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

Annual Financial Statements
for the period from 01.01.2021 to 31.12.2021

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” or “Cepal Hellas”), we hereby submit to the General Meeting this report regarding the activities of the fiscal year that ended on 31 December 2021.

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 118/19.05.2017, as in force.

B. SIGNIFICANT EVENTS IN THE COMPANY’S ACTIVITIES

I. Acquisition of Alpha Bank’s Non-Performing Retail and Business Loan Management Units

Following the acquisition of the NPL Unit of Alpha Bank on 1 December 2020, the Company’s share of the NPL servicing market and its operations increased significantly.

On 22 February 2021 Alpha Bank announced that it had signed binding agreements with funds managed by Davidson Kempner European Partners LP (“DKP”) for the sale of 80% of Cepal Services and Holdings (the sole shareholder of Cepal Hellas) shares alongside 51% of the mezzanine and the junior notes issued under “Project Galaxy”. Moreover, Alpha Bank and DKP agreed to extend the term of the SLA with Cepal Hellas for the servicing of the Retained book of Alpha Bank, from 10 to 13 years with a right to extend further. The transaction closed on 22 June 2021.

On 22 October 2021, the Company took over the management of a portfolio of €3.4 billion Gross Book Value of primarily Non-Performing Exposures (NPEs) (the “Cosmos” portfolio) as part of Alpha Bank's own portfolio. Following the sale and transfer of 51% of the Mezzanine and Junior securitization notes of Cosmos Portfolio to DKP, which completed on December 17, 2021, Cepal Hellas took over the management of the Cosmos Portfolio directly from the special purpose company Cosmos Securization DAC.

On 30 July 2021 the Company entered into a new bond loan agreement with Alpha Bank and European Bank for Reconstruction and Development (“EBRD”) for a total amount of €105 million. The new bond loan was issued on 12 August 2021 and was used to repay the previous bridge loan taken from Alpha Bank on 1 December 2020. The bond loan is repayable in 3-monthly installements starting 31 December 2021 with the last installement scheduled for 30 June 2026 and bears an interest rate of 3-month Euribor plus spread of 4.5%.

II. Main Risks and Uncertainties for 2022

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 cash flows generated from the Company's operations together with the cash balance as of 31 December 2021 of €57.4 million are expected to be sufficient to meet the Company's obligations in a timely manner. Additionally, through the planning of liquidity needs and the collection of its debts by customers and the monitoring of its cash, the Company manages its cash and liquidity risk.

• 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

As of 31 December 2021, the Company has a bond loan of outstanding balance €96.8 million. The loan bears an interest rate of 3-month Euribor plus spread of 4.5% and has an original maturity date 30 June 2026. As a result the Company is exposed to interest rate risk arising from the potential increase of the 3-month Euribor rate.

III. Estimates and Perspectives for 2022

The main objective of the Company for 2022 is to further consolidate its operations and organizational infrastructure, with the aim of achieving synergies, economies of scale and technology driven efficiencies as quickly as possible, continuing to provide high quality management services to current and new loan and credit portfolios.

At the same time, the Company expects further development of its activities aiming at new business opportunities.

The Company monitors the latest developments regarding the Russia-Ukraine conflict, which has created and may continue to create uncertainty in the coming period and is trying to assess the negative implications of the war, sanctions and trade disruptions and mitigant actions from the official sector.

IV. Board of Directors

The current Board of Directors, the term of which expires on 20 July 2024, is comprised of the following:

1. Theodoridis Artemios, Chairman;
2. Sakellaris Plutarchos, Member;
3. Ceribelli Miriam Giuseppe, Member;
4. Stannard Kenneth John, Member.

V. Events after the Balance Sheet date

On 28 December 2021 Alpha Bank S.A. has entered into a binding agreement with Hoist Finance AB ("Hoist") in relation to the disposal of a Portfolio of Retail Unsecured Non-Performing Loans (the "Orbit" Portfolio) of a total outstanding balance of €2.1 billion and of a total gross book value of €1.3 billion as of 31.12.2020. This portfolio was part of the Retained portfolio of Alpha Bank, already serviced by Cepal

Hellas and on 22 March 2022, Cepal Hellas signed a management contract directly with Hoist to service the Orbit portfolio.

On 18 April 2022, Cepal Hellas signed an amendment to the Contract for the servicing of the Neptune portfolio, based on which ca. 40% of the portfolio will be revoked by Cepal Hellas' management.

On 1 June 2022, Cepal Hellas re-signed a Management Agreement with Hoist, with retroactive effect from 1 January 2022, regarding the servicing of the Mercury portfolio that had been servicing since December 2018, with which among other things, an extension of management for another 3 years was agreed.

The Russia/Ukraine conflict has created and may continue to create uncertainty in the coming period. The Company is monitoring the developments and is trying to assess the negative implications of the war, sanctions and trade disruptions and mitigant actions from the official sector.

C. PRESENTATION OF FINANCIAL RESULTS

Total turnover in 2021 was €176.7 million (2020: €32.7 million), while the result before tax was a profit of €56.6 million (2020: loss of €4.5 million). The increase is attributed mostly to the new SLA with Alpha Bank. The After Tax Gain for 2021 was €43.6 million (2020: loss €3.3 million of which €5.8 million relate to the stamp duty paid on the consideration for the acquisition).

The capital structure of the Company is adequate to maintain its activities, with equity at year end of €199.5 million and Cash and Cash Equivalents of €57.4 million (including restricted cash).

I. Key financial ratios

	2021	2020 Revised
1. Current assets / Total assets	33%	16%
2. Equity / Total liabilities	140%	107%
3. Current assets / Short-term liabilities [1]	145%	394%
4. Earnings before interest and tax (EBIT) [2]/ Turnover	35%	(12%)
5. Earnings before interest, tax, depreciation and amortization (EBITDA)[2]/ Turnover	50%	15%

II. Preparation of Financial Statements

The Financial Statements of 31 December 2021 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 2021 and 31 December 2021, 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

[1] Not including Short-term borrowings, since they will be replaced by Long-term (applicable only for 2020 figures). In 2021 figure, short term borrowings have been included.
[2] Not including stamp duty paid for the acquisition of NPL unit (applicable only for 2020 figures)

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 28 June 2022

Chairman of the Board of Directors

Artemios Theodoridis

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

TRUE TRANSLATION

To the Shareholder 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 statement of financial position as at 31 December 2021 and the statements of total comprehensive 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 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards 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 as adopted by the European Union, 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.

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.

Deloitte.

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 31/12/2021.

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.

Athens, 28 June 2022

The Certified Public Accountant

Eleni Christina Kranioti
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Deloitte Certified Public Accountants S.A.
3a Fragkoklissias & Granikou Str.
GR-151 25 Maroussi, Athens, Greece
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Statement of Financial Position as of 31 December 2021

Amounts in thousands Euro	Note	31.12.2021	31.12.2020 (Revised)	01.01.2020 (Revised)
ASSETS				
Non-current assets				
Goodwill	3	6,785	6,785	0
Intangible assets	4	216,109	234,308	1,117
Property, Plant and equipment & Right of Use assets	5	7,295	7,306	4,369
Deferred tax assets	6	452	3,894	2,354
Other non-current assets	7	400	335	86
Total non-current assets		**231,041**	**252,628**	**7,926**
Current assets				
Prepaid expenses	8	1,769	1,146	413
Contract assets & trade receivables	9	47,233	16,274	3,574
Other receivables	10	4,882	876	113
Restricted Cash	11	6,800	0	0
Cash and cash equivalents	11	50,584	31,043	2,149
Total current assets		**111,268**	**49,339**	**6,249**
TOTAL ASSETS		**342,309**	**301,967**	**14,175**
EQUITY AND LIABILITIES				
Equity				
Share capital	12	35,695	35,695	16,095
Share premium	12	134,100	134,100	0
Retained earnings		29,749	(13,788)	(10,253)
Total Equity		**199,544**	**156,007**	**5,842**
Non-current liabilities				
Long term Lease liabilities	13	2,478	2,181	2,294
Long Term Borrowings	15	61,990	0	0
Post-employment benefits	14	1,821	1,489	72
Total Non current liabilities		**66,289**	**3,670**	**2,366**
Current liabilities				
Short Term Borrowings	15	34,763	129,756	0
Trade and other payables	16	5,628	5,395	1,618
Short term Lease liabilities	13	1,873	1,947	415
Contract liabilities	17	6,722	184	961
Other taxes and duties	18	10,788	701	653
Insurance and accrued expenses	19, 20	16,649	4,111	2,075
Deferred Income	20	53	196	245
Total current liabilities		**76,476**	**142,290**	**5,967**
Total liabilities		**142,765**	**145,960**	**8,333**
TOTAL EQUITY AND LIABILITIES		**342,309**	**301,967**	**14,175**

The attached notes (pp. 15-44) are an integral part of the Financial Statements.

Statement of Total Comprehensive Income for the year ended 31 December 2021

Amounts in thousands Euro	**Note**	**1.1.2021 - 31.12.2021**	**1.1.2020 - 31.12.2020 (Revised)**
Turnover (sales)	21	176,650	32,697
Other operating income	21	32	38
Personnel fees and expenses	22	(43,856)	(17,278)
Other operating expenses	23	(71,340)	(19,523)
Net financial results	24	(4,906)	(475)
Profit/(Loss) before income tax		**56,580**	**(4,541)**
Income tax expense	6	(12,978)	1,217
Profit/(Loss) for the year (A)		**43,602**	**(3,323)**
Other Comprehensive income / (loss)			
Other Comprehensive income not to be reclassified to profit or loss			
Actuarial gains / (losses) on defined benefit pension plans	13	(83)	5
Deferred tax on actuarial gains / (losses) on defined benefit pension plans		18	(1)
Other comprehensive income / (loss) for the year, net of tax (B)		**(65)**	**4**
Total Comprehensive Income / (loss) for the year (A) + (B)		**43,537**	**(3,319)**

The attached notes (pp. 15-44) are an integral part of the Financial Statements.

Statement of Changes in Equity as of 31 December 2021

Amounts in thousands Euro	Share capital	Share Premium	Retained Earnings	Total equity
Balance as at 01.01.2020 (Published)	**16,095**	**0**	**(10,526)**	**5,569**
Change of Accounting Policy	-	-	273	273
Balance as at 01.01.2020 (Revised)	**16,095**	**0**	**(10,253)**	**5,842**
Share Capital Increase	19,600	134,100	(216)	153,484
Loss for the year 01.01 - 31.12.2020	-	-	(3,323)	(3,323)
Actuarial gains / (losses) on defined benefit pension plans	-	-	4	4
Total comprehensive income / (loss) for the year	**-**	**-**	**(3,319)**	**(3,319)**
Balance as at 31.12.2020	**35,695**	**134,100**	**(13,788)**	**156,007**
Balance as at 01.01.2021	**35,695**	**134,100**	**(13,788)**	**156,007**
Profit for the year 01.01 - 31.12.2021	-	-	43,602	43,602
Actuarial gains / (losses) on defined benefit pension plans	-	-	(65)	(65)
Total comprehensive income / (loss) for the year	**-**	**-**	**43,537**	**43,537**
Balance as at 31.12.2021	**35,695**	**134,100**	**29,749**	**199,544**

The attached notes (pp. 15-44) are an integral part of the Financial Statements.

Statement of Cash Flows for the year ended 31st December 2021

Amounts in thousands Euro	Note	1.1.2021 - 31.12.2021	1.1.2020 - 31.12.2020 (Revised)
Cash flows from operating activities			
Gain / (loss) before tax		56,580	(4,541)
Plus/ (less) adjustments for:			
Provisions for employee benefit liabilities	14	249	70
Depreciation and amortization of property, plant and equipment and right-of-use assets	4,5	27,054	3,098
Finance costs and related expenses	24	4,908	475
Credit interest and related income	24	(2)	0
Operating results before changes in working capital		**88,789**	**(898)**
Changes in working capital			
(Increase) / decrease: trade receivables	9	(30,959)	(12,701)
(Increase) / decrease: prepaid expenses & accrued income	8	(623)	(733)
(Increase) / decrease: other receivables	10	(4,007)	(763)
(Increase) / decrease: other financial assets	7	(65)	(249)
(Increase) / decrease: advance payments	17	6,537	(776)
Increase / (decrease): trade payables and other liabilities		1,649	4,813
Increase / (decrease): accrued expenses - income	20	12,103	1,468
Operating results after changes in working capital		**73,424**	**(9,839)**
Income tax received / (paid)		0	0
Debit interest and related expenses paid	24	(4,908)	(475)
Credit interest and related income	24	2	0
Net cash generated from / (used in) opereating activities (a)		**68,518**	**(10,314)**
Cash flows from investing activities			
Acquisition of Alpha Bank NPL Servicing Unit	3	0	(240,000)
Purchases of property, plant and equipment and intangible assets	4,5	(6,616)	(3,060)
Net cash generated from / (used in) investing activities (b)		**(6,616)**	**(243,060)**
Cash flows from financing activities			
Share Capital Increase	12	0	153,484
Issuance of Bond Loan	15	103,845	129,350
Repayment of Bond Loan	15	(137,361)	0
Payment of lease liabilities	13	(2,045)	(567)
Net cash generated from / (used in) financing activities (c)		**(35,561)**	**282,268**
Net increase/(decrease) in cash and cash equivalents for the year (a)+(b)+(c)		**26,341**	**28,894**
Cash and cash equivalents & restricted cash at January 1	11	31,043	2,149
Cash and cash equivalents & restricted cash at December 31		**57,384**	**31,043**

The attached notes (pp. 15-44) 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 Registry (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 SERVICES AND HOLDINGS SINGLE MEMBER SOCIETE ANONYME" ("Cepal Services and Holdings"), using the full consolidation method. Cepal Services and Holdings, as at 31.12.2021, held 100% of its share capital.

The current Board of Directors of the Company, pursuant to its meeting minutes dated 20.07.2021 & 29.09.2021, the term of which expires on 20 July 2024, consists of the following:

1. Theodoridis Artemios, Chairman;
2. Sakellaris Plutarchos, Member;
3. Ceribelli Miriam, Member;
4. Stannard Kenneth John, Member.

The Financial Statements were approved by the Company's Board of Directors on 28 June 2022 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 General Commercial Registry for Societes Anonymes 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 relate to the period 01.01.2021 to 31.12.2021, 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 basis.

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 financial statements as at 31.12.2021 have been prepared based on the going concern principle. For the application of this principle, the Board of Directors took into account current economic developments and made estimates for the formation, in the near future, of the economic environment in which it operates. In this context, the Board of Directors assessed the following areas which are considered important during its assessment:

Developments in the macroeconomic environment
Macroeconmic developments in Greece are expected to be positive, driven by recovery of the tourism inflows, increase in investments & private consumtion and lower unemployment.

The significant fiscal support of the Greek government mitigated the negative impact of the pandemic, while some of these measures are expected to continue, albeit to a lesser extend, in 2022. The improvement of the economic environment in Greece can be further supported by the expected improvement of the creditworthiness of Greek sovereign debt towards investment grade, the inflow of funds from the European Recovery and Resilience Facility (RRF) and the implementation of structural reforms that enable a more investment friendly framework. The recovery of economic activity also drove an increase in property prices as demonstrated by the Bank of Greece data for 2021, which is expected to continue.

The Russia/Ukraine conflict since 24 February 2022 has triggered disruptions and uncertainties in the markets and the global economy, as well as coordinated implementation of sanctions by the European Union, The United States, the United Kingdom, Switcherland and others against Russia, and certain Russian entities and individuals. The conflict has created and may continue to create uncertainty in the coming period. The Company is monitoring the developments and is trying to assess the negative implications of the war, sanctions and trade disruptions and mitigant actions from the official sector. The Company considers these events to be non-adjusting events after the reporting period and their potential impact cannot be estimated at this time.

Prolonged uncertainty may affect consumer confidence, while higher commodity prices (such as energy) due to the war and trade disruptions will negatively affect growth, consumers' disposable income and the businesses' balance sheets. On the other hand, it is reasonable to expect that the official sector with take fiscal and monetary measures to mitigate those risks. European officials have been discussing to extend fiscal easing measures from the pandemic and ECB, in front of this new threat, may delay their expected gradual monetary tightening.

Liquidity

The Company's liquidity remains sufficient and is expected to remain sufficient supported by the Company's future profitability. The cash flows generated from the Company's operations together with the cash balance as of 31 December 2021 of €57.4 million (including restricted cash) are expected to be sufficient to meet the Company's obligations for the next 12 months under the the existing bond loan.

Capital

The Company's capital satisfies and is expected to continue to satisfy the statutory thresholds regarding share capital and own funds. During 2021 the Company's own funds increased by €43.5 million as a result of the net profit recorded during the year.

Based on the above and taking into account:

- the Company's healthy liquidity and capital position,
- the positive outlook regarding the Company's performance based on its existing business
- the improving economic environment, despite the potential set back due to the Russia-Ukraine confict and sanctions and trade disruptions that followed, the negative implications of which are expected to be mitigated by measures taken by the official sector

the Board of Directors estimates that, at least for the next 12 months from the date of approval of the financial statements, the conditions for the application of the going concern principle for the preparation of 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 have the most significant effect on the amounts recognised in the financial statements.
The estimates and assumptions applied by the Company for decision making and affect the preparation of the financial statements are based on historical data and assumptions that, in the present circumstances, are considered reasonable.

The estimates and underlying assumptions are reviewed on an ongoing basis in order to take into account current conditions, and the effect in the financial statement of any changes is recognized in the period in which the estimates are revised.

The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements , which area analyzed as follows:

i) Critical accounting estimates and assumptions

Income taxes

The Company recognizes assets and liabilities for current and deferred tax, as well as the related expenses, based on estimates related to 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 2020 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.

Provision for expected credit losses of receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on the Company's historical credit loss experience, calibrated to adjust the historical credit loss experience with forward-looking information specific to the debtors and the economic environment. At each year end, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Retirement benefit obligations

The present value of the pension obligations for the Company's defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate, salary rate increases, rate of departure of employees etc. At each reporting date, Management tries the best way to estimate these factors.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that a non-current asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount of a cash- generating unit (CGU) is determined for impairment tests purposes based on value-in-use calculations which require the use of assumptions. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The calculations use cash flow projections based on financial budgets approved by management. Cash flows beyond the period over which projections are available are extrapolated using estimated growth rates. (see also note 2.8).

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, have been consistently implemented and are in accordance with those described in the published financial statements for the year ended 31.12.2020 after additionally taking into account the amendments to standards issued by the International Accounting Standards Board (IASB), were adopted by the European Union and implemented from 1.1.2021 as detailed below.

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

- **Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods.

The amendments had no impact on the financial statements of the Company.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)**
  The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:
  - The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
  - Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
  - There is no substantive change to other terms and conditions of the lease.

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

- **Attributing Benefit to Periods of Service (IAS 19 Employee Benefits) – IFRS Interpretation Committee (IFRS IC or IFRIC) Agenda Decision issued May 2021**

The International Financial Reporting Standards Interpretations Committee issued a final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned decision is implemented in accordance with paragraphs 19-22 of IAS 8 as a change in accounting policy.

The effect of the amendment is analyzed in note 2.3.

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

Except for the standards mentioned above, the European Union has adopted the following amendments to standards which are effective for annual periods beginning after 1.1.2021 and have not been early adopted by the Company.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

The Company is examining the impact form the adoption of the above amendments on its financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.

In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU.

The Company is examining the impact form the adoption of the above amendments on its financial statements.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The Company is examining the impact form the adoption of the above amendments on its financial statements.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)**

The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met

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

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

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU.

The Company is examining the impact form the adoption of the above amendments on its financial statements.

- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The Amendments have not yet been endorsed by the EU.

The Company is examining the impact form the adoption of the above amendments on its financial statements.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)**

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU.

The Company is examining the impact form the adoption of the above amendments on its financial statements.

2.3. Change in accounting policies

The IFRS Interpretations Committee (IFRIC) issued in May 2021 the final Decision on the agenda entitled "Attributing Benefits to Periods of Service in accordance with International Accounting Standard (IAS) 19", which includes guidance on how to attribute benefits in periods of service on a specific program of defined benefits.

Based on the above Decision, the way in which the basic principles of IAS 19 were generally applied for similar plans in Greece in the past changed and consequently, in accordance with IASB Due Process Handbook (par. 8.6) entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies accordingly.

The application of this final Decision by the Company, has as a result the attribution of the retirement benefits in the final 16 years before the date of retirement of employees in accordance with the applicable legal framework and taking into account the additional contractual obligations of the Company in accordance with its collective labor agreements.

Based on the above, the application of this Final Decision has been treated as a change in accounting policy, applying the change retrospectively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8. The effect of the application of the final decision on each specific line of the financial statements affects the statement of Financial Position as of 1.1.2020 and as of 31.12.2020 and the Statement of Total Comprehensive Income for the year ended December 31, 2020.

The effect of the application of the IFRIC Agenda Decision is presented below:

A. The below table summarizes the effect of the change in accounting policy in Company's statement of financial position as of 01.01.2020:

Extract from the statement of financial position

Amounts in thousands Euro	**31.12.2019**	**Effect of changes in IAS 19**	**01.01.2020 Revised**
Non-current assets			
Deferred tax assets	2,440	(86)	2,354
Equity			
Retained earnings	(10,526)	273	(10,253)
Non-current liabilities			
Post-employment benefits	431	(359)	72

B. The below tables summarizes the effect of the change in accounting policy in Company's statement of financial position as of 31.12.2020 and total comprehensive income for the year ended December 31, 2020:

Extract from the statement of financial position

Amounts in thousands Euro	**31.12.2020**	**Effect of changes in IAS 19**	**31.12.2020 Revised**
Non-current assets			
Goodwill	9,602	(2,817)	6,785
Deferred tax assets	4,906	(1,012)	3,894
Equity			
Retained earnings	(14,173)	385	(13,788)
Non-current liabilities			
Post-employment benefits	5,703	(4,214)	1,489

Extract from Total Comprehensive Income

Amounts in thousands Euro	**1.1.2020 31.12.2020**	**Effect of changes in IAS 19**	**1.1.2020 31.12.2020 Revised**
Personnel fees and expenses	(17,405)	127	(17,278)
Income tax	1,248	(31)	1,217
Remeasurement gains (losses) on defined benefit plans	(15)	20	5
Deferred tax on remeasurement gains (losses) on defined benefit plans	4	(5)	(1)

As for the comparative period (i.e. year ended December 31, 2020), the Company retrospectively adjusted the amounts recognized at the date of acquisition of the Non-performing Loan Unit ("NPS Unit") of Alpha Bank to reflect the new information regarding the change of accounting policy after the application of the Final Decision of IFRIC.This resulted in a reduction of goodwill by € 2,817 thousand (see also Note 3).

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 Total Comprehensive Income in the period in which they arise as income or expense, depending on their nature (credit or debit exchange differences respectively).

2.5. Intangible assets

Software

Software licenses are classified as intangible assets and are measured at 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.

Servicing agreements

The SLA have been acquired under the acquisition of Non-Performing Loans (NPL) servicing unit of Alpha Bank on December 1st,2020. The NPL servicing unit comprised of the retail and wholesale NPL servicing units of the Alpha Bank.

These servicing agreements meet the recognition criteria as intangible assets according to IAS 38 and their depreciation is calculated using the straight-line method over the term of the contracts, which is 10 years for the “Galaxy” portfolio and 13 years for the portfolio of Alpha Bank.

2.6. Property, Plant and Equipment

Property, plant and equipment are recognized at cost, less accumulated depreciation and any impairment losses.

Subsequent expenses related to the asset are recognized as an increase in the carrying value of 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 property, plant and equipment 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 Statement of Total Comprehensive Income.

2.7. Leases

Rights of Use Assets

The Company recognizes right of use assets, at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at their cost, less any accumulated depreciation and impairment losses. Right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred and the lease payments made on or before the commencement date, reduced by any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment on their own, or together with the cash generating unit to which they belong.

Lease Liabilities
At the commencement of the lease, the Company recognizes lease liabilities equal to the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments include also the exercise price of a purchase right, which is reasonablycertain to be exercised by the Company, and payments of penalties, if the lease term reflects the Company exercising option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

The Company in order to discount remaining lease payments used incremental borrowing rate (IBR) which is determined using appropriate methodology. In accordance with relevant methodology, the incremental borrowing rate (IBR) consists of two compeonents a) applicable reference rate and b) credit spread figure. The applicable reference rate is estimated at the lease contract level and then aggregated as a weighted-average of the sum of payments per contract, in order to calculate the relevant risk free rate, while credit spread figure is estimated in accordance with the company's credit profile based on the credit rating of listed companies that are considered comparable to the company in terms of industry, activity and size. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this remeasurement is disclosed in a line of the right-of-use assets note as modifications.

Short-term leases and leases of low value fixed assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value (i.e., below five thousand Euros). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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. Assets that have an indefinite useful life and goodwill are not subject to amortisation and, are tested annually for impairment or more frequently if events or changes in

circumstances indicate that they might be impaired. The recoverable amount is the higher of the fair value less cost to selland value in use, i.e. discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions. 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 Statement of Total Comprehensive 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 Statement of Total Comprehensive Income.
For the year ended December 31, 2021, the Company performed an impairment test of goodwill using the discounted cash flow valuation method and market approach of comparable transactions. Following the relevant exercise no impairment has been recognized in its statement of Total Comprehensive Income.

2.9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.The Company only has *non*-derivative financial instruments, comprising Contract assets & trade receivables, cash and bank deposits (financial assets), and trade and other payables and contract liabilities (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 attributable to the acquisition or issue of financial assets and financial liabilities.

i) Financial Assets

Classification and subsequent measurement

Following initial recognition, financial assets are measured based on one of the following methods depending on their classification:
- Financial assets at fair value through profit or loss
- Financial assets at amortised cost (debt instruments)

The Company does not have any financial instruments that are measured at fair value. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the Statement of Total Compehensive Income when the financial asset is derecognized, modified or impaired.

Trade receivables (which do not contain a significant financial component) are measured at the transaction price.

A financial asset ceases to be recognized in the Financial Statements, when the contractual rights of the Company to receive cash flows from the asset expire, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Purchases and disposals of financial assets executed in the ordinary course of business 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.

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 Total Comprehensive Income.

ii) Financial Liabilities

Debt liabilities are initially recognized at fair value less transaction costs. Then they are subsequently measured at amortized cost. Any difference between the initially received amounts and the value at the end of the loan is recorded in the income statement during the repayment period of the loan using the effective interest method.

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.9.1. Write-offs

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

2.10. Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks and time deposits with original maturities of three months or less from the balance sheet date.

2.11. 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.

2.12. Income tax (Current and Deferred)

The tax expense or credit for the period comprises current and deferred tax. . Tax is recognised in the statement of total comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The Income tax expense or credit for the period is the expected tax payable on the taxable income for the year, using tax rates applicable at the balance sheet date, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, as well as additional taxes for prior years.

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.

2.13 Employee benefits

Under Greek labour laws, employees and workers are entitled to post employment payments in the event of retirement with the amount of payment varying in relation to the employee's or worker's compensation and length of service. This program is considered as a defined benefit plan.. This is calculated on the basis of the years of service and estimated income of the employee on the date of retirement. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss in the statement of total comprehensive income.

2.14 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 and a reliable estimate of the amount of the obligation can be made. 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 operating losses are not recognized.

2.15 Share Capital

Principles of debt and equity

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

Transaction costs for Share capital increase

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

2.16 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 fulfill 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 trade 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 9).

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).

2.17 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 Services and Holdings. and those legal entities classified for the Company or its parent company as:
   - Subsidiaries;
   - Joint Ventures; or
   - Affiliates;

ii. The shareholders of the parent company Cepal Services and Holdings:
   - Airmed Finance Designated Activity Company (80%)
   - Alpha Bank (20%)

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. Acquisition of Alpha Bank's NPL Unit

On 1 December 2020, Cepal Hellas acquired Alpha Bank's NPL servicing unit (the "Acquisition") for a consideration of €240 million paid in cash the same date. The NPL servicing unit comprised of the retail and wholesale NPL servicing units of the Alpha Bank.

The business assets and liabilities transferred included all of the property, rights and assets of Alpha Bank relating exclusively to the NPL servicing unit, including office equipment, furniture, IT systems, contracts and other tangible and intangible assets. Further, 517 employees were transferred to Cepal Hellas in the context of the Acquisition.

The value of the NPL servicing unit derives mainly from the agreement that Cepal Hellas entered on 30 November 2020 with Alpha Bank to service a portfolio of ca. €10.8 billion gross book value of NPEs (the "Galaxy" portfolio) and the NPEs remaining with the Bank, including any future NPEs.
The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has determined that the acquired set (the «NPL servicing unit») meets the definition of a business as defined in IFRS 3.

Acquiring the NPL Unit of Alpha Bank will enable the Group to increase its operations. The acquisition is also expected to provide the Group with an increased share of the NPL servicing market through Alpha Bank's loan portfolio. The Group also expects to reduce costs through economies of scale.

During the measurement period, the Company retrospectively adjusted the provisional amounts recognized at the acquisition date to reflect the new requirements of IAS 19 Employee Benefits, as analyzed in note 2.3. The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are depicted in the table below:

Amounts in thousands Euro	Note	
SLA with Alpha Bank	4	217,043
Software systems	4	16,877
Property, plant and equipment	5	323
Deferred tax asset	6	325
Defined benefit obligation	14	(1,353)
Total identifiable assets acquired and liabilities assumed		**233,215**
Goodwill		6,785
Total consideration		**240,000**

Satisfied by:		
Cash		240,000
Total consideration transferred		**240,000**

The change in accounting policy led to a revision of goodwill in the amount of €6,785 thousands from an amount of €9,602 thousands, as well as a revision of the deferred tax asset in the amount of €325 thousands from €1,214 thousands and a revised defined benefit obligation of €1,353 thousands from €5,059 thousands.

At the acquisition date, the identifiable assets acquired and the liabilities assumed were recognized at their fair value at the acquisition date, except for the retirement benefit obligation and the related deferred tax asset that were recognized and measured in accordance IAS 19 with IAS 12, respectively.

To estimate the fair value of the SLA with Alpha Bank, an independent valuation was performed. The valuation methodology applied was the Multi period Excess Earnings Method (“MEEM”). This method requires the projection of future sales revenue and expenses attributable to the intangible asset. The projection is based on adjusted historical results and business figures provided by the enterprise covering the remaining useful life of the asset. From the projected earnings (before/after tax) "capital charges" are then subtracted representing a market rate of return on all other assets employed in generating the earnings. After deduction of the capital charges the value of the intangible asset is the present value of the earnings from the asset at the valuation date calculated using an appropriate discount rate.

The accounting value of the software systems and equipment acquired was considered as a proxy of their fair value.

The goodwill of €6,785 thousand arising from the Acquisition is attributable to the synergies expected to arise from the combination of the NPL servicing unit and the existing Cepal NPL servicing platform, growth opportunities deriving from the larger scale of the Company and the experience of the workforce transferred from Alpha Bank to Cepal Hellas. Goodwill is expected to be deductible for income tax purposes and will be amortized in straight line basis for tax purposes in a period of 13 years.

4. Intangible assets

The breakdown and movement of the intangible assets of the Company for the year are as follows:

Amounts in thousands Euro	Software	Other intangibles	Total intangible assets
Cost as at 01/01/2020	**1,541**	**-**	**1,541**
Additions for the fiscal year	18,334	217,043	235,377
Cost as at 31/12/2020	**19,875**	**217,043**	**236,918**
Accumulated depreciation 01/01/2020	**424**	**-**	**424**
Depreciation for the year	378	1,809	2,186
Accumulated depreciation 31/12/2020	**802**	**1,809**	**2,610**
Net book value 31/12/2020	**19,073**	**215,234**	**234,308**
Cost as at 01/01/2021	**19,875**	**217,043**	**236,918**
Additions for the year	6,101	0	6,101
Cost as at 31/12/2021	**25,976**	**217,043**	**243,019**
Accumulated depreciation 01/01/2021	**802**	**1,809**	**2,610**
Depreciation for the year	2,595	21,704	24,300
Accumulated depreciation 31/12/2021	**3,397**	**23,513**	**26,910**
Net book value 31/12/2021	**22,579**	**193,530**	**216,109**

Other intangibles refer to NPL Servicing agreements signed with Alpha Bank upon acquisition of Alpha Bank's NPL Unit during 2020. Refer to note 3 for further information.

5. Property, Plant and Equipment & Right of Use assets

The breakdown and movementof the fixed assets of the Company for the 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
Cost as at 01/01/2020	**1,005**	**3,003**	**57**	**1,247**	**5,313**
Additions for the l year	-	1,491	447	1,927	3,865
Disposals for the year	-	-	(26)	-	(26)
Cost as at 31/12/2020	**1,005**	**4,494**	**478**	**3,174**	**9,152**
Accumulated depreciation 01/01/2020	**173**	**375**	**11**	**385**	**944**
Depreciation for the year	119	502	35	256	912
Disposalsfor the year	-	-	(10)	-	(10)
Accumulated depreciation 31/12/2020	**291**	**877**	**36**	**641**	**1,846**
Net book value 31/12/2020	**714**	**3,617**	**442**	**2,533**	**7,306**

Cost as at 01/01/2021	**1,005**	**4,494**	**478**	**3,174**	**9,152**
Additions for the year	34	2,221	204	481	2.940
Disposalsfor the year	0	(18)	(220)	0	(238)
Cost as at 31/12/2021	**1,039**	**6,697**	**462**	**3,655**	**11,854**
Accumulated depreciation 01/01/2021	**292**	**877**	**36**	**641**	**1,846**
Depreciation for the year	121	1,867	144	622	2,754
Disposals for the year	0	(9)	(32)	0	(41)
Accumulated depreciation 31/12/2021	**413**	**2,735**	**148**	**1,263**	**4,559**
Net Book Value 31/12/2021	**626**	**3,962**	**314**	**2,392**	**7,295**

There are no mortgages and promissory notes, or any other encumbrances, on the fixed assets against borrowing.

6. 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 4799/2021 the income tax rate for legal entities is reduced from 24% to 22% for the income of the fiscal year 2021 and onwards.

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

Amounts in thousands Euro	**Right of Use assets**	**Intangible assets**	**Provision for staff indemnities**	**Tax losses recognized**	**Total**
Balance as at 01.01.2020 (Published)	**9**	**-**	**103**	**2,328**	**2,440**
Change in Accounting policy	-	-	(86)	-	(86)
Balance as at 01.01.2020 (Revised)	**9**	**-**	**17**	**2,328**	**2,354**
(Debit)/credit of profit and loss account	8	440	17	753	1,218
(Debit)/credit of other comprehensive income	-	-	(1)	-	(1)
Adjustment due to acquisition/(disposal)	-	-	325	-	325
Balance as at 31.12.2020 & 01.01.2021	**16**	**440**	**357**	**3,081**	**3,894**
(Debit)/credit of profit and loss account	(15)	(419)	55	(3,081)	(3,460)
(Debit)/credit of other comprehensive income	-	-	18	-	18
Balance as at 31.12.2021	**1**	**21**	**430**	**0**	**452**

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 the Company:

Income tax reconciliation	**31.12.2021**		**31.12.2020 (Revised)**	
Amounts in thousands Euro	**%**	**Amount**	**%**	**Amount**
Profit/ (Loss) before income tax		**56,580**		**(4,540)**
Income tax based on the Greek (nominal) tax rate 22% (31.12.2020: 24%)	(22.0%)	(12,447)	(24.0%)	1,090
Increase/decrease resulting from:				
Effect in the Deferred Tax Asset due to the change in the tax rate		(325)		0
Expenses recognized in Equity		-		50
Recognition of expenses not recognized in the previous year		-		87
Non-deductible expenses		(188)		(11)
Income Tax expense	22.9%	**(12,960)**	26.8%	**1,216**
Deferred Tax		(3,442)		1,216
Current Income Tax		(9,518)		-
Total		**(12,960)**		**1,216**

The Company on prior year recognized a deferred tax asset on its tax recognized losses amounting to 12,838 thousands Euro. Tax losses have been utilized in current year and deffered tax asset has been reversed.

7. Other non-current assets

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

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Buildings lease fee guarantees	380	316
Vehicles lease guarantees	7	7
Guarantees to electric power supplier	12	12
Guarantees to telecommunication company	1	0
Total	**400**	**335**

8. Prepaid expenses

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

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
IT support & Licences	1,375	741
Insurance premiums	274	384
Other prepaid expenses	120	21
Total	**1,769**	**1,146**

9. Contract assets

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 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 and clients' receivables are broken down as follow:

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Contract assets (related parties)	20,976	13,937
Contract assets (non-related parties)	17,184	2,072
Clients (related parties)	4,764	5
Clients (non-related parties)	4,309	260
Total	**47,233**	**16,274**

The significant movement noted in Contract Assets as at 31.12.2021 is mainly due to the acquisition of Alpha Bank's NPL Unit in December 2020.

10. Other receivables

Other receivables are analysed as follow:

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Advance payments to suppliers	4,332	80
Refundable VAT	364	732
Other receivables	186	64
Total	**4,882**	**876**

The significant movement noted in Other receivables as at 31.12.2021 is mainly due to the acquisition of Alpha Bank's NPL Unit in December 2020.

11. Cash and cash equivalents & Restricted Cash

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

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Bank deposits	50,584	11,042
Term deposits	-	20,000
Cash in hand	-	1
Total	**50,584**	**31,043**

The bank deposits represent zero interest rate deposits in Alpha Bank, with credit rating on 31.12.2021 B+ (long term). The credit rating is based on the International Credit Rating institution STANDARD & POOR'S.

The company's restricted cash as at 31.12.21 amounted to € 6.8 million and is related to the Bond Loan Agreement (Note 15).

12. Share capital

By a decision of the Self-Convened Extraordinary General Meeting of Shareholders of the Company, dated 07.07.2020, the Company's share capital was increased by four million seven hundred thousand Euro (€4,700,000.00) through the issuance of 4,700,000 redeemable preference shares, the nominal price of each being one Euro (€1) and with issuance price one Euro (€1) per share.

Furthermore, by a decision of the Self-Convened Extraordinary General Meeting of Shareholders of the Company, dated 27.11.2020 the Company's capital was increased by issuing 14,900,000 common registered shares, with a nominal value of one euro (€1) and an offering price of ten Euro (€10) each, that is nine Euro (€9) above nominal value. As a result €14.9 million was recorded in share capital and €134.1 was recorded in share premium.

Expenses of €216 thousand and cumulatively €392 thousand relating to share capital increases have been recognized in Equity.

On 07.06.2021, by a decision of the Self-Convened Extraordinary General Meeting of Shareholders of the Company the 19,467,331 redeemable registered preference shares with a nominal value of one Euro (€1) per share converted to common registered shares with a nominal value of one Euro (€1) per share each with voting rights.

Following the above, Share capital comprises of 35,695,331 common registered shares with voting rights, with a nominal value of one Euro (€1) per share.

13. Lease liabilities

The leaseliabilities on 31.12.2021 relate to the recognition of liability from the application of IFRS 16 on real estate and car leases used by the Company itself. The lease obligation is analyzed below as follows:

Amounts in thousands Euro	Lease liabilities (Real estate)	Lease liabilities (Cars)	Total
Balance as at 01.01.2020	**2,663**	**46**	**2,709**
Additions	1,491	447	1,938
Derecognition	-	(16)	(16)
Accretion of Interest	55	1	56
Modification	8	-	8
Repayment	(532)	(35)	(567)
Balance as at 31.12.2020	**3,685**	**443**	**4,128**
Balance as at 01.01.2021	**3,685**	**443**	**4,128**
Additions	2,221	204	2,425
Derecognition	(9)	(180)	(189)
Accretion of Interest	49	3	52
Modification	(12)	0	(12)
Repayment	(1,899)	(154)	(2,053)

Balance as at 31.12.2021	**4,035**	**316**	**4,351**

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

Amounts in thousands Euro	**Nominal amount**			
Maturity analysis of lease liability cash flows	**Total**	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
31.12.2020	4,304	1,954	1,933	418
31.12.2021	4,484	1,933	2,551	0

Amounts in thousands Euro	**Discounted amount**			
Maturity analysis of lease liability cash flows	**Total**	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
31.12.2020	4,128	1,947	1,810	371
31.12.2021	4,351	1,873	2,478	0

14. Post-employment benefits

The amounts recorded on the Statement of Financial Position as at 31.12.2021, based on the actuarial study, are as follow:

Amounts in thousands Euro	**1.1-31.12.21**	**1.1-31.12.20 (Revised)**
Amounts recognized in Statement of Financial Position		
Present value of obligations	1,821	1,489
Net Liability/(Asset) in Statement of Financial Position	**1,821**	**1,489**
Amounts recognized in Statement of Total Comprehensive Income		
Current service cost	252	61
Net interest on the net defined benefit liability/(asset)	2	1
Statement of Total Comprehensive Income Charge	**254**	**62**
Recognition of past service cost	0	9
Settlement payments from the plan	27	77
Total of Statement of Total Comprehensive Income Charge	**281**	**148**
Reconciliation of benefit obligation		
Defined Benefit Obligation (DBO) at start of period	1,489	72
Current service cost	252	61
Interest cost	2	1
Benefits paid directly by the Company	(32)	(79)
Adjustment due to acquisition/(disposal)	0	1,353
Settlement payment from the plan	27	77
Past service cost arising in previous period	0	9

Actuarial (gain)/loss - financial assumptions	28	42
Actuarial (gain)/loss – experience	55	(47)
Defined Benefit Obligation (DBO) at end of period	**1,821**	**1,489**
Remeasurements		
Liability gain/(loss) due to changes in assumptions	(28)	(42)
Liability experience gain/(loss) arising during the year	(55)	47
Total actuarial gain/(loss) recognized in Statement of Total Comprehensive Income	**(83)**	**5**
Movements in Net Liability/(Asset) in Statement of Financial Position		
Net Liability/(Asset) at the beginning of the period	1,489	431
Adjustment due to acquisition/(disposal)	0	0
Benefits paid directly	(32)	(79)
Total expense recognized in the income statement	281	148
Total amount recognized in the OCI	83	(5)
Adjustment due to Change in accounting policy	0	(359)
Adjustment Other	0	1,353
Net Liability/(Asset) in Statement of Financial Position	**1,821**	**1,489**

The main actuarial assumptions used for accounting purposes are:

Discount interest rate	0,61%	0,11%
Future salary raises	2,05%	1,30%
Inflation	2,15%	1,40%
Program duration (years)	8	9

Sensitivity analysis					
	Discount rate	**Discount rate**	**Salary Increase**	**Salary Increase**	**Half withdrawal**
	+0,5%	**-0,5%**	**+0,5%**	**-0,5%**	
Cepal	-4,00%	4,20%	3,50%	-4,70%	0,20%
Kaican	-5,40%	5,70%	4,10%	-6,80%	0,90%

15. Borrowings

On 30 November 2020, the Company entered into a loan agreement with Alpha Bank in order to partially finance the Acquisition. The total amount of the loan was €130.0 million. The loan was unsecured and was initially repayable in a lump sum within six months, on 31 May 2021.

The interest rate on the loan was 6-months Euribor (minimum 0%) plus 2.75% and was carried at amortised cost. It therefore did not have any impact on the entity's exposure to foreign exchange and cash flow interest rate risk.

The loan amount was fully disbursed on 1 December 2020 and facility fees of €650 thousand were paid to the lender upon disbursement. Loan liabilities were initially recognized at fair value less transaction costs. Then they were subsequently measured at amortized cost. Any difference between the initially received amounts and the value at the end of the loan was recorded in the income statement during the repayment period using the effective interest method.

On 31 May 2021, the maturity date of the loan was initially extended to 15 July 2021, then to 30 July 2021 and further extended to 15 September 2021. On 30 July 2021, the Company entered into a joint bond loan with Alpha Bank and the European Bank for Reconstruction and Development ("EBRD") in order to replace the existing bond loan with Alpha Bank amounting to 130,0 million euros.

The total amount of the new joint bond loan amounts to 105,0 million euros, with Alpha Bank and EBRD participating with an amount of 55,0 million euros and 50,0 million euros, respectively.

The loan has a duration of 4.5 years, and will be repaid in quarterly installments, with the last one to be paid on 30 June 2026. The interest rate of the loan is Euribor 3 months plus a margin of 4.5%.

The loan amount was fully disbursed on 12 August 2021 and the lenders were paid management costs of 1.2 million euros. On the same day, the loan with Alpha Bank amounting to 130.0 million euros was repaid in full.

16. Trade and other payables

Trade and other payables on 31.12.2021 are broken down below as follow:

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Domestic suppliers	4,932	4,873
Foreign suppliers	582	513
Other liabilities	114	9
Total	**5,628**	**5,395**

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

17. Contract liabilities

The Contractliabilities consist of customer advances for the provision of services and are analyzed as follow:

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Contract liabilities to related entities	0	16
Contract liabilities to non-related entities	6,722	168
Total	**6,722**	**184**

The significant movement noted in Contract Liabilities as at 31.12.2021 is due mainly to the acquisition of Alpha Bank’s NPL Unit in December 2020.

18. Liabilities from other taxes and duties

Liabilities from other taxes and duties on 31.12.2021 are broken down below as follow:

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Payroll Withholding tax	1,087	630
Third parties withholding tax	183	71
Other taxes	9,518	-
Total	**10,788**	**701**

19. Liabilities to insurance organizations

Liabilities to insurance organizations on 31.12.2021, amounting to 1,347 thousands Euro relate to December contributions to the Unified Social Security Institution (EFKA). On 31.12.2020 liabilities to insurance organizations were 1,055 thousands Euro.

20. Accrued expenses and deferred Income

Accrued expenses on 31.12.2021 are broken down as follow:

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Accrued fees for audit, accounting and consulting services	1,610	628
Accrued fees and expenses for legal services	5,529	627
Payroll expenses	7,687	1,469
Accrued expenses from related entities	476	332
Total	**15,302**	**3,056**

The significant movement noted in Accrued expenses as at 31.12.2021 is mainly due to the acquisition of Alpha Bank's NPL Unit in December 2020.

The deferred income on 31.12.2021 are broken down as:

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Accrued Income to related entities	-	106
Accrued Income to non-related entities	53	90
Total	**53**	**196**

21. Turnover and other operating income

The company's sales and other operating income for the year 2021 are broken down below as follow:

Amounts in thousands Euro	**31.12.2021**	**31.12.2020**
Revenue from the provision of receivables servicing	176,650	32,697
Other Income	32	38
Total	**176,682**	**32,735**

The significant movement noted in Turnover as at 31.12.2021 is due to the acquisition of Alpha Bank's NPL Unit in December 2020.

22. Personnel fees and expenses

Staff salaries and expenses are broken down below as follow:

Amounts in thousands Euro	31.12.2021	31.12.2020 (Revised)
Gross Salaries	35,463	13,690
Employer's contributions	6,221	2,683
Other employee benefits	1,313	651
Provision for post-employment benefits	249	71
Separation benefit	610	183
Total	**43,856**	**17,278**

On 31.12.2021 the Company employed 824 people, whereas on 31.12.2020 the Company employed 811 people.

23. Other operating expenses

Other operating expenses for the year 2021 are broken down below as follow:

Amounts in thousands Euro	31.12.2021	31.12.2020
Fees for services	33,531	6,743
Utilities	807	299
Rents	97	13
Insurance premiums	1,731	1,075
Transportation	542	154
IT expenses	3,705	1,257
Auctions fees and expenses	1,826	353
Other expenses	2,047	6,531
Depreciation and amortization	27,054	3,098
Total	**71,340**	**19,523**

The significant movement noted in Other Operating Expenses as at 31.12.2021 is due to the acquisition of Alpha Bank's NPL Unit in December 2020.

24. Net finance income / (expense)

Financial results for the year 2021 are broken down below as follow:

Amounts in thousands Euro	31.12.2021	31.12.2020
Interest charges and related expenses	4,868	410
Interest and related income	(2)	-
Foreign exchange difference expenses	-	1
Lease interest	40	64
Total	**4,906**	**475**

The increase in interest charges relates to the interest on the loan taken from Alpha Bank on 1 December 2020 that partially funded the acquisition of the NPL Servicing Unit.

25. Related-party transactions

Transactions and balances 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 with related parties

a) *Revenues from the provision of services*

	01.01 - 31.12.2021		01.01 - 31.12.2020
Amounts in thousands Euro	**Interest and similar income**	**Provision of services**	**Provision of services**
Alpha Bank S.A.	2	50,042	21,561
Alpha Leasing S.A.	-	2,183	-
Kaican Hellas S.A.	-	85	36
Cepal Services and Holdings S.A.	-	53	2
Total	**2**	**52,363**	**21,599**

b) *Expenses*

	01.01 - 31.12.2021		01.01 - 31.12.2020	
Amounts in thousands Euro	**Interest and similar expenses**	**Service provision**	**Interest and similar expenses**	**Service provision**
Alpha Bank S.A.	3,943	3,898	409	312
Cepal Services and Holdings S.A.	-	1,172	-	86
Alpha Astika Akinita S.A.	-	460	-	149
Alpha Supporting Services S.A.	-	18	-	1
Alpha Real Estate Management and Investments S.A.	-	137	-	-
Kaican Hellas S.A.	-	385	-	70
Kaican Services Ltd	-	171	-	975
Total	**3,943**	**6,241**	**409**	**1,593**

c) *Receivables*

	31.12.2021			31.12.2020		
Amounts in thousands Euro	**Deposits**	**Other receivables**	**Contract assets**	**Deposits**	**Other receivables**	**Contract assets**
Alpha Bank S.A.	57,384	2,383	20,819	31,042	45	13,938
Alpha Leasing S.A.	-	2,513	157	-	-	-
Cepal Services and Holdings S.A.	-	59	-	-	-	-

Kaican Hellas S.A.	-	97	-	-	5	-
Total	**57,384**	**5,052**	**20,976**	**31,042**	**50**	**13,938**

d) <u>Payables</u>

	31.12.2021			31.12.2020			
Amounts in thousands Euro	**Accrued expenses**	**Trade payables**	**Borrowings**	**Customer liabilities and advance payments**	**Deferred Income**	**Trade payables**	**Borrowings**
Alpha Bank S.A.	54	572	50,680	16	106	116	129,756
Alpha Supporting Services S.A.	-	-	-	-	-	1	-
Alpha Real Estate Management and Investments S.A.	137	-	-	-	-	-	-
Alpha Astika Akinita S.A.	-	555	-	-	-	-	-
Kaican Hellas S.A.	277	-	-	-	-	16	-
Kaican Services Ltd	9	90	-	-	-	-	-
Total	**477**	**1,127**	**50,680**	**16**	**106**	**133**	**129,756**

26. 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 2021. The Company has received a clean tax certificate for the years ending 2016, 2017, 2018, 2019 and 2020 by the certified auditors, while for year 2021 the Company is currently undergoing a tax certificate audit, and it is expected that no material tax charges will arise.

27. 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	**31.12.2021**	**31.12.2020**

Fees for statutory audit	75	25
Fees for the issuance of tax certificate	20	12
Other services	0	92
Total	**95**	**129**

28. Events after end of the reporting period

On 28 December 2021 Alpha Bank S.A. has entered into a binding agreement with Hoist Finance AB ("Hoist") in relation to the disposal of a Portfolio of Retail Unsecured Non-Performing Loans (the "Orbit" Portfolio) of a total outstanding balance of €2.1 billion and of a total gross book value of €1.3 billion as of 31.12.2020. This portfolio was part of the Retained portfolio of Alpha Bank already serviced by Cepal Hellas and on 22 March 2022, Cepal signed a management contract with Hoist to service the Orbit portfolio.

On 18 April 2022, Cepal Hellas signed an amendment to the Contract for the servicing of the Neptune portfolio, based on which ca. 40% of the portfolio will will be revoked by Cepal Hellas' management.

On June 1, 2022, Cepal Hellas re-signed a Management Agreement with Hoist, with retroactive effect from January 1, 2022, regarding the servicing of the Mercury portfolio that had been servicing since December 2018, with which among other things, an extension of management for another 3 years was agreed.

The Russia/Ukraine conflict since 24 February 2022 has triggered disruptions and uncertainties in the markets and the global economy, as well as coordinated implementation of sanctions by the European Union, The United States, the United Kingdom, Switcherland and others against Russia, and certain Russian entities and individuals. The conflict has created and may continue to create uncertainty in the coming period. The Company is monitoring the developments and is trying to assess the negative implications of the war, sanctions and trade disruptions and mitigant actions from the official sector. The Company considers these events to be non-adjusting events after the reporting period and their potential impact cannot be estimated at this time.

Athens 28 June 2022

Chairman of the Board of Directors	Chief Executive Officer	Member of the Board of Directors	The Chief Financial Officer	The person responsible for the preparation of the Financial Statements
Artemios Theodoridis	Theodoros Athanasopoulos	Kenneth John Stannard	George Angelides	Eleftheria Stavrou