Greek legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, as these have been transposed into the Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the Board of Directors report, according to the provisions of paragraph 5 of article 2 (part B) of Law 4336/2015 we note the following:

a) In our opinion, the Board of Directors report has been prepared in accordance with the applicable legal requirements of article 150 of Greek Law 4548/2018 and its content is consistent with the accompanying financial statements for the year ended 31/12/2019.

b) Based on the knowledge we obtained during our audit of CEPAL HELLAS FINANCIAL SERVICES S.A. – SERVICING OF RECEIVABLES FROM LOANS AND CREDITS and its environment, we have not identified any material inconsistencies in the Board of Director's Report.

c) The total equity of the Entity as of 31 December2019 has become lower than the half (1/2) of its share capital and therefore meet the conditions of par. 4 of article 119 of Law 4548/2018, based on which the Board of Directors is obliged to convene a General Meeting of the Shareholders to resolve on appropriate measures.

Athens, 27 May 2020

The Certified Public Accountant

Eleni Christina Kranioti
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Balance Sheet
as of 31 December 2019

Amounts in thousands Euro	**Note**	**31.12.2019**	**31.12.2018**
ASSETS			
Non-current assets			
Intangible assets	3	1.117	1.096
Tangible fixed assets	3	4.368	1.815
Deferred tax assets	4	2.440	1.637
Other non-current assets	5	86	82
Total non-current assets		**8.012**	**4.630**
Current assets			
Prepaid expenses	6	413	385
Contract assets & clients' receivables	6	3.574	4.319
Other receivables	7	113	55
Cash and cash deposits	8	2.149	7.405
Total current assets		**6.249**	**12.164**
TOTAL ASSETS		**14.261**	**16.794**
EQUITY AND LIABILITIES			
Equity			
Share capital	9	16.095	16.095
Retained earnings	10	(10.526)	(6.748)
Equity		**5.569**	**9.347**
Non-current liabilities			
Long term obligations from Leases		2.294	-
Post-employment benefits	11	431	216
Total long-term liabilities		**2.725**	**216**
Short-term liabilities			
Trade and other payables	12	2.033	2.396
Contract liabilities	13	961	1.921
Liabilities from other taxes and duties	14	653	441
Liabilities to insurance organizations	15	536	467
Accrued expenses	16	1.539	1.711
Deferred Income	16	245	295
Total short-term liabilities		**5.967**	**7.231**
Total liabilities		**8.692**	**7.447**
TOTAL EQUITY AND LIABILITIES		**14.261**	**16.794**

The Company, from 1.1.2019 applied IFRS 16 retrospectively, without restating the comparative information in accordance with the transitional requirements of the Standard, with the cumulative effect of the initial application of the standard, to be recognized directly in Equity as at 1.1.2019 and therefore the information of the comparative year is not comparable.

The attached notes (pp. 15-41) are an integral part of the Financial Statements.

Statement of Income and Other comprehensive income
for the year ended 31 December 2019

Amounts in thousands Euro	Note	1.1.2019 31.12.2019	1.1.2018 31.12.2018
Turnover (sales)	17	22.287	17.303
Other operating income	17	94	53
Personnel fees and expenses	18	(14.325)	(10.075)
Other operating expenses	19	(12.512)	(8.088)
Net financial results	20	(67)	(5)
Profit/(Loss) before taxes		**(4.523)**	**(812)**
Income tax	4	789	2
Profit/(Loss) after taxes (A)		**(3.734)**	**(810)**
Other Comprehensive income			
Other Comprehensive income not to be reclassified to profit or loss			
Remeasurement gains (losses) on defined benefit plans	11	(58)	14
Deferred tax on remeasurement gains (losses) on defined benefit plans		14	(4)
Total gains (losses) after tax recognised directly to Equity (B)		**(44)**	**10**
Total Comprehensive Income for the year (A) + (B)		**(3.778)**	**(800)**

The attached notes (pp. 15-41) are an integral part of the Financial Statements.

Statement of Changes in Equity as of 31 December 2019

Amounts in thousands Euro	Share capital	Retained Earnings	Total equity
Balance as at 01.01.2018	**16.095**	**(5.948)**	**10.147**
Loss for the year 01.01 - 31.12.2018	-	(810)	(810)
Remeasurement gains (losses) on defined benefit plans	-	10	10
Total comprehensive income for the year	**-**	**(800)**	**(800)**
Balance as at 31.12.2018	**16.095**	**(6.748)**	**9.347**
Balance as at 01.01.2019	**16.095**	**(6.748)**	**9.347**
Loss for the year 01.01 - 31.12.2019	-	(3.734)	(3.734)
Remeasurement gains (losses) on defined benefit plans	-	(44)	(44)
Total comprehensive income for the year	**-**	**(3.778)**	**(3.778)**
Balance as at 31.12.2019	**16.095**	**(10.526)**	**5.569**

The attached notes (pp. 15-41) are an integral part of the Financial Statements.

Statement of Cash Flows

Amounts in thousands Euro	Note	1.1.2019 31.12.2019	1.1.2018 31.12.2018
Cash flows from operating activities			
Loss before tax		(4.523)	(812)
Plus/less adjustments for:			
Provisions for employee benefit liabilities	11	156	148
Depreciation and amortization	3	958	312
Interest charges and related expenses	20	67	4
Operating results before changes in working capital		**(3.342)**	**(348)**
Changes in working capital			
(Increase) / decrease: recievables from clients		(108)	(218)
(Increase) / decrease: prepaid expenses & accrued income		826	(2.052)
(Increase) / decrease: other receivables		(58)	359
(Increase) / decrease: other financial assets	5	(4)	38
(Increase) / decrease: advance payments		(961)	494
Increase / (decrease): suppliers and other liabilities		(408)	1.943
Increase / (decrease): accrued expenses - income of subsequent fiscal years		(222)	(963)
Operating results after changes in working capital		**(4.277)**	**(747)**
Debit interest and related expenses paid		(67)	(4)
Total inflows / (outflows) from operating activities (a)		**(4.344)**	**(751)**
Cash flows from investing activities			
Purchases of tangible and intangible assets	3	(498)	(2.355)
Total inflows / (outflows) from investing activities (b)		**(498)**	**(2.355)**
Cash flows from financing activities			
Lease payments		(414)	-
Total inflows / (outflows) from financing activities (c)		**(414)**	**-**
Net increase/(decrease) in cash and cash equivalents		**(5.256)**	**(3.106)**
for the year (a)+(b)+(c)			
Cash and cash equivalents at the beginning of the period	8	7.405	10.511
Cash and cash equivalents at the end of the period	8	**2.149**	**7.405**

The attached notes (pp. 15-41) are an integral part of the Financial Statements.

Notes to the Financial Statements

General information

The Company currently operates under the trade name “CEPAL HELLAS FINANCIAL SERVICES SINGLE MEMBER S.A. - SERVICING OF RECEIVABLES FROM LOANS AND CREDITS”, conducting business as “Cepal Hellas SA”, with its registered office in Nea Smyrni Attika, 209-211, Syngrou Avenue, 171 21 and is registered with the General Commercial Register (GEMI) with Number 138019601000. It was established on 24.02.2016 under the trade name “Aktua Hellas Financial Solutions Société Anonyme” and its term is set at 100 years.

The Company is engaged in the servicing of receivables from loans and credits in accordance with Article 1 par. 1, (a) of Law 4354/2015, as in force.

The Financial Statements of the Company are included in the consolidated Financial Statements of “CEPAL HOLDINGS SOCIETE ANONYME”, using the full consolidation method. CEPAL HOLDINGS SOCIETE ANONYME, as at 31.12.2019, held 100% of its share capital.

The Board of Directors of the Company, pursuant to its meeting minutes dated 10.06.2019, the term of which expires on 27.4.2020 but is extended until the Annual Shareholders Meeting which will approce the Financial Statements, consists of the following:

1. Richard Terrell Langstaff, Chairman and CEO;
2. Periklis Kitrilakis, Member;
3. Plutarchos Sakellaris, Member;
4. Anastasia Martsekis, Member; and
5. Randy Paul Shannon, Member.

The Financial Statements were approved by the Company’s Board of Directors on 25 May 2020 and are under the approval of the General Assembly of the Company’s shareholders.

Upon approval by the General Meeting of the Company’s Shareholders, the financial statements will be published to the Greek Companies Registry website and will be available at the Company’s website (www.cepal.gr).

1. Basis for preparation of the Financial Statements

1.1. General framework

These Financial Statements concern the period 01.01.2019 to 31.12.2019, hereinafter the "Financial Statements", and have been prepared:

a) in accordance with the International Financial Reporting Standards (IFRS), as they have been endorsed by the European Union, pursuant to the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002; and

b) using the historical cost convention.

The amounts included in these Financial Statements are presented in thousands Euro (thousands EUR or thousands €), unless otherwise stated in the various separate notes.

1.2. Going concern

The Company for the preparation of the Financial Statements of 31.12.2019, based on going concern principle. In order to implement this principle, the Company takes into account the current economic developments and makes estimates for the development, in the future, of the economic environment in which it operates. The main factors that create uncertainty regarding the implementation of this principle are mainly related to the economic environment in Greece and internationally, to the liquidity levels of the Greek State and the banking system, as well as to the effects of the Coronavirus pandemic (Covid-19) in Greece and internationally.

The prolonged recession that the Greek economy experienced, in the recent years, led to a significant deterioration in the creditworthiness of businesses and individuals resulting to the rapid growth of new non-performing loans. In addition, as a result of the economic crisis of the Greek State debt and the measures adopted, a significant outflow of bank deposits occured and resulting to imposition of capital controls and bank closure which were announced on 28.6.2015 and ended on 19.7.2015. On September 1, 2019, full restrictions on capital movements were lifted.

In August 2018, the third economic support programs of Greece was successfully completed, while enabling the establishment of a cash security deposit in order to reduce the potential financial risks after the completion of the program. It is also noted that Greece is taking steps to gradually recover its access to money markets to meet its loan needs.

The Coronavirus pandemic increases the uncertainty about both the evolution of the macroeconomic indicators and the ability of businesses to operate under the restrictive regime. In the context of efforts to facilitate individuals and businesses affected more by the Coronavirus and its consequent restriction measures, the Greek government has announced a bond with tax and other measures, such as a suspension of payments. These developments are expected to adversely affect the ability of borrowers to repay their obligations and, consequently, the Company's revenues. The financial and economic implications depend significantly on the severity and duration of the crisis.

It is noted that the company's liquidity remains sufficient and in combination with actions already implemented or launched to reduce operating costs and investments for as long as the crisis lasts, it is expected to remain sufficient.

Taking into consideration the above and the following factors:

- the adequate cash of the Company,
- the actions already taken by the Company to mitigate the consequences of the Coronavirus pandemic,
- The measures taken by the Company for the protection of personnes from Coronavirus, the implementation of actions within the Business Continuity Plan and the activation of the ability to work remotely on a large scale while ensuring the performance of critical operations.
- the decisions of the European countries to take a series of measures to stimulate the economy as well as the decisions of the supervisory authorities of the banks to provide liquidity and support their capital adequacy to the extent that it is affected by the spread of Coronavirus,

The Company considers that, for at least the next 12 months, the conditions for the application of the principle of going concern, for the preparation of the Financial Statements are met.

1.3. Estimates, decision-making criteria and significant sources of uncertainty

The Company, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:

Income taxes

The Company recognizes assets and liabilities for current and deferred tax, as well as the related expenses, based on estimates concerning amounts expected to be paid to or recovered from tax authorities in current and future periods. Estimates are affected by factors such as the practical implementation of relevant legislation, expectations of future taxable profit and the settlement of disputes that may arise with tax authorities etc. Future tax audits, changes in tax legislation and the amount of taxable profit actually realised may result in adjustment to the amount deferred tax and tax payments recognized in the financial statements of the Company.

The Company recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, tax losses carried forward can be utilized. Estimating the expected future taxable income requires the application of judgement and making assumptions about future profitability. The estimation of the future taxable profits is based on forecasts of accounting results.

Deferred tax assets mainly related to tax losses carried forward. Tax losses can be offset against taxable profits within five years from their formation. In particular, Company’s tax losses relate to the years 2016 through 2019 and are expected to be fully offset with future tax profits. The basic assumptions implemented by the Company concern the growth rate of collections from existing portfolios, as well as the size and timing of the undertaking the servicing of new portfolios.

2. Adoption of new and revised International Financial Reporting Standards (IFRSs)

The principal accounting policies that have been applied in the preparation of the Financial Statements for the period from 01.01.2019 to 31.12.2019, have been consistently implemented and are the following:

2.1 New and amended IFRS Standards that are effective for the current year

► **International Financial Reporting Standard 16** “Leases” (Regulation 2017/1986/31.10.2017)

On 13.1.2016 the International Accounting Standards Board issued IFRS 16 “Leases” which supersedes:

- IAS 17 “Leases”
- IFRIC 4 “Determining whether an arrangement contains a lease”
- SIC 15 “Operating Leases – Incentives” and
- SIC 27 “Evaluating the substance of transactions involving the legal form of a lease”.

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use asset as well as the corresponding obligation to pay the lease payments. The above treatment is not required when the asset is of low value.

At initial recognition, the right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs, any lease payments made before the commencement date as well as an estimate of dismantling costs.

At initial recognition, the lease liability is equal to the present value of the lease payments that are not paid at that date.

The new accounting policy of the company for IFRS 16 as of 1 January 2019 is presented in Note 2.7.

Impact from IFRS 16 Implementation

The Company applied the standard to all active, as at 1.1.2019, lease contracts, with the cumulative effect of initially applying the standard recognized directly in equity as at 1.1.2019 in accordance with the transitional requirements of the standard and did not restate comparative information. As a result, the figures of 2018 are not comparable.

The Company applied the practical expedient provided by IFRS 16 and did not reassess on initial application whether a contract is, or contains, a lease and applied the standard only to contracts that were identified as leases in accordance with IAS 17.

Additionally, the Company on transition has elected to make use of the following practical expedients provided by the standard:

- applied a single discount rate based on the lease term for all types of contracts,
- excluded initial direct costs from the measurement of the right-of-use asset,
- used hindsight to determine the lease term if the contract contained options to extend or terminate the lease and
- for the determination of the cost of the right-of-use asset it considered that right-of-use asset is equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

In addition, the Company elected to make use of the practical expedient and did not apply the requirements of the standard to leases for which the lease term is less than 12 months (short term), as well to leases for which the underlying asset is of low value (less than 5,000 euro when new). It is noted that the Company has made assumptions for extension for leases expiring within 2019 that however were expected to be renewed.

The Company in order to discount remaining lease payments used incremental borrowing rate (IBR) which is determined using as reference rate the secured funding rate of the major shareholder, Alpha Bank, adjusted for different currencies and taking into consideration government yield curves, where available.

As a result of the application of IFRS 16, the Company recognised on 1.1.2019 right-of-use assets of 3.003 thousands Euro and lease liabilities of 3.003 thousands Euro. As a result there was no Impact on equity. The main types of lease contracts include buildings and cars.

Significant estimates in determining the duration of leases with the right of renewal

The Company specifies the term of the lease as the contractual term of the lease, including the period covered by (a) the right to extend the lease, if it is relatively certain that the right will be exercised or (b) the right to terminate the contract, if it is relatively certain. that the right will not be exercised.

► **Amendment to International Financial Reporting Standard 9** "Financial Instruments": Prepayment Features with Negative Compensation (Regulation 2018/498/22.3.2018)

On 12.10.2017 the International Accounting Standards Board issued an amendment to IFRS 9 that permits some prepayable financial assets with negative compensation features, that would otherwise been measured at fair value through profit or loss, to be measured at amortised cost or at fair value through other comprehensive income. The amendment to IFRS 9 clarifies that a financial asset passes the SPPI criterion regardless of the event or circumstance that cause the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The adoption of the above amendment had no impact on the financial statements of the Company.

► **Amendments to International Accounting Standard 19** "Employee Benefits": Plan Amendment, Curtailment or Settlement (Regulation 2019/402/13.3.2019)

On 7.2.2018 the International Accounting Standards Board issued an amendment to IAS 19 with which it specified how companies determine pension expenses when changes to a defined benefit pension plan occur. In case that an amendment, curtailment or settlement takes place IAS 19 requires a company to remeasure its net defined benefit liability or asset. The amendments to IAS 19 require specifically a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In addition, the amendment to IAS 19 clarifies the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The adoption of the above amendment had no impact on the financial statements of the Company.

► **Improvements to International Accounting Standards** – cycle 2015-2017 (Regulation 2019/412/14.3.2019)
As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2017, non- urgent but necessary amendments to various standards.
The adoption of the above amendments had no impact on the financial statements of the Company.

► **IFRIC Interpretation 23** "Uncertainty over Income Tax Treatments" (Regulation 2018/1595/23.10.2018)
On 7.6.2017 the International Accounting Standards Board issued IFRIC 23. The Interpretation clarifies application of recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. The Interpretation specifically clarifies the following:

- An entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty.
- The estimations for the examination by taxation authorities shall be based on the fact that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
- For the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment.
- An entity shall reassess an estimate if the facts and circumstances change or as a result of new information.

The adoption of IFRIC 23 had no impact on the financial statements of the Company.

2.2 New and revised IFRS Standards in issue but not yet effective

The Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective. The directors do not expect that the adoption of the Standards listed below will have a material impact on the Company's financial statements in future periods, unless otherwise specified below.

► **Amendments to International Accounting Standard 1** "Presentation of Financial Statements" and to **International Accounting Standard 8** " Accounting Policies, Changes in Accounting Estimates and Errors: "Definition of material" (Regulation 2019/2104/29.11.2019)
Effective for annual periods beginning on or after 1.1.2020

On 31.10.2018 the International Accounting Standards Board, as part of the Disclosure Initiative, issued amendments to IAS 1 and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition.
The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments include examples of circumstances that may result in material information being obscured. The IASB has also amended the definition of material in the Conceptual Framework to align it with the revised definition of material in IAS 1 and IAS 8.
The Company is examining the impact from the adoption of the above amendment on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments to standards which have not yet been adopted by the European Union and they have not been early applied by the Company.

► **Amendment to International Financial Reporting Standard 3** "Business Combinations": Definition of a Business
Effective for annual periods beginning on or after 1.1.2020

On 22.10.2018 the International Accounting Standards Board issued an amendment to IFRS 3 aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, narrow the definition of outputs, add guidance to assess whether an acquired process is substantive, introduce an optional fair value concentration test and add illustrative examples.

The Company is examining the impact from the adoption of the above amendment on its financial statements.

► **Amendment to International Financial Reporting Standard 10** “Consolidated Financial Statements” and to International Accounting Standard 28 “Investments in Associates and Joint Ventures”: Sale or contribution of assets between an investor and its associate or joint venture. Effective date: To be determined.

On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognise to profit or loss only the part of the gain or loss which is related to the unrelated investor’s interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognises the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor’s interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.

In IAS 28, respectively, it was clarified that the partial recognition of the gains or losses shall be applied only when the involved assets do not constitute a business. Otherwise, the total of the gain or loss shall be recognised.

On 17.12.2015, the International Accounting Standards Board deferred the effective date for the application of the amendment that had been initially determined. The new effective date will be determined by the International Accounting Standards Board at a future date after taking into account the results of its project relating to the equity method.

► **International Financial Reporting Standard 14** “Regulatory deferral accounts”. Effective for annual periods beginning on or after 1.1.2016

On 30.1.2014 the International Accounting Standards Board issued IFRS 14. The new standard, which is limited-scope, addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services. The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.
It is noted that European Union has decided not to launch the endorsement of this standard and to wait for the final standard.

The above standard does not apply to the financial statements of the Company.

► **Amendment to the International Accounting Standard 1** “Presentation of Financial Statements”: Classification of liabilities as current or non-current

Effective for annual periods beginning on or after 1.1.2022
On 23.1.2020, the International Accounting Standards Board issued amendments to IAS 1 relating to the classification of liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if the liability must be classified as current or non-current.

- Management expectations about events after the balance sheet date must not be taken into account.
- The amendments clarify the situations that are considered settlement of a liability.

The Company is examining the impact from the adoption of the above amendment on its financial statements.

2.3 Operating segments

The Company is not listed on the Athens Stock Exchange, and, therefore, has no obligation to present information per sector.

2.4 Transactions in Foreign currency and Translation of foreign operations

The items included in the Financial Statements are expressed in the currency of the primary financial environment in which the Company operates (functional currency), namely Euro. Foreign currency transactions are translated into Euro, using the exchange rates prevailing on the dates of these transactions. At each reporting date, monetary assets and liabilities amounts that are denominated in foreign currencies are translated at the exchange rates prevailing at that date. Exchange differences are recognized in the Statement of Income in the period in which they arise as income or expense, depending on their nature (credit or debit exchange differences respectively).

2.5 Software

Software licenses are classified as intangible assets and are measured at acquisition cost less accumulated amortization and accumulated write offs. Amortization is calculated based on the straight-line method over the useful life of such assets, which ranges from 1 to 10 years. In case of sale of a software or when no economic benefits are expected for the Company, the software is derecognized.

2.6 Tangible assets

Tangible assets are recognized at their acquisition cost, less accumulated depreciation and any impairment losses.

Subsequent expenses related to the asset are recognized as an increase in the carrying value of tangible fixed assets or as a separate fixed asset only to the extent that the expenses increase the future financial rewards anticipated from the use of the fixed asset and their cost can be measured reliably. Repair and maintenance costs are recognized as expenses when incurred.

Depreciation of tangible fixed assets is calculated using the straight-line method over their useful life, which ranges between 3 and 10 years.

Gains and losses from the sale of property and equipment are recognized at the time of sale in the Statement of Income and Other Comprehensive Income.

2.7 Leases – IFRS 16 applicable from 1 January 2020

Rights to use fixed assets

The company recognizes the right to use fixed assets at the start of the lease (the date the asset is available for use). The rights to use fixed assets are measured at their cost, reduced during accrued depreciation and impairment. The costs of the right to use fixed assets include the amount of lease liabilities that have been recognized, the initial directly related related expenses and the lease payments made on or before the start date, reduced by the amount of discounts or other incentives offered. Unless the company is relatively confident that the leased fixed asset will be owned at the end of the lease, the recognized fixed-term rights are depreciated by the fixed method for the shortest period between the useful life of the underlying asset and the terms of the contract. lease. The rights to use fixed assets are subject to impairment control, either individually or as a cash flow creation unit.

Rent obligations

At the commencement of the lease, the company recognizes lease liabilities equal to the present value of the leases during the total term of the lease. Payments include conventional fixed rents, deducted from the amount of subsidies offered, variable rents that depend on an indicator, as well as amounts for residual value payments that are expected to be paid. Rents also include the exercise price of a purchase right, which is relatively certain to be exercised by the company, and payments for the resolution of a lease, if the terms of the contract indicate with relative certainty that the company will exercise the right to terminate. Variable rents that do not depend on an indicator are recognized as an expense in the period in which the event or contract occurs and the payment is made.

The Company in order to discount remaining lease payments used incremental borrowing rate (IBR) which is determined using as reference rate the secured funding rate of the major shareholder, Alpha Bank, adjusted for different currencies and taking into consideration government yield curves, where available. After the start of the lease, the amount of the lease liabilities increases with interest expenses and decreases with the payments made. In addition, the book value of lease liabilities is recalculated if there is a modification in the contract, or any change in the term of the contract, in fixed leases or in the purchase assessment of the asset. These re-measurements are recorded in a line in the notes on the use of fixed assets as conversions.

Short-term leases and leases of low value fixed assets

The company applies the exemption for short-term leases (ie leases lasting less than or equal to 12 months, from the date of commencement of the lease, where there is no right to purchase the asset). It also applies the exemption on low value assets (ie less than € 5 thousand). Rent payments for short-term and low-value leases are recognized as costs by the fixed method during the lease.

2.8 Impairment of non-financial assets

Tangible assets, intangible assets, right of use assets and other non-current assets are reviewed at each balance sheet date to determine whether there is an indication of impairment and, if impaired, the carrying amount is adjusted to its recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and value in use, i.e. the present value of the expected future cash flows, arising from the ongoing use of such asset until its disposal or end of its useful life. The impairment loss is recognized when the carrying amount exceeds the recoverable amount.

The Company at each balance sheet date reviews its assets for any impairment indicators. In cases that the carrying amount is higher than the recoverable amount, impairment loss is recognized through the Statement of Income.

An impairment loss recognized in prior periods shall be reversed only if there is sufficient evidence that the impairment no longer exists or has been decreased. The reversal of impairment is recognized through the Statement of Income.

2.9 Financial instruments

A financial instrument is any contract that creates a financial asset for one business and a financial liability for another. The Company only has *non*-derivative financial instruments, comprising Contract assets & clients' receivables, cash and bank deposits (financial assets), and trade and other payables and contract liabilitiea (financial liabilities). Non-derivative financial instruments are initially measured at the fair value, which is adjusted on initial recognition with transaction costs that are directly attributably to the acquisition or issue of financial assets and financial liabilities.

Classification and subsequent measurement

Following initial recognition, financial assets are measured based on one of the following methods depending on their classification:

• the amortised cost

• at fair value

The Company does not have any financial instrument that is measured at fair value. Financial assets that are subsequently measured at amortised use the effective interest rate method and are subject to impairment assessment. Gains and losses are recognized in the Statement of Income when the financial asset is derecognised, modified or impaired.

Clients receivables (which do not contain a significant financial element) are valued at the transaction price.

A financial asset ceases to be recognized in the Financial Statements, when the contractual rights of the Company on the cash flows of such asset expire, or when that asset is transferred to a third party, without retaining control or substantially all of the benefits and risks associated with it. Purchases and sales of financial assets executed in the ordinary course of the activities of the Company are recorded in the Financial Statements on the transaction date, i.e. on the date when the Company undertakes to purchase or sell that asset.

A financial liability ceases to be recognized in the Financial Statements, when the contractual liabilities of the Company arising from it expire or are cancelled.

Impairment assessment

The Company recognizes expected credit losses for all financial assets that are not measured at fair value through P&L. For claims from customers and contract assets, the company applies the simplified approach in calculating expected credit losses, according to which the loss is measured in an amount equal to the lifetime expected credit losses. The amount of loss is recognized in the Statement of Income.

2.9.1 Write-offs

If a receivable ultimately becomes uncollectible, it is written off. Subsequent recoveries of amounts previously written off are recognised within the Statement of Income.

2.9.2 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include the balances of "cash" and "bank deposits" accounts as well as short-term bank deposits with a maturity of three months from the balance sheet date.

2.9.3 Trade and other payables

Trade and other payables include trade and other liabilities. They are recognized at their nominal amounts, which are considered to be equal to fair value, unless the effect of the time value is significant.

2.10 Income tax

Income tax includes current tax and deferred tax. Income tax is recognized through the profit and loss account. Where the tax relates to items directly recognized in equity, the tax is also recognized in equity.

Income tax includes the expected tax payable on the taxable income for the year, using tax rates applicable at the balance sheet date, and the deferred tax.

Deferred tax is calculated on the temporary differences between carrying values and the tax base of assets and liabilities according to tax rates currently applicable or expected to be applicable at the time of settlement of the liability or asset.

A deferred tax asset is only recognized to the extent that it is possible that there will be future taxable profits against which the asset can be set off. Deferred tax assets are reduced accordingly, if it is probable that the relevant tax benefit will not be realized.

2.11 Employee benefits

In accordance with applicable labour legislation, the Company must recognize a provision for staff retirement indemnity for employees who are entitled to a lump sum if they continue to work until the usual age of retirement. This indemnity is calculated on the basis of the years of service and estimated income of the employee on the date of retirement. The provision amount is determined based on an actuarial study performed each year.

Any increase or decrease in the indemnity provision for the Company, arising from the retirement indemnity actuarial study is directly recognized in other income in the period in which it occurs. The cost of previous service and the interest cost are directly recognized through the statement of comprehensive income.

2.12 Provisions

Provisions are recognized when the Company has a current obligation (legal or constructive) as the result of a past event which involves future outflows for the settlement of the obligation and the amount of the obligation may be credibly valued. Provisions are reviewed on each balance sheet date and if the obligation no longer exists, the provision is reversed. Provisions are used only for the purpose for which they were initially made. Provisions for future losses are not recognized.

2.13 Leases - IAS 17 applicable until 31 December 2018

The company shall determine for each relevant agreement whether or not it enters into a lease agreement by evaluating its substance. An agreement is or encloses a lease if it provides a right to use a fixed asset even in cases where this asset or fixed asset is not clearly specified in it.

Leases in which the company is a lessee:

Fixed leases where the company maintains virtually all risks and benefits of the property are classified as financial leases. Financial leases are capitalized at the beginning of the lease at the lowest of the fair value of the fixed asset or the present value of the minimum rent. Each lease is divided between the obligation and the financial expenses in order to achieve a fixed interest rate on the remaining financial obligation. The corresponding lease liabilities, net of financial expenses, are shown in the "Obligations". The part of the cost of financing the lease corresponding to interest is recognized in the results of the year during the lease in a way that implies a fixed interest rate on the balance of the liability in each period. The fixed assets acquired through financial lease are depreciated in the shortest period between the useful life of the fixed assets and the duration of their lease.

Leases where a significant part of the risks and benefits of the property are retained by the lessor are classified as operating leases. The payments made for operating leases (net of any incentives offered by the lessor) are recognized in the results of use proportionally during the lease.

Leases in which the company is a lessor

The rents received by the company are recognized as income proportionally during the lease. The corresponding leased assets are included in the financial position based on their nature.

As of January 1, 2019, this accounting policy has been renewed under the new IFRS 16 standard, as described in Note 1.3.

2.14 Share Capital

Principles of debt and equity

The financial instruments issued by the Company for the collection of funds are classified as financial obligations or equity, based on the substance of the contract and the definitions of the financial obligation and Equity.

Share Capital

The shares are registered in Equity when there is no obligation to pay in cash or other financial asset or to exchange financial assets in terms that may be unfavorable for the Company.

Share capital increase costs

Direct expenses for the issuance of shares are recognised, after deduction of the corresponding income tax, in equity.

2.15 Revenue Recognition

The Company recognizes revenue from the provision of services relating to the servicing of receivables from loans and credits. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a service to a customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company is acting as a principal in its revenue transactions in the sense that it controls the services before transferring those to its customers. The Company did not incur any incremental costs of obtaining contracts with its customers.

In general, the period between the Company transferring a service and the customer paying for it is one year or less. In this context, the Company elected to apply the practical expedient of IFRS 15:63 according to which it is not required to adjust the consideration for the effects of a significant financing component.

Recognition & Measurement

The Company provide to its customers services of receivables from loans and credits. For the provision of the above-mentioned services, the Company collects a fee from its customers.

The individual services are not distinct since the Company's customers cannot benefit from each individual service on its own and additionally no other relevant resources are available to its customers in order to be able by using them to service receivables from loans and credits. The aforementioned services promised to the Company's customers are not separately identifiable since they are interdependent and highly interrelated in the sense that the Company cannot fulfil its promise by transferring each of those services independently. In this context, all the services promised in the contracts with the Company's customers are accounted for as a single performance obligation.

Revenue from the above-mentioned services is recognized over time since the Company's customers simultaneously receive and consume the benefits provided by the Company's performance as the Company performs.

The normal credit term provided by the Company to its customers is 30 days.

Presentation

Trade receivables

A receivable depicts the Company's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due. The Company accounts for its receivables in accordance with IFRS 9 (please refer to Note 7).

Contract assets

A contract asset depicts the Company's right to consideration in exchange for services that the Company has transferred to its customers. Whenever, the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset. The Company assesses its contract assets for impairment in accordance with IFRS 9.

Contract liability

A contract liability depicts the Company's obligation to transfer services to its customers for which the Company has received consideration (or an amount of consideration is due) from the customer. Whenever, a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a product or service to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

2.16 Definition of related parties

Pursuant to International Accounting Standard 24 "Related Party Disclosures", related parties in relation to the Company are:

i. The parent company, Cepal Holdings S. A. and those legal entities classified for the Company or its parent company as:
   - Subsidiaries;
   - Joint Ventures; or
   - Affiliates;

ii. The main shareholders of the parent company "Cepal Holdings S. A." are:
   - Hellas Acquisition LuxCo S. à R.L. (formerly CCP II Acquisition Luxco III S. à R. L.); and
   - Alpha Bank A.E.

iii. Individuals that act as Key Management Personnel and their close family members.

There are no individuals that meet the definition Key Management Personnel for the Company.

3. Intangible and tangible fixed assets

The breakdown and functioning of the intangible and tangible fixed assets of the Company for the fiscal year are as follows:

Amounts in thousands Euro	Installations in 3rd party buildings	Right-of-use-asset (buildings)	Right-of-use-asset (vehicles)	Furniture and other equipment	Total tangible assets	Software
Acquisition value 01/01/2018	**-**	**-**	**-**	**370**	**370**	**597**
Additions for the fiscal year	1.001	-	-	690	1.691	664
Acquisition value as at 31/12/2018	**1.001**	**-**	**-**	**1.060**	**2.061**	**1.261**
Accumulated depreciation 01/01/2018	**-**	**-**	**-**	**66**	**66**	**32**
Depreciation for the fiscal year	54	-	-	126	180	133
Accumulated depreciation 31/12/2018	**54**	**-**	**-**	**192**	**246**	**165**
Net book value 31/12/2018	**947**	**-**	**-**	**868**	**1.815**	**1.096**
First application of IFRS 16	-	3003	31	-	3034	-
Acquisition value as at 01/01/2019	**1.001**	**3.003**	**31**	**1.060**	**5.095**	**1.261**
Additions for the fiscal year	4	-	26	187	217	281
Acquisition value as at 31/12/2019	**1.005**	**3.003**	**57**	**1.247**	**5.313**	**1.541**
Accumulated depreciation 01/01/2019	**54**	**-**	**-**	**192**	**246**	**165**
Depreciation for the fiscal year	119	375	11	193	698	260
Accumulated depreciation 31/12/2019	**173**	**375**	**11**	**385**	**944**	**424**
Net book value 31/12/2019	**832**	**2.628**	**46**	**862**	**4.368**	**1.117**

There are no mortgages or pledges, or any other encumbrances on the fixed assets to secure borrowing.

4. Deferred Tax

Deferred income tax is recognized on temporary differences that arise between the tax base of assets and liabilities and the corresponding amounts in the Financial Statements. According to paragraph 1 of article 22 of law 4646/2019 (Government Gazette A '201 / 12-12-2019), the income tax rate for legal entities is reduced from 29% to 24% for the income of the fiscal year 2019 and onwards.

The functioning of the deferred income tax account is broken down as follows:

Amounts in thousands Euro	Right to use assets	Provision for staff indemnities	Tax losses recognized	Total
Balance as at 01.01.2018	**-**	**24**	**1.615**	**1.639**
(Debit)/credit of profit and loss account	-	43	(41)	2
(Debit)/credit of other comprehensive income	-	(4)	-	(4)
Balance as at 31.12.2018 & 01.01.2019	**-**	**63**	**1.574**	**1.637**
(Debit)/credit of profit and loss account	9	26	754	789
(Debit)/credit of other comprehensive income	-	14	-	14
Balance as at 31.12.2019	**9**	**103**	**2.328**	**2.440**

Deferred tax recognized in the income statement is attributable to temporary differences, the effect of which is analyzed in the table below together with the reconciliation between the effective and nominal tax rate for Company:

Income tax reconciliation	**31.12.2019**		**31.12.2018**	
Amounts in thousands Euro	**%**	**Amount**	**%**	**Amount**
Profit/ (Loss) before income tax		**(4.523)**		**(812)**
Income tax based on the Greek (nominal) tax rate 24% (29% 2018)	(24,0%)	1.085	(28,9%)	235
Increase/(decrease) resulting from:				
Effect in the Deferred Tax Asset due to the change in the tax rate	5,2%	(237)	20,7%	(168)
Previous year adjustment	-	0	(0,2%)	2
Non-deductible expenses	1,0%	(45)	8,9%	(72)
Income Tax	(17,8%)	**803**	0,2%	**(2)**
Deferred Tax Asset		803		(2)
Income Tax obligation		-		-
Total		**803**		**(2)**

The Company recognized a deferred tax asset on its tax recognized losses amounting to 9.701 thousands Euro (2018: 5.618 thousands Euro), which, based on the current assessments of the Management, is expected to be set off against future taxable profits.

5. Other non-current assets

Other non-current assets of the Company are broken down as follows:

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Buildings lease fee guarantees	67	67
Vehicles lease guarantees	7	2
Guarantees to electric power supplier	12	12
Guarantees to telephony company	-	1
Total	**86**	**82**

6. Prepaid expenses and Contract assets

The Company's prepaid expenses are broken down as follows:

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Sponsorships	-	20
Subscriptions	3	8
IT support fees	145	105
Software licenses	210	244
Insurance premiums	55	8
Total	**413**	**385**

Amounts relating to contract assets are balances due from customers that represent the portion of services that has been already delivered to customers and not yet invoiced. These contract assets are expected to be invoiced within the following fiscal year. Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the Company's customers.

The Company's contract assets is broken down as follows:

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Contract assets (related parties)	2.223	3.877
Contract assets (non-related parties)	1.025	225
Total	**3.248**	**4.102**

Receivables from Clients are analysed as follows:

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Clients (related parties)	18	13
Clients (non-related parties)	308	204
Total	**326**	**217**

7. Other receivables

Other receivables are analysed as follows:

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Advance payments to suppliers	50	42
Other receivables	63	13
Total	**113**	**55**

8. Cash and cash equivalents

The cash and cash equivalents of the Company are broken down as follows:

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Cash in hand	1	1
Bank deposits	2.148	7.404
Total	**2.149**	**7.405**

The bank deposits represent zero interest rate deposits in Alpha Bank, which for credit rating purposes are classified on 31.12.2019 as B (long term), the credit rating is based on the International Credit Rating institution STANDARD & POOR'S and are immediately available upon request.

9. Share capital

The share capital of the Company on 31.12.2018, as formed by means of a decision by the General Meeting of the shareholders of the Company on 04.05.2017, which decided to increase the share capital by €14,767,331, to €16,095,331. Expenses amounting to €162,441 and cumulatively to €175,949 relating to increase were recognized in Equity. Share capital is comprised of 1,328,000 common registered shares with voting rights and 14,767,331 redeemable registered preferrance shares with a nominal value of one Euro (€1) per share.

Based on the 31 December 2020 Balance Sheet, the total equity of the Company is less than half of its share capital and therefore the management of the Company is assessing alternative ways order to meet the requirements of article 119 of Law 4548/2018.

10. Long-term lease liabilities

The long-term liabilities on 31.12.2019 relate to the recognition of liability from the application of IFRS 16 and specifically from the leases of real estate and cars used by the Company itself. The formation of this obligation is analyzed as follows:

Amounts in thousands Euro	**01.01.2019**	**New leases**	**Interest**	**Repayment of liabilities**	**31.12.2019**
Financial cash flows / Lease liabilities	3.035	26	62	(414)	2.709

The maturity of the specific financial obligations is analyzed as follows:

Amounts in thousands Euro	**31.12.2019**	**Nominal amount**		
Maturity analysis of lease liability cash flows	**Total**	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
Lease liability	2.918	419	1.668	830
Amounts in thousands Euro	**31.12.2019**	**Discounted amount**		
Maturity analysis of lease liability cash flows	**Total**	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
Lease liability	2.709	415	1.565	729

11. Post-employment benefits

The amounts recorded in the Balance Sheet as at 31.12.2019, based on the actuarial study, have been assessed as follows:

Amounts in thousands Euro	**1.1-31.12.19**	**1.1-31.12.18**
Amounts recognized in Balance Sheet		
Present value of obligations	431	216
Net Liability/(Asset) in BS	**431**	**216**
Amounts recognized in Profit and Loss		
Service cost	152	127
Net interest on the net defined benefit liability/(asset)	5	1
Regular P&L Charge	**157**	**128**
Recognition of past service cost	28	20
Settlement/Curtailment/Termination loss/(gain)	212	-
Total P&L Charge	**397**	**148**
Reconciliation of benefit obligation		
DBO at start of period	216	82
Service cost	152	126
Interest cost	5	2
Benefits paid directly by the Company	(240)	-
Settlement/Curtailment/Termination loss/(gain)	212	-
Past service cost arising over last period	28	20
Actuarial (gain)/loss - financial assumptions	83	(5)
Actuarial (gain)/loss – experience	(25)	(9)
DBO at end of period	**431**	**216**
Remeasurements		
Liability gain/(loss) due to changes in assumptions	(83)	5
Liability experience gain/(loss) arising during the year	25	9
Total actuarial gain/(loss) recognised in OCI	**(58)**	**14**
Movements in Net Liability/(Asset) in BS		
Net Liability/(Asset) in BS at the beginning of the period	216	82
Benefits paid directly	(240)	-
Total expense recognized in the income statement	397	148
Total amount recognized in the OCI	58	(14)
Net Liability/(Asset) in BS	**431**	**216**

The main actuarial assumptions used for accounting purposes are:

Discount interest rate	1,03%	2,06%
Future salary raises	1,40%	1,50%
Inflation	1,50%	1,50%
Program duration (years)	21	21

12. Trade and other payables

Payables to suppliers and creditors on 31.12.2019 are broken down below:

Amounts in thousands Euro	31.12.2019	31.12.2018
Domestic suppliers	1.243	1.176
Foreign suppliers	366	1.210
Other liabilities	9	10
Right-of-use-asset's liabilities	415	-
Total	**2.033**	**2.396**

All the above payables are short-term payables, and the fair value thereof is not significantly different from their carrying value on the reporting date of the Financial Statements.

13. Contract liabilities

The customer liabilities consist of customer advances for the provision of services and are analyzed as follows:

Amounts in thousands Euro	31.12.2019	31.12.2018
Contract liabilities to related entities	835	1.921
Contract liabilities to non-related entities	126	-
Total	**961**	**1.921**

14. Liabilities from other taxes and duties

Liabilities from other taxes and duties on 31.12.2019 are broken down below:

Amounts in thousands Euro	31.12.2019	31.12.2018
Value Added Tax	171	71
Payroll Withholding tax	467	362
Third parties withholding tax	15	8
Total	**653**	**441**

15. Liabilities to insurance organizations

Liabilities to insurance organizations on 31.12.2019, amounting to 536 thousands Euro relate to December contributions to the Unified Social Security Institution (EFKA). On 31.12.2018 liabilities to insurance organizations were 467 thousands Euro.

16. Accrued expenses and deferred Income

Accrued expenses for the fiscal year on 31.12.2019 are broken down as:

Amounts in thousands Euro	31.12.2019	31.12.2018
Accrued fees for audit, accounting and consulting services	54	41
Accrued fees and expenses for legal services	458	683
Payroll expenses	1.027	922
Recharge of shareholders expenses	-	65
Total	**1.539**	**1.711**

The deferred income on 31.12.2019 are broken down as:

Amounts in thousands Euro	31.12.2019	31.12.2018
Accrued Income to related entities	170	295
Accrued Income to non-related entities	75	-
Total	**245**	**295**

17. Sales and other operating income

The company's sales and other operating income for the fiscal year 2019 are broken down below:

Amounts in thousands Euro	31.12.2019	31.12.2018
Revenue from the provision of receivables servicing	19.284	13.496
Deferred Income	(245)	(295)
Accrued provision of services	3.248	4.102
Total	**22.287**	**17.303**
Revenue from assignment of space	2	26
Revenue from assignment of personnel	92	12
Revenue from guarantees	-	12
Other Income	-	3
Grand Total	**94**	**53**

The Company disaggregated revenue from contracts with customers by timing of transfer of services, as management believe this best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors.

	31.12.2019		31.12.2018	
Amounts in thousands Euro	At a point in time	Over time	At a point in time	Over time
Revenue from the provision of receivables servicing	-	22.287	-	17.303
Revenue from assignment of personnel	-	92	-	12
Revenue from assignment of space	-	2	-	26
Revenue from guarantees	-	-	12	-
Other Income	-	-	3	-
Grand Total	**-**	**22.381**	**15**	**17.341**

18. Staff costs

Staff salaries and expenses for fiscal year 2019 are broken down below:

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Gross Salaries	11.034	7.863
Employer's contributions	2.343	1.645
Other employee benefits	551	369
Provision for post-employment benefits	156	148
Separation benefit	241	50
Total	**14.325**	**10.075**

On 31.12.2019 the Company employed 305 people, whereas on 31.12.20187 the Company employed 281 people.

19. Other operating expenses

Other operating expenses for fiscal year 2019 are broken down below:

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Fees for services	7.886	4.776
Utilities	270	194
Rents	10	603
Premiums	162	23
Transportation	352	383
IT expenses	1.259	1.059
Auctions fees and expenses	806	120
Other expenses	809	618
Depreciation and amortization	958	312
Total	**12.512**	**8.088**

The increase in Fees for services in 2019 is mainly due to legal expenses relating to the servicing of existing and new portfolios.

The decrease in Rents in 2019 is due to the application of IFRS 16 as of 1 January 2019. The amount of €10 thousand in 2019 relates to short term leases with lease term of less than a year, or leases of low value assets.

20. Net financing results

Financial results for fiscal year 2019 are broken down below:

Amounts in thousands Euro	31.12.2019	31.12.2018
Interest charges and related expenses	4	4
Foreign exchange difference expenses	1	1
Lease interest	62	-
Total	**67**	**5**

21. Related parties transactions

Transactions and balances from trading acts between the Company and related parties (as defined in IAS 24) are listed below:

All transactions with related parties are performed under market conditions.

A. Transactions and results with related parties

a) *Revenues from the provision of services*

	01.01 - 31.12.2019			01.01 - 31.12.2018		
Amounts in thousands Euro	Provision of services and rents	Accrued income	Deferred Income	Provision of services and rents	Accrued income	Deferred Income
Alpha Bank SA	13.914	2.223	(170)	12.317	3.877	(295)
Kaican Hellas S.A.	92	-	-	37	-	-
Centerbridge Partners Europe LLP	300	-	-	-	-	-
Cepal Holdings SA	2	-	-	1	-	-
Total	**14.308**	**2.223**	**(170)**	**12.355**	**3.877**	**(295)**

b) *Expenses*

	01.01 - 31.12.2019			01.01 - 31.12.2018		
Amounts in thousands Euro	Bank accounts commissions	Service provision	Accrued expenses	Bank accounts commissions	Service provision	Accrued expenses
Alpha Bank SA	4	-	-	4	-	32
Centerbridge Partners Europe LLP	-	-	-	-	-	12
Kaican Hellas S.A.	-	-	-	-	181	-
Kaican Services Ltd	-	934	-	-	793	65
Total	**4**	**934**	**0**	**4**	**974**	**109**

c) *Receivables*

	31.12.2019			31.12.2018		
Amounts in thousands Euro	Sight deposits	Other receivables	Contract assets	Sight deposits	Other receivables	Contract assets
Alpha Bank SA	2.148	41	2.223	7.404	9	3.877
Kaican Hellas S.A.	-	18	-	-	-	-
Total	**2.148**	**59**	**2.223**	**7.404**	**9**	**3.877**

d) Liabilities

	31.12.2019		31.12.2018	
Amounts in thousands Euro	**Customer liabilities and advance payments**	**Deferred Income**	**Customer liabilities and advance payments**	**Deferred Income**
Alpha Bank SA	835	170	1.921	295
Centerbridge Partners Europe LLP	-	-	1.154	-
Kaican Hellas S.A.	-	-	8	-
Kaican Services Ltd	366	-	56	-
Total	**1.201**	**170**	**3.139**	**295**

22. Contingent liabilities and commitments

Legal Affairs

There are no pending cases or lawsuits filed by third parties against the Company for which a cash outflow is expected.

Tax Issues

The Company has not been audited by the tax authorities for the years from 2016 to 2019. The Company has received a clean tax certificate for the years ending 2016, 2017 and 2018 by the certified auditors, while for year 2019 it is currently undergoing a tax certificate audit, and it is estimated that no material tax charges will arise.

Commitments under operating leases

The Company has signed a commercial lease agreement expiring on 31.12.2026 for offices where the Company's services and headquarters have been transferred. The Company has also rented cars and uses them for the needs of its staff. These rents have been recognized on 01.01.2019 in accordance with IFRS 16 in the Company's Balance Sheet.

Below is an analysis / reconciliation of the relevant amounts on 31.12.2018 with 01.01.2019:

Amounts in thousands Euro	**31.12.2018**	
Category	**Cars**	**Buildings**
Within one year	8	402
Beyond one year and up to five years	25	1.628
Beyond five years	0	1.243
Total	**33**	**3.273**

Amounts in thousands Euro	**01.01.2019**	
Category	**Cars**	**Buildings**
Minimum lease payments 31.12.2018	**32**	**3.273**
Discount by using the incremental borrowing rate 01.01.2019	(1)	-269
Total lease liability as of 01.01.2019	**31**	**3.004**

23. Auditors' fees

The total fees of "Deloitte Certified Public Accountants S.A.", statutory auditor of the Company is analysed below, as stated in paragraph 2 and 32, article 29, of Law 4308/2014.

Amounts in thousands Euro	**31.12.2019**	**31.12.2018**
Fees for statutory audit	17	17
Fees for the issuance of tax certificate	12	12

24. Events after the Balance Sheet date

After the balance sheet date and until the approval of the Financial Statements, there are no facts concerning the Company and for which a relevant disclosure is required in accordance with the International Financial Information Standards (IFRS), except for the Coronavirus pandemic (COVID- 19).

The Company is monitoring the recent developments regarding the rapid expansion of Coronavirus, its primary concern is to adopt the necessary measures to ensure the safety of staff, while implementing a business continuity plan that includes remote work with which we maintained our ability to provide services our customers during this difficult time. The Company is constantly evaluating the effects of the pandemic on its profitability and has already taken steps to mitigate its effects.

The above efforts are being carried out simultaneously with the actions of the Greek Government to counter the economic consequences of the Coronavirus (COVID-19) and to support the economy. Based on recent Legislative Acts, the following urgent measures have been enacted regarding corporations which have been severely affected by Coronavirus pandemic (which are included in special lists according to their Activity Code), like: i) suspension of payment of tax and social insurance obligations for 4 months, without imposing of fines and / or additional interest due to outstanding payments ii) temporary suspension of employees who will receive a special allowance and iii) 40% discount on commercial leases with the corresponding support of the landlords. Moreover, additional measures have been enacted for all corporations and employees regardless their business activity such as: i) to provide government grants or grants in the form of guarantees, from European Funds through a refundable advance payment, ii) for employees of the public or private sector to obtain a special leave who have a child up to 15 years old due to the lockdown of schools and. iii) compensation for those who are self-employed and entrepreneurs.

In addition, the European Central Bank announced on 12.3.2020 the adoption of a package of monetary Policy Measures in order to ensure favorable financing conditions for the economy in order to mtigate the effects of the crisis.

On March 18, 2020, it was also decided by the European Central Bank to allocate a total of € 750 billion under the Pandemic Emergency Purchase Program. It is noted that exemption (waiver) from the general eligibility rules will be granted to Greek government issuance securities, by limiting them to that program. On 20.32020, new supervisory measures were announced in order to provide further flexibility to banks regarding the supervisory control of loans secured by government guarantees.

At the same time, coordinated actions are taking place at a pan-European level, in the most significant of the decisions taken at the Council of Ministers of the European Union (EU), March 23, 2020, regarding the activation of the general escape clause. in accordance with which the Member States of the European Union "may take all necessary measures to support public health, business liquidity, employment and social cohesion, deviating from the" Medium-Term Public " The goal of the Stability and Growth Symphony for the duration of the corona crisis

Athens, 25 May 2020

The Chairman of the Board of Directors	The Member of the Board of Directors
Richard Terrell Langstaff	Periklis Kitrilakis
The Chief Financial Officer	The person responsible for the preparation of the Financial Statements
George Angelides	Dimitrios Petkovits Accounting Solutions S.A.