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

Annual Financial Statements
for the period from 01.01.2023 to 31.12.2023

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

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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 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 2023.

A. GENERAL

The Company was established on 24 February 2016, specializing in the servicing of receivables from loans and credits. On 29 November 2016, the Bank of Greece granted to the Company the first license for servicing receivables from loans and credits in Greece, pursuant to decision no. 207/29.11.2016 of the Committee for Credit & Insurance Matters (Government Gazette, Series II, 3717/30.11.2016), pursuant to law 4354/2015 and Executive Committee Act 118/19.05.2017.

Cepal is a leading independent servicer of loans and receivables in Greece with ca. €26.4 billion of assets under management (“AuM”), and distinguished as a scalable multi-customer platform that supports all servicing strategies, based on 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 service to the borrowers and meeting the highest ethical standards. In this context it was the first Servicer to conclude a HAPs transaction in the secondary market, 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 2023

On May 24, 2023, Cepal Hellas signed three (3) servicing agreements with the special purpose vehicles Hermes Acquisitions B DAC, Saturn Financial Investor DAC and Pluto Financial Investor DAC to service respective portfolios that include mainly wholesale credit exposures of small and medium enterprises, as well as retail credit, with a total value of €987 million, which the above special purpose vehicles acquired from Alpha Bank S.A.

On October 13, 2023, Cepal Hellas signed a servicing agreement with Hoist Finance Publ, to service a new unsecured portfolio with a gross book value of €1.8 billion, named "Cell", which Hoist acquired from Alpha Bank S.A.

II. Main Risks and Uncertainties for 2024

- **Credit Risk:**

Credit Risk pertaining to receivables is very low due to the credit quality of the counterparties. The Company monitors the credit risk on an annual basis and assesses the creditworthiness of its customers and provide an estimate for any corresponding provision for expected credit loss.

- **Liquidity Risk:**

The cash flows generated from the Company's operations together with the cash balance as of 31 December 2023 of €20.8 million (including restricted cash) are expected to be sufficient to meet the Company's liabilities in a timely manner. Additionally, the Company manages its cash and liquidity risk through the planning of liquidity needs, the collection of its receivables by its customers and the monitoring of its cash.

- **Market Risk:**

a) Foreign Exchange Risk

The Company assesses that there is no significant 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 2023, the Company had a bond loan of outstanding balance €29.7million. The loan bears an interest rate of 3-month Euribor plus spread of 4.5% and has a maturity date 30 June 2025. On March 28, 2024, the Company proceeded to the issuance of a new common bond loan, of a total value (capital) up to €58.2million compromising of Series A and Series B Bonds, with which the aforementioned bond loan was repaid. The new loan bears a 3-month Euribor plus a spread of (a) 2.65% for the Series A Bonds, which will increase to 2.75% as specifically defined in the Program and (b) 2.30% for the Series B Bonds, which will increase to 2.45% according to the special provisions of the Program. 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 € 323 thousands additional interest cost for 2024.

III. Estimates and Perspectives for 2024

The main objective of the Company for 2024 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.

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. Athanasopoulos Theodoros, Managing Director;
3. Sakellaris Plutarchos, Member;
4. Ceribelli Miriam Giuseppe, Member;
5. Stannard Kenneth John, Member.

V. Events after the Balance Sheet date

On January 19, 2024, the Company entered into a servicing agreement with Hoist Finance AB (Publ) regarding the servicing of a portfolio of claims, totaling €1.94 billion, which Hoist has acquired from a) COSMOS SECURITISATION DESIGNATED ACTIVITY COMPANY, b) the company GALAXY II FUNDING DESIGNATED ACTIVITY COMPANY and c) the company ORION X SECURITISATION DESIGNATED ACTIVITY COMPANY pursuant to respective Loan Portfolio Sale Agreements, based on the provisions of Law 5072/2023 (the “Pearl Portfolio”).

On February 6, 2024, in the context of the Securitization Transaction of the receivables of Attica Bank S.A. and the reassignment to it of the receivables from non-performing loans with a gross book value of €1.2 billion ("Omega Portfolio"), the Company entered into an interim servicing agreement, in order for the Company to be appointed as an interim servicer for a portion of the total claims that make up the Omega Portfolio, in accordance with the provisions of Law 5072/2023, as amended and in force.

On March 28, 2024, the company proceeded to the issuance, based on the provisions of Law 4548/2018 and Article 14 of Law 3156/2003 as they apply, and the private placement to the credit institution ALPHA BANK S.A. (“Alpha Bank”) of a common secured bond loan, of a total amount (capital) up to €58.2 million comprising of Series A and Series B Bonds, for the purpose, among other things, of refinancing the existing bond loan with Alpha Bank and the European Bank for Reconstruction and Development (“EBRD”) of €105 million, as well as the financing of its working capital needs. The new loan carries a 3-month Euribor rate plus a margin of (a) 2.65% for the Series A Bonds, which will increase to 2.75% as specifically defined in the Program and (b) 2.30% for the Series B Bonds, which will increase to 2.45% according to the special provisions of the Program. The Series A Bonds will be repaid in installments in accordance with a repayment schedule, with a final repayment date as of 31.12.2029. The Series B Notes will be repaid in one installment on the above final repayment date. The loan amount was fully disbursed on March 28, 2024 and on the same day the previous bond loan with Alpha Bank and EBRD was fully repaid.

On April 3, 2024, the company entered into a servicing agreement, with the company "CREDITABLE OPPORTUNITIES FUND II SCS RAIF", which acts in relation to the company "SOUTHROCK II", regarding the servicing of a portfolio of wholesale credit receivables totaling €687 million, which the above company acquired from Cosmos Securitization Designated Activity Company, by virtue of the LoanSale Agreement dated 22.01.2024, in accordance with the provisions of Law 5072/2023 (the "Cetus Portfolio").

A new legislative regime is applicable to credit servicers from December 2023. Greek Law 5072/2023 was issued in compliance with EU Directive 2021/2167, which introduces new obligations for credit servicers, regulates issues related to the secondary market and implements new provisions for the licensing and supervision of credit servicers. Furthermore, the Bank of Greece issued Executive Committee Act 225/30.01.2024, which replaces part of the previously issued Act 118/19.05.2019 and provides for the terms and conditions for granting the operating license to credit servicers of Law 5072/2023. According to the new legislative framework, all credit servicers will have to follow a relicensing process and are required to submit updated legalization documents to the Bank of Greece by 31.03.2023, based on which the Bank of Greece will confirm or withdraw the license until 30.06.2024. The Company has timely submitted the relicensing file to the Bank of Greece.

C. PRESENTATION OF FINANCIAL RESULTS

Total Net Operating Income in 2023 was €134.9 million (2022: €142.3 million), while the result before tax was a profit of €19.2 million (2022: profit of €34.0 million).

The After Tax Gain for 2023 was €15.5 million (2022: gain €25.5 million).

The capital structure of the Company is adequate to maintain its activities, with equity at year end of €194.4 million (2022: €218.7 million) and Cash and Cash Equivalents of €20.8 million (2022: €32.9 million), including restricted cash.

I. Key financial ratios

	2023	**2022 (After reclassifications *)**
1.Current assets / Total assets	42%	37%
2.Equity / Total liabilities	123%	174%
3.Current assets / Current liabilities	104%	158%
4.Earnings before interest and tax (EBIT) / Net operating income	18%	27%
5.Earnings before interest, tax, depreciation and amortisation (EBITDA)/ Net operating income	40%	47%

**Please refer to note 2.19*

II. Preparation of Financial Statements

The Financial Statements of 31 December 2023 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 2023 and 31 December 2023, 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 2023:

Environment:

- Implemented a Low-emission Company Car Policy – All Company cars are either electric or hybrid with minimum CO_2 emissions.
- Introduced a Flexy Work model to reduce the commuting of employees and cut-down on CO_2 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: 62% of our employees are 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:

- Launched a Voluntary Blood Donation – donated 135 bottles
- Donated office furniture and financial assistance to Red Cross and other institutions

Governance:

- Reviewed the organizational chart and enhanced all Companies policies and processes, ensuring adherence to European and Greek legislation
- Completed an annual awareness training to all employees regarding governance matters.
- An ESG department was created in order to implement and monitor all ESG actions of the Company.
- A separate ESG Committee was formed to monitor the Company's wider ESG strategy
- The structure of the Committees operating at the Board of Directors level was reviewed and new Committees were formed at the management level, 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 12 branches with staff throughout Greece for its business purposes.

III. Research and development

The Company does not incur research and development costs.

Athens, 25 April 2024

Chairman of the Board of Directors

Artemios Theodoridis

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INDEPENDENT AUDITOR'S REPORT

TRUE TRANSLATION

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

Report on the Audit of the Financial Statements

Opinion

We have audited the 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 2023 and the statements of total comprehensive income, changes in equity and cash flows for the year then ended, including material accounting policy information.

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 2023 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.

Other Information

Management is responsible for the other information. The other information, included in the Board of Directors' Report, referred to in the section "Report on Other Legal and Regulatory Requirements" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

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 the accounting policy information 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 2023.

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, 26 April 2024

The Certified Public Accountant

Eleni Christina Kranioti
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Statement of Financial Position as of 31 December 2023

Amounts in thousands Euro	Note	31.12.2023	31.12.2022 (Reclassified)
ASSETS			
Non-current assets			
Goodwill		6,785	6,785
Intangible assets	3	185,368	201,619
Property, Plant and equipment & Right of Use assets	4	9,448	8,141
Deferred tax assets	5	953	-
Other non-current assets	6	497	471
Total non-current assets		**203,051**	**217,016**
Current assets			
Prepaid expenses	7	1,498	1,733
Contract assets & trade receivables	8	82,402	60,855
Other receivables	9	44,782	32,142
Restricted Cash	10	6,800	6,800
Cash and cash equivalents	10	14,010	26,060
Total current assets		**149,492**	**127,590**
TOTAL ASSETS		**352,543**	**344,606**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	35,695	35,695
Share premium		134,100	134,100
Reserves	11	2,783	1,487
Retained earnings		21,779	47,385
Total Equity		**194,357**	**218,667**
Non-current liabilities			
Long-term Borrowings	14	10,210	39,693
Long-term Lease liabilities	12	2,994	4,018
Post-employment benefits	13	1,682	1,683
Total Non current liabilities		**14,886**	**45,394**
Current liabilities			
Short-term Borrowings	14	19,482	13,742
Trade and other payables	15	52,558	9,836
Short-term Lease liabilities	12	1,489	1,345
Contract liabilities	16	22,998	18,927
Deferred tax liabilities	5	-	28
Other taxes and duties	17	6,514	13,294
Liabilities to Social Security organizations	18	1,483	1,508
Accrued expenses, Deferred Income and other provisions	19	38,776	21,865
Total current liabilities		**143,300**	**80,545**
Total liabilities		**158,186**	**125,939**
TOTAL EQUITY AND LIABILITIES		**352,543**	**344,606**

The attached notes (pp. 17-48) are an integral part of the Financial Statements.

Statement of Total Comprehensive Income for the year ended 31 December 2023

Amounts in thousands Euro	**Note**	**1.1.2023 - 31.12.2023**	**1.1.2022 - 31.12.2022**
Turnover (sales)	20	134,848	142,161
Other operating income	20	42	143
Income from passthrough expenses	25	77,670	52,642
Passthrough expenses	25	(77,670)	(52,642)
Net operating income		**134,890**	**142,304**
Personnel fees and expenses	21	(48,412)	(41,951)
Other operating expenses	22	(30,934)	(32,942)
Provision for expected credit losses	8	(1,038)	-
Depreciation and amortisation expenses	23	(30,888)	(28,716)
Net finance income/(expenses)	24	(4,436)	(4,738)
Profit before tax		**19,182**	**33,957**
Income tax expense	5	(3,708)	(8,405)
Profit after tax (A)		**15,474**	**25,552**
Other Comprehensive income / (loss)			
Other Comprehensive income not to be reclassified to profit or loss			
Actuarial gains / (losses) on defined benefit pension plans	13	276	454
Deferred tax on actuarial gains / (losses) on defined benefit pension plans		(61)	(100)
Other comprehensive income / (loss), net of tax (B)		**215**	**354**
Total Comprehensive Income for the year (A) + (B)		**15,689**	**25,906**

The attached notes (pp. 17-48) are an integral part of the Financial Statements.

Statement of Changes in Equity as of 31 December 2023

Amounts in thousands Euro	Note	Share capital (Note 11)	Share Premium	Retained Earnings	Reserves (Note 11)	Total equity
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**
Balance as at 01.01.2023		**35,695**	**134,100**	**47,385**	**1,487**	**218,667**
Profit for the year 01.01 - 31.12.2023		-	-	15,474	-	15,474
Actuarial gains / (losses) on defined benefit pension plans	13	-	-	215	-	215
Total comprehensive income for the year		**-**	**-**	**15,689**	**-**	**15,689**
Increase in reserves		**-**	**-**	(1,295)	1,295	-
Dividends		**-**	**-**	(40,000)	-	(40,000)
Balance as at 31.12.2023		**35,695**	**134,100**	**21,779**	**2,783**	**194,357**

The attached notes (pp.17-48) are an integral part of the Financial Statements.

Statement of Cash Flows for the year ended 31st December 2023

Amounts in thousands Euro	Note	1.1.2023 - 31.12.2023	1.1.2022 - 31.12.2022 (Reclassified)
Cash flows from operating activities			
Gain / (loss) before tax		**19,182**	**33,957**
Plus/ (less) adjustments for:			
Provisions for employee benefit liabilities	13	455	398
Depreciation and amortisation	23	30,888	28,716
Interest charges and related expenses	24	4,436	4,739
Credit interest and related income	24	-	(1)
		54,961	**67,809**
Changes in working capital			
(Increase) / decrease: contract assets & trade receivables	8	(21,547)	(13,622)
(Increase) / decrease: prepaid expenses	7	235	37
(Increase) / decrease: other receivables	9	(12,640)	(27,259)
(Increase) / decrease: other non-current assets	6	(26)	(71)
(Increase) / decrease: contract liabilities	16	4,071	12,205
Increase / (decrease): trade payables and other liabilities	15, 17, 18	(3,841)	12,676
Increase / (decrease): accrued expenses, deferred Income & other provisions	19	16,911	6,509
Operating results after changes in working capital		**38,124**	**58,284**
Income tax paid		(5,209)	(13,908)
Interest paid	24	(3,531)	(3,861)
Interest received	24	-	1
Net cash flows generated from / (used in) operating activities (a)		**29,384**	**40,516**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	3,4	(14,654)	(12,143)
Net cash flows generated from / (used in) investing activities (b)		**(14,654)**	**(12,143)**
Cash flows from financing activities			
Dividends paid		-	(6,782)
Repayment of Bond Loan	14	(23,978)	(43,557)
Payment of lease liabilities	12	(2,803)	(2,559)
Net cash flows generated from / (used in) financing activities (c)		**(26,781)**	**(52,898)**
Net increase/(decrease) in cash and cash equivalents for the year (a)+(b)+(c)		**(12,051)**	**(24,525)**
Cash and cash equivalents & restricted cash at 1 January	10	32,860	57,384
Cash and cash equivalents & restricted cash at 31 December		**20,810**	**32,860**

The attached notes (pp. 17-48) 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 SOCIETE ANONYME - SERVICING OF RECEIVABLES FROM LOANS AND CREDITS", with distinctive title "Cepal Hellas AEDADP", 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, and in accordance with Articles 5 to 15 and 40 of Law 5072/2023, as amended and in force.

The Financial Statements of the Company are included in the consolidated Financial Statements of "CEPAL SERVICES AND HOLDINGS SOCIETE ANONYME" ("**Cepal Holdings**"), using the full consolidation method. Cepal Holdings, as at 31.12.2023, 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 and 15.12.2023, the term of which expires on 20 July 2024, consists of the following:

1. Theodoridis Artemios, Chairman;
2. Athanasopoulos Theodoros, Managing Director;
3. Sakellaris Plutarchos, Member;
4. Ceribelli Miriam, Member;
5. Stannard Kenneth John, Member.

The Financial Statements were approved by the Company's Board of Directors on 25.04.2024 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 01.01.2023 to 31.12.2023, 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 31.12.2023 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 the first nine months of 2023 reflects the resilience of the Greek economy in the face of the challenges it faced, such as the unstable international environment, inflationary pressures, the increased interest rates of the European Central Bank, the slowdown of the European economy as well as the natural disasters in Greek territory during the third quarter, and especially the disastrous floods in Thessaly. According to the latest available data from ELSTAT (December 2023), the real GDP in the first nine months of 2023 increased by 2.2% on an annual basis, at a rate more than triple compared to the Eurozone (0.6%) and one of the highest among the countries of the European Union (EU27).

The Harmonized Index of Consumer Prices (HICP) increased by an average of 9.3% in 2022, primarily due to rising global energy prices - given that Greece is a net energy importer - disruptions in supply chains and shortages in raw materials. However, according to the latest available ELSTAT data, HICP inflation slowed significantly in 2023 to 4.2%. It is noted that the main categories of goods, the prices of which continue to increase and keep inflation in positive territory, are those of food and services, while energy prices decreased in 2023 on average, by 13%.

GDP growth is expected to strengthen in 2024, boosted by the gradual normalization of inflationary pressures. In addition, the implementation of investments within the framework of the Recovery and Resilience Fund (Euro 3.6 billion) and the Public Investment Program (Euro 8.6 billion) and the expected increase in Foreign Direct Investments (FDI) are estimated to contribute to strengthening economic activity in 2024.

The main factors of uncertainty regarding Greece's macroeconomic prospects are as follows:

- Geopolitical developments and inflationary pressures: The continuation and outcome of the war in Ukraine as well as in the Middle East region can undoubtedly affect the European economies, while at the same time the course of inflation may create additional uncertainties. It is noted that the rate of price growth in 2023 decreased and the also the said risks are decreasing.
- The slowdown or even recession of the European economy could adversely affect domestic economic activity, as 54% of Greek exports are directed to the European Union, while 60%-70% of tourist arrivals come from it.
- In addition, risks for the Greek economy arise due to the extreme weather phenomena that hit various regions of the country in the summer of 2023, and especially the catastrophic floods in the region of Thessaly.
- The sharp increase in interest rates in the last year and consequently the cost of borrowing for households and businesses, which might have delayed the implementation of investment plans. In addition, the increased cost of borrowing, combined with the effects of the energy crisis, following the gradual abolition of fiscal support measures for businesses and households, could make it difficult to further reduce the NPL ratio

- Finally, there are 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 possible delays in the implementation of structural reforms.

In conclusion, despite the volatile economic environment, as defined among others by geopolitical uncertainty, the maintenance of inflationary pressures and the sharp increase in interest rates by the main central banks, the Greek economy is expected to remain resilient, achieving higher rates in 2023-24 of GDP growth above European averages, supported by private consumption and rising investments.

Liquidity

The Company's liquidity remains sufficient and is expected to remain sufficient supported by the Company's future profitability, as well as the issuance of a new joint bond loan, with a total value (capital) of €58.2million, with which the existing bond loan was repaid, and additional loan funds have been secured. The cash flows generated from the Company's operations together with the cash balance as of 31 December 2023 of €20.8 million (including restricted cash) are expected to be sufficient to meet the Company's liabilities for the next 12 months.

Capital Adequacy

The Company's capital satisfies and is expected to continue to satisfy the statutory thresholds regarding share capital and own funds. During 2023 the Company's own funds amounted to €194.4 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 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).

Provision for expected credit losses of receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on the Company's historical credit loss experience, calibrated to adjust the historical credit loss experience with forward-looking information specific to the debtors and the economic environment. At each year end, the historical observed default rates are updated and changes in the forward-looking estimates based on macroeconomic conditions that impact the expected credit losses of receivables (e.g. employment, inflation, property values), are analysed.

2. Summary of Material 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 31.12.2022 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 1.1.2023 as detailed below.

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

- **IFRS 17: Insurance Contracts**

The standard is effective for annual periods beginning on or after 1 January 2023. This is a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts issued, as well as to certain guarantees and financial instruments with discretional participation contracts. The company does not issue contracts in scope of IFRS 17; therefore, its application had no impact on the company's financial performance, financial position and cash flows. As a consequence, the amendments had no impact on the financial statements of the Company.

- **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 has assessed and amended its accounting policies disclosure in accordance with the IAS 1 guidance.

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

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

- **IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)**

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. The Organisation for Economic Co-operation and Development's (OECD) published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. On 23 May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes. The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023.

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

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements. The amendments have not yet been endorsed by the EU.

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

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. 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 has no 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 €6,8 million as at 31.12.2023, arised from the Acquisition of Alpha Bank's NPL servicing unit in 2020. Goodwill was attributable to the synergies that arose 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 is 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.

Costs subsequently incurred to add to, replace part of, or service the intangible asset may be capitalized if the capitalization conditions are met where the Company demonstrates that this item meets both the definition of an intangible asset and its recognition criteria. If the conditions for capitalization are not met, these costs are recognized in the Statement of Total Comprehensive Income of the year to which they relate.

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 2023, the Company performed an impairment test of goodwill using the discounted cash flow valuation method and market approach of comparable transactions, as well as an impairment test of Servicing agreements. Following the relevant exercises 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 instruments 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.

Impairment assessment

The Company recognizes expected credit losses for all financial assets that are not measured at fair value through P&L. For claims from customers and contract assets, the company applies the simplified approach in calculating expected credit losses, according to which the loss is measured in an amount equal to the lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount of loss is recognized in the Statement of Total Comprehensive Income.

ii) Financial Liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Total Comprehensive Income.

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.

The normal credit term provided by the Company to its customers ranges between 5 to 30 days.

The Company incurs specific expenses in relation to the servicing of receivables from loans and credits, which are paid by the Company and then invoiced to its customers (Passthrough expenses). Based on the signed contracts with its customers, the Company acts as an agent for these transactions and therefore presents both its revenue and expenses on a net basis in the Statement of Total Comprehensive Income, and the passthrough expenses and income are presented in financial lines "Income from passthrough expenses " and "Passthrough expenses" respectively.

Presentation

Trade receivables
A trade receivable depicts the Company's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due. The Company accounts for its receivables in accordance with IFRS 9 (please refer to Note 2.8).

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

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

2.16 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 2023. 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 Financial Position reclassification of an amount € 8,232 thousands from «Liabilities from other taxes and duties», to «Other receivables»

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 01/01/2022	**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**
Cost as at 01/01/2023	**37,124**	**217,043**	**254,167**
Additions for the year	11,658	-	11,658
Disposals for the year	(667)	-	(667)
Cost as at 31/12/2023	**48,115**	**217,043**	**265,158**
Accumulated amortisation 01/01/2023	**7,330**	**45,217**	**52,548**
Amortisation for the year	5,559	21,704	27,264
Disposals for the year	(22)	-	(22)
Accumulated amortisation 31/12/2023	**12,867**	**66,921**	**79,790**
Net book value 31/12/2023	**35,248**	**150,122**	**185,368**

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

Software additions for the year include capitalized payroll costs of company's employees that relate to the development of softwares for company's purposes, with a total value of €2.5million.

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 01/01/2022	**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**
Cost as at 01/01/2023	**1,578**	**9,562**	**453**	**4,111**	**15,705**
Additions for the year	3,156	1,187	109	486	4,938
Disposals for the year	-	-	-	(17)	(17)
Cost as at 31/12/2023	**4,734**	**10,749**	**562**	**4,580**	**20,626**
Accumulated depreciation 01/01/2023	**788**	**4,586**	**269**	**1,922**	**7,565**
Depreciation for the year	520	2,307	102	697	3,626
Disposals for the year	-	-	(1)	(11)	(12)
Accumulated depreciation 31/12/2023	**1,308**	**6,893**	**370**	**2,608**	**11,179**
Net Book Value 31/12/2023	**3,426**	**3,856**	**192**	**1,972**	**9,448**

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**	**Provision for expected credit losses**	**Total**
Balance as at 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 & 01.01.2023	**44**	**(442)**	**370**	**-**	**(28)**
(Debit)/credit of profit and loss account	51	(400)	1,163	228	1,042
(Debit)/credit of other comprehensive income	-	-	(61)	-	(61)
Balance as at 31.12.2023	**95**	**(842)**	**1,473**	**228**	**953**

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		**31.12.2023**		**31.12.2022**
Amounts in thousands Euro	**%**	**Amount**	**%**	**Amount**
Profit/ (Loss) before income tax		**19,182**		**33,958**
Income tax based on the Greek (nominal) tax rate 22% (31.12.2022: 22%)	(22.0%)	(4,220)	(22.0%)	(7,470)
Increase/decrease resulting from:				
Prior period income and deferred tax		610		(824)
Non-deductible expenses		(98)		(111)
Income tax expense in Comprehensive Income	19.3%	**(3,708)**	24.8%	**(8,405)**
Deferred tax calculated on actuarial profit/(losses)		(61)		(100)
Deferred tax on Other Comprehensive Income		**(61)**		**(100)**
Income tax expense in Other Comprehensive Income		**(61)**		**(100)**
Total income tax expense		**(3,769)**		**(8,505)**
Deferred Tax		982		(480)
Current and prior period Income Tax		(4,751)		(8,025)
Total		**(3,769)**		**(8,505)**

6. Other non-current assets

The Company's other non-current assets are broken down as follows:

Amounts in thousands Euro	**31.12.2023**	**31.12.2022**
Buildings lease fee guarantees	477	451
Guarantees to electric power supplier	12	12
Vehicles lease guarantees	7	7
Guarantees to telecommunication company	1	1
Total	**497**	**471**

7. Prepaid expenses

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

Amounts in thousands Euro	**31.12.2023**	**31.12.2022**
IT support & Licences	1,164	1,188
Insurance premiums	183	465
Other prepaid expenses	151	80
Total	**1,498**	**1,733**

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	**31.12.2023**	**31.12.2022**
Contract assets (non-related parties)	59,326	42,284
Contract assets (related parties)	20,027	16,534
Customers (non-related parties)	2,651	858
Customers (related parties)	1,436	1,179
Total	**83,440**	**60,855**

The balances for contract assets from non-related parties for the period 31.12.2023 have been increased due to management of new portfolios.

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets and their ageing analysis as at 31.12.2023:

Amounts in thousands Euro	**31.12.2023**
Balance as at 01.01.2023	-
Provision for expected credit losses	(1,038)
Write off	-
Balance as at 31.12.2023	**(1,038)**

Amounts in thousands Euro	**Balance 31.12.2023**	**ECL provision**
Days Past Due		
0-30	79,840	99
31-60	847	5
60-90	54	1
90-120	154	4
120-360+	2,545	928
Total	**83,440**	**1,038**

As of 31.12.2023, 96% of the contract assets are in 0-30 days bucket.

9. Other receivables

The Company's other receivables are analysed as follows:

Amounts in thousands Euro	**31.12.2023**	**31.12.2022 (Reclassified)**
Advance payments to suppliers	30,048	14,545
Refundable VAT	6,057	8,990
Receivable from Greek State	2,311	-
Income tax advance	5,788	8,232
Other receivables	578	375
Total	**44,782**	**32,142**

The increase in other receivables relates to the increase in advance payments to law firms and associates, regarding portfolios legal actions.

10. Cash and cash equivalents & Restricted Cash

The Company's cash and cash equivalents are broken down as follows:

Amounts in thousands Euro	31.12.2023	31.12.2022
Bank deposits	14,010	26,060
Total	**14,010**	**26,060**

The bank deposits represent zero interest rate deposits in Alpha Bank, with credit rating on 31.12.2023 BB- (long term). The credit rating is based on the International Credit Rating institution STANDARD & POOR'S.

The company's restricted cash as at 31.12.2023 amounted to €6.8 million (2022: €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 €1.29 million was formed according to the decision of the General Meeting of the Shareholders as of 26 June 2023, based on Net profits for the year ended 31.12.2022. The total balance of Statutory Reserve as of 31.12.2023 is €2.78 million.

12. Lease liabilities

The lease liabilities on 31.12.2023 relate to leases of real estate and cars used by the Company itself. The lease liability is analyzed below as follows:

Amounts in thousands Euro	Lease liabilities (Real estate)	Lease liabilities (Cars)	Total
Balance as at 01.01.2022	**4,035**	**316**	**4,351**
Additions	3,270	76	3,346
Modifications	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**
Balance as at 01.01.2023	**5,175**	**188**	**5,363**
Additions	1,187	109	1,296
Accretion of Interest	607	12	619
Modifications	8	-	8
Repayment	(2,706)	(97)	(2,803)
Balance as at 31.12.2023	**4,271**	**212**	**4,483**

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**
31.12.2022	6,652	1,686	3,753	1,212
31.12.2023	11,343	2,073	7,578	1,692

Amounts in thousands Euro	**Discounted amount**			
	Total	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
31.12.2022	5,363	1,345	2,923	1,095
31.12.2023	4,483	1,489	1,403	1,591

13. Post-employment benefits

The amounts recorded on the Statement of Financial Position as at 31.12.2023, based on the actuarial study, are as follows:

Amounts in thousands Euro	**1.1-31.12.23**	**1.1-31.12.22**
Amounts recognized in Statement of Financial Position		
Present value of obligations	1,682	1,683
Net Liability/(Asset) in Statement of Financial Position	**1,682**	**1,683**
Amounts recognized in Statement of Total Comprehensive Income		
Current service cost	268	310
Net interest on the net defined benefit liability/(asset)	61	11
Regular Total Comprehensive Income Charge	**329**	**321**
Recognition of past service cost	-	-
Settlement payments from the plan	126	77
Total Comprehensive Income Charge	**455**	**398**
Reconciliation of benefit obligation		
Defined Benefit Obligation (DBO) at start of period	1,683	1,821
Current service cost	268	310
Interest cost	61	11
Benefits paid directly by the Company	(179)	(82)
Adjustment due to acquisition/(disposal)	-	-
Settlement payment from the plan	126	77
Past service cost arising in previous period	-	-
Actuarial (gain)/loss – financial assumptions	16	(371)
Actuarial (gain)/loss - demographic assumptions	18	-
Actuarial (gain)/loss – experience	(310)	(83)
Defined Benefit Obligation (DBO) at end of period	**1,683**	**1,683**
Remeasurements		
Liability gain/(loss) due to changes in assumptions	(35)	371
Liability experience gain/(loss) arising during the year	310	83

Total actuarial gain/(loss) recognized in Statement of Total Comprehensive Income	**275**	**454**
Movements in Net Liability/(Asset) in Statement of Financial Position		
Net Liability/(Asset) at the beginning of the period	1,683	1,821
Adjustment due to acquisition/(disposal)	-	-
Benefits paid directly	(180)	(82)
Total expense recognized in the income statement	455	398
Total amount recognized in the OCI	(276)	(454)
Adjustment due to Change in accounting policy	-	-
Adjustment Other	-	-
Net Liability/(Asset) in Statement of Financial Position	**1,682**	**1,683**

The main actuarial assumptions used for accounting purposes are:

Discount interest rate	3.17%	3.78%
Inflation	2.10%	2.60%
Future salary raises	2.20%	2.70%
Program duration (years)	7	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	-3.30%	3.50%	3.00%	-2.90%	0.10%

14. Borrowings

Borrowings are broken down below as follows:

Amounts in thousands Euro	31.12.2023	31.12.2022
Long-term borrowings	10,210	39,693
Short-term borrowings	19,482	13,742
Total	**29,692**	**53,435**

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 2023. The loan was fully repaid by March 2024.

15. Trade and other payables

The Company's trade and other payables are broken down below as follows:

Amounts in thousands Euro	**31.12.2023**	**31.12.2022**
Dividends payable	40,000	-
Domestic suppliers	11,869	9,519
Foreign suppliers	389	-
Other liabilities	300	317
Total	**52,558**	**9,836**

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.

Dividends payable relate to approved dividends, from 2022 and 2021 fiscal years' net profits, to be distributed to the shareholders in 2024 in accordance with the General Meeting of the Shareholders as at 20 December 2023.

16. Contract liabilities

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

Amounts in thousands Euro	**31.12.2023**	**31.12.2022**
Contract liabilities to non-related entities	22,998	15,706
Contract liabilities to related entities	-	3,221
Total	**22,998**	**18,927**

The increase in contract liabilities arises from the expansion of portfolio management services during the fiscal year 2023.

17.Liabilities from other taxes and duties

The Company's liabilities from other taxes and duties are broken down below as follows:

Amounts in thousands Euro	**31.12.2023**	**31.12.2022 (Reclassified)**
Payroll Withholding tax	1,119	1,088
Third parties withholding tax	628	316
Income tax payable	4,767	11,890
Total	**6,514**	**13,294**

18.Liabilities to social security organizations

Liabilities to social security organizations on 31.12.2023, amounting to €1,483 thousands relate to December contributions to the Unified Social Security Institution (EFKA). On 31.12.2022 liabilities to social security organizations were €1,508 thousands.

19.Accrued expenses, deferred Income and other provisions

The Company's accrued expenses, deferred income and other provisions are broken down as follows:

Amounts in thousands Euro	**31.12.2023**	**31.12.2022**
Accrued fees and expenses for legal services	18,766	12,155
Accrued expenses from related entities	5,916	796
Accrued fees for audit, accounting and consulting services	5,350	1,916
Other provisions	5,011	2,772
Payroll expenses	3,718	4,210
Deferred income to non-related entities	15	16
Total	**38,776**	**21,865**

The increase in accrued expenses arises mainly from the expansion of portfolio management services during the fiscal year 2023.

20.Turnover and other operating income

Turnover and other operating income is broken down below as follows:

Amounts in thousands Euro	**01.01 - 31.12.2023**	**01.01 - 31.12.2022**
Revenue from the provision of receivables servicing	134,848	142,161
Other Income	42	143
Total	**134,890**	**142,304**

The decrease in turnover arises from the updated rate cards in "Core" portfolio, for Initial Restructuring Fee.

21. Personnel fees and expenses

Personnel salaries and expenses are broken down below as follows:

Amounts in thousands Euro	**01.01 - 31.12.2023**	**01.01 - 31.12.2022**
Gross Remuneration	33,856	32,516
Employer's contributions	6,861	6,915
Severance allowances	5,489	536
Other employee benefits	1,931	1,668
Provision for post-employment benefits	275	316
Total	**48,412**	**41,951**

On 31.12.2023 the Company employed 845 people, whereas on 31.12.2022 the Company employed 888 people.

22. Other operating expenses

Other operating expenses are broken down below as follows:

Amounts in thousands Euro	01.01 - 31.12.2023	01.01 - 31.12.2022
Third party fees and expenses	21,225	24,320
IT expenses	4,896	4,486
Other expenses	2,509	2,004
Utilities	1,111	1,004
Insurance expenses	594	493
Travel expenses	529	471
Rents	70	164
Total	**30,934**	**32,942**

23. Depreciation and Amortisation expenses

Depreciation and amoritsation expenses are broken down below as follows:

Amounts in thousands Euro	01.01 - 31.12.2023	01.01 - 31.12.2022
Amortisation of Servicing agreements	21,704	21,704
Amortisation of intangible assets	5,559	3,934
Depreciation of right of use assets	2,408	2,044
Depreciation of property, plant and equipment	1,217	1,034
Total	**30,888**	**28,716**

24. Net finance income / (expense)

Net financial results are broken down below as follows:

Amounts in thousands Euro	01.01 - 31.12.2023	01.01 - 31.12.2022
Interest charges and related expenses	3,817	4,460
Lease interest	619	259
Interest and related income	-	(1)
Foreign exchange difference expenses	-	20
Total	**4,436**	**4,738**

25. Passthrough expenses and income from passthrough expenses

The passthrough expenses and income from passthrough expenses for 31.12.2023 equals to €77,670 thousands (31.12.2022: €52,642 thousands).

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

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 - 31.12.2023		01.01 - 31.12.2022	
Amounts in thousands Euro	**Interest and similar income**	**Provision of services**	**Interest and similar income**	**Provision of services**
Alpha Bank S.A.	-	34,647	-	6,014
Alpha Leasing S.A.	-	1,039	-	1,680
Resolute Cepal Greece S.A.	-	491	-	881
Cepal Services and Holdings S.A.	-	53	-	53
Davidson Kempner European Partners LLP	-	-	-	36
Gemini Core Securitisation Designated Activity Company	-	50,102	-	77,148
Total	**-**	**86,332**	**-**	**85,812**

b) *Expenses*

	01.01 - 31.12.2023				01.01 - 31.12.2022		
Amounts in thousands Euro	**Interest and similar expenses**	**Dividends**	**Service provision**	**Rents**	**Interest and similar expenses**	**Dividends**	**Service provision**
Alpha Bank S.A.	1,998	-	1,800	1,282	2,366	-	3,742
Alpha Astika Akinita S.A.	-	-	154	-	-	-	317
Alpha Investment Properties Commercial Stores S.A.				14			
Alpha Investment Properties Leivadias S.A.				11			
Alpha Real Estate Management and Investments S.A.	-	-	-	-	-	-	24
Cepal Services and Holdings S.A.	-	40,000	1,753	-	-	6,782	1,433
Resolute Cepal Greece S.A.	-	-	10,054	-	-	-	5,014
Kaican Services Ltd	-	-	87	-	-	-	248
Total	**1,998**	**40,000**	**13,848**	**1,308**	**2,366**	**6,782**	**10,778**

c) Receivables

	31.12.2023			31.12.2022		
Amounts in thousands Euro	**Sight deposits**	**Other receivables**	**Contract assets**	**Sight deposits**	**Other receivables**	**Contract assets**
Alpha Bank S.A.	20,809	1,208	9,239	32,860	1,180	808
Alpha Leasing S.A.	-	-	111	-	203	253
Cepal Services and Holdings S.A.	-	-	-	-	-	-
Resolute Cepal Greece S.A.	-	5,110	16	-	-	83
Davidson Kempner European Partners LLP	-	-	-	-	36	-
Gemini Core Securitisation Designated Activity Company	-	228	10,661	-	-	15,390
Total	**20,809**	**6,546**	**20,027**	**32,860**	**1,419**	**16,534**

d) Payables

	31.12.2023					31.12.2022			
Amounts in thousands Euro	**Trade payables**	**Accrued expenses and Deferred Income**	**Borrowings**	**Dividends**	**Other Liabilities**	**Customer liabilities and advance payments**	**Accrued expenses and Deferred Income**	**Trade payables**	**Borrowings**
Alpha Bank S.A.	558	1,800	15,553	-	71	-	450	1,752	27,989
Alpha Real Estate Management and Investments S.A.	-	-	-	-	-	-	-	-	-
Alpha Investment Properties Commercial Stores S.A.	-	-	-	-	1	-	-	-	-
Alpha Investment Properties Leivadias S.A.	-	-	-	-	1	-	-	-	-
Alpha Astika Akinita S.A.	178	-	-	-	-	-	-	389	-
Resolute Cepal Greece S.A.	-	3,568	-	-	-	-	42	36	-
Kaican Services Ltd	-	-	-	-	-	-	77	-	-
Cepal Services and Holdings S.A.	-	548	-	40,000	-	-	227	-	-
Gemini Core Securitisation Designated Activity Company	-	-	-	-	-	3,221	-	-	-
Total	**736**	**5,916**	**15,553**	**40,000**	**73**	**3,221**	**796**	**2,177**	**27,989**

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 2018 to 2023. The Company has received a clean tax certificate for the years ending 2018, 2019, 2020, 2021, 2022 by the certified auditors, while for year ended 31 December 2023 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 and no material tax surcharges are expected.

Within 2024, the company received a Tax Audit notification for the period 1/1/21-31/12/21. This audit is in progress. The outcome of this audit should have no significantly impact on the company's financial position. No material additional taxes and surcharges are expected to arise within the scope of the mentioned audit by the tax authorities.

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	**31.12.2023**	**31.12.2022**
Fees for statutory audit	84	80
Fees for the issuance of tax certificate	21	20
Total	**105**	**100**

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.

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. The Company monitors the credit risk on an annual basis and assesses the creditworthiness of its customers and any corresponding provision for expected credit loss.

c. Foreign Exchange Risk

The Company assesses that there is no significant foreign exchange risk as Company's transactions in foreign currency ara not considered material.

d. Interest Rate Risk

As at 31 December 2023, the Company had a bond loan of outstanding balance €29.7million. The loan bears an interest rate of 3-month Euribor plus spread of 4.5% and has a maturity date 30 June 2025. On March 28, 2024, the Company proceeded to the issuance of a new common bond loan, of a total value (capital) up to €58.2million compromising of Series A and Series B Bonds, with which the aforementioned bond loan was repaid. The new loan bears a 3-month Euribor plus a spread of (a) 2.65% for the Series A Bonds, which will increase to 2.75% as specifically defined in the Program and (b) 2.30% for the Series B Bonds, which will increase to 2.45% according to the special provisions of the Program. 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 € 323 thousands additional interest cost for 2024.

e. Price Risk

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

f. Liquidity Risk

The cash flows generated from the Company's operations together with the cash balance as of 31 December 2023 of €20.8 million (including restricted cash) are expected to be sufficient to meet the Company's liabilities in a timely manner. Additionally, the Company manages its cash and liquidity risk through the planning of liquidity needs, the collection of its receivables by its customers and the monitoring of its cash.

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

		31.12.2023		
Amounts in thousands Euro	**Up to 1 year**	**From 1 to 5 years**	**Above 5 years**	**Total**
Trade and other payables	52.557	-	-	**52,557**
Lease liabilities	2,073	7,578	1,692	**11,343**
Loans	19,482	10,210	-	**29,692**
Total	**74,112**	**17,788**	**1,692**	**93,592**

		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**

30. Dividends

The General Meeting of the Shareholders as at 20 December 2023 approved a divided distribution of €40 million, from 2022 and 2021 fiscal years' net profits, which will be distributed to the shareholders in 2024.

31. Events after end of the reporting period

On January 19, 2024, the Company entered into a servicing agreement with Hoist Finance AB (Publ) regarding the servicing of a portfolio of claims, totaling €1.94 billion, which Hoist has acquired from a) COSMOS SECURITISATION DESIGNATED ACTIVITY COMPANY, b) the company GALAXY II FUNDING DESIGNATED ACTIVITY COMPANY and c) the company ORION X SECURITISATION DESIGNATED ACTIVITY COMPANY pursuant to respective Loan Portfolio Sale Agreements, based on the provisions of Law 5072/2023 (the “Pearl Portfolio”).

On February 6, 2024, in the context of the Securitization Transaction of the receivables of Attica Bank S.A. and the reassignment to it of the receivables from non-performing loans with a gross book value of €1.2 billion ("Omega Portfolio"), the Company entered into an interim servicing agreement, in order for the Company to be appointed as an interim servicer for a portion of the total claims that make up the Omega Portfolio, in accordance with the provisions of Law 5072/2023, as amended and in force.

On March 28, 2024, the company proceeded to the issuance, based on the provisions of Law 4548/2018 and Article 14 of Law 3156/2003 as they apply, and the private placement to the credit institution ALPHA BANK S.A. (“Alpha Bank”) of a common secured bond loan, of a total amount (capital) up to €58.2 million comprising of Series A and Series B Bonds, for the purpose, among other things, of refinancing the existing bond loan with Alpha Bank and the European Bank for Reconstruction and Development (“EBRD”) of €105 million, as well as the financing of its working capital needs. The new loan carries a 3-month Euribor rate plus a margin of (a) 2.65% for the Series A Bonds, which will increase to 2.75% as specifically defined in the Program and (b) 2.30% for the Series B Bonds, which will increase to 2.45% according to the special provisions of the Program. The Series A Bonds will be repaid in installments in accordance with a repayment schedule, with a final repayment date as of 31.12.2029. The Series B Notes will be repaid in one installment on the above final repayment date. The loan amount was fully disbursed on March 28, 2024 and on the same day the previous bond loan with Alpha Bank and EBRD was fully repaid.

On April 3, 2024, the company entered into a servicing agreement, with the company "CREDITABLE OPPORTUNITIES FUND II SCS RAIF", which acts in relation to the company "SOUTHROCK II", regarding the servicing of a portfolio of wholesale credit receivables totaling €687 million, which the above company acquired from Cosmos Securitization Designated Activity Company, by virtue of the LoanSale Agreement dated 22.01.2024, in accordance with the provisions of Law 5072/2023 (the "Cetus Portfolio").

A new legislative regime is applicable to credit servicers from December 2023. Greek Law 5072/2023 was issued in compliance with EU Directive 2021/2167, which introduces new obligations for credit servicers, regulates issues related to the secondary market and implements new provisions for the licensing and supervision of credit servicers. Furthermore, the Bank of Greece issued Executive Committee Act 225/30.01.2024, which replaces part of the previously issued Act 118/19.05.2019 and provides for the terms and conditions for granting the operating license to credit servicers of Law 5072/2023. According to the new legislative framework, all credit servicers will have to follow a relicensing process and are required to submit updated legalization documents to the Bank of Greece by 31.03.2023, based on which the Bank of Greece will confirm or withdraw the license until 30.06.2024. The Company has timely submitted the relicensing file to the Bank of Greece.

Athens, 25 April 2024

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