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

Annual Financial Statements
for the period from 01.01.2022 to 31.12.2022

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 2022.

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.

Cepal is a leading independent servicer of loans and receivables in Greece with ca. €26,4 billion of assets under management (“AuM”), distinguished as a scalable multi-customer platform that supports all servicing strategies, based on solid Greek and International experience. As a pioneer in the Greek market, Cepal’s existing customer platform is the result of numerous migrations involving three out of four of the Greek systemic banks and is servicing for both regulated institutions, as well as for most of the active investors in Greece, including four HAPS Securitisations of ca. €14 billion of both secured and unsecured exposures.

Additionally, Cepal has been the first fully autonomous servicer in terms of IT infrastructure and is in the process of deploying a major transformation plan based on a cutting-edge IT investment plan. Its service offering ensures end-to-end asset management across the asset lifecycle, from underwriting and collections to enforcements and real estate asset management.

Cepal’s mission is to contribute to the Greek economy, maximizing the value of the assets under management, while offering excellent customer service and meeting the highest ethical standards. In this context it was the first Servicer to conclude a secondary HAPs transaction as well as the pioneer in selling re-performing loans to a Greek bank. Cepal focuses on attracting, training and retaining the best talent while embedding technology at the core of the organization, driving performance.

B. SIGNIFICANT EVENTS

I. Activities during Year 2022

On 22 March 2022, Cepal Hellas signed a Servicing Agreement with Hoist Finance Publ, for the servicing of a new unsecured portfolio with gross book value (“GBV”) of c. €1.5 billion, under the name “Orbit”, which Hoist acquired from Alpha Bank. S.A.

On 1 June 2022, Cepal Hellas signed an Amendment and Restatement of the Servicing Agreement with Hoist Finance Publ, for the servicing of the Mercury Portfolio, an unsecured portfolio with gross book value (“GBV”) of c. €1.2 billion, which was serviced by Cepal Hellas since December 2018, with which among others, an extension of the term of the Agreement for another 3 years until 31 December 2024, was agreed.

On 21 October 2022, another Servicing Agreement with Hoist Finance Publ was signed, for the servicing of an additional unsecured portfolio with gross book value ("GBV") of c. €0.4 billion under the name "Light", which Hoist acquired from Alpha Bank S.A.

On 19 December 2022, Cepal Hellas signed a Long-Term Servicing Agreement for the servicing of the remaining 60% of the Neptune portfolio (following the withdrawal of 40% of the portfolio which took place on 18 April 2022), which replaced the Transitional Servicing Agreement that was in effect since 3 July 2020. The Long-Term Servicing Agreement is of indefinite duration.

II. Main Risks and Uncertainties for 2023

- **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 2022 of €32.9 million (including restricted cash) are expected to be sufficient to meet the Company's liabilities in a timely manner. Additionally, through the planning of liquidity needs, the collection of its receivables by its 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 Company's transactions in foreign currency ara not considered material.

b) Price Risk

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

c) Interest Rate Risk

As at 31 December 2022, the Company has a bond loan of outstanding balance €53.4 million. The loan bears an interest rate of 3-month Euribor plus spread of 4.5% and has a maturity date 31 December 2025. As a result the Company is exposed to interest rate risk arising from the potential increase of the 3-month Euribor rate. More specifically, 1ppt increase in Euribor rate, would result in € 467k additional interest cost for 2023.

III. Estimates and Perspectives for 2023

The main objective of the Company for 2023 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 12 January 2023, as part of its servicing mandate and pursuant to the objective of maximizing value for the Noteholders of the portfolios which are under the provisions of Law 4649/2019 (HAPS Law) as amended and in force, Cepal Hellas completed the first Loan Portfolio Sale process in the Greek market for the sale of corporate re-performing loan receivables with total exposure of c.€23.6 million ("Project Rebound") from the Portfolio of Galaxy IV Securitisation DAC & Cosmos Securitisation Funding DAC to Optima Bank S.A.

C. PRESENTATION OF FINANCIAL RESULTS

Total Net Operating Income in 2022 was €142.3 million (2021: €162.2 million), while the result before tax was a profit of €34.0 million (2021: profit of €56.6 million). The decrease in net operating income is attributed mostly to the decrease of the rate card of the Alpha Bank portfolio under management, as provided in the respective agreement.

The After Tax Gain for 2022 was €25.5 million (2021: gain €43.6 million).

The capital structure of the Company is adequate to maintain its activities, with equity at year end of €218.7 million (2021: €199.5 million) and Cash and Cash Equivalents of €32.9 million (2021: €57.4 million), including restricted cash.

I. Key financial ratios

	2022	**2021**
1.Current assets / Total assets	35%	33%
2.Equity / Total liabilities	186%	140%
3.Current assets / Current liabilities	165%	145%
4.Earnings before interest and tax (EBIT) / Net operating income	27%	38%
5.Earnings before interest, tax, depreciation and amortisation (EBITDA)/ Net operating income	47%	55%

II. Preparation of Financial Statements

The Financial Statements of 31 December 2022 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 2022 and 31 December 2022, with detailed notes on accounting policies, as well as the individual items.

D. ENVIRONMENTAL, SOCIAL AND GOVERNACE INITIATIVES

In alignment with its core values, Cepal is dedicated to advancing its ESG initiatives and creating a positive impact on its employees, society and environment. It is Cepal's strategic decision to create a sustainable development. In this context and under the umbrella of our ESG framework, we introduced and/or enhanced initiatives and programs that promote environmental sustainability, social responsibility, and governance compliance. More specifically in 2022:

Environment:

- Implemented a Low-emission Company Car Policy – All Company cars are either electric or hybrid with minimum CO2 emissions.
- Introduced a Flexy Work model to reduce the commuting of employees and cut-down on CO2 emissions
- Increased the digitalization of internal processes and reduced significantly Company's paper usage
- Organized Tree Planting activities, with a goal to plant 1.000 trees in Greece and abroad.

Social:

Employees:

- Invested in people's upskilling and reskilling – Launched an internal LMS platform, offering access to more than 1000 self-learning online courses from highly recognized Universities
- Introduced scholarships to support our people in enhancing their education
- Provided employees with development opportunities on the principles of meritocracy and non-discrimination - implementation of a fair promotion system
- Leveraged internal transfers to fill hiring gaps, allowing employees to enhance their professional experiences
- Implemented a Flexy Work model to enhance work-life balance (1 day per week remote working, or more based on employee's specific needs)
- Provided enhanced medical and life insurance for employees, free of charge
- Introduced Kindergarten allowance for all our people – supporting young families
- Promoted Diversity and Equality: >55% of total & 46% of managerial positions are covered by women
- Empowered employee's rights, including the freedom of trade union activity and signed a collective working agreement with employees
- Took measures to further enhance the health and safety of employees at work

Society:

- Advised debtors, both people and Companies, provided sustainable credit management solutions and supported them in reaching a healthier financial status.
- Launched a Voluntary Blood Donation – donated 130 bottles
- Donated office furniture and financial assistance to Red Cross and other institutions
- Participated voluntarily in local soup kitchens

Governance:

- Reviewed and enhanced all Companies policies and processes, ensuring adherence to European and Greek legislation
- Provided annual awareness trainings to all people regarding governance matters.
- Established Committees (Audit Committee, HR Committee, Portfolio Committees, etc.) to further promote corporate governance and enhance transparency

E. OTHER INFORMATION

I. Acquisition of own shares

According to the provisions of article 49 par. 2 of Law 4548/2018, companies may, by decision of the General Meeting of their shareholders, acquire owned shares that do not exceed 1/10 of the paid-up capital. The Company has not applied the above option provided by law.

II. Branches

The Company maintains 16 branches with staff throughout Greece for its business purposes.

III. Research and development

The Company does not incur research and development costs.

Athens 20 April 2023

Chairman of the Board of Directors

Artemios Theodoridis

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INDEPENDENT AUDITOR'S REPORT

TRUE TRANSLATION

INDEPENDENT AUDITOR'S REPORT

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 2022 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 2022 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.

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 December 2022.

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, 20 April 2023

The Certified Public Accountant

Eleni Christina Kranioti
Reg. No. SOEL: 54871
Deloitte Certified Public Accountants S.A.
3a Fragkoklissias & Granikou Str.
GR-151 25 Maroussi, Athens, Greece
Reg. No. SOEL: E. 120

Statement of Financial Position as of 31 December 2022

Amounts in thousands Euro	Note	31.12.2022	31.12.2021
ASSETS			
Non-current assets			
Goodwill		6,785	6,785
Intangible assets	3	201,619	216,109
Property, Plant and equipment & Right of Use assets	4	8,141	7,295
Deferred tax assets	5	-	452
Other non-current assets	6	471	400
Total non-current assets		**217,016**	**231,041**
Current assets			
Prepaid expenses	7	1,733	1,769
Contract assets & trade receivables	8	60,855	47,233
Other receivables	9	23,910	4,882
Restricted Cash	10	6,800	6,800
Cash and cash equivalents	10	26,060	50,584
Total current assets		**119,358**	**111,268**
TOTAL ASSETS		**336,374**	**342,309**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	35,695	35,695
Share premium		134,100	134,100
Reserves	11	1,487	-
Retained earnings		47,385	29,749
Total Equity		**218,667**	**199,544**
Non-current liabilities			
Long-term Borrowings	14	39,693	61,990
Long-term Lease liabilities	12	4,018	2,478
Post-employment benefits	13	1,683	1,821
Total Non current liabilities		**45,394**	**66,289**
Current liabilities			
Short-term Borrowings	14	13,742	34,763
Trade and other payables	15	9,836	5,628
Short-term Lease liabilities	12	1,345	1,873
Contract liabilities	16	18,927	6,722
Deferred tax liabilities	5	28	-
Other taxes and duties	17	5,062	10,788
Liabilities to Social Security organizations	18	1,508	1,347
Accrued expenses, Deferred Income and other provisions	19	21,865	15,355
Total current liabilities		**72,313**	**76,476**
Total liabilities		**117,707**	**142,765**
TOTAL EQUITY AND LIABILITIES		**336,374**	**342,309**

The attached notes (pp. 16-43) are an integral part of the Financial Statements.

Statement of Total Comprehensive Income for the year ended 31 December 2022

Amounts in thousands Euro	Note	1.1.2022 - 31.12.2022	1.1.2021 - 31.12.2021 (Reclassified)
Turnover (sales)	20	142,161	162,193
Other operating income	20	143	32
Income from passthrough expenses	25	52,642	14,457
Passthrough expenses	25	(52,642)	(14,457)
Net operating income		**142,304**	**162,225**
Personnel fees and expenses	21	(41,951)	(43,856)
Other operating expenses	22	(32,942)	(29,829)
Depreciation and amortisation expenses	23	(28,716)	(27,054)
Net finance income/(expenses)	24	(4,738)	(4,906)
Profit before tax		**33,957**	**56,580**
Income tax expense	5	(8,405)	(12,978)
Profit after tax (A)		**25,552**	**43,602**
Other Comprehensive income / (loss)			
Other Comprehensive income not to be reclassified to profit or loss			
Actuarial gains / (losses) on defined benefit pension plans	13	454	(83)
Deferred tax on actuarial gains / (losses) on defined benefit pension plans		(100)	18
Other comprehensive income / (loss), net of tax (B)		**354**	**(65)**
Total Comprehensive Income for the year (A) + (B)		**25,906**	**43,537**

The attached notes (pp. 16-43) are an integral part of the Financial Statements.

Statement of Changes in Equity as of 31 December 2022

Amounts in thousands Euro	Note	Share capital (Note 11)	Share Premium	Retained Earnings	Reserves (Note 11)	Total equity
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	13	-	-	(65)	-	(65)
Total comprehensive income for the year		**-**	**-**	**43,537**	**-**	**43,537**
Balance as at 31.12.2021		**35,695**	**134,100**	**29,749**	**-**	**199,544**
Balance as at 01.01.2022		**35,695**	**134,100**	**29,749**	**-**	**199,544**
Profit for the year 01.01 - 31.12.2022		-	-	25,552	-	25,552
Actuarial gains / (losses) on defined benefit pension plans	13	-	-	354	-	354
Total comprehensive income for the year		**-**	**-**	**25,906**	**-**	**25,906**
Increase in reserves		**-**	**-**	(1,487)	1,487	-
Cash Dividends		**-**	**-**	(6,782)	-	(6,782)
Balance as at 31.12.2022		**35,695**	**134,100**	**47,385**	**1,487**	**218,667**

The attached notes (pp.16-43) are an integral part of the Financial Statements.

Statement of Cash Flows for the year ended 31st December 2022

Amounts in thousands Euro	Note	1.1.2022 - 31.12.2022	1.1.2021 - 31.12.2021
Cash flows from operating activities			
Gain / (loss) before tax		**33,957**	**56,580**
Plus/ (less) adjustments for:			
Provisions for employee benefit liabilities	13	398	249
Depreciation and amortisation	23	28,716	27,054
Interest charges and related expenses	24	4,739	4,908
Credit interest and related income	24	(1)	(2)
		67,809	**88,789**
Changes in working capital			
(Increase) / decrease: contract assets & trade receivables	8	(13,622)	(30,959)
(Increase) / decrease: prepaid expenses	7	37	(623)
(Increase) / decrease: other receivables	9	(19,027)	(4,007)
(Increase) / decrease: other non-current assets	6	(71)	(65)
(Increase) / decrease: contract liabilities	16	12,205	6,537
Increase / (decrease): trade payables and other liabilities	15, 17, 18	4,444	1,649
Increase / (decrease): accrued expenses, deferred Income & other provisions	19	6,509	12,103
		58,284	**73,424**
Income tax paid		(13,908)	-
Interest paid	24	(3,861)	(4,908)
Interest received	24	1	2
Net cash flows generated from / (used in) opereating activities (a)		**40,516**	**68,518**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	3,4	(12,143)	(6,616)
Net cash flows generated from / (used in) investing activities (b)		**(12,143)**	**(6,616)**
Cash flows from financing activities			
Dividends paid		(6,782)	-
Issuance of Bond Loan	14	-	103,845
Repayment of Bond Loan	14	(43,557)	(137,361)
Payment of lease liabilities	12	(2,559)	(2,045)
Net cash flows generated from / (used in) financing activities (c)		**(52,898)**	**(35,561)**
Net increase/(decrease) in cash and cash equivalents for the year (a)+(b)+(c)		**(24,525)**	**26,341**
Cash and cash equivalents & restricted cash at 1 January	10	57,384	31,043
Cash and cash equivalents & restricted cash at 31 December		**32,860**	**57,384**

The attached notes (pp. 16-43) 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 SOCIETE ANONYME" ("**Cepal Services and Holdings**"), using the full consolidation method. Cepal Services and Holdings, as at 31.12.2022, 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 20/04/2023 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 01.01.2022 to 31.12.2022, 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 31.12.2022 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

The growth momentum during 2022 reflects the resilience of the Greek economy against adverse external developments, following the war in Ukraine, supply chain disruptions and inflationary pressures. According to the latest data from ELSTAT, the real GDP increased by 5.9%. Economic growth was driven primarily by private consumption, which grew by 7.8% in 2022, contributing 5.3 points to the annual GDP growth rate, supported by high propensity to consume in the post-pandemic era, the accumulation of savings during the pandemic and the remarkable rise in employment.

Inflation, based on the Harmonized Index of Consumer Prices (HICP), remained on an upward trajectory in the first two months of 2022, accelerating after the outbreak of the war, while decelerating in the last quarter of the year. The HICP increased by an average of 9.3% in 2022, compared to an increase of 0.6% in 2021, primarily due to rising global energy prices - given that Greece is a net energy importer -, disruptions in supply chains and shortages in raw materials. In 2023, harmonized inflation is expected to be 4.5% according to the European Commission (European Economic Forecast, Winter, February 2023) and 5% according to the Ministry of Finance (State Budget 2023).

It is noted, however, that the high degree of uncertainty prevailing in the international environment may adversely affect the Greek economy in the short term. The main uncertainty factors are as follows:

- External demand and tourism revenues, in relation to the course of the global economy and the purchasing power of European households: The outlook for the global economy has worsened compared to previous estimates. The increased cost of production, mainly due to problems in the supply chain and energy appreciation, has burdened the financials of companies and its inevitable transfer to consumers has limited the purchasing power of households. Therefore, a significant risk for the Greek economy in the next year is the eventual weakening of external demand primarily for services, that is, for the Greek tourism product and secondarily for goods.

- Geopolitical developments and inflationary pressures: The continuation and outcome of the war in Ukraine can undoubtedly affect the European economies, since the conflict in the territories of the European continent, as well as the energy dependence on Russia, have led to a sharp increase in the prices of energy. It is noted, however, that concerns about Europe's energy sufficiency for this winter have eased. The high filling rate of natural gas storage tanks in Europe, the initiatives taken at European level to reduce natural gas consumption and the relatively mild weather conditions have contributed to this.

- A sharp increase in interest rates and consequently in the cost of borrowing for households and businesses, which could potentially delay the implementation of investment plans.

- Risks arising from the speed of absorption of the funds of the Recovery and Resilience fund and the implementation of the program, as well as from possible delays in the implementation of reforms.

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 2022 of €32.9 million (including restricted cash) are expected to be sufficient to meet the Company's liabilities for the next 12 months under 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 2022 the Company's own funds increased by €19.1 million as a result of the net profit recorded during the year (€25.9 million) and the dividend distribution (€6.8 million).

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 expected positive growth rate of the Greek Economy despite the adverse effects caused by inflationary pressures mainly in terms of energy prices and additionally the implementation of the National Recovery and Resilience Plan,

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 preparation of the Company's financial statements according to International Financial Reporting Standards requires Management to make significant judgments, accounting estimates and assumptions that affect the amount of assets, liabilities, revenue and expenses, and the accompanying disclosures, and the disclosure of contingent assets and liabilities. The actual amounts may differ from estimated amounts.

The estimates and judgements are reviewed on a regular basis based on the experience of the past, as well as other factors, including expectations for future events that are considered reasonable under the specific circumstances, and are also constantly reviewed using all available information. Changes in judgements are likely to affect asset and liability balances and disclosures, the disclosure of contingent assets and liabilities as well as income and expenses presented.

The most important of these are listed below:

i) Critical accounting estimates, assumptions and judgements

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.

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. (see also note 13).

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 2.7).

Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates (see also Note 2.6).

2. Summary of Accounting policies

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 31.12.2021 after additionally taking into account the amendments to standards issued by the International Accounting Standards Board (IASB), that were adopted by the European Union and implemented from 1.1.2022 as detailed below.

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

- **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 previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly 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 any proceeds from the sale of items produced while bringing the asset to the location and condition necessary for it be capable of operating in the manner intended by management. Instead, a company recognizes 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. The amendments clarify, the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to the contract activities.
- **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 amendments had no impact on the financial statements of the Company.

- **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 amendments had no impact on the financial statements of the Company.

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

The Company has not early adopted any other of the following standard, interpretation or amendment that has been issued but is not yet effective. In addition, the Company is in the process of assessing the impact of all standards, interpretations and amendments issued but not yet effective, on the 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 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, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.
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. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. 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 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 are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's

classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. 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.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. 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.

- **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.

2.2 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the statement of Total Comprehensive Income.

2.3 Goodwill

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed.

The Goodwill amount of €6,785 thousand arised from the Acquisition of Alpha Bank's NPL servicing unit in 2020. Goodwill was 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 deductible for income tax purposes and will be amortised in straight line basis for tax purposes in a period of 13 years.

2.4 Intangible assets

Software

Software licenses are classified as intangible assets and are measured at cost less accumulated amortization and accumulated write offs. Amortisation 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 1st December 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.

2.5 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.

2.6 Leases

Right 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 reasonably certain 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 components 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.

2.7 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 sell and 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 31 December 2022, 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.

2.8 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 has performed the required assessment, and the expected credit loss is considered to be immaterial.

ii) Financial Liabilities

Debt liabilities are initially recognized at fair value less transaction costs. Then they are subsequently measured at amortised 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 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.

2.10 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.

2.11 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, as well as the deferred tax.

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

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

2.12 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 based on 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.

2.13 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.

2.14 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.

2.15 Revenue Recognition

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

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 ranges between 5 to 30 days.

Presentation

<u>Trade receivables</u>
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 2.8).

<u>Contract assets</u>
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.

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

2.16 Reserves

Statutory reserves: Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until this reserve is equal to one third of the outstanding share capital. This reserve cannot be distributed during the existence of the corporation, but can be used to offset accumulated losses. This reserve is recognised in the year that the Annual General Meeting of Company's shareholders approve the distribution.

2.17 Dividend Distribution

Dividend distribution to the company's shareholders is recognised as a liability in the the financial statements in the period in which the dividends are declared and appropriately authorised or approved by the Company's Shareholders' General Meeting.

2.18 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 S.A. (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.

2.19 Reclassifications

Reclassifications: Certain amounts have been reclassified in the comparative financial statements, so that these are comparable with the presentation of the financial statements for the year ended 31 December 2022. For comparison purposes, certain reclassifications have been made in the notes of these financial statements. All the aforementioned reclassifications did not have an effect in the Equity of the Company.

The following reclassifications have been made for comparability purposes:

A. In statement of Total Comprehensive Income reclassification of an amount € 14,457 thousands from «Turnover (Sales)», to «Income from passthrough expenses»

B. In statement of Total Comprehensive Income reclassification of an amount € 14,457 thousands from «Other Operating Expenses», to «Passthrough expenses»

3. Intangible assets

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

Amounts in thousands Euro	Software	Servicing agreements	Total intangible assets
Cost as at 01/01/2021	**19,875**	**217,043**	**236,918**
Additions for the fiscal year	6,101	-	6,101
Cost as at 31/12/2021	**25,976**	**217,043**	**243,019**
Accumulated amortisation 01/01/2021	**802**	**1,809**	**2,610**
Amortisation for the year	2,595	21,704	24,300
Accumulated amortisation 31/12/2021	**3,397**	**23,513**	**26,910**
Net book value 31/12/2021	**22,579**	**193,530**	**216,109**
Cost as at 01/01/2022	**25,976**	**217,043**	**243,019**
Additions for the year	11,410	-	11,410
Disposals for the year	(262)	-	(262)
Cost as at 31/12/2022	**37,124**	**217,043**	**254,167**

Accumulated amortisation 01/01/2022	**3,397**	**23,513**	**26,910**
Amortisation for the year	3,945	21,704	25,650
Disposals for the year	(12)	-	(12)
Accumulated amortisation 31/12/2022	**7,330**	**45,217**	**52,548**
Net book value 31/12/2022	**29,794**	**171,826**	**201,619**

Servicing agreements have been signed with Alpha Bank upon acquisition of Alpha Bank's NPL Unit during 2020.

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

The breakdown and movement of 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 01/01/2021	**1,005**	**4,494**	**478**	**3,174**	**9,152**
Additions for the year	34	2,221	204	481	2.940
Disposals for the year	-	(18)	(220)	-	(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	-	(9)	(32)	-	(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**
Cost as at 01/01/2022	**1,039**	**6,697**	**462**	**3,655**	**11,854**
Additions for the year	539	3,270	76	457	4,342
Disposals for the year	-	(405)	(85)	(1)	(491)
Cost as at 31/12/2022	**1,578**	**9,562**	**453**	**4,111**	**15,705**
Accumulated depreciation 01/01/2022	**413**	**2,735**	**148**	**1,263**	**4,559**
Depreciation for the year	375	1,915	130	659	3,079
Disposals for the year	-	(64)	(9)	-	(73)
Accumulated depreciation 31/12/2022	**788**	**4,586**	**269**	**1,922**	**7,565**
Net Book Value 31/12/2022	**790**	**4,976**	**184**	**2,189**	**8,141**

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

5. 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 22% for the income of the fiscal year 2021 and onwards.

The movement 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 01.01.2021	**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 & 01.01.2022	**1**	**21**	**430**	**-**	**452**
(Debit)/credit of profit and loss account	43	(463)	40	-	(380)
(Debit)/credit of other comprehensive income	-	-	(100)	-	(100)
Balance as at 31.12.2022	**44**	**(442)**	**370**	**-**	**(28)**

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		**31.12.2022**		**31.12.2021**
Amounts in thousands Euro	**%**	**Amount**	**%**	**Amount**
Profit/ (Loss) before income tax		**33,958**		**56,580**
Income tax based on the Greek (nominal) tax rate 22% (31.12.2021: 22%)	(22.0%)	(7,470)	(22.0%)	(12,447)
Increase/decrease resulting from:				
Effect in the Deferred Tax Asset due to the change in the tax rate		-		(325)
Prior period income and deferred tax		(824)		-
Non-deductible expenses		(111)		(188)
Income tax expense in Comprehensive Income	24.8%	**(8,405)**	22.9%	**(12,960)**
Deferred tax calculated on actuarial profit/(losses)		(100)		-
Deferred tax on Other Comprehensive Income		**(100)**		**-**
Income tax expense in Other Comprehensive Income		**(100)**		**-**
Total income tax expense		**(8,505)**		**(12,960)**
Deferred Tax		(480)		(3,442)
Current and prior period Income Tax		(8,025)		(9,518)
Total		**(8,505)**		**(12,960)**

6. Other non-current assets

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

Amounts in thousands Euro	**31.12.2022**	**31.12.2021**
Buildings lease fee guarantees	451	380
Vehicles lease guarantees	7	7
Guarantees to electric power supplier	12	12
Guarantees to telecommunication company	1	1
Total	**471**	**400**

7. Prepaid expenses

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

Amounts in thousands Euro	**31.12.2022**	**31.12.2021**
IT support & Licences	1,188	1,375
Insurance premiums	465	274
Other prepaid expenses	80	120
Total	**1,733**	**1,769**

8. Contract assets & trade receivables

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 trade receivables are broken down as follows:

Amounts in thousands Euro	**31.12.2022**	**31.12.2021**
Contract assets (related parties)	16,534	21,664
Contract assets (non-related parties)	42,284	16,496
Customers (related parties)	1,179	6,289
Customers (non-related parties)	858	2,784
Total	**60,855**	**47,233**

The balances for contract assets of non-related parties for the period 31.12.2022 have been increased due to the securitization of Alpha Bank's portfolios.

9. Other receivables

Other receivables are analysed as follows:

Amounts in thousands Euro	**31.12.2022**	**31.12.2021**
Advance payments to suppliers	14,545	4,332
Refundable VAT	8,990	364
Other receivables	375	186
Total	**23,910**	**4,882**

The increase in other receivables relates to a) the increase in the VAT refundable due to the increase in the costs of servicing the portfolios and charging them back to clients based outside Greece and b) to the increase in advance payments for legal actions to law firms and partners.

10.Cash and cash equivalents & Restricted Cash

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

Amounts in thousands Euro	31.12.2022	31.12.2021
Bank deposits	26,060	50,584
Total	**26,060**	**50,584**

The bank deposits represent zero interest rate deposits in Alpha Bank, with credit rating on 31.12.2022 B+ (long term). The credit rating is based on the International Credit Rating institution STANDARD & POOR'S.

The company's restricted cash as at 31.12.2022 amounted to €6.8 million (2021: €6.8 million) relate to the Bond Loan Agreement (Note 14) and is also deposited at Alpha Bank.

11.Share capital and reserves

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

Statutory Reserve of € 1.49 million was formed according to the decision of the General Meeting of the Shareholders as of 14 July 2022.

12.Lease liabilities

The lease liabilities on 31.12.2022 relate to leases of real estate and cars 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 01.01.2021	**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**
Balance as at 01.01.2022	**4,035**	**316**	**4,351**
Additions	3,270	76	3,346
Derecognition	87	-	87
Accretion of Interest	169	3	172
Repayment	(2,386)	(207)	(2,593)
Balance as at 31.12.2022	**5,175**	**188**	**5,363**

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

Amounts in thousands Euro	Nominal amount			
	Total	Up to 1 year	from 1 to 5 years	above 5 years
31.12.2021	4,484	1,933	2,551	-
31.12.2022	6,652	1,686	3,753	1,212

Amounts in thousands Euro	Discounted amount			
	Total	Up to 1 year	from 1 to 5 years	above 5 years
31.12.2021	4,351	1,873	2,478	-
31.12.2022	5,363	1,345	2,923	1,095

13.Post-employment benefits

The amounts recorded on the Statement of Financial Position as at 31.12.2022, based on the actuarial study, are as follows:

Amounts in thousands Euro	1.1-31.12.22	1.1-31.12.21
Amounts recognized in Statement of Financial Position		
Present value of obligations	1,683	1,821
Net Liability/(Asset) in Statement of Financial Position	**1,683**	**1,821**
Amounts recognized in Statement of Total Comprehensive Income		
Current service cost	310	252
Net interest on the net defined benefit liability/(asset)	11	2
Regular Total Comprehensive Income Charge	**321**	**254**
Recognition of past service cost	-	-
Settlement payments from the plan	77	27
Total Comprehensive Income Charge	**398**	**281**
Reconciliation of benefit obligation		
Defined Benefit Obligation (DBO) at start of period	1,821	1,489
Current service cost	310	252
Interest cost	11	2
Benefits paid directly by the Company	(82)	(32)
Adjustment due to acquisition/(disposal)	-	-
Settlement payment from the plan	77	27
Past service cost arising in previous period	-	-
Actuarial (gain)/loss - financial assumptions	(371)	28
Actuarial (gain)/loss – experience	(83)	55
Defined Benefit Obligation (DBO) at end of period	**1,683**	**1,821**
Remeasurements		
Liability gain/(loss) due to changes in assumptions	371	(28)
Liability experience gain/(loss) arising during the year	83	(55)
Total actuarial gain/(loss) recognized in Statement of Total Comprehensive Income	**454**	**(83)**

Movements in Net Liability/(Asset) in Statement of Financial Position		
Net Liability/(Asset) at the beginning of the period	1,821	1,489
Adjustment due to acquisition/(disposal)	-	-
Benefits paid directly	(82)	(32)
Total expense recognized in the income statement	398	281
Total amount recognized in the OCI	(454)	83
Adjustment due to Change in accounting policy	-	-
Adjustment Other	-	-
Net Liability/(Asset) in Statement of Financial Position	**1,683**	**1,821**

The main actuarial assumptions used for accounting purposes are:

Discount interest rate	3.78%	0.61%
Inflation	2.60%	2.05%
Future salary raises	2.70%	2.15%
Program duration (years)	8	8

Sensitivity analysis					
	Discount rate	**Discount rate**	**Salary Increase**	**Salary Increase**	**Half withdrawal**
	+0.5%	**-0.5%**	**+0.5%**	**-0.5%**	
Impact on defined benefit obligation	-3.5%	+3.7%	+3.1%	-4.3%	+0.2%

14.Borrowings

Borrowings are broken down below as follows:

Amounts in thousands Euro	**31.12.2022**	**31.12.2021**
Long-term borrowings	39,693	61,990
Short-term borrowings	13,742	34,763
Total	**53,435**	**96,753**

On 30 July 2021, the Company entered into a joint bond loan with Alpha Bank and the European Bank for Reconstruction and Development ("EBRD") of €105.0 million in order to replace the existing bond loan with Alpha Bank amounting to €130.0 million.

The loan amount was fully disbursed on 12 August 2021. On the same day, the previous loan with Alpha Bank amounting to €130.0 million was repaid in full.

The interest rate of the loan is Euribor 3 months plus a margin of 4.5%, while costs incurred amounted to €1.2 million and are recognised in the Statement of Total Comprehensive Income using the effective interest method.

The participation of Alpha Bank and EBRD was €55.0 million and €50.0 million, respectively.

The loan has quarterly instalments, and original maturity was on 30 June 2026. The Company prepaid part of the loan in 2022 and as a result the last instalment has been reschedule for 31 December 2025.

15.Trade and other payables

Trade and other payables are broken down below as follows:

Amounts in thousands Euro	31.12.2022	31.12.2021
Domestic suppliers	9,519	4,932
Foreign suppliers	-	582
Other liabilities	317	114
Total	**9,836**	**5,628**

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

16.Contract liabilities

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

Amounts in thousands Euro	31.12.2022	31.12.2021
Contract liabilities to non-related entities	15,706	6,722
Contract liabilities to related entities	3,221	-
Total	**18,927**	**6,722**

The increase in contract liabilities arises from the expansion of servicing activities and new portfolios acquired in 2022.

17.Liabilities from other taxes and duties

Liabilities from other taxes and duties are broken down below as follows:

Amounts in thousands Euro	31.12.2022	31.12.2021
Payroll Withholding tax	1,088	1,087
Third parties withholding tax	316	183
Income tax	3,658	9,518
Total	**5,062**	**10,788**

18.Liabilities to social security organizations

Liabilities to social security organizations on 31.12.2022, amounting to 1,508 thousands Euro relate to December contributions to the Unified Social Security Institution (EFKA). On 31.12.2021 liabilities to social security organizations were 1,347 thousands Euro.

19.Accrued expenses, deferred Income and other provisions

Accrued expenses, deferred income and other provisions are broken down as follows:

Amounts in thousands Euro	**31.12.2022**	**31.12.2021**
Accrued fees for audit, accounting and consulting services	1,916	1,610
Accrued fees and expenses for legal services	12,155	5,529
Payroll expenses	4,210	4,444
Other provisions	2,772	3,243
Accrued expenses from related entities	796	476
Deferred income to non-related entities	16	53
Total	**21,865**	**15,355**

The increase in accrued expenses arises from the expansion of servicing activities and new portfolios acquired in 2022.

20.Turnover and other operating income

The company's turnover and other operating income is broken down below as follows:

Amounts in thousands Euro	**01.01 - 31.12.2022**	**01.01 - 31.12.2021 (Reclassified)**
Revenue from the provision of receivables servicing	142,161	162,193
Other Income	143	32
Total	**142,304**	**162,225**

21. Personnel fees and expenses

Personnel salaries and expenses are broken down below as follows:

Amounts in thousands Euro	**01.01 - 31.12.2022**	**01.01 - 31.12.2021**
Gross Remuneration	32,516	35,463
Employer's contributions	6,915	6,221
Other employee benefits	1,668	1,313
Provision for post-employment benefits	316	249
Separation benefit	536	610
Total	**41,951**	**43,856**

On 31.12.2022 the Company employed 888 people, whereas on 31.12.2021 the Company employed 824 people.

22. Other operating expenses

Other operating expenses are broken down below as follows:

Amounts in thousands Euro	01.01 - 31.12.2022	01.01 - 31.12.2021 (Reclassified)
Third party fees and expenses	24,320	23,252
Utilities	1,004	828
Rents	164	111
Insurance expenses	493	304
Travel expenses	471	310
IT expenses	4,486	3,698
Other expenses	2,004	1,326
Total	**32,942**	**29,829**

23. Depreciation and Amortisation expenses

Depreciation and amoritsation expenses are broken down below as follows:

Amounts in thousands Euro	01.01 - 31.12.2022	01.01 - 31.12.2021
Depreciation of property, plant and equipment	1,034	744
Depreciation of right of use assets	2,044	2,011
Amortisation of softwares	3,934	2,595
Amortisation of Servicing agreements	21,704	21,704
Total	**28,716**	**27,054**

24. Net finance income / (expense)

Net financial results are broken down below as follows:

Amounts in thousands Euro	01.01 - 31.12.2022	01.01 - 31.12.2021
Interest charges and related expenses	4,460	4,868
Interest and related income	(1)	(2)
Foreign exchange difference expenses	20	-
Lease interest	259	40
Total	**4,738**	**4,906**

25. Passthrough expenses and income from passthrough expenses

The passthrough expenses and income from passthrough expenses for 31.12.2022 equals to €52,642 thousands (31.12.2021 reclassified: €14,457 thousands).

The passthrough expenses relate to legal and court costs, real estate costs, insurance costs and other expenses relating to the management of loans.

26. Related-party transactions

Transactions and balances between the Company and related parties (as defined in IAS 24) are listed belows:

All transactions with related parties are performed under market conditions.

a) *Revenues from the provision of services*

	01.01 - 31.12.2022		01.01 - 31.12.2021	
Amounts in thousands Euro	**Interest and similar income**	**Provision of services**	**Interest and similar income**	**Provision of services**
Alpha Bank S.A.	-	6,014	2	50,042
Alpha Leasing S.A.	-	1,680	-	2,183
Kaican Hellas S.A.	-	881	-	85
Cepal Services and Holdings S.A.	-	53	-	53
Davidson Kempner European Partners LLP	-	36	-	-
Gemini Core Securitisation Designated Activity Company	-	77,148	-	85,681
Total	**-**	**85,812**	**2**	**138,044**

b) *Expenses*

	01.01 - 31.12.2022			01.01 - 31.12.2021	
Amounts in thousands Euro	**Interest and similar expenses**	**Dividends**	**Service provision**	**Interest and similar expenses**	**Service provision**
Alpha Bank S.A.	2,366	-	3,742	3,943	3,898
Alpha Astika Akinita S.A.	-	-	317	-	460
Alpha Supporting Services S.A.	-	-	-	-	18
Alpha Real Estate Management and Investments S.A.	-	-	24	-	137
Cepal Services and Holdings S.A.	-	6,782	1,433	-	1,172
Kaican Hellas S.A.	-	-	5,014	-	385
Kaican Services Ltd	-	-	248	-	171
Total	**2,366**	**6,782**	**10,778**	**3,943**	**6,241**

c) *Receivables*

	31.12.2022			31.12.2021		
Amounts in thousands Euro	**Sight deposits**	**Other receivables**	**Contract assets**	**Sight Deposits**	**Other receivables**	**Contract assets**
Alpha Bank S.A.	32,860	1,180	808	57,384	2,383	20,819
Alpha Leasing S.A.	-	203	253	-	2,513	157
Cepal Services and Holdings S.A.	-	-	-	-	59	-
Kaican Hellas S.A.	-	-	83	-	97	-
Davidson Kempner European Partners LLP	-	36	-	-	-	-
Gemini Core Securitisation Designated Activity Company	-	-	15,390		1,526	688
Total	**32,860**	**1,419**	**16,534**	**57,384**	**6,578**	**21,664**

d) Payables

	31.12.2022				31.12.2021		
Amounts in thousands Euro	**Customer liabilities and advance payments**	**Accrued expenses and Deferred Income**	**Trade payables**	**Borrowings**	**Accrued expenses**	**Trade payables**	**Borrowings**
Alpha Bank S.A.	-	450	1,752	27,989	54	572	50,680
Alpha Real Estate Management and Investments S.A.	-	-	-	-	137	-	-
Alpha Astika Akinita S.A.	-	-	389	-	-	555	-
Kaican Hellas S.A.	-	42	36	-	277	-	-
Kaican Services Ltd	-	77	-	-	9	-	-
Cepal Services and Holdings S.A.	-	227	-	-	-	-	-
Gemini Core Securitisation Designated Activity Company	3,221	-	-	-	-	-	-
Total	**3,221**	**796**	**2,177**	**27,989**	**477**	**1,127**	**50,680**

27. Contingent liabilities and commitments

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

Tax Issues
The Company has not been audited by the tax authorities for the years from 2016 to 2022. The Company has received a clean tax certificate for the years ending 2016, 2017, 2018, 2019, 2020, 2021 by the certified auditors, while for year ended 31 December 2022 the Company is currently undergoing a tax certificate audit and it is expected that no material tax charges will arise.

In May 2022, the Company received a Tax Audit notification for a regular Tax Audit for the period 01/01/2019 – 31/12/2019 and the period 01/01/2020 - 31/12/2020, on all tax matters. According to the notification, the audit is expected to start before 31/12/2026.

28. 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	**31.12.2022**	**31.12.2021**
Fees for statutory audit	80	75
Fees for the issuance of tax certificate	20	20
Total	**100**	**95**

29.Financial Risk Management

The Management of the Company has assessed the consequences that can arise in the financial risk management due to the general situation of the business environment in Greece. More generally, as mentioned in Going Concern section (Note 1.2.), Management does not consider that any negative event in the Greek economy will have material impact on the smooth operation of the Company.

a. Capital Risk Management

The Company manages its capital to ensure that the company will continue to be viable while maximizing the return to the stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital, reserves and retained earnings. The Company's capital satisfies and is expected to continue to satisfy the statutory thresholds regarding share capital and own funds During 2022 the Company's own funds increased by €19.1 million as a result of the net profit recorded during the year (€25.9 million) and the dividend distribution (€6.8 million).

b. Credit Risk

The Company's credit risk is primarily attributable to its trade and other receivables. The Company's credit risk is very low due to the credit quality of the counterparties.

c. Foreign Exchange Risk

There is no foreign exchange risk as Company's transactions in foreign currency ara not considered material.

d. Interest Rate Risk

As of 31 December 2022, the Company has a bond loan of outstanding balance €53.4 million. The loan bears an interest rate of 3-month Euribor plus spread of 4.5% and has a maturity date 31 December 2025. As a result the Company is exposed to interest rate risk arising from the potential increase of the 3-month Euribor rate. More specifically, 1ppt increase in Euribor rate, would result in € 467k additional interest cost for 2023.

e. Price Risk

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

f. Liquidity Risk

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 2022 of €32.9 million (including restricted cash) are expected to be sufficient to meet the Company's liabilities for the next 12 months under the existing bond loan.

The following tables present the Company's contractual maturity for its financial liabilities:

	31.12.2022			
Amounts in thousands Euro	**Up to 1 year**	**From 1 to 5 years**	**Above 5 years**	**Total**
Trade and other payables	9,836	-	-	**9,836**
Lease liabilities	1,686	3,753	1,212	**6,651**
Loans	13,742	39,693	-	**53,435**
Total	**25,264**	**43,446**	**1,212**	**69,922**

	31.12.2021			
Amounts in thousands Euro	**Up to 1 year**	**From 1 to 5 years**	**Above 5 years**	**Total**
Trade and other payables	5,628	-	-	**5,628**
Lease liabilities	1,933	2,551	-	**4,484**
Loans	17,950	78,804	-	**96,754**
Total	**25,511**	**81,355**	**-**	**106,866**

30. Dividends

The General Meeting of the Shareholders as at 14 July 2022 approved a divided distribution of €6.78 million, from 2021 fiscal years net profits, which was distributed to the shareholders in 2022.

31. Events after end of the reporting period

On 12 January 2023, as part of its servicing mandate and pursuant to the objective of maximizing value for the Noteholders of the portfolios which are under the provisions of Law 4649/2019 (HAPS Law) as amended and in force, Cepal Hellas completed the first Loan Portfolio Sale process in the Greek market for the sale of corporate re-performing loan receivables with total exposure of c.€23.6 million ("Project Rebound") from the Portfolio of Galaxy IV Securitisation DAC & Cosmos Securitisation Funding DAC to Optima Bank S.A.

Athens, 20 April 2023

Chairman of the Board of Directors	Chief Executive Officer	Member of the Board of Directors	The Chief Financial Officer	The Accountant
Artemios Theodoridis	Theodoros Athanasopoulos	Kenneth John Stannard	George Angelides	Ernst & Young Business Advisory Solutions S.A. (A.A. 2874) Effrosyni Papadopoulou Registration No. 3850 1st class