CEPAL SERVICES AND HOLDINGS
SOCIÉTÉ ANONYME

Consolidated 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

Contents

ANNUAL REPORT OF THE BOARD OF DIRECTORS
(In accordance with Law 3556/2007, Article 4)

Dear Shareholders,

Pursuant to Article 150 and 153 of Law 4548/2018 and the Articles of Association of the company Cepal Services and Holdings S.A. (hereinafter the "Company" or "Cepal Services and Holdings"), we hereby submit to the General Meeting this report regarding the activities of the period ended on 31 December 2023.

A. GENERAL

Cepal Holdings is a services and holding company incorporated on 26 January 2016. In 2017 the Company's subsidiary "CEPAL HELLAS FINANCIAL SERVICES SINGLE MEMBER SOCIETE ANONYME - SERVICING OF RECEIVABLES FROM LOANS AND CREDITS" (hereinafter "**Cepal Hellas**"), which is lawfully licensed by the Bank of Greece to manage receivables from loans and credits in Greece, entered into a servicing agreement with Alpha Bank, and began its business activity. Moreover, in 2017 the Company acquired the company Kaican Services Limited (hereinafter "**Kaican Services**") based in the United Kingdom and its subsidiary in Greece, "KAICAN HELLAS SINGLE MEMBER SOCIETE ANONYME - PROVISION OF ADVISORY SERVICES FOR THE MANAGEMENT OF CLAIMS AND REAL ESTATE" (hereinafter "**Kaican Hellas**"), the total number of shares of which were transferred to Cepal Holdings on 21 January 2021. In September 2023, as part of Project Jane, by decision of its General Assembly, Kaican Hellas increased its share capital, the amount of which was partially covered by the company under the name "Resolute Asset Management Holdings (Malta) Limited " (hereinafter "Resolute"), which entered in Kaican Hellas as a new shareholder with the Company retaining 58% of its share capital, and was renamed "Resolute Cepal Greece Limited Company" (hereinafter "RCG"). RCG provides specialized real estate management services, contributing significantly towards the Group's activities. The Company and its aforementioned subsidiaries and participation in joint venture, will be referred to herein as the "**Group**" or "**Cepal**" .

Cepal Hellas 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 Hellas'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.

The Company, through its subsidiaries and participation in joint ventures, 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. The recent strategic partnership with Resolute and the creation of RCG, de-risks and enhances the collateral and REOs' management, creating in parallel a national champion on RE asset management services.

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

B. SIGNIFICANT EVENTS

I. Activities during Year 2023

During fiscal year 2023, the Group’s activities through its subsidiaries and its participation in joint ventures, involved credit management activities in accordance with Article 11 par. 4 .a of Law 5072/2023, the provision of advisory and support services in the context of credit management, as well as the provision of real estate management services.

During 2023, the Group continued to expand its activities by signing new servicing agreements with third parties for the servicing of receivables and maintained its position as a major independent servicer in the Greek market. Moreover, the Group’s expansion in the real estate market with the provision of real estate management services by RCG (ex Kaican Hellas).

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 business credit exposures and 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 an 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. Jane Transaction

On 21 September 2023, the Company completed the Jane transaction, which consists of the formation of a strategic partnership, in the form of a Joint Venture, with Resolute Asset Management Holdings (Malta) Limited, which is the ultimate shareholder of “Resolute Asset Management SMPC (Greece)”. The aforementioned Joint Venture will operate as a REO manager in Greece, with aim of (a) offering real estate management services based on Resolute's experience and expertise in the field of REOs and (b) support and expanding a range of services currently offered by Cepal Hellas in existing and future Non-Performing Loan Servicing Agreements (“NPL”). At the same time, through the Joint Venture, expansion into new business relationships and opportunities is also sought, including the existing activity of Resolute Asset Management SMPC (Greece), which was legally merged with RCG. It is expected that the effectiveness of the management services of the REOs will enable the Joint Venture, both directly and through the specialized management capabilities of Cepal Group and Resolute, to attract significant incremental future business flows creating a long-term sustainable business.

III. Main Risks and Uncertainties for 2024

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

• **Credit Risk:**

Credit Risk pertaining to receivables is very low due to the credit quality of the counterparties. The Group 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 Group's operations together with the cash balance as of 31 December 2023 of €28.2 million (including restricted cash) are expected to be sufficient to meet the Group's liabilities in a timely manner. Additionally, the Group manages its cash and liquidity risk through the planning of liquidity needs and the collection of its debts by customers and the monitoring of its cash.

• **Market Risk:**

a) Foreign Exchange Risk

The Company and Group assess that there is no significant foreign exchange risk as almost all the Company's transactions are in Euro. At Group level, Kaican Services has Pound Sterling as its functional currency, but due to limited trading activity the risk is considered low.

b) Price Risk

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

c) Interest Rate Risk

As at 31 December 2023, the Group had a bond loan of outstanding balance €29.7 million. The loan bears an interest rate of 3-month Euribor plus spread of 4.5% and has a maturity date on 30 June 2025. On March 28, 2024, Cepal Hellas proceeded to issue a new common bond loan, of a total value (capital) up to €58.2 million, compromising of Series A and Series B Bonds, with which the aforementioned bond loan was repaid. The new loan bears a 3-month Euribor rate 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 Group 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.

IV. Estimates and Perspectives for 2024

The main objective of the Group 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 Group expects further development of its activities aiming at new business opportunities.

V. 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. Chrysanthopoulos Nikolaos, Member;
4. Stannard Kenneth John, Member;
5. Osayimwese Otasowie Ghatekha Izevbuwa, Member.

VI. Events after the balance sheet date

On January 19, 2024, Cepal Hellas 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"), Cepal Hellas 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, Cepal Hellas 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 Cepal Hellas' 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, Cepal Hellas 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 Loans Sale 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 Companies act as 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 PEE 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. Cepal Hellas has timely submitted the relicensing file to the Bank of Greece.

C. PRESENTATION OF FINANCIAL RESULTS

Turnover for the Group and the Company was €135,209 thousands (2022: €140,585 thousands) and €2,357 thousands (2022: €1,636), respectively.

Profit before taxes for the Group amounted to €25,243 thousands (2022: gain €35,281 thousands) and profit before tax for the company amounted to €39,204 thousands (2022: gain €6,632 thousands).

Results after taxes for the Group and the Company was profit €21,670 thousands (2022: profit €26,540 thousands) and profit €39,261 thousands (2022: gain €6,610 thousands), respectively.

Investments in subsidiaries and joint ventures for 31.12.2023 and 31.12.2022 amounted to €170,343 and €170,334 thousands respectively, of which €169,795 thousands relate to Cepal Hellas (2022: €169,795 thousands), €425 thousands relate to Kaican Services (2022: €425 thousands) and €123 thousands relate to Resolute Cepal Greece (former Kaican Hellas) (2022: €114 thousands).

Cash for the Group and the Company amounted to €28,205 thousands (2022: €39,969 thousands) and €6,605 thousands (2022: €6,251 thousands), respectively.

Total equity for the Group and the Company amounted to €252,600 thousands (2022: €230,696 thousands) and €216,151 thousands (2022: €176,890 thousands), respectively.

I. Key financial indicators

The key financial indicators are as follows:

	Group		Entity	
	2023	**2022 (After reclassifications*)**	**2023**	**2022**
1. Current assets / Total assets	42%	38%	22%	4%
2. Equity / Total liabilities	211%	181%	10,889%	39,333%
3. Current assets / Current liabilities	150%	167%	2,428%	1,796%
4. Earnings before interest and tax (EBIT) / Net operating income	22%	28%	93%	79%
5. Earnings before interest, tax, depreciation and amortisation (EBITDA)/ Net operating income	45%	49%	93%	79%

**Please refer to note 2.21*

II. Preparation of Financial Statements

The Financial Statements as of 31.12.2023 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 1.1.2023 and 31.12.2023, with detailed notes on the accounting policies, as well as the individual items.

D. ENVIRONMENTAL, SOCIAL AND GOVERNANCE 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 CO2 emissions.
- Introduced a Flexy Work model to reduce the commuting of employees and cut-down on CO2 emissions
- Increased the digitalization of internal processes and significantly reduced 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 employees – 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 Group.
- A separate ESG Committee was formed to monitor the Group'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 Group and the Company have not applied the above possibility provided by law.

II. Branches

The Group maintains 12 branches with staff throughout Greece for its business purposes.

III. Research and development

The Group and the Company do not incur research and development costs.

Athens, 25 April 2024

The Chairman of the Board of Directors

Artemios Theodoridis

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TRUE TRANSLATION

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CEPAL SERVICES AND HOLDINGS SOCIETE ANONYME

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the separate and consolidated financial statements of CEPAL SERVICES AND HOLDINGS SOCIETE ANONYME (the Entity), which comprise the separate and consolidated statement of financial position as at 31 December 2023, and the separate and consolidated statements of total comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Entity and its subsidiaries (the Group) as at 31 December 2023 and its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union.

Basis for Opinion

We concluded our audit in accordance with International Standards on Auditing (ISAs) as these have been incorporated into the Greek legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report. We have been independent of the Entity and the Group 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 separate and consolidated financial statements and 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 separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated 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 separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated 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.

Responsibilities of Management for the Separate and Consolidated Financial Statements

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

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Entity's and the Group'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 and the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 and Group'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 and Group'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 separate and consolidated 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 and the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Director's 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 Director's report has been prepared in accordance with the applicable legal requirements of article 150 and 153 of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2023.

b) Based on the knowledge we obtained during our audit of CEPAL SERVICES AND HOLDINGS SOCIETE ANONYME 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

		Group		Company	
Amounts in thousands Euro	**Note**	**31.12.2023**	**31.12.2022 (Reclassified)**	**31.12.2023**	**31.12.2022**
ASSETS					
Non - current assets					
Installations in third parties' buildings	5	3,427	791	-	-
Intangible assets	4	185,368	201,619	-	-
Property, Plant and equipment & Right of Use assets	5	6,067	7,451	52	100
Goodwill	7	6,785	6,785	-	-
Investments in subsidiaries and joint ventures	6	-	-	170,343	170,334
Investment in a joint venture	6	11,686	-	-	-
Deferred tax assets	8	1,215	61	264	47
Other non-current assets	9	498	471	-	-
Total non-current assets		**215,046**	**217,177**	**170,659**	**170,481**
Current assets					
Prepaid expenses	10	1,509	1,742	11	5
Contract assets & trade receivables	11	82,666	60,942	817	374
Other receivables	12	44,825	32,359	40,044	228
Restricted Cash	13	6,800	6,800	-	-
Cash and cash equivalents	13	21,405	33,169	6,605	6,251
		157,205	**135,002**	**47,477**	**6,858**
Assets held for sale	3	-	6,026	-	-
Total current assets		**157,205**	**141,028**	**47,477**	**6,858**
TOTAL ASSETS		**372,251**	**358,205**	**218,136**	**177,339**
EQUITY AND LIABILITIES					
Equity					
Share Capital	14	41,179	41,179	41,179	41,179
Share Premium		132,300	132,300	132,300	132,300
Reserves		2,962	1,487	171	-
Foreign currency translation reserve		(27)	(45)	-	-
Retained earnings		76,186	55,775	42,501	3,411
Equity attributable to the shareholders of the parent company		**252,600**	**230,696**	**216,151**	**176,890**
Total Equity		**252,600**	**230,696**	**216,151**	**176,890**
Non-current liabilities					
Long-term Borrowings	17	10,210	39,693	-	-
Long-term Lease liabilities	15	3,013	4,086	30	68
Post-employment benefits	16	1,682	1,683	-	-
Total Non-current liabilities		**14,905**	**45,462**	**30**	**68**
Current liabilities					
Short-term Borrowings	17	19,483	13,742	-	-
Trade and other payables	18	12,997	9,913	448	140
Short Term Lease liabilities	15	1,511	1,378	21	33
Contract liabilities	19	23,020	18,928	-	-
Other taxes and duties	20	6,753	13,416	236	78
Liabilities to Social Security organizations	21	1,504	1,527	21	19
Accrued expenses, Deferred Income and other provisions	22	39,477	21,728	1,229	111
		104,745	**72,398**	**1,955**	**381**
Liabilities directly associated with assets held for sale	3	-	1,417	-	-
Total current liabilities		**104,745**	**82,047**	**1,955**	**381**
Total Liabilities		**119,650**	**127,508**	**1,985**	**449**
TOTAL EQUITY AND LIABILITIES		**372,251**	**358,205**	**218,136**	**177,339**

The attached notes (pp. 19-59) are an integral part of the Financial Statements.

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

		Group		Company	
Amounts in thousands Euro	**Note**	**01.01.23-31.12.23**	**01.01.22-31.12.22**	**01.01.23-31.12.23**	**01.01.22-31.12.22**
Turnover (sales)	23	135,210	140,585	2,357	1,636
Other operating income	23	78	65	-	-
Dividend Income	23	-	-	40,000	6,782
Income from passthrough expenses	28	77,670	55,151	-	-
Passthrough expenses	28	(77,670)	(55,151)	-	-
Net operating income		**135,288**	**140,650**	**42,357**	**8,418**
Personnel fees and expenses	24	(52,104)	(44,668)	(2,615)	(1,389)
Other operating expenses	25	(28,938)	(27,245)	(522)	(365)
Provision for expected credit losses	11	(1,038)	-	-	-
Depreciation and amortisation expenses	26	(30,930)	(28,750)	(34)	(30)
Net financial results	27	(4,448)	(4,705)	18	(2)
Gain on disposal of a subsidiary	6	6,957	-	-	-
Share of profit of a joint venture	6	456	-	-	-
Profit/(Loss) before tax		**25,243**	**35,281**	**39,204**	**6,632**
Income tax		(3,573)	(8,741)	57	(23)
Profit/(Loss) for the year (A)		**21,670**	**26,540**	**39,261**	**6,610**
Other Comprehensive income / (loss)					
Other Comprehensive income not to be reclassified to profit or loss					
Actuarial gains / (losses) on defined benefit pension plans	16	276	454	-	-
Deferred tax on actuarial gains / (losses) on defined benefit pension plans	8	(61)	(100)	-	-
Other Comprehensive income to be reclassified to profit or loss					
Exchange differences on translation of foreign operations		18	(32)	-	-
Other comprehensive income / (loss) for the year, net of tax (B)		**234**	**323**	-	-
Total Comprehensive Income / (loss) for the year (A) + (B)		**21,904**	**26,863**	**39,261**	**6,610**

The attached notes (pp. 19-59) are an integral part of the Financial Statements.

Statement of Changes in Equity as of 31 December 2023

Group **Amounts in thousands Euro**	**Share capital (Note 14)**	**Retained Earnings**	**Foreign currency translation reserve**	**Share Premium**	**Reserves**	**Total equity**
Balance as at 01.01.2022	**41,179**	**30,367**	**(13)**	**132,300**	**-**	**203,833**
Profit for the year 01.01.-31.12.2022	-	26,541	-	-	-	26,541
Actuarial gains / (losses) on defined benefit pension plans	-	354	-	-	-	354
Exchange differences on translation of foreign operations	-	-	(32)	-	-	(32)
Total comprehensive income / (loss) for the year	**-**	**26,895**	**(32)**	**-**	**-**	**26,863**
Increase in reserves	-	(1,487)	-	-	1,487	-
Balance as at 31.12.2022	**41,179**	**55,775**	**(45)**	**132,300**	**1,487**	**230,696**
Balance as at 01.01.2023	**41,179**	**55,775**	**(45)**	**132,300**	**1,487**	**230,696**
Profit for the year 01.01.-31.12.2023	-	21,671	-	-	-	21,671
Actuarial gains / (losses) on defined benefit pension plans	-	215	-	-	-	215
Exchange differences on translation of foreign operations	-	-	18	-	-	18
Total comprehensive income / (loss) for the year	**-**	**21,886**	**18**	**-**	**-**	**21,904**
Increase in reserves	-	(1,475)	-	-	1,475	-
Balance as at 31.12.2023	**41,179**	**76,186**	**(27)**	**132,300**	**2,962**	**252,600**

The attached notes (pp. 19-59) are an integral part of the Financial Statements.

Company **Amounts in thousands Euro**	**Share capital (Note 14)**	**Retained Earnings**	**Share Premium**	**Reserves**	**Total equity**
Balance as at 01.01.2022	**41,179**	**(3,199)**	**132,300**	**-**	**170,280**
Profit for the year 01.01.-31.12.2022	-	6,610	-	-	6,610
Total comprehensive income / (loss) for the year	**-**	**6,610**	**-**	**-**	**6,610**
Balance as at 31.12.2022	**41,179**	**3,411**	**132,300**	**-**	**176,890**
Balance as at 01.01.2023	**41,179**	**3,411**	**132,300**	**-**	**176,890**
Profit for the year 01.01.-31.12.2023	-	39,261	-	-	39,261
Total comprehensive income / (loss) for the year	**-**	**39,261**	**-**	**-**	**39,261**
Increase in reserves	-	(171)	-	171	-
Balance as at 31.12.2023	**41,179**	**42,501**	**132,300**	**171**	**216,151**

The attached notes (pp. 19-59) are an integral part of the Financial Statements.

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

		Group		Company	
Amounts in thousands Euro	**Note**	**01.01.23-31.12.23**	**01.01.22-31.12.22 (Reclassified)**	**01.01.23-31.12.23**	**01.01.22-31.12.22**
Cash flows from operating activities					
Gain /(loss) before tax		**25,243**	**35,281**	**39,204**	**6,632**
Plus/ (less) adjustments for:					
Depreciation and amortisation	26	30,930	28,750	34	30
Provisions for employee benefit liabilities	16	455	401	-	-
Finance costs and related expenses	27	4,468	4,743	3	2
Credit interest and related income	27	(21)	(37)	(20)	-
Fair value adjustment from a joint venture	6	(11,230)	-	-	-
Share of profit of a joint venture	6	(456)	-	-	-
Impairment of goodwill	6	3,767	-	-	-
		53,156	**69,138**	**39,221**	**6,664**
Changes in working capital					
(Increase)/Decrease: contract assets & trade receivables	11	(21,150)	(13,919)	(422)	(373)
(Increase)/Decrease: prepaid expenses	10	305	39	(6)	-
(Increase)/Decrease: other receivables	12	(12,464)	(27,278)	(39,816)	22
(Increase)/Decrease: other non-current assets	9	(26)	(71)	-	-
(Increase)/Decrease: contract liabilities	19	4,248	12,205	-	-
Increase/(Decrease): trade and other payables	18,20,21	(4,418)	12,953	310	(32)
Increase/(Decrease): accrued expenses, deferred Income & other provisions	22	17,156	6,588	1,117	61
Operating results after changes in working capital		**36,807**	**59,655**	**404**	**6,342**
Income tax received / (paid)		(5,210)	(14,059)	(1)	(151)
Interest paid	27	(3,531)	(3,824)	-	-
Interest received	27	21	(1)	-	-
Net cash flows generated from / (used in) operating activities (a)		**28,087**	**41,771**	**403**	**6,191**
Cash flows from investment activities					
Share capital increase of subsidiaries & joint arrangements		-	-	(10)	-
Purchase of property, plant and equipment and intangible assets	4,5	(14,633)	(12,143)	-	-
Net cash flows generated from / (used in) investing activities (b)		**(14,633)**	**(12,143)**	**(10)**	**-**
Cash flows from financing activities					
Repayment of bond loan	17	(23,978)	(43,556)	-	-
Payment of lease liabilities	15	(2,853)	(2,596)	(39)	(33)
Net cash generated from / (used in) financing activities (c)		**(26,831)**	**(46,152)**	**(39)**	**(33)**
Net increase/(decrease) in cash and cash equivalents for the year (a) + (b) + (c)		**(13,377)**	**(16,524)**	**354**	**6,158**
Net foreign exchange difference		18	(31)	-	-
Cash and cash equivalents & restricted cash at 1 January	13	41,564	58,118	6,251	93
Cash and cash equivalents & restricted cash at 31 December		**28,205**	**41,564**	**6,605**	**6,251**

The attached notes (pp. 19-59) are an integral part of the Financial Statements.

Notes to the Financial Statements

General Information

The Company currently operates under the name "CEPAL SERVICES AND HOLDINGS SOCIETE ANONYME", with distinctive title "CEPAL SERVICES AND HOLDINGS", with its registered office in Nea Smyrni Attica, 209-211, Syngrou Avenue, 171 21 and is registered at the General Commercial Register (GEMI) under Number 137659801000. The Company was established on 26 January 2016 under the name "AKTUA HELLAS HOLDINGS SA" and its term has been set at 100 years.

The Company's purpose involves the direct and indirect participation in Greek or foreign companies and undertakings established or to be established, of any nature and of any purpose, the provision of supportive administrative services to companies affiliated with the Company and to third parties, and the conduct of reports related to strategic and financial management issues, as well as the introduction of clients against payment.

The subsidiaries of the Company (the "**Subsidiaries**") are: 1) «Cepal Hellas Financial Services Single Member Societe Anonyme – Serving of Receivables from Loans and Credits» (hereinafter **"Cepal Hellas"**) and 2) «Kaican Services Limited» (hereinafter **"Kaican Services"**), which is based in the United Kingdom. Up to September 30, 2023, "Resolute Cepal Greece Societe Anonyme" (former "Kaican Hellas Single Member Societe Anonyme Provision of Advisory Services for the Management of Claims and Real Estate" or **"Kaican Hellas"**) (hereinafter **"RCG"**) was also a subsidiary. The Company together with its subsidiaries are referred to as the «Group».

The current Board of Directors, pursuant to its meeting minutes dated 20.07.2021, & 29.09.2021 & 15.12.2023, whose term expires on 20.07.2024, comprises of the following persons:

1. Theodoridis Artemios, Chairman;
2. Athanasopoulos Theodoros, Managing Director;
3. Chrysanthopoulos Nikolaos, Member;
4. Stannard Kenneth John, Member;
5. Osayimwese Otasowie Ghatekha Izevbuwa, Member.

The Financial Statements were approved by the Company's Board of Directors on 25.04.2024.

Upon approval by the General Meeting of the Company's shareholders, the financial statements will be published by the General Commercial Registry 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 consolidated and standalone 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 Regulation (EC) No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002; and

b) on an historical cost basis.

The amounts included in these Financial Statements are presented in thousands of Euros (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 Group's liquidity remains sufficient and is expected to remain sufficient supported by the Group’s future profitability, as well as the issuance of a new common bond loan, with a total value (capital) €58.2million, with which the existing bond loan was repaid and additional loan funds have been secured. The cash flows generated from the Group’s operations together with the cash balance as of 31 December 2023 of Series A and B Bonds €28.2 million are expected to be sufficient to meet the Group’s liabilities for the next 12 months.

Capital Adequacy

The Group’s capital satisfies and is expected to continue to satisfy the statutory thresholds regarding share capital and own funds. During 2023 the Group’s own funds increased by approx. €21.9 million as a result of the net profit recorded during the year.

Based on the above and taking into account:

- the Group’s healthy liquidity and capital position,
- the positive outlook regarding the Group’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 and decision-making criteria

The preparation of the Group’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 and assumptions

Income taxes
The Group 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 realized may result in adjustment to the amount deferred tax and tax payments recognized in the financial statements of the Group.

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

Impairment of non-financial assets and investments in associates and joint ventures
The Group 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets 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 2.10).

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 Group 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 Group 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 Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group 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 Group '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 Group estimates the IBR using observable inputs when available and is required to make certain entity and group specific estimates (see also Note 2.9).

Provision for expected credit losses of receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on the Group'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 analyzed.

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 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/group do not issue contracts in scope of IFRS 17; therefore, its application does not impact the company's/group's financial performance, financial position and cash flows. As a consequence, the amendments had no impact on the financial statements of the Group and 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 Group and the Company have assessed and amended their 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 Group and 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 Group and 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 Group and the Company.

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

The Group 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 Group is in the process of assessing the impact of all standards, interpretations and amendments issued but not yet effective, on the consolidated 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 Group and the Company are examining the impact form the adoption of the above amendments on their 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 Group and the Company are examining the impact form the adoption of the above amendments on their 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 Group and the Company are examining the impact form the adoption of the above amendments on their 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 Group and the Company are examining the impact form the adoption of the above amendments on their 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 Group and the Company are examining the impact form the adoption of the above amendments on their financial statements.

2.3 Basis of Consolidation

2.3.1. Subsidiaries

The consolidated Financial Statements of the Company comprise the Financial Statements of the parent company, as well as those of all its subsidiaries. The Parent Company controls them directly or indirectly, by holding the majority of their shares and exercising power through its Boards of Directors. Subsidiaries are fully consolidated by means of the full consolidation method, from the date when full control over them is acquired and cease to be consolidated when such control ceases to exist. Where required, the accounting principles of the subsidiaries have been amended in order to be consistent with those adopted by the Group. In the standalone Financial Statements of the Parent Company, the subsidiaries are measured at their acquisition cost less any impairment losses.

2.3.2 Intra-group transactions/Intra-group balances

Intra-group transactions (between the companies of the Group), intra-group balances, and unrealized profit arising from intra-group transactions in assets are eliminated in the preparation of the consolidated Financial Statements. Unrealized losses are also eliminated unless there is objective evidence that the asset is impaired.

2.3.3 Disposal of subsidiaries

When the Group ceases to have control over an entity, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in a joint venture equals or exceeds its interest in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint venture. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures are changed where necessary to ensure consistency with the policies adopted by the Group.
A joint operation arises where the Group has rights to the assets and obligations of the operation. The Group recognizes its share of the assets, obligations, revenue and expenses of the jointly controlled operation, including its share of those held or incurred jointly, in each respective line of its’ financial statements.

2.4 Transactions in foreign currency and Translation of foreign operations

Items included in the Financial Statements of each of the Group's entities are expressed in the currency of the primary economic 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.

Translation of foreign operations

The financial statements of all Group entities that have a functional currency that is different from the presentation currency of the Group financial statements are translated into the presentation currency as follows:

i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.
ii. Income and expenses are translated to Euro at average exchange rates applicable for each period presented.
iii. All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in other comprehensive income are recycled to the profit or loss of the statement of comprehensive income.

2.5 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. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the Group reassesses whether it has correctly identified all of the assets acquired and liabilities assumed and reviews their measurement, before any remaining difference is recognized in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is subject to annual test of impairment.

2.6 Assets held for sale

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset.

The criteria for held for sale classification are regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2.7 Intangible assets

Software

Software licenses are classified as intangible assets and are measured at acquisition 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 Group, the software is derecognized.

Costs subsequently incurred to improve, supplement or maintain the software licenses 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 December 1st, 2020. The NPL servicing unit comprised of the retail and wholesale NPL servicing units of the Alpha Bank.

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

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

Depreciation of 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.

2.9 Leases

Right of Use Assets

The Group 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 Group 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 Group 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 also include 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 Group exercising option to terminate. The variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

The Group 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 Group's credit profile based on the credit rating of listed companies that are considered comparable to the Group 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 Group 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.

2.10 Impairment of non-financial assets

Tangible assets, intangible assets, right of use assets, investments in subsidiaries, associates and joint ventures 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 Group 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 Group 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. Goodwill related to Kaican has been derecognized resulting from Kaican Hellas' loss of control (refer to Notes 3 and 6).

For the year ended 31 December 2023, the Company conducted an impairment test for its subsidiaries and no impairment loss was recognized.

2.11 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 Group only has *non*-derivative financial instruments, comprising Contract assets & trade receivables, cash, and bank deposits (financial assets), and trade and other payables and contract liabilitiess (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 Group 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 Comprehensive 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 Group to receive cash flows from the asset expire, or the Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment assessment

The Group 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 Group 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.

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

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.

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.12 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.

2.13 Trade and other payables

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

2.14 Income tax (Current and Deferred)

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

2.15 Employee benefits

Under Greek labor laws, employees and workers are entitled to post employment payments in the event of retirement with the amount of payment varying in relation to the employee's or worker's compensation and length of service. This program is considered as a defined benefit plan. This is calculated on the basis of the years of service and estimated income of the employee on the date of retirement. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in profit or loss in the statement of total comprehensive income.

2.16 Provisions

Provisions are recognized when the Group 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 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.

2.17 Share Capital

Principles of debt and equity
The financial instruments issued by the Group 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 unfavourable for the Group.

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.

2.18 Revenue Recognition

The Group 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 Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a service to a customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

In general, the period between the Group transferring a service and the customer paying for it is one year or less. In this context, the Group 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 Group provide to its customers services of receivables from loans and credits. For the provision of the above-mentioned services, the Group collects a fee from its customers.

The individual services are not distinct since the Group’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 Group’s customers are not separately identifiable since they are interdependent and highly interrelated in the sense that the Group cannot fulfil its promise by transferring each of those services independently. In this context, all the services promised in the contracts with the Group’s customers are accounted for as a single performance obligation.

Revenue from the above-mentioned services is recognized over time since the Group’s customers simultaneously receive and consume the benefits provided.

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

The Group incurs specific expenses in relation to the servicing of receivables from loans and credits, which are paid by the Group and then invoiced to its customers (Passthrough expenses). Based on the signed contracts with its customers, the Group 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 Group'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 Group accounts for its receivables in accordance with IFRS 9 (please refer to Note 11).

Contract assets

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

Contract liability

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

2.19 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.

2.20 Definition of related parties

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

i. The shareholders of the parent company, i.e.: a) Alpha Bank S.A. (20%) and b) Airmed Finance Designated Activity Company (80%) and the legal entities constituting in relation to the Company:
    - Subsidiaries
    - Joint Ventures
    - Affiliates

ii. 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.

2.21 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. Assets held for Sale

In August 2022, the Group entered into certain Joint Venture Agreements in relation to the formation of a strategic partnership with Resolute Asset Management Holdings (Malta) Limited with regards to Kaican Hellas for the establishment of a Joint Venture. Specifically, Kaican Hellas would proceed with a share capital increase that would be covered by Resolute Group and this would result in the dilution of Kaican Hellas (from Cepal group's perspective) and the formation of the joint venture ("the Transaction").

Consequently, from 31 December 2022, Kaican Hellas has been classified as a disposal group held for sale. By applying the provisions of IFRS 5, Management has exercised judgment and has concluded that Kaican did not constitute a major separate line of business and thus it has not been classified as discontinued operations.

The major classes of assets and liabilities of Kaican Hellas classified as held for sale as of 31 December 2022, were as follows:

Assets

Assets	**31.12.2022**
Amounts in thousands Euro	
Goodwill	3,767
Property, Plant, and equipment & Right of Use assets	4
Contract assets & trade receivables	575
Pre-paid expenses	73
Deferred tax assets	1
Other receivables	12
Cash and cash equivalents	1,595
Total Assets held for sale	**6,026**

Liabilities

Liabilities	**31.12.2022**
Amounts in thousands Euro	
Contract liabilities & trade payables	505
Lease liabilities	4
Other taxes and duties	264
Liabilities to Social Security	46
Deferred income	594
Post-employment benefits	5
Total Liabilities directly associated with assets held for sale	**1,417**

In September 2023, the transaction was completed with the share capital increase of Kaican Hellas and the official announcement to the General Commercial Registry (G.E.MI).

For more information, please refer to Note 6. Investments in subsidiaries and joint ventures.

4. Intangible assets

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

Group	**Software**	**Servicing Agreements**	**Total intangible assets**
Amounts in thousands Euro			
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**	**254,168**
Accumulated amortisation 01/01/2022	**3,397**	**23,513**	**26,910**
Amortisation for the year	3,945	21,704	25,649
Disposals for the year	(12)	-	(12)
Accumulated amortisation 31/12/2022	**7,330**	**45,217**	**52,547**

Cost as at 01/01/2023	**37,124**	**217,043**	**254,168**
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**	**52,547**
Amortisation for the year	5,560	21,705	27,265
Disposals for the year	(22)	-	(22)
Accumulated amortisation 31/12/2023	**12,867**	**66,921**	**79,790**
Net book value 31/12/2022	**29,793**	**171,826**	**201,619**
Net book value 31/12/2023	**35,247**	**150,121**	**185,368**

The Company has no intangible assets. 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 software for company's purposes, with a total value of €2.5million.

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

The breakdown and movement of Property, Plant & Equipment and Right of Use Assets of the Group is as follows:

Group	**Installations in 3rd party buildings**	**Right-of-use-asset (buildings)**	**Right-of-use-asset (vehicles)**	**Other equipment**	**Total**
Amounts in thousands Euro					
Cost as at 01/01/2022	**1,039**	**6,697**	**595**	**3,705**	**12,036**
Additions for the year	539	3,270	118	457	4,384
Disposals for the year	-	(405)	(85)	(1)	(490)
Asset held for sale	-	-	(8)	(12)	(20)
Cost as at 31/12/2022	**1,578**	**9,562**	**621**	**4,147**	**15,908**
Accumulated depreciation 01/01/2022	**413**	**2,735**	**185**	**1,311**	**4,644**
Depreciation for the year	375	1,914	164	659	3,112
Disposals for the year	-	(65)	(9)	-	(74)
Asset held for sale	-	-	(4)	(12)	(16)
Accumulated depreciation 31/12/2022	**788**	**4,584**	**336**	**1,958**	**7,666**
Cost as at 01/01/2023	**1,578**	**9,562**	**621**	**4,147**	**15,908**
Additions for the year	3,156	1,151	109	486	4,902
Disposals for the year	-	-	-	(17)	(17)
Cost as at 31/12/2023	**4,734**	**10,713**	**730**	**4,616**	**20,793**
Accumulated depreciation 01/01/2023	**788**	**4,584**	**336**	**1,958**	**7,666**
Depreciation for the year	520	2,277	136	697	3,630
Disposals/Adjustments for the year	-	-	13	(10)	3

Accumulated depreciation 31/12/2023	**1,308**	**6,861**	**485**	**2,645**	**11,299**
Net Book Value 31/12/2022	**791**	**4,978**	**284**	**2,189**	**8,242**
Net Book Value 31/12/2023	**3,427**	**3,852**	**244**	**1,971**	**9,494**

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

Company	**Right-of-use-asset (vehicles)**	**Total**
Amounts in thousands Euro		
Cost as at 01/01/2022	**133**	**133**
Additions for the year	35	35
Cost as at 31/12/2022	**168**	**168**
Cost as at 01/01/2023	**168**	**168**
Additions for the year	-	-
Cost as at 31/12/2023	**168**	**168**
Accumulated depreciation 01/01/2022	**38**	**38**
Depreciation for the year	30	30
Accumulated depreciation 31/12/2022	**68**	**68**
Accumulated depreciation 01/01/2023	**68**	**68**
Depreciation for the year	34	34
Modifications for the year	14	14
Accumulated depreciation 31/12/2023	**116**	**116**
Net Book Value 31/12/2022	**100**	**100**
Net Book Value 31/12/2023	**52**	**52**

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

6. Investments in subsidiaries and joint ventures

The Group

Following the completion of the Transaction (see Note 3), the Group now holds a 58% stake in Resolute Cepal Greece "RCG" (formerly Kaican Hellas), a joint venture specializing in:

- The management, enhancement of value and utilization of granular real estate REOs portfolios
- Asset management and value creation for large commercial properties
- Real estate collateral management, analysis and advisory support on real estate coming from both performing and non-performing loan portfolios.

At the date of loss of control (i.e. September 2023), Group remeasured its investment in Kaican Hellas at Fair Value at an amount of € 11,230 thousands, derecognized the Net Assets of Kaican Hellas previously consolidated and Goodwill related to Kaican Group (€ 3,767 thousands), resulting in a gain on disposal of an amount € 6,957 thousands.

The Group's percentage (i.e. 58%) is accounted for using the equity method in the consolidated financial statements. Summarized financial information of the joint venture, based on the financial statements under IFRS, as well as the reconciliation with the carrying amount of the investment in the consolidated financial statements is presented below:

Reconciliation of Carrying Amount of Investments in subsidiaries and joint ventures:

	Group
Amounts in thousands Euro	
Balance as at 01.01.2023	**-**
Remeasurement of Investments in Kaican Hellas at Fair Value at the date control is lost	11,230
Share of profits from joint venture from 01.10-31.12.2023	456
Balance as at 31.12.2023	**11,686**

Summarised statement of financial position as of 31.12.2023:

	31.12.2023
Amounts in thousands Euro	
Current assets, including cash and cash equivalents and prepayments	3,390
Non-current assets	(3)
Current liabilities	(2,588)
Non-current liabilities, including long-term borrowing	(13)
	786
Equity	
Group’s share in equity (2023: 58%, 2022: 0%)	456
Goodwill	-
Group’s carrying amount of the investment	**456**

Summarised statement of profit or loss for the year ended 31.12.2023:

	01.10.2023 - 31.12.2023
Amounts in thousands Euro	
Revenue	6,205
Administrative expenses, including depreciation	5,185
Finance costs, including interest expense	2
Profit before tax	**1,018**
Income tax expense	232
Profit for the year	**786**
Group’s share of profit for the year (2023: 58%, 2022: 0%)	**456**

The Company

On 31.12.2023, the Company had a participating interest of 100% in the following companies:

- Cepal Hellas Financial Services Société Anonyme - Servicing of Receivables from Loans and Credits ("Cepal Hellas");
- Kaican Services Limited ("Kaican Services"), based in the UK

The movement in Investments in subsidiaries and Joint Ventures is analyzed as follows:

Amounts in thousands Euro	Cepal Hellas	RCG (former Kaican Hellas)	Kaican Services	Total
Cost at 01.01.2022	**169,795**	**114**	**425**	**170,334**
Change	-	-	-	-
Cost at 31.12.2022 & 01.01.2023	**169,795**	**114**	**425**	**170,334**
Change	-	9	-	9
Cost at 31.12.2023	**169,795**	**123**	**425**	**170,343**

For the year ended 31 December 2023, the Company conducted an impairment test for its investments and no impairment was identified.

7. Goodwill

Goodwill refers to the amount that was recognized on the acquisition of the NPL unit from Alpha Bank in 2020 (€ 6,785 thousands). The amount related to the acquisition of the Kaican Group during 2017 (€ 3,767 thousands) has been derecognized as part of Kaican's disposal (Refer to Notes 3 and 6).

The Group conducted an impairment test of the Goodwill value as at 31.12.2023, in accordance with the provisions of IAS 36, and no impairment loss was identified. (See also note 2.10)

8. Tax

Deferred income tax is recognized on temporary differences that arise between the tax base of assets and liabilities and the corresponding amounts in the Financial Statements. According to paragraph 1 of article 22 of law 4646/2021 the income tax rate for legal entities is reduced to 22% for the income of the fiscal year 2021 and onwards.

The movement of the deferred income tax account for the Group is broken down as follows:

Amounts in thousands Euro	Right of use assets	Intangible assets	Provision for staff indemnities	Tax losses recognized	Provision for expected credit losses	Total
Balance as at 01.01.2022	**9**	**21**	**431**	**150**		**612**
(Debit)/credit of profit and loss account	43	(463)	39	(70)		(451)
(Debit)/credit of other comprehensive income	-	-	(100)	-		(100)
Balance as at 31.12.2022	**52**	**(442)**	**370**	**80**		**61**
Balance as at 01.01.2023	**52**	**(442)**	**370**	**80**		**61**
(Debit)/credit of profit and loss account	40	(401)	1,428	(80)	-	1,215
(Debit)/credit of other comprehensive income	-	-	(61)	-	228	(61)
Balance as at 31.12.2023	**92**	**(843)**	**1,737**	**-**	**228**	**1,215**

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 Group:

Income tax reconciliation	**31.12.23**		**31.12.22**	
Amounts in thousands Euro	**%**	**Amount**	**%**	**Amount**
Profit/ (Loss) before income tax		**25,244**		**35,281**
Income tax based on the Greek (nominal) tax rate 22% (31.12.2022: 22%)	**(22.0%)**	(5,554)	**(22.0%)**	(7,762)
Increase/decrease resulting from:				
Non-deductible expenses		(1,354)		(119)
Foreign income tax rate		(4)		(30)
Prior period income and deferred tax		670		(876)
Utilization of carried forward losses		(39)		-
Other adjustments		-		46
Income tax expense in Comprehensive Income	**(10.1%)**	**(3.573)**	**(24.8%)**	**(8,742)**
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		**(3,634)**		**(8,841)**
Deferred Tax		1,248		(550)
Current and Previous year Income Tax		(4,882)		(8,291)
Total		**(3,634)**		**(8,841)**

The corresponding figures for the Company are broken down as follows:

Amounts in thousands Euro	**Right of use assets**	**Tax losses recognized**	**Provision for staff indemnities**	**Total**
Balance as at 01.01.2022	**8**	**62**	**-**	**70**
(Debit)/credit of profit and loss account	-	(23)	-	(23)
(Debit)/credit of other comprehensive income	-	-	-	-
Balance as at 31.12.2022	**8**	**39**	**-**	**47**
Balance as at 01.01.2023	**8**	**39**	**-**	**47**
(Debit)/credit of profit and loss account	(8)	(39)	264	217
(Debit)/credit of other comprehensive income	-	-	-	-
Balance as at 31.12.2023	**-**	**-**	**264**	**264**

Income tax reconciliation	**31.12.23**		**31.12.22**	
Amounts in thousands Euro	**%**	**Amount**	**%**	**Amount**
Profit/ (Loss) before income tax		**39,204**		**6,633**
Income tax based on the Greek (nominal) tax rate 22% (31.12.2022: 22%)	**(22.0%)**	(8,625)	**(22.0%)**	(1,459)
Increase/decrease resulting from:				
Non-deductible expenses		(79)		(4)
Expenses recognized directly in equity		8,800		1,492
Prior period income and deferred tax		-		(52)
Utilization of carried forward losses		(39)		-
Income tax expense in Comprehensive Income	**0.2%**	**57**	**(0.4%)**	**(23)**
Deferred tax calculated on actuarial profit/(losses)		-		-
Deferred tax on Other Comprehensive Income		**-**		**-**
Income tax expense in Other Comprehensive Income		**-**		**-**
Total income tax expense		**57**		**(23)**
Deferred Tax		216		(23)
Current and Previous year Income Tax		(159)		-
Total		**57**		**(23)**

9. Other non-current assets

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

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Buildings lease fee guarantees	478	452	-	-
Vehicles lease guarantees	7	7	-	-
Guarantees to electric power supplier	12	12	-	-
Guarantees to telecommunication company	1	1	-	-
Total	**498**	**471**	**-**	**-**

10. Prepaid Expenses

Prepaid expenses of the Group and the Company are broken down as follows:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
IT support & Licenses	1,164	1,188	-	-
Insurance Premium	194	470	11	5
Other prepaid expenses	151	84	-	-
Total	**1,509**	**1,742**	**11**	**5**

11. 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 and the Group customers.

Contract assets and trade receivables of the Group and the Company are broken down as follows:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Contract assets (related parties)	20,020	16,451	548	226
Contract assets (non-related parties)	59,423	42,350	97	66
Trade receivables (related parties)	1,439	1,179	-	-
Trade receivables (non-related parties)	2,822	962	172	82
Total	**83,704**	**60,942**	**817**	**374**

The balances for contract assets and trade receivables have been increased due to undertaking management of new portfolios.

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

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

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

12. Other receivables

Other receivables of the Group and the Company are analyzed as follows:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22 (Reclassified)**	**31.12.23**	**31.12.22**
Advance payments to suppliers	30,048	14,523	-	-
VAT refundable	6,089	9,227	21	228
Receivable from Greek State	2,311	-	-	-
Income tax advance	5,788	8,232	-	-
Other receivables	589	367	23	-
Dividends receivable	-	-	40,000	-
Total	**44,825**	**32,349**	**40,044**	**228**

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

The Company has dividends receivable that 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.

13. Cash and cash equivalents & Restricted Cash

The cash and cash equivalents of the Group and the Company are analyzed as follows:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Bank deposits	21,405	33,169	6,605	6,251
Total	**21,405**	**33,169**	**6,605**	**6,251**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Bank deposits	21,405	33,169	6,605	6,251
Cash at banks and short-term deposits attributable to assets held for sale	-	1,595	-	-
Total	**21,405**	**34,764**	**6,605**	**6,251**

Group's majority of bank deposits represents zero interest rate deposits, that are held in Alpha Bank (€16,331 thousands) and Barclays Bank UK PLC (€74 thousands). A time deposit of € 5 million at the rate of 3,25% and a tenor of 2 months was placed in November 2023. The bank deposits in Alpha Bank have a credit rating on 31.12.2023 BB- (long term) and bank deposits in Barclays Bank UK PLC have a credit rating A+ (long term). The credit rating is based on the International Credit Rating institution STANDARD & POOR'S.

Group's restricted cash as at 31.12.23 amounted to € 6.8 million (31.12.22: € 6.8 million) and is related to the Bond Loan Agreement (Note 17) and is also held in Alpha Bank.

14. Share Capital

On June 04, 2021, by a decision of the Self-Convened Extraordinary General Meeting of Shareholders of the Company, the 24,938,100 redeemable registered preference shares with a nominal value of one Euro (€1) per share converted to common registered shares with a nominal value of one Euro (€1) per share each with voting rights.

Share capital is comprised of 41,178,962 common registered shares with voting rights with, a nominal value of one Euro (€1) per share, as of 31st December 2023.

15. Lease liabilities

The long-term lease liabilities on 31.12.2023 relate to real estate leases and car leases used by the Group Company itself. The lease liability is analysed below as follows:

Group ***Amounts in thousands Euro***	**Lease liabilities (Real estate)**	**Lease liabilities (Cars)**	**Total**
Balance as at 01.01.2022	**4,035**	**412**	**4,447**
Additions	3,270	120	3,390
Accretion of Interest	169	5	174
Modification	87	-	87
Repayment	(2,386)	(244)	(2,631)
Assets held for sale	-	(4)	(4)
Balance as at 31.12.2022	**5,175**	**289**	**5,464**
Balance as at 01.01.2023	**5,175**	**289**	**5,464**
Additions	1,187	109	1,296
Derecognition	-	(19)	(19)
Accretion of Interest	607	15	622

Modifications	8	4	13
Repayments	(2,717)	(136)	(2,853)
Balance as at 31.12.2023	**4,262**	**262**	**4,524**

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

Amounts in thousands Euro	**Nominal amount**			
Maturity analysis of lease liability cash flows	**Total**	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
31.12.2022	6,760	1,723	3,826	1,212
31.12.2023	11,398	2,096	7,610	1,692

Amounts in thousands Euro	**Discounted amount**			
Maturity analysis of lease liability cash flows	**Total**	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
31.12.2022	5,464	1,378	2,991	1,095
31.12.2023	4,524	1,500	1,432	1,591

Company ***Amounts in thousands Euro***	**Lease liabilities (Cars)**	**Total**
Balance as at 01.01.2022	**96**	**96**
Additions	36	36
Accretion of interest	2	2
Repayment	(33)	(33)
Balance as at 31.12.2022	**101**	**101**
Balance as at 01.01.2023	**101**	**101**
Derecognition	(19)	(19)
Accretion of interest	3	3
Modifications	5	5
Repayments	(39)	(39)
Balance as at 31.12.2023	**51**	**51**

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

Amounts in thousands Euro	**Nominal amount**			
	Total	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
31.12.2022	108	36	72	-
31.12.2023	55	23	32	-

Amounts in thousands Euro	**Discounted amount**			
	Total	**Up to 1 year**	**from 1 to 5 years**	**above 5 years**
31.12.2022	101	33	68	-
31.12.2023	51	21	30	-

16. 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
Statement of Total Comprehensive Income Charge	**329**	**321**
Recognition of past service cost	-	-
Settlement payments from the plan	126	77
Total of Statement of 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
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% - 3.85%
Future salary raises	2.10%	2.70%
Inflation	2.20%	2.60%

17. Borrowings

Borrowings for the Group are broken down below as follows:

	Group	
Amounts in thousands Euro	**31.12.23**	**31.12.22**
Long-term borrowings	10,210	39,693
Short-term borrowings	19,482	13,742
Total	**29,692**	**53,435**

On 30 July 2021, Cepal Hellas 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 recognized 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 installments, and original maturity was on 30 June 2026. Cepal Hellas prepaid part of the loan in 2022 and 2023. The loan was fully repaid by March 2024.

The Company has no borrowings as at 31.12.2023.

18. Trade and other payables

Trade and other payables of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Domestic suppliers	12,245	9,595	373	127
Foreign suppliers	439	(12)	62	-
Other liabilities	313	330	13	13
Total	**12,997**	**9,913**	**448**	**140**

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

19. Contract liabilities

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

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Contract liabilities to related entities	-	3,221	-	-
Contract liabilities to non-related entities	23,020	15,707	-	-
Total	**23,020**	**18,928**	**-**	**-**

The increase in contract liabilities arises from the expansion of portfolio management services as well as the acquisition of new portfolios during the fiscal year 2023.

20. Liabilities from other taxes and duties

Liabilities from other taxes and duties of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22 (Reclassified)**	**31.12.23**	**31.12.22**
Withholding taxes	1,824	1,482	77	77
Income Tax Payable	4,929	11,934	159	1
Total	**6,753**	**13,416**	**236**	**78**

21. Liabilities to social security organizations

Liabilities to social security organizations of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Social security contributions	1,504	1,527	21	19
Total	**1,504**	**1,527**	**21**	**19**

22. Accrued Expenses, Deferred Income and other provisions

Accrued expenses, Deferred income and other provisions of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Accrued fees for audit, accounting and consulting services	5,406	2,125	29	111
Accrued fees and expenses for legal services	18,766	12,155	-	-
Payroll expenses	4,918	4,210	1,200	-
Other provisions	5,011	2,772	-	-
Accrued expenses from related entities	5,361	450	-	-
Deferred Income to non-related entities	15	16	-	-
Total	**39,477**	**21,728**	**1,229**	**111**

The increase in accrued expenses arises mainly from the expansion of portfolio management services as well as the acquisition of new portfolios during the fiscal year 2023.

23. Turnover, other operating income & dividend income

Turnover and other operating income of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**01.01 - 31.12.23**	**01.01 - 31.12.22**	**01.01 - 31.12.23**	**01.01 - 31.12.22**
Revenue from servicing of receivables	135,210	140,135	871	358
Deferred Income	-	-	1,486	1,278
Other Income	78	515	-	-
Dividend Income	-	-	40,000	6,782
Total	**135,288**	**140,650**	**42,357**	**8,418**

The decrease in turnover on a group level arises from the updated rate cards in Core portfolio, for Initial Restructuring Fee.

Company's Dividend income relates to approved dividends from Cepal Hellas, to be distributed to the shareholders in 2024 in accordance with the General Meeting of the Shareholders as at 20 December 2023.

24. Personnel fees and expenses

Staff salaries and expenses of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**01.01 - 31.12.23**	**01.01 - 31.12.22**	**01.01 - 31.12.23**	**01.01 - 31.12.22**
Gross Remuneration	37,086	34,774	2,373	1,167
Employer contributions	7,145	7,199	95	87
Accrued employee benefits	5,489	536	-	-
Other employee benefits	2,109	1,841	147	135
Provisions for post-employment benefits	275	318	-	-
Total	**52,104**	**44,668**	**2,615**	**1,389**

On 31.12.2023, the Group employed 849 people in Greece, while the Company employed 4 people (2022: Group 911 people, Company 4 people).

25. Other operating expenses

Other operating expenses of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**01.01 - 31.12.23**	**01.01 - 31.12.22**	**01.01 - 31.12.23**	**01.01 - 31.12.22**
Third party fees & expenses	19,196	18,475	491	331
Utilities	1,111	1,004	-	-
IT expenses	4,914	4,535	-	-
Other expenses	2,500	2,034	10	18
Insurance expenses	610	504	16	10
Travel expenses	532	471	-	-
Rents	75	222	5	6
Total	**28,938**	**27,245**	**522**	**365**

26. Depreciation and Amortisation

Depreciation and Amortisation of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**01.01 - 31.12.23**	**01.01 - 31.12.22**	**01.01 - 31.12.23**	**01.01 - 31.12.22**
Amortisation of Servicing Agreements	21,704	21,704	-	-
Amortisation of intangible assets	5,559	3,920	-	-
Depreciation of right of use assets	2,449	2,074	34	30
Depreciation of property, plant and equipment	1,218	1,052	-	-
Total	**30,930**	**28,750**	**34**	**30**

27. Net finance income / (expense)

Net financial results of the Group and the Company are broken down below as follows:

	Group		Company	
Amounts in thousands Euro	**01.01 - 31.12.23**	**01.01 - 31.12.22**	**01.01 - 31.12.23**	**01.01 - 31.12.22**
Interest charges and related expenses	(3,821)	(4,462)	-	-
Interest Income	21	1	20	-
Foreign exchange difference expenses	(25)	(20)	-	-
Foreign exchange difference income	-	37	-	(1)
Lease interest	(623)	(261)	(2)	(1)
Total	**(4,448)**	**(4,705)**	**18**	**(2)**

28. Passthrough expenses and income from passthrough expenses

The passthrough expenses and income from passthrough expenses for the Group, for 31.12.2023 equals to €77,670 thousands (31.12.2022: €55,151 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.

Passthrough expenses and income from passthrough expenses is not applicable for the Company.

29. Related-parties transactions

The transactions of related parties and the balances from trading transactions of the Group and the Company with related parties (as defined in IAS 24) are listed below:

All transactions with related parties are performed under market conditions.

A. Transactions with related parties

a) *Revenue from the provision of services*

Amounts in thousands Euro	**Group**	
For the year ended 31.12.2022	**Interest and similar income**	**Provision of services**
Alpha Bank S.A.	-	6,202
Alpha Leasing S.A.	-	1,679
Davidson Kempner European Partners LLP	-	36
Gemini Core Securitisation Designated Activity Company	-	77,149
Total	**-**	**85,066**
For the year ended 31.12.2023	**Interest and similar income**	**Provision of services**
Alpha Bank S.A.	20	34,647
Alpha Leasing S.A.	-	1,039
Resolute Cepal Greece S.A.	-	545
Gemini Core Securitisation Designated Activity Company	-	50,102
Total	**20**	**86,333**

Amounts in thousands Euro		**Company**	
For the year ended 31.12.2022	**Interest and similar income**	**Provision of services**	**Dividend income**
Kaican Hellas S.A.	-	72	-
Cepal Hellas S.A.	-	1,433	6,782
Total	**-**	**1,505**	**6,782**
For the year ended 31.12.2023	**Interest and similar income**	**Provision of services**	**Dividend income**
Alpha Bank S.A.	20	-	-
Resolute Cepal Greece S.A.	-	54	-
Cepal Hellas S.A.	-	1,753	40,000
Total	**20**	**1,807**	**40,000**

b) Expenses

Amounts in thousands Euro	Group	
For the year ended 31.12.2022	**Interest and similar expenses**	**Provision of Services**
Alpha Bank S.A.	2,367	3,742
Alpha Astika Akinita S.A.	-	1,003
Alpha Real Estate Management and Investments S.A.	-	243
Total	**2,367**	**4,988**
For the year ended 31.12.2023	**Interest and similar expenses**	**Provision of services**
Alpha Bank S.A.	1,998	3,082
Alpha Astika Akinita S.A.	-	154
Alpha Investment Properties Leivadias S.A.	-	14
Alpha Real Estate Management and Investments S.A.	-	11
Resolute Cepal Greece S.A.	-	10,070
Total	**1,998**	**13,331**

Amounts in thousands Euro	Company
For the year ended 31.12.2022	**Provision of services**
Cepal Hellas S.A.	53
Total	**53**
For the year ended 31.12.2023	**Provision of services**
Cepal Hellas S.A.	53
Total	**53**

c) Receivables

Amounts in thousands Euro		Group	
31.12.2022	**Cash at bank**	**Other receivables**	**Contract asset**
Alpha Bank S.A.	40,706	1,180	855
Alpha Leasing S.A.	-	203	253
Davidson Kempner European Partners LLP	-	36	-
Gemini Core Securitisation Designated Activity Company	-	-	15,390
Total	**40,706**	**1,419**	**16,498**
31.12.2023	**Cash at bank**	**Other receivables**	**Contract asset**
Alpha Bank S.A.	27,414	1,208	9,239
Alpha Leasing S.A.	-	-	111
Resolute Cepal Greece S.A.	-	5,110	16
Gemini Core Securitisation Designated Activity Company	-	228	10,661
Total	**27,414**	**6,546**	**20,027**

Amounts in thousands Euro		Company	
31.12.2022	**Cash at bank**	**Other receivables**	**Contract asset**
Alpha Bank S.A.	6,251	-	-
Cepal Hellas S.A.		-	227
Total	**6,251**	**-**	**227**
31.12.2023	**Cash at bank**	**Dividends**	**Contract asset**
Alpha Bank S.A.	6,605	-	-
Cepal Hellas S.A.	-	40,000	548
Total	**6,605**	**40,000**	**548**

d) <u>Payables</u>

Amounts in thousands Euro			Group	
31.12.2022	**Customer liabilities and advance payments**	**Accrued Expenses**	**Contract liability**	**Bond Loan**
Alpha Bank S.A.	1,752	-	450	27,989
Alpha Astika Akinita S.A.	649	-	270	-
Gemini Core Securitisation Designated Activity Company	3,221	-	-	-
Total	**5,622**	**-**	**720**	**27,989**
31.12.2023	**Customer liabilities and advance payments**	**Accrued Expenses**	**Contract liability**	**Bond Loan**
Alpha Bank S.A.	558	71	1,800	15,553
Alpha Astika Akinita S.A.	178	-	-	-
Alpha Investment Properties Leivadias S.A.	-	1	-	-
Alpha Real Estate Management and Investments S.A.	-	1	-	-
Resolute Cepal Greece S.A.	-	-	3,568	-
Gemini Core Securitisation Designated Activity Company	-	-	-	-
Total	**736**	**73**	**5,368**	**15,553**

Amounts in thousands Euro	Company
31.12.2022	**Contract Liabilities**
Cepal Hellas S.A.	-
Total	**-**
31.12.2023	**Contract Liabilities**
Cepal Hellas S.A.	-
Total	**-**

30. Contingent liabilities and commitments

Legal Affairs

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

Tax Issues

The Company and the subsidiaries of the Group have not been audited by the tax authorities for the years from 2018 to 2023.

The Company and its subsidiary Cepal Hellas have received an unqualified tax certificate for the years ending 2018, 2019, 2020, 2021, 2022 by the certified auditors, while for year 2023 the Company and Group subsidiaries are currently undergoing a tax certificate audit, and it is expected that no material issues will arise.

In May 2022, Cepal Hellas 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, Cepal Hellas received Tax Audit notification for the period 1/1/21-31/12/2. This audit is in progress. The outcome of this audit should have not 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

31. Auditors Fees

The total fees of "Deloitte Certified Public Accountants S.A.", statutory auditor of the Company, are analyzed below:

	Group		**Company**	
Amounts in thousands Euro	**31.12.23**	**31.12.22**	**31.12.23**	**31.12.22**
Fees for statutory audit	90	98	6	6
Fees for the issuance of tax certificate	29	37	8	8
Total	**119**	**135**	**14**	**14**

32. Financial Risk Management

The Management of the Group and the Company have 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 Group and the Company.

a. Capital Risk Management

The Group and the Company manage their capital to ensure that the Group and the Company will continue to be viable while maximizing the return to the stakeholders. The capital structure of the Group and the Company, consist of cash and cash equivalents and equity attributable to equity holders, comprising of issued capital, reserves and retained earnings. The Group's and Company's capital satisfies and is expected to continue to satisfy the statutory thresholds regarding share capital and own funds.

b. Credit Risk

The Group's and Company's credit risk is primarily attributable to its trade and other receivables. The Group's and Company's credit risk is very low due to the credit quality of the counterparties. The Group 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 and Group assess that there is no significant foreign exchange risk as almost all the Company's transactions are in Euro. At Group level, Kaican Services has Pound Sterling as its functional currency, but due to limited trading activity the risk is considered low.

d. Interest Rate Risk

As at 31 December 2023, the Group had a bond loan of outstanding balance €29.7 million. The loan bears an interest rate of 3-month Euribor plus spread of 4.5% and has a maturity date on 30 June 2025. On March 28, 2024, Cepal Hellas proceeded to issue a new common bond loan, of a total value (capital) up to €58.2 million, compromising of Series A and Series B Bonds, with which the aforementioned bond loan was repaid. The new loan bears a 3-month Euribor rate 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 Group 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 Group and the Company have no investments or other market traded investments.

f. Liquidity Risk

The Group's and Company's liquidity remains sufficient and is expected to remain sufficient supported by the Group's and Company's future profitability. The cash flows generated from the Group's and Company's operations, together with the cash balance as of 31 December 2023 of €28.2 million and €6.6 million respectively, are expected to be sufficient to meet the Group's and Company's liabilities for the next 12 months.

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

		31.12.2023 Group		
Amounts in thousands Euro	**Up to 1 year**	**From 1 to 5 years**	**Above 5 years**	**Total**
Trade and other payables	12,996	-	-	**12,996**
Lease liabilities	2,096	7,610	1,692	**11,398**
Loans	19,482	10,210	-	**29,692**
Total	**34,574**	**17,820**	**1,692**	**54,086**

		31.12.2023 Company		
Amounts in thousands Euro	**Up to 1 year**	**From 1 to 5 years**	**Above 5 years**	**Total**
Trade and other payables	448	-	-	**448**
Lease liabilities	23	32	-	**55**
Loans	-	-	-	**-**
Total	**471**	**32**	**-**	**503**

		31.12.2022 Group		
Amounts in thousands Euro	**Up to 1 year**	**From 1 to 5 years**	**Above 5 years**	**Total**
Trade and other payables	9,913	-	-	**9,913**
Lease liabilities	1,726	3,826	1,212	**6,764**
Loans	13,742	39,693	-	**53,435**
Total	**25,381**	**43,519**	**1,212**	**70,112**

		31.12.2022 Company		
Amounts in thousands Euro	**Up to 1 year**	**From 1 to 5 years**	**Above 5 years**	**Total**
Trade and other payables	140	-	-	**140**
Lease liabilities	36	72	-	**108**
Loans	-	-	-	**-**
Total	**176**	**72**	**-**	**248**

33. Events after end of the reporting period

On January 19, 2024, Cepal Hellas 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"), Cepal Hellas 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, Cepal Hellas 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 Cepal Hellas' 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, Cepal Hellas 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 Loans Sale 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 Companies act as 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 PEE 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. Cepal Hellas has timely submitted the relicensing file to the Bank of Greece.

Athens, 25 April 2024

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