OPTIMA FACTORS SINGLE - MEMBER S.A.

Financial statements

As at 31 December 2023

In accordance with International Financial Reporting Standards – I.F.R.S.

The attached financial statements have been approved by the Board of Directors of Optima Factors Single-Member S.A. on 25th July 2024 and have been published at www.optimafactors.gr

Optima factors

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Annual Management Report of the Board of Directors of the Company Optima Factors Single – Member S.A. on the Financial Statements for the year 2023

Dear Shareholders,

We set out the activity of the company, during its twenty-fifth financial year, from 1 January to 31 December 2023, under the name Optima Factors Single-Member S.A.

Economic Environment for 2023

The Greek economy for 2023 was mainly characterized by the following:

- Higher economic growth rates than the rest of the euro area. Specifically, our country's GDP is estimated to grow in 2023 by about 2.2% compared to just 0.6% in the Eurozone, while for 2024 international and domestic organizations predict GDP growth in the range of 2%-2.9% compared to 1.2% in the Eurozone. The key elements for this are the investments through European funds and the development of tourism.
- The share of investment in the country's GDP has risen to 14.5%, the highest level since 2011, but still significantly below the pre-crisis levels (2007: 23.2%).
- Strengthening of tourism despite the doubts that existed at the beginning of the year, mainly due to the weakening of European household incomes due to inflationary pressures.
- Inflation was 4.2%, compared to 9.4% in 2022 and 5.7% of the euro area average. Over the same period, structural inflation, which excludes unprocessed food and energy prices, was higher (6.5%). The multiple increase in base rates was a key measure to compensate for this, putting pressure on those directly involved. High inflation is a pan-European phenomenon.
- Recovery of the country's investment grade and direct contribution to the inflow of foreign capital and therefore investment in the country.
- Environmental Risk: A new parameter that directly affects the economy and society due to widespread flooding and fires. The negative effects of this event are not only limited to the short term but also extend to the medium to long term.
- Global geopolitical developments both on the territory of Ukraine and from the beginning of 2024 in the Middle East region that bring a renewed increase in uncertainty.

Global Factoring Market for 2023

The global factoring market grew by 3.3%, according to data published by Factors Chain International (FCI), and amounts to €3.781bn.

More specifically, Europe holds around 68% of the global factoring market with a managed turnover of €2,555bn, up 2.3% compared to 2022. Asia also recorded a 6.2% increase in its figures for 2023 and accounts for around 24% of the global market.

Greek Factoring Market for 2023

According to the Hellenic Business Receivables Agents Association (Factoring), the turnover of its members for 2023 (total assigned factoring volume) amounted to 24.7 billion euros, up 5% compared to 2022, thus maintaining the upward trend of the industry and the increasing consolidation of factoring by the business community. This was another record for the industry.

The ratios between domestic and international amounted to 87.4% and 12.6% respectively, similar to the same period last year. It is worth observing the 58.5% reduction in import factoring, which may be related to direct bilateral relationships and not using the two-factor system.

The choice of factoring with recourse increased by 9.1% due to the surrounding economic situation in Greece compared to without recourse which increased marginally by 0.3%. Also, notification factoring was boosted by 5.7% to €20.2 billion compared to €19.1 billion for 2022. The ratios between notification and non-notification remain stable at 81.9% and 18.1% respectively.

The penetration of factoring in Greece's GDP amounted to 12.7%, very close to the European average, which officially places Greece in the category of advanced markets for the product.

Financial performance of the Company for 2023

The company doubled its turnover in 2023 and this is reflected in all its key financials.
The company's total assigned factory volume increased by 100.1% to €443 million for 2023 compared to €221 million for 2022, highlighting the company's powerful dynamics development. Loans & advances to customer increased by 112% to €118.8m compared to €55.9m for the same period last year.
The company's earnings before taxes for 2023 increased by 165% to €2.9 million compared to €1.1 million for 2022 as a result of both organic growth and the development of base Euribor rates. The significant strengthening of the average balance of loans and advances to customers achieved also played a major role in boosting its profitability.
The company's total revenues increased by 178.7% to €8.7 million for 2023, due to both a 235.5% increase in interest (€6.4 million for 2023 vs. €1.9 million for 2022) and an 89% increase in commissions (€2.3 million for 2023 vs. €1.9 million for 2022). Financial costs increased by 352% to €4.5 million compared to €1 million for 2022. Gross Profit Margin remained high at 48.3%. Its operating expenses increased by 32.6% from €1,052 thousand for 2022 to €1,396 thousand for 2023.
The RoE (Return on Equity) ratio reached 15.7% for 2023 compared to 7.5% for the same period last year, as a result of the company's improved profitability.

The Company's capital adequacy was 14.85% for 2023. It should be noted that the company is subject to the supervision of the Bank of Greece which sets and monitors capital adequacy requirements.
For the calculation of capital adequacy, the company applies the Basel III supervisory framework, which was incorporated into Greek law by Law 4261/2014.

The Company is dependent on the parent company Optima bank for its business. Also, its cash is deposited in accounts held with the parent company. Therefore, the risks and uncertainties faced by the company relate to Optima bank's ability to continue its business without any interruption.

The Company has invested in human resources for the FY 2023 as well, with 15 people, an increase of 25% compared to 12 for the same period last year. 33.3% are postgraduate degree holders, 60% are bachelor degree holders and only 6.7% are graduates of specialized schools. The analogy between men and women is 26.7% and 73.3% respectively, while the average age is 40 years.

Its main priority is both to ensure the health of those working remotely and to provide a seamless service to its customers. Continuous specialized training and excellent relations between employees and management have been and still are a basic principle of the Company. In order to ensure equal treatment - smooth management of its human resources, the Company applies the policies of the parent bank, and various other policies, such as: Policies on violence and harassment, allegations of unfair practices, leave, pay, staffing, probation, benefits, signatures, evaluations, health and related matters.

The Company is particularly sensitive to issues related to environmental protection. It strictly complies with existing environmental protection regulations, training its staff on environmental issues related to the health and safety of employees. From its activity there are no actions that affect and cause alteration to the natural environment and it constantly encourages both third parties and employees in this course.

The Company closely follows the developments of both the domestic and global environment through the presence of its Managing Director in the Board of Directors of the Hellenic Factors Association and through the participation of the company in the annual Factors Chain International conference.

Management of financial risks

Credit risk
Credit risk relates to cases where counterparties fail to meet their financial obligations. Counterparties may be buyers, i.e. debtors from commercial transactions, or suppliers, i.e. clients - debtors due to the collection of an advance on assigned receivables. The assumption of credit risk is based on recognized factoring practices and criteria in order to ensure the transparency of transactions and the identification of risk.

The Company's Management attaches particular importance to the appropriate management of credit risk, as this risk is related to its core business. In particular, it formulates acceptable credit risk levels based on the financial analysis of the supplier and buyer group, its business sector, its market position and its risk diversification.

Operational Risk
Operational risk is the risk of damage or loss due to the inadequacy or failure of internal processes, people and systems or to external events. There are provisions for the identification, assessment, management, monitoring and reporting of operational risks, while due to the size of the Company and its special/exclusive purpose of operation, the complexity and range of risks is significantly mitigated.

Interest rate risk
Interest rate risk is the risk of financial instruments held and net interest income decrease in value due to adverse changes in market interest rates. The Company's policy is to establish fixed interest rate margins both with its customers and with its obligations from the lending bank in order to limit the related risk and manage it easily. The base rate for pricing is primarily linked to the base rate for lending.

Currency risk
Currency risk is the risk that the value of financial instruments and assets and liabilities will fluctuate due to changes in exchange rates.
The Company's policy is to obtain the necessary liquidity by borrowing in a currency corresponding and equivalent to the respective currencies and amounts with which it finances its customers.

Liquidity risk
Liquidity risk arises when an organization, although solvent, does not have sufficient financial resources to meet its obligations when they fall due, or from the inability to secure the necessary cash at an acceptable cost.
The Company Management manages liquidity risk by monitoring the progress of appropriate financial ratios, limits, contingency plans, controls and reporting lines.

Market risk
Market risk is defined as the existing or potential risk to the Company's results, which may arise from possible adverse movements in the prices of the products included in the trading portfolio. The market risk for the Company is very limited, as are the associated risks - except for interest rate risk in the Corporate Portfolio.

Technology - Customers - Environmental issues
The Company activated and upgraded an existing electronic platform (e-factor) in order to provide specialized electronic/digital services to its clientele. In addition to providing high value-added services to its clientele, this also means environmental protection as less paper is now used and less travel is required.

The Company, recognizing the relevant legislation and international environmental standards, consistently aims at a balanced economic development in harmony with the natural environment and encourages both third parties and employees in this course.

Labor issues
Its main priority has always been both to ensure the health of those working remotely and to provide uninterrupted service to its customers. Continuous training has been and still is a basic principle of the Company. The excellent relations between employees and management confirm the above.

Society
The Company made a donation of €2,000 to a charitable foundation fighting childhood cancer.

Corporate governance
The company is fully aligned with the Group's corporate governance strategy. In this process, the following texts were adopted or revised.

POLICY NAME
Credit Policy Manual
Code of Ethics & Conduct
Remuneration Policy for Board Members
Complaints Management Policy
Outsourcing Policy
Internal Audit Policy
Compliance Policy
Anti-Money Laundering Policy Activities and Financing of Terrorism
Personal Data Protection Policy
Acceptable Use Policy
Communication and Network Security Policy
Password Creation and Maintenance Policy
Information Classification Policy
Logical Access Management Policy
Whistleblowing Policy
Anti-Bribery and Corruption Policy
Risk Management Policy
New Definition of Default Policy (Manual) for the Loan Portfolio
Operational Risk Management Policy

Major events that have happened in 2024

Until the date of preparation of the financial statements for the financial year 2023, no events other than the above events have taken place that would affect the financial position or require an amendment of the above items.

Estimate for the course of Optima Factors activities in 2024.

The Company's plans and prospects for the current financial year will depend on the development of the country and its parent company and are summarized as follows:

1. Increase market share and profitability through credit expansion and support in sectors developed and approved by the parent company.
2. Maintaining the quality of the portfolio.
3. Continuous expansion of synergies with all the parent bank's finance divisions.
4. Continuous reduction of its financial costs.
5. Continuous investment in human and technological resources.
6. Continuous upgrading of its processes/services in order to create economies of scale and provide specialized services of high added value.
7. Providing products/services to companies with a mainly export-oriented focus and selectively increasing synergies through hybrid products.
8. Investing in systems to monitor the risk undertaken.
9. Investigate the adoption of a policy to manage environmental, social and governance risks.
10. Continuous specialized and certified training of its human resources.

Statements of the Board members

The members of the Board of Directors declare that the accompanying financial statements for the period from 1 January 2023 to 31 December 2023, which have been prepared in accordance with applicable International Accounting Standards and International Financial Reporting Standards, present fairly the financial position and performance of the Company. All related party transactions are carried out in the ordinary course of business, are conducted on market terms and conditions and are approved by the Company's competent bodies. Finally, the report of the Board of Directors reflects in a true and fair manner the course, performance and position of Optima Factors Single-Member S.A. including a description of the main risks and uncertainties it faces.

Aigaleo, 25th July 2025

The Chairman of the Board of Directors	The Chief Executive Officer
Georgios Taniskidis	Ioannis Nakatsiadis

1. Statement of Comprehensive Income

Amounts in euro	Note	2023	2022
Interest and similar income	8.1	6,464,354	1,927,013
Interest expense and similar charges	8.1	(4,415,194)	(928,713)
Net interest income		**2,049,160**	**998,300**
Commission income	8.2	2,305,063	1,219,041
Commission expense	8.2	(121,552)	(73,115)
Net commission income		**2,183,511**	**1,145,926**
Other income	8.3	22,829	8,956
Total Income		**4,255,500**	**2,153,182**
Personnel fees and expenses	8.4	(612,836)	(573,338)
General operating expenses	8.5	(451,223)	(360,084)
Depreciation and amortization expenses		(37,932)	(29,776)
Provisions for credit risks	8.6	(265,571)	(89,616)
(Other provisions) / Reversal of provisions	8.7	28,935	0
Profits before income tax		**2,916,872**	**1,100,368**
Income tax	8.8	(635,817)	(188,496)
Profit after income Tax		**2,281,055**	**911,871**
Amounts that may not be reclassified subsequently in the statement of comprehensive income			
Actuarial gain/(loss) on defined benefit plans		(469)	(432)
Deferred tax on actuarial gains / (losses)		103	95
Total items that cannot be reclassified subsequently to the statement of comprehensive income		(366)	(337)
Total comprehensive income after tax		**2,280,689**	**911,534**
Profit / (Loss) after income tax per share		0.61	0.25

2. Statement of financial position

Amounts in euro	Note	31.12.2023	31.12.2022
Assets			
Cash and cash equivalents	8.9	4,516,877	2,884,917
Loans and advances to customers	8.10	118,247,294	55,626,247
Intangible assets	8.11	84,298	32,853
Property, plant, and equipment	8.11	118,393	120,922
Right of use assets	8.11	102,994	111,858
Other assets	8.12	102,417	61,803
Deferred tax asset	8.13	0	34,214
Total Assets		**123,172,273**	**58,872,814**
Liabilities and Equity			
Short-term liabilities to credit institutions	8.14	540,000	23,937,996
Bond loans liabilities	8.15	105,342,302	20,062,619
Liabilities to customers	8.16	1,458,268	858,072
Lease liabilities	8.11	90,944	108,057
Employee defined benefit obligations	8.17	10,041	7,935
Other provisions	8.18	0	48,343
Other liabilities	8.19	730,950	1,465,202
Deferred tax liabilities	8.13	30,017	0
Income tax liabilities	8.20	437,316	132,844
Total Liabilities		**108,639,837**	**46,621,068**
Share capital	8.21	10,870,300	10,870,300
Statutory Reserves	8.22	777,760	663,707
Retained earnings		2,884,376	717,740
Total equity		**14,532,436**	**12,251,747**
Total Liabilities and Equity		**123,172,273**	**58,872,814**

3. Statement of Changes in Equity

Amounts in euro	Share Capital	Statutory reserves	Other reserves	Retained earnings	Total
Balance on 1 January 2022	**10,870,300**	**619,562**	**9,406**	**(159,056)**	**11,340,212**
Profit for the year	-	-	-	911,871	911,871
Net actuarial losses recognized directly in equity	-	-	-	(337)	(337)
Statutory reserve		34,739	-	(34,739)	0
Balance on 31.12.2022	**10,870,300**	**654,301**	**9,406**	**717,740**	**12,251,747**
Balance on 1.1.2023	**10,870,300**	**654,301**	**9,406**	**717,740**	**12,251,747**
Profit for the year	-	-	-	2,281,055	2,281,055
Net actuarial losses are recognized directly in equity	-	-	-	(366)	(366)
Statutory reserve		114,053		(114,053)	0
Balance at 31/12/2023	**10,870,300**	**768,354**	**9,406**	**2,884,376**	**14,532,436**

4. Statement of Cash Flows

Amounts in euro	2023	2022
Cash flows from operating activities		
Profit (Loss) before tax	2,916,872	1,100,368
Adjustments to profit before tax for:		
Depreciation and amortization	37,932	29,776
Interest and other non-cash expenses	3,393	(136)
Provisions for credit risks	265,571	89,616
Other provisions / Reversal of provisions	-28,935	0
Other provisions for employee benefits	13,737	105,761
Branch loss	0	1,695
Foreign exchange debit differences	0	171,390
Foreign exchange credit differences	(2,649)	(176,884)
	3,205,921	**1,321,584**
Net (increase) decrease in assets related to operating activities		
Loans and advances to customers	(62,886,168)	(31,046,390)
Other assets	(40,614)	(26,734)
Net increase (decrease) in liabilities related to operating activities		
Amounts due to customers	600,196	791,249
Other liabilities	(734,252)	447,511
Net cash flow from operating activities before taxes	**(63,060,838)**	**(29,834,365)**
Income tax paid	(217,403)	(246,968)
Staff indemnities paid	(12,100)	(121,000)
Net cash flows from operating activities	**(60,084,420)**	**(28,880,749)**
Cash flow from investing activities		
Tangible fixed assets additions	(86,176)	(14,861)
Tangible fixed assets disposals	0	0
Net cash flows from investments	**(86,176)**	**(14,861)**
Cash flow from financing activities		
Issuance (repayment) of loans	61,826,296	30,785,969
Payments of lease labilities	(23,741)	(19,179)
Net cash flows from financing activities	**61,802,556**	**30,766,789**
Total net cash flows	**1,631,959**	**1,871,179**
Net increase (decrease) of cash flows	**1,631,959**	**1,871,179**
Cash and cash equivalents at beginning of period	**2,884,917**	**1,013,738**
Cash and cash equivalents at the end of the year	**4,516,876**	**2,884,917**

5. General Information about the Company

Optima Factors S.A. (the Company) was founded in 1998 and operates in Greece in the factoring field. It is located in Aigaleo, 25 Martiou & 259 Iera Odos Str., and is registered in the General Commercial Register - Athens Chamber of Commerce and Industry with number 3033901000 {former Societe Anonyme Register number 41316/01AT/B/98/269 (07)}. The Company's url is www.optimafactors.gr.

The duration of the Company is set until 02.10.2097. It may be extended by decision of the General Assembly.

It operates as a Societe Anonyme, in accordance with the provisions of Law 4548/2018 on societes anonymes, Law 1905/1990 on factoring companies, the provisions of Law 4261/2014 on financial institutions and the provisions of other relevant legislation.

The Company is controlled by the parent bank Optima bank S.A. which holds 100% of the Company's shares. The financial statements of the Company are included in the consolidated financial statements of the Optima Bank Group of Companies using the full consolidation method.

The number of employees of the Company as of 31 December 2023 was 14, while in the previous financial year the number of employees was 12.

The Company is active in Domestic and International Factoring, with and without recourse and has as its exclusive object of business the factoring contracts with its clients' companies, both in Greece and abroad.

Administration

The Board of Directors of the Company, elected at the meeting of 1 February 2022, was established as follows:

Georgios Taniskidis of Ioannis	Chairman , Non-Executive Member
Dimitrios Kyparissis of Apostolos	Vice President, Non-Executive Member
Nakatsiadis Ioannis of Nikiforos	Managing Director - Executive Member
Kyriakos Georgios of Konstantinos	Independent Non-Executive Member
Paris Oikonomou of Polykarpos	Non-Executive Member
Konstantinos Vatousis of Charalambos	Non-Executive Member

The term of office of the Board of Directors expires on 10-09-2025.

The Certified Auditor of the annual financial statements is:

Statutory Certified Auditor: Konstantinos Stamelos (SOEL Reg. N.: 2684)

Audit Firm: RSM Greece S.A. - Certified Public Accountants and Business Consultants (Reg. N. SOEL 104)

6. Basis of preparation

6.1 Framework for the preparation of the financial statements

The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretative guidelines of the International Accounting Standards Committee (IASC) as adopted by the European Union.

The financial statements of the Company were approved for publication by the Board of Directors on the 25th July 2024 and are subject to final approval by the Annual General Meeting of Shareholders.

6.2 Basis of presentation and measurement

The basis of presentation of the Company's financial statements is that of a "going concern". The Company, as a wholly owned subsidiary of Optima bank S.A., maintains significant synergies with the parent bank, which mainly relate a) to the Company's capital raising activities for the provision of financing to customers, b) to the assessment of customers' credit risk and c) to the operational level.

Taking into account a) the strong capital structure of the Company, in combination with its full compliance with the provisions of Decisions No. 193/1 and 193/2 of the Bank of Greece, b) the satisfactory liquidity of the Company and the Group, c) the strengthening of the Company's efficiency and profitability and d) the fact that the Company has zero exposure to the Russian and Ukrainian economies, the Company believes that, for at least 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 the financial statements are met.

The financial statements are presented in euros, which is the Company's reporting currency, and have been prepared under the historical cost convention, except for financial items presented at fair value.

6.3 Main Accounting Principles

The accounting principles applied in the preparation of the financial statements are as follows:

6.3.1. Transactions in foreign currency

The financial statements are presented in euro, which is the Company's functional currency. Transactions in foreign currencies are translated into the presentation currency at the exchange rates prevailing on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the exchange rates prevailing at the date of the financial statements. The resulting exchange differences are recorded in the income statement.

6.3.2 Financial assets

(a) Receivables – advances to customers

i. Classification

The financial asset category "Receivables- advances to customers" is divided into "Factoring with Recourse", "Factoring without Recourse" and "International Factoring".

ii. Entry into record

The Company records these categories when it advances money to customers by acquiring receivables. This acquisition is made through the assignment of the receivables to the Company by the Supplier in accordance with the terms of the factoring agreement. The Company becomes a party to the financial instrument and therefore has the legal right to receive cash. These loans and advances to customers constitute the assets of the Company.

iii. Original measurement

The above financial instruments are initially measured at fair value including transaction costs, if any.

iv. Subsequent measurement

In each subsequent reporting period after the acquisition date, the above financial instruments are measured at amortized cost using the effective interest method.

v. Derecognition

An instrument is derecognized in the financial statements of the Company when the Company ceases to control the contractual rights arising from that instrument. This occurs when it is sold, expires or when all cash inflows and all risks associated with it are transferred to a third party.

6.3.3 Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated using the straight-line method over the estimated useful lives of the tangible fixed assets.

The useful life by category of fixed assets has been determined as follows:

- Buildings - Building installations: 9 years
- Furniture and other equipment: 10 years
- Computers: 5 years

Property, plant and equipment are tested for impairment whenever an event occurs or if the cost value is not considered recoverable. The value of the asset is reduced directly to the recoverable amount if the asset's cost is greater than its recoverable amount. The recoverable amount is the higher of an asset's fair value less related costs and its value in use.

Subsequent expenditure is recognized as an increase in the carrying amount of property, plant and equipment or as a separate asset only if it is probable that future economic benefits will flow to the Company and the cost can be measured reliably. The costs of repairs and maintenance are charged to the profit and loss account when they are incurred.

Gains and losses on sale arise as the difference between the amounts received and the carrying amount in the balance sheet. This difference is recorded in the profit and loss account.

6.3.4 Intangible assets

Intangible assets include the Company's software programs and are carried at cost less accumulated depreciation and amortization. Costs relating to the maintenance of software is recognized in the income statement when incurred.

Depreciation is calculated using the straight-line method over the useful life of the software, which is five (5) years. For impairment, maintenance and gains or losses on disposal, the same principles as for property, plant and equipment are applied by analogy.

6.3.5 Cash and cash equivalents at the Bank

Cash and cash equivalents include monetary assets maturing within three months of the date of acquisition, such as cash, cash at banks and short-term receivables from credit institutions.

6.3.6 Impairment of Loans and advances to customers and other receivables

The Company, at each reporting date, recognizes a provision for expected credit losses on loans and advances to customers and other financial assets.

The provision for loans and advances to customers is based on expected credit losses (ECL), reflecting the change in credit quality since their initial recognition.

For the purposes of calculating the expected credit loss, the exposures are classified into Stages as follows:

Stage 1:

An impairment loss is recognized equal to 12-month expected credit losses for all financial assets that do not have a significant increase in credit risk since initial recognition. The assessment shall be carried out on a collective basis with the exception of customers who are assessed on an individual basis.

Stage 2:

Includes financial assets for which there has been a significant increase in credit risk at the reporting date since their initial recognition. Expected Credit Losses are calculated by applying the probability of default over the lifetime of the credit exposure and assessed on a collective basis, with the exception of customers assessed on an individual basis.

Stage 3:

Includes non-performing/default exposures with impaired credit value. At this stage, Expected Credit Losses are calculated by applying the probability of default over the lifetime of the credit exposure and the assessment is performed on a collective basis, with the exception of customers assessed on an individual basis.

The assessment of an exposure as to whether or not it exhibits a significant increase in credit risk is based on quantitative and qualitative indicators applied by the Company.

The Company has aligned the definition of default for loans and other receivables from customers for financial reporting purposes with the definition of default used for regulatory purposes. Therefore, a financial asset is considered impaired and is classified as impaired at Stage 3 when it is designated as Non-Performing Exposure (NPE).

Evaluation on an individual basis

The Company assesses at each reporting date whether there is an objective evidence of impairment on a credit exposure. Objective evidence of impairment is information that comes to the Company's attention relating to the following impairment events:

i. A debtor is in an adverse financial situation.
ii. Breach of the terms of a contract resulting in delay or default of payment.
ii. There is a strong possibility that the debtor is headed for bankruptcy and bankruptcy proceedings will be initiated.
iii. Indications that there is a significant reduction in the expected future cash flows from a group of assets, relative to the original cost, although there is no possibility of determining the potential impairment loss. These elements may include, but are not limited to:
- Unexpected changes in the payment status of customers, or
- Economic factors at national, sectoral or local level that contribute to a reduction in the value of the assets that form part of a group.

If the individual assessment indicates that there is reasonable evidence that an impairment loss on the advances to customers exists, the impairment loss is measured as the difference between the carrying amount on advances to customers, at the reporting date, and the expected cash flows discounted to present value at the effective interest rate.

Presentation of expected credit loss in the financial statements

The amounts of accumulated expected credit losses are presented as a deduction from the gross carrying amount of Loans and advances to customers, before impairment.

The amount of expected credit losses for the year is recognized in the income statement.

If in a subsequent period the amount of the provision formed decreases and the decrease relates to objective events that occurred after the provision was formed, such as an improvement in the creditworthiness of the creditor, then the provision is reduced by recording the difference in the income statement.

The Company proceeds with the write-off of advances to customers when it has no reasonable expectations for their recovery. The write-off is made after all the necessary procedures have been completed and the amount of the write-off has been determined. Any future recoveries of amounts written off are recognized in the income statement.

"Definition of Default - DoD"

The Company applies the new regulatory requirements of the new Definition of Default (DoD) of the European Banking Authority (EBA/GL/2016/07). The requirements for the new DoD are set out in Article 178 of Regulation (EU) No 575/2013, as well as in the guidelines and regulatory technical standards issued by the European Banking Authority on the implementation of the DoD. Under the Company's Procedures, the definition of default for financial reporting purposes and the definition of Non-Defaulted Exposures used for regulatory reporting purposes are aligned. Therefore, when a financial asset is classified as NPE, it is classified in Stage 3 and considered credit impaired. The terms NPE, Defaulted and Impaired are equated.

6.3.7. Financial liabilities

Financial liabilities are initially recognized at fair value, including issue costs. Subsequently, Loans are measured at amortized cost using the effective interest rate.

This category includes liabilities to credit institutions.

6.3.8. Provisions

The Company recognizes provisions at the end of the reporting period when it has a present legal or constructive obligation, even as a result of past events, from which it is probable that an outflow of resources will result that can be reliably estimated.

If any of the above conditions are not met, no provision is recognized.

The increase in the provision due to the passage of time is recognized as an expense in the income statement, while the amount of the provision established is reviewed at each financial statement date.

Contingent liabilities for which it is not probable that an outflow of resources will be required are disclosed unless they are not considered material.

6.3.9. Leases

Determination of a lease

When entering into a contract, the Company assesses whether the contract is or includes a lease. A contract is or includes a lease if the contract conveys the right to control the use of a particular asset for a period of time in return for consideration.

The Company enters into lease arrangements where the lessor transfers the right to use an asset for an agreed period of time, without transferring the risks and rewards of ownership of the asset, which are classified as operating leases.
The time period can be defined by the amount of the value in use of a particular asset. The Company reviews whether a contract is or includes a lease only if the terms and conditions of the contract change.

The Company as a lessee

The Company, in accordance with the provisions of IFRS 16, when entering into a contract, assesses whether the contract is or contains a lease based on whether it has the right to control the use of an identified asset for a period of time for a corresponding consideration and to obtain substantially all the economic benefits from the use of the asset.

In accordance with IFRS 16, the Company recognizes new assets (Right of Use - "RoU") and lease liabilities for all lease contracts that meet the definition of a lease.

At the commencement date of the lease, the Company recognizes a right of use asset (RoU), representing its right to use the underlying asset, and a lease liability representing its obligation to make payments under the lease agreement.

Payments made for operating leases (cleared from any incentives offered by the lessor) are proportionally recognized in the P&L statement during the lease period.

6.3.10. Offsetting

The offsetting of financial assets and liabilities and the presentation of the net amount in the balance sheet is permitted only if there is a legal right to offset the amounts recorded and there is an intention either to settle the net amount resulting from the offsetting or to settle the total amount of both the financial asset and the liability simultaneously. Offsetting of income and expenses is permitted if they form part of a total accounting entry.

6.3.11. Interest income and expenses

Interest income and expenses are recognized in the income statement on an accrual basis using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the entire reporting period. An effective interest rate is one that accurately discounts estimated future payments or receipts throughout the expected life of the financial instrument. The Company calculates interest income by applying the effective interest rate method to the pre-impaired carrying amount of financial assets (Stage 1 and 2 exposures) and the amortized cost of financial liabilities, respectively.

6.3.12. Income and Expenses from Commissions

Commissions are recognized in the income statement during the period in which the related services are provided. Income from commissions relates to services that provided at the time of entry of assigned invoices.

Commission expenses refers to fees of domestic factoring, fees for the deployment of Optima bank's client network and fees for the insurance on receivables.

6.3.13. Net results of financial operations

The net results of financial operations include gains and losses arising from the purchase and sale of assets and liabilities, as well as realized and unrealized changes in their fair value.

6.3.14. Income tax and deferred tax

The income tax charge for the year consists of income taxes and deferred taxes.

Income tax is recognized in the income statement, except for tax relating to transactions that have been charged directly to Equity, in which case it is charged directly, in a similar manner, to Equity. The estimate of the annual tax burden takes into account all the adjustments to be made to the accounting result in order to determine the final taxable income.

Current income tax includes short-term liabilities and / or liabilities to fiscal authorities related to payable taxes over the taxed income of the period, as well as any additional income taxes referring to previous financial years.

Current income taxes are measured in accordance with the tax rates and tax laws applicable to the financial years to which they relate, based on the taxable profit for the year.

Deferred taxes are taxes or tax credits relating to economic charges or benefits arising in the financial year but already charged or to be charged by the tax authorities in different years. Deferred tax is defined by the liability method resulting from the provisional differences between the book value and the tax base of assets and liabilities.

Deferred tax assets and liabilities are evaluated on the basis of the tax rates expected to apply on the period the receivable or liability shall be settled, after taking into consideration the tax rates (and tax laws) applied or substantially applying until the reporting date. In case of inability to clearly define the time for inverting temporary differences, the tax rate to be applied on the financial year after the date of the balance sheet shall be used.

Deferred tax assets are recognized at the extent where a future taxable profit will result from the temporary difference creating the deferred tax asset.

Most changes in deferred tax assets or liabilities are recognized as a part of tax expenses in the income statement.

According to tax law 4799/2021, article 120, the income tax rate for legal entities in Greece is set at 22% and the corresponding advance income tax for the year 2022 at 100%.

6.3.15. Share capital

The share capital of the Company as at 31.12.2023 amounted to EUR 10,870,300, divided into 3,710,000 ordinary shares with voting right, of a nominal value of EUR 2,93 per share, thus remaining unchanged compared to 2022.

The Company does not own treasury shares.

6.3.16. Related party transactions

The related parties of the Company consist of a) parent company "Optima bank SA", b) the companies controlled by the parent company and being under common control, c) the members of the Board of Directors of the Company, and d) the first-degree relatives of the members of the Board of Directors.

6.4. New accounting principles

<u>New standards, interpretations, revisions and amendments to existing Standards that have entered into force and have been adopted by the EU</u>

The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory from 01/01/2023 or later.

IFRS 17 "Insurance Contracts" (this applies to annual periods starting on or after 01/01/2023)

In May 2017, the IASB issued a new Standard, IFRS 17, replacing an interim Standard, IFRS 4. The purpose of the IASB was to develop a single, principle-based standard for accounting for all types of insurance contracts, including the reinsurance contracts held by an insurer. A single principle-based standard will enhance the comparability of the financial reports between economic entities, jurisdictions and capital markets. IFRS 17 specifies the requirements that an entity should apply to financial reporting related to insurance contracts issued and reinsurance contracts held. In addition, in June 2020, the IASB issued amendments, but these do not affect the fundamental principles introduced when IFRS 17 was originally issued. The amendments are designed to reduce costs by simplifying certain requirements of the Standard, to result in more easily explained financial performance, and to ease the transition by deferring the effective date of the Standard to 2023, while providing additional assistance to reduce the effort required during the first implementation of the Standard. The Company will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. The above has been adopted by the European Union with an effective date of 01/01/2023.

Amendments to IAS 1 "Presentation of Financial Statements" (effective for annual periods beginning on or after 01/01/2023).

In February 2021, the IASB issued limited purpose amendments relating to disclosures of accounting policies. The purpose of the amendments is to improve disclosures of accounting policies to provide more useful information to investors and other users of the financial statements. In particular, the amendments require disclosure of significant information about accounting policies, rather than disclosure of significant accounting policies. The Company will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. These have been adopted by the European Union and entered into force on 01/01/2023.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (effective for annual periods beginning on or after 01/01/2023).

In February 2021, the IASB issued limited purpose amendments that clarify the difference between a change in accounting estimate and a change in accounting policy. This distinction is important because a change in accounting estimate is applied without retrospective effect and only to future transactions and other future events, unlike a change in accounting policy that is retrospective and applies to past transactions and other past events. The Company will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. These have been adopted by the European Union and entered into force on 01/01/2023.

Amendments to IAS 12 "Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction" (effective for annual periods beginning on or after 01/01/2023).

In May 2021, the IASB issued targeted amendments to IAS 12 to specify how entities should treat deferred tax arising from transactions such as leases and release obligations - transactions for which entities recognize both a receivable and a liability. In certain circumstances, entities are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that this exemption does not apply and entities are required to recognize deferred tax on these transactions. The Company will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. These have been adopted by the European Union and entered into force on 01/01/2023.

Amendments to IFRS 17 "Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 - Comparative Period Information" (effective for annual periods beginning on or after 01/01/2023).

In December 2021, the IASB issued a limited-purpose amendment to the transition requirements in IFRS 17 to address an important issue related to temporary accounting mismatches between insurance contract liabilities and financial assets in comparative reporting in the context of the first application of IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments”. The amendment is intended to improve the usefulness of the financial information presented in the comparative period for users of the financial statements. The Company will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. These have been adopted by the European Union and entered into force on 01/01/2023.

New Standards, Interpretations, Revisions and Amendments to existing Standards that have not yet entered into force or been adopted by the European Union

The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB) but are either not yet effective or have not yet been adopted by the European Union.
The following amendments are not expected to have a significant impact on the financial statements of the Company, unless stated otherwise.

Amendments to IAS 12 "Income Taxes": International Tax Reform - Pillar II Model Rules (effective immediately and for annual periods starting from 01/01/2023).

In May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 "Income Taxes" related to the Pillar Two Rules of the International Tax Reform. The amendments introduced: (a) a temporary exemption from the recognition requirements for accounting for deferred taxes arising from the implementation of international tax reform (Pillar II); and (b) additional disclosures for affected entities. Entities may apply the temporary exemption immediately, but disclosures are required for the annual period beginning on or after 1 January 2023. The above have not been adopted by the European Union.

Amendments to IAS 1 "Classification of Liabilities as Current or Long-Term" (effective for annual periods beginning on or after 01/01/2024)

In January 2020, the IASB issued amendments to IAS 1 that affect the presentation requirements for liabilities. In particular, the amendments clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) clarification that an entity's right to defer settlement should exist at the reporting date; (b) clarification that the classification of the liability is not affected by management's intentions or expectations regarding the exercise of the right to defer settlement, (c) explain how borrowing conditions affect the classification; and (d) clarify the requirements for classifying liabilities of an entity that is to be or may be settled by issuing its own equity instruments. In addition, in July 2020, the IASB issued an amendment to defer by one year the effective date of the originally issued amendment to IAS 1 as a result of the spread of the Covid-19 pandemic. However, in October 2022, the IASB issued an additional amendment that aims to improve the information that companies provide on long-term debt obligations. IAS 1 requires an entity to classify a loan as non-current only if the entity can avoid settlement of the loan within 12 months after the reporting date. However, a company's ability to do so often depends on compliance with its commitments. The amendments to IAS 1 specify that the commitments that must be met after the reporting date do not affect the classification of the loan as current or non-current at the reporting date. Instead, the amendments to the standard require an entity to disclose information about those commitments in the notes to the financial statements. The amendments apply to annual periods starting on or after January 1, 2024, but early adoption is allowed. The above have not been adopted by the European Union.

Amendments to IFRS 16 "Leases": Lease Obligation in a Sale and Leaseback" (effective for annual periods beginning on or after 01/01/2024).

In September 2022, the IASB issued limited-purpose amendments to IFRS 16 “Leases” that add requirements on how an entity accounts for a sale and leaseback after the transaction date. A sale and leaseback is a transaction in which a company sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements on the accounting treatment of a sale and leaseback at the date of the transaction. However, the Standard did not specify how to measure the transaction after that date. The amendments issued add to the requirements of IFRS 16 on sale and leaseback, thereby supporting the consistent application of the accounting standard. These amendments will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The above have not been adopted by the European Union.

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier Financing Arrangements (applicable for annual periods beginning on or after 01/01/2024.

In May 2023, the International Accounting Standards Board (IASB) issued amendments ("Supplier Finance Arrangements"), which amended IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". IASB issued Supplier Financing Arrangements requiring an entity to provide additional disclosures about supplier financing arrangements.
The amendments require additional disclosures that supplement the existing disclosures in those two standards. Those disclosures are intended to help users of financial statements (a) assess how supplier financing arrangements affect an entity's liabilities and cash flows, and (b) understand the effect of supplier

financing arrangements on liquidity risks and how the entity might be affected if those financial instruments are no longer available. The amendments to IAS 7 and IFRS 7 are effective for accounting periods beginning on or after 1 January 2024. The above have not been adopted by the European Union.

7. Estimates and assumptions

The preparation of financial statements in conformity with IFRS requires estimations and assumptions from Management that may affect the amounts of assets and liabilities and the amounts of income and expenses. Actual results may differ from estimates.

The estimates and related assumptions are based on past experience, available information and market conditions and are considered reasonable under current circumstances. These results form the basis for making decisions about the carrying amounts of assets and liabilities that are not derived from other sources.

The estimates and related assumptions are continually reviewed. Discrepancies with accounting estimates affect only the year in which the revision was made or the use of the revision and future years if the revision relates to the current and future years.

The areas where estimates and assumptions have a significant impact on the financial statements are presented below:

a) Impairment of financial assets

The Company continually reviews all factoring receivables to assess whether there is a significant increase in credit risk. This decision requires the exercise of significant judgment in which the Company assesses, along with other factors, whether the fair value of a receivable is less than cost, which may provide objective evidence of impairment.

b) Credit Risk Provisions

The Company continuously reviews all factoring receivables to assess whether there is a significant increase in credit risk and applies the relevant policies and methodologies established by the parent bank. The Company recognizes expected credit losses (ECL) reflecting changes in credit risk since initial recognition for factoring receivables.

The Company assesses at each reporting date whether there is objective evidence of impairment on a credit exposure.

c) Defined benefit plan

The present value of the defined benefit obligation for defined benefit plans for employees is determined on the basis of an actuarial valuation using specific assumptions. Under the Company's accounting policy, any changes in assumptions affect the amount of the unrecognized actuarial gain or loss. Actuarial gains/losses are recognized directly in the Company's Equity in the period in which they occur.

The defined benefit liability is calculated annually by independent actuaries using the projected unit credit method.

The significant actuarial assumptions used in calculating the liability are the discount rate, future earnings growth and the return on any plan assets. The discount rate is defined as the rate that will be used to determine the present value of the future cash flows expected to be required to settle the liabilities of the pension plans.

The pension benefit obligation is partially based on current market conditions. The assumption regarding wage growth is that it will move in line with the rate of inflation.

e) *Taxation*

The Company is subject to income tax in the countries in which it operates. Significant estimates are required to determine the total provision for corporate tax as presented in the balance sheet. For certain transactions and calculations, the determination of the final tax is uncertain. The Company recognizes liabilities for anticipated tax matters based on estimates of whether additional taxes will be incurred. Where the ultimate tax effect of these losses differs from the amount initially recognized, the differences affect the determination for income tax and deferred tax in the period in which the determination is made.

8. Notes on the Financial Statements

8.1 Net interest income

Net interest income is analyzed as follows:

Amounts in euro	2023	2022
Interest on factoring portfolio	6,459,008	1,926,886
Other interest - income	5,346	126
Interest and similar income	**6,464,354**	**1,927,013**
Interest from credit institutions	(4,415,194)	(928,713)
Interest and similar charges	**(4,415,194)**	**(928,713)**
Net interest income	**2,049,160**	**998,300**

8.2 Net commission income

Net commission income is derived purely from the provision of factoring services.

Amounts in euro	2023	2022
Factoring commissions	2,305,063	1,219,041
Commission income	**2,305,063**	**1,219,041**
Factoring commissions	(38,479)	(34,779)
Bank commissions & bank charges	(83,073)	(38,336)
Commission expenses	**(121,552)**	**(73,115)**
Net commission income	**2,183,511**	**1,145,926**

8.3 Other income

Amounts in euro	2023	2022
Exchange rate differences	(5,630)	5,494
Other income	28,459	3,462
Total	**22,829**	**8,956**

8.4 Personnel fees and expenses

The number of employees as at 31 December 2023 was 14 (31 December 2022: 12).

Amounts in euro	2023	2022
Wages and salaries	469,742	372,257
Social Security Contributions	103,344	79,540
Defined benefit plans costs	13,737	105,760
Other staff costs	26,013	15,781
Total	**612,836**	**573,338**

8.5 General operating expenses

General operating expenses are analyzed as follows:

Amounts in euro	2023	2022
Lawyers, consultants, auditors, etc.	113,246	109,201
IT costs	87,703	47,136
Subscription costs	32,750	26,903
Promotion and advertising costs, sponsorships, etc.	2,000	150
Taxes and duties	2,164	2,331
Office supplies	3,459	3,531
Other operating expenses	209,902	170,831
Total	**451,223**	**360,084**

8.6 Provisions for credit risks

Amounts in euro	2023	2022
Provisions for credit risks	265,571	89,616
Total	**265,571**	**89,616**

8.7 (Other provisions) / Reversal of provisions

Amounts in euro	2023	2022
Reversal of provision / (provision) for impairment due to legal cases	28,935	0
Balance on December 31	**28,935**	**0**

8.8 Income tax

The Company's income tax for the financial year 2023 amounted to 22% and is analyzed as follows:

Amounts in euro	2023	2022
Income tax	571,483	247,434
Deferred tax	64,334	(58,938)
Total	**635,817**	**188,496**

The tax results communicated to the tax authorities with the tax returns are considered provisional and may be revised until such time as the books and records are examined by the tax authorities and the tax returns are deemed final. Therefore, companies for which a tax certificate is issued are not exempt from regular tax audits. The Company's assessment of the results of future audits by the tax authorities, if any, is that they will not have a significant impact on its financial position.

The Company has been audited for tax purposes for the FY 2017 - 2022 and has obtained the annual tax certificate required by the provisions of article 65 A of Law 4174/2013.

For the FY 2023 the Company has been subject to the tax audit by the Certified Auditors provided for by the provisions of article 37 of Law 4646/2019. This audit is in progress and the relevant tax certificate is expected to be issued after the publication of the financial statements for 2023. We expect that no additional tax liabilities will arise until the completion of the tax audit that will have a material impact on the financial statements.

8.9 Cash and cash equivalents

Amounts in euro	2023	2022
Sight deposits	4,516,577	2,818,487
Term Deposits	0	65,629
Cash on hand	300	802
Total	**4,516,877**	**2,884,917**

8.10 Loans and advances to customers

Loans and Advances to customers relate to receivables arising from the Company's operating activities.

Amounts in euro	2023	2022
Factoring with recourse	91,612,677	26,007,068
Factoring without recourse	18,937,424	22,025,526
International factoring	8,285,376	7,916,264
Total	**118,835,476**	**55,948,858**
Less: Impairment allowance on customer receivables	(588,182)	(322,611)
Total	**118,247,294**	**55,626,247**

The movement in the expected credit loss account for loans is as follows:

	31.12.2023	**31.12.2022**
Opening balance	322,611	232,995
Expense	265,571	89,616
Balance at the end of period	**588,182**	**322,611**

8.11 Tangible and intangible fixed assets

Changes in property, plant and equipment are analyzed as follows:

Amounts in euro	Buildings, building facilities	Other equipment	Total
COST			
Balance at 1/1/2022	**94,635**	**39,858**	**134,493**
Additions	0	1,169	1,169
Disposals	0	0	0
Balance at 31/12/2022	**94,635**	**41,027**	**135,662**
Additions	0	4,307	4,307
Disposals	0	0	0
Balance at 31/12/2023	**94,635**	**45,334**	**139,969**
ACCUMULATED DEPRECIATION			
Balance at 1/1/2022	**600**	**8,388**	**8,988**
Depreciation for the year	880	4,871	5,751
Disposals	0	0	0
Balance at 31/12/2022	**1,480**	**13,259**	**14,739**
Depreciation for the year	880	5,956	6,836
Disposals	0	0	0
Balance at 31/12/2023	**2,361**	**19,215**	**21,576**
NET BOOK VALUE			
Balance at 31/12/2022	**93,155**	**27,768**	**120,922**
Balance at 31/12/2023	**92,274**	**26,119**	**118,393**

All intangible assets relate to software programs and are analyzed as follows:

Amounts in euro	Software
COST	
Balance at 1/1/2022	**58,080**
Additions	13,692
Balance at 31/12/2022	**71,772**
Additions	67,644
Balance at 31/12/2023	**139,416**
ACCUMULATED DEPRECIATION	
Balance at 1/1/2022	**31,783**
Depreciation for the year	7,136
Balance at 31/12/2022	**38,919**
Depreciation for the year	16,198
Balance at 31/12/2023	**55,118**
NET BOOK VALUE	
Balance at 31/12/2022	**32,853**
Balance at 31/12/2023	**84,298**

Right of use assets are analyzed below:

Amounts in euro	Real property	Vehicles
COST		
Balance at 1/1/2022	**118,274**	**0**
Additions	22,300	0
Balance at 31/12/2022	**140,574**	**0**
Additions	0	14,225
Reassessment of liability	(8,191)	0
Balance at 31/12/2023	**132,383**	**14,225**
ACCUMULATED DEPRECIATION		
Balance at 1/1/2022	**11,827**	**0**
Depreciation for the year	16,889	0
Balance at 31/12/2022	**28,716**	**0**
Depreciation for the year	12,440	2,458
Balance at 31/12/2023	**41,156**	**2,458**
NET BOOK VALUE		
Balance on 31/12/2022	**111,858**	**0**
Balance at 31/12/2023	**91,227**	**11,767**

Finance lease liabilities are analyzed as follows:

Amounts in euro	2023	2022
Balance on January 1	108,057	(14,465)
Increases in liabilities from new leases	14,225	140,574
Decrease in liability due to repayment/resolution of lease payments	(31,339)	(18,051)
Total	90,944	108,057

8.12 Other assets

Other assets are analyzed as follows:

Amounts in euro	2023	2022
Prepaid expenses	101,439	61,696
Other	978	107
Total	**102,417**	**61,803**

8.13 Deferred tax asset

The movement in deferred tax is as follows:

Amounts in euro	Balance on 1.1.2023	Credit / (Debit) in the income statement	Credit / (debit) to other comprehensive income	Credit / (debit) to equity	Balance at 31/12/2023
Own fixed and intangible assets	-	-	-	-	0
Provisions for loans and advances to customers	32,469	(64,695)	-	-	(32,226)
Other provisions	-	-	-	-	0
Liabilities for staff retirement benefits	1,746	360	-	103	2,209
Total	**34,215**	**(64,335)**	**0**	**103**	**(30,017)**
Employee Benefits Reserve (in Equity)	**Balance on 1.1.2023**	**Credit / (Debit) in income statement**	**Credit / (debit) to other comprehensive income**	**Credit / (debit) to equity**	**Balance at 31/12/2023**
Employee Benefits Reserve (IAS 19) (loss)/profit	(1,568)	-	(469)	-	(2,037)
Deferred tax for employee benefits	345	-	103	-	448
Total	**(1,223)**		**(366)**		**(1,589)**

8.14 Short-term liabilities to credit institutions

Amounts in euro	2023	2022
Short-term liabilities to parent company	540,000	23,937,996
Total	**540,000**	**23,937,996**

8.15 Liabilities from the issuance of bond loans

Amounts in euro	2023	2022
Liabilities from the issuance of bond loans	105,342,302	20,062,619
Total	**105,342,302**	**20,062,619**

The analysis of bond loans is as follows:

A) An amount of €102,300,000 relates to a bond loan consisting of 120 million bonds of €1.00 each maturing on 03/11/2026. The interest rate is calculated on the basis of the quarterly Euribor plus a margin. Interest payments are made on a quarterly basis.
B) An amount of €2,000,000 relates to a bond loan consisting of 5 million bonds of €1.00 each maturing on 29/07/2025. The interest rate is calculated on the basis of the quarterly Euribor plus a margin. Interest payments are made on a quarterly basis.
These loans are accounted for at amortized cost and the entire principal is payable on maturity.

8.16 Liabilities to customers

Amounts in euro	2023	2022
Liabilities arising from the purchase of domestic factoring receivables	1,454,891	839,099
Liabilities arising from the purchase of export factoring receivables	3,377	18,973
Total	**1,458,268**	**858,072**

Liabilities to customers are contractual obligations of the Company relating to collected amounts which have not been reimbursed to the customers as of the balance sheet date according to the factoring products that the Company provides.

8.17 Employee defined benefits obligation

The employees defined benefits obligation as at 31 December 2023 amounts to € 10,041 (31.12.2022: € 7,935). Under the provisions of labor law, employees are entitled to compensation in the event of dismissal or retirement. Employees who resign or are dismissed with cause are not entitled to compensation. The payable indemnity in the event of retirement is equal to 40% of the indemnity that would be payable in the event of unjustified dismissal. These termination benefits fall under the defined benefit plan in accordance with IAS 19

"Employee benefits". The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The Company accounts the results for accrued benefits in each financial year with a corresponding increase in the related actuarial liability. Benefit payments made each period are charged against this liability. The table below shows the amounts of the provision for employee retirement benefits recorded in the Company's Statement of Financial Position:

Amounts in euro	31.12.2023	31.12.2022
Opening balance	**7,935**	**22,742**
Expenditure included in the income statement	13,737	105,761
Contributions paid by the employer	(12,100)	(121,000)
Actuarial (gains)/ loss included in other comprehensive income	469	432
Net liability to be recorded in the balance sheet at the end of the period	**10,041**	**7,935**

The amounts recorded in the income statement are as follows:

Amounts in euro	2023	2022
Cost of current employment	4,166	2,224
Interest cost	143	136
Cost of settlements	9,428	103,400
Employee benefits costs in the Income Statement	**13,737**	**105,761**

Amounts in euro	2023	2022
Amounts recorded in OCI	**469**	**432**
Actuarial gains /(loss) in the liability:		
- due to financial assumptions	(650)	(190)
- due to demographic assumptions	0	0
- due to experience	1,120	623

Amounts in euro	31.12.2023	31.12.2022
Cumulative actuarial (gains)/losses recognized in OCI		
Balance at the beginning of the financial year	**1,568**	**1,136**
Actuarial period gain /(loss)	469	432
Net liability at the end of the period	**2,037**	**1,568**

The main actuarial assumptions used are as follows:

	2023	2022
Discount rate	3.45%	1.80%
Future salary growth	2.10%	1.00%
Inflation rate	2.10%	2.20%

8.18 Other provisions

Amounts in euro	2023	2022
Provisions for legal cases	0	48,343
Total	**0**	**48,343**

8.19 Other liabilities

Other liabilities are analyzed below:

Amounts in euro	2023	2022
Liabilities from taxes and fees	558,318	193,067
Social security obligations	27,392	19,409
Suppliers and other creditors	93,353	119,695
Various creditors	51,887	1,133,031
Total	**730,950**	**1,465,202**

8.20 Income tax liabilities

Amounts in euro	2023	2022
Current income tax	621,577	267,497
Income tax advance payment	(184,261)	(134,653)
Income tax liabilities	**437,316**	**132,844**

8.21 Share Capital

Amounts in euro	2023	2022
Number of common shares	3,710,000	3,710,000
Nominal value	2.93	2.93
Paid-up share capital	**10,870,300**	**10,870,300**

8.22 Reserves

Amounts in euro	2023	2022
Statutory reserve	768,354	654,301
Special reserves for the conversion of Share Capital into Euro	9,406	9,406
Total	**777,760**	**663,707**

According to the Greek commercial legislation (Law 4548/2018), the Company is obliged to retain a minimum of 5% of its net accounting profits annually as a statutory reserve. The withholding ceases to be mandatory when the total of the statutory reserve exceeds one third of the paid-up share capital. This reserve is taxable and cannot be distributed throughout the life of the Company and is intended to cover any debit balance in the retained earnings account.

9 Transactions with related parties

Group Optima Bank	31.12.2023	31.12.2022
Amounts in euro		
Assets		
Receivables from Optima Bank SA	3,827,475	1,387,374
Total Assets	**3,827,475**	**1,387,374**
Liabilities		
Loan liabilities to Optima Bank SA	103,858,749	38,964,189
Other liabilities to Optima Bank SA	2,480	11,041
Total Liabilities	**103,861,229**	**38,975,230**
	2023	**2022**
Income		
Interest and similar income from Optima Bank SA	5,138	56
Total	**5,138**	**56**
Expenses		
Interest expense and similar charges for Optima Bank SA	4,159,394	838,386
Commission expenses for Optima Bank SA	76,445	30,350
Other expenses for Optima Bank SA	102,147	62,956
Total	**4,337,986**	**931,692**

10 Remuneration of Directors and members of the Board of Directors

Amounts in euro	2023	2022
Wages, salaries, contributions and other charges	109,932	239,703
Remuneration & Other Benefits	5,707	0
Total	**115,638**	**239,703**

11 Management of financial risks

Like any other financial institution, the Company is exposed to risks such as credit risk, liquidity risk and operational risk. These are continuously monitored in various ways by the Company's Management, based on the support of specific departments of the parent bank, Optima bank, in order to avoid the accumulation of excessive risks. The nature of these risks and the ways to manage them are explained below. In addition, financial information is provided to describe the extent and nature of the financial risks faced by the Company with comparative information for the previous financial year.

11.1 Credit risk

Credit risk refers to cases where counterparties fail to meet their contractual financial obligations, resulting in the loss of capital and profit. Counterparties may be buyers, i.e. debtors from commercial transactions, or suppliers, i.e. customers - debtors due to the collection of an advance on assigned receivables. The assumption of credit risk is based on recognized factoring practices and criteria in order to ensure the transparency of transactions and the identification of risk.

Credit Risk Management

The Company's Management attaches particular importance to the appropriate management of credit risk, as this risk is related to its core business. In particular, it formulates acceptable credit risk levels based on the financial analysis of the supplier and buyer group, its business sector, its market position and its risk diversification.

The approval process shall consider the overall credit risk for each counterparty, or group of counterparties, that are related to each other. In addition, the commercial relations and transactions of suppliers and buyers as well as the market in which they operate with its specific characteristics are analyzed in detail.

The Company also monitors the impact of credit risk on the Company's portfolio and capital through annual contingency plans.

Customer Credit Rating System

The company uses for the credit assessment of its clients the ICAP scoring system (Icap Scoring and IRP which includes qualitative data), data from TIRESIAS, and analysis of the financial data of both the customer/supplier and its customers/buyers. For suppliers, the financial data must derive from the last quarter, while for buyers, depending on the amount of the threshold, the published data are different. It also analyzes the history of the transactional and repayment behavior of suppliers and buyers as reflected in the supplier's accounting records (trade receivables and trade payables accounts), the product life cycle phase and the identification of the capabilities and effectiveness of the management team and the distribution channels used.

The monitoring of the creditworthiness of counterparties and credit exposures in conjunction with the respective approved limits is carried out on a systematic basis, in the context of effective credit risk management.

Factoring services

In addition, the type of factoring chosen by the supplier plays an important role in determining the limits and charges. Trade receivables factoring includes transactions that are distinguished in terms of credit risk into:

Factoring with recourse:
In recourse factoring, the Company has the right to return the uncollected invoices to the supplier against payment of the discounted amount. Therefore, the risk of non-payment of the invoice is also borne by the supplier in addition to the buyer who is the first payer. With the right of recourse, the Company limits the risk it assumes towards the debtor.

Factoring without recourse:
The Company does not have the right to return the unpaid invoices to the supplier, therefore the Company assumes all the risk of collecting the assigned invoices. So, the assumption of the credit risk is for the Debtor-acquirer of the goods/services. The credit limit refers to the maximum discount limit and is a function of all

the Debtor limits approved by the insurance company, the existence of which is a prerequisite for the approval of the cooperation with the Supplier.

Exceptionally, and only for selected Debtors, insurance coverage may be waived if the credit risk is deemed acceptable by the competent approval level (mainly for the Optima Bank creditors and/or other companies with high creditworthiness).

Export Factoring Without Recourse

It is the most common export factoring product. The assumption of credit risk concerns the Debtors. The credit limit refers to the discount ceiling. A required criterion for setting Debtor limits is approval of a credit limit by the Correspondent Factor or an insurance coverage limit by a domestic insurance company.

Limitation of Credit Risk

As a hedge against the credit risk that may arise from the potential inability of both the customer and the debtor to meet their obligations, the Company:

- Takes collateral. Collateral means all types of trade receivables assigned to the Company under the trade receivables agency agreements.
- Uses credit insurance policies. Credit insurance can be provided either directly by the Company or through the assignment of insurance policies by customers.

11.1.1 Maximum exposure to credit risk before collateral and other credit protection instruments granted

The table below shows the maximum exposure to credit risk arising from the financial instruments presented in the statement of financial position, taking into account the accumulated provisions for credit risk, before taking into account any collateral or other credit protection measures.

For financial assets presented in the balance sheet, the exposure to credit risk is equal to their carrying amount.

Amounts in euro	Maximum exposure	
	2023	2022
Exposure to credit risk from balance sheet items:		
Loans and advances to customers	118,835,476	55,948,858
Provisions	(588,183)	(322,611)
Loans and advances to customers after provisions	118,247,294	55,626,247
Deposits in Credit Institutions	4,516,576	2,884,116
Total	**122,763,870**	**58,510,363**

11.1.2 Breakdown of receivables from customers by stage in accordance with IFRS 9

The table below shows the quality of the factoring portfolio, after assessing the change in credit quality since their initial recognition.

Amounts in euro	2023 Factoring Portfolio With Recourse	2023 Factoring portfolio Without recourse	2022 Factoring Portfolio With Recourse	2022 Factoring portfolio Without recourse
Loans and advances to customers - Stage 1	96,292,258	22,543,218	27,131,131	28,817,727
Loans and advances to customers - Stage 2	0	0	0	0
Loans and advances to customers - Stage 3	0	0	0	0
Totals before provisions	**96,292,258**	**22,543,218**	**27,131,131**	**28,817,727**
Stage 1 Provision	(270,317)	(317,865)	(264,242)	(58,369)
Totals after provisions	**96,021,941**	**22,225,353**	**26,866,889**	**28,759,358**

Amounts in euro - 2023	Stage 1	Stage 2	Stage 3	Total
Loans & advances to customers				
Large corporates	42,234,496	0	0	42,234,496
Small and medium businesses	76,600,981	0	0	76,600,981
Total	**118,835,476**	**0**	**0**	**118,835,476**
Provisions for 31-12-2023				
Large corporates	(464,444)	0	0	(464,444)
Small and medium businesses	(123,739)	0	0	(123,739)
Total	**(588,183)**	**0**	**0**	**(588,183)**
Loans & advances to customers (net of provisions)				
Large corporates	41,770,052	0	0	41,770,052
Small and medium businesses	76,477,242	0	0	76,477,242
Total	**118,247,294**	**0**	**0**	**118,247,294**

11.1.3 Concentration of credit risk by geographical area

The table below shows the carrying value (net of provisions) of the Company's financial assets subject to credit risk by geographical area. For the purposes of this table, the allocation of the exposure of financial assets to geographical regions has been made on the basis of the counterparties' country of credit risk assumption.

Amounts in euros

2023	Greece	Other countries	Total
Loans and advances to customers - With recourse	92,399,657	3,892,601	**96,292,258**
Loans and advances to customers - Without recourse	20,217,020	2,326,198	**22,543,218**
Totals	**112,616,677**	**6,218,799**	**118,835,476**

The corresponding credit risk concentration figures by geographic region for the year 2022:

Amounts in euro

2022	Greece	Other countries	Total
Loans and advances to customers - With recourse	27,131,035	96	**27,131,131**
Loans and advances to customers - Without recourse	25,119,948	3,697,778	**28,817,726**
Totals	**52,250,983**	**3,697,874**	**55,948,857**

11.1.4 Factoring Portfolio Sector Analysis

The Company has sufficient diversification in terms of the industries in which its customers operate, and as a result, this weights the Company's credit risk in the event that one industry experiences problems.

11.2 Market risk

Market risk is defined as the existing or potential risk to the Company's results due to adverse changes in market prices, commodity prices and interest rates, as well as exchange rates.

The following risks are monitored as part of market risk management:

- Interest rate risk
- Currency risk

The Company's market risk is very limited, except for interest rate risk.

11.3 Interest rate risk

Interest rate risk is the risk of loss arising from changes in interest rate markets. Changes in interest rates affect the Company's earnings and the value of its assets and liabilities. The Company's policy is to establish fixed interest rate margins both with its customers and with its obligations from the lending bank in order to limit the related risk and manage it easily.

In the context of the asset-liability analysis, an interest rate gap analysis is carried out. Assets and liabilities are classified in gaps according to when their interest rate is reset relative to the date of the financial statements, for variable rate items, or when they mature, for fixed rate items.

The following table shows the Company's exposure to interest rate risk.

2023 period - Interest rate risk

Amounts in euro	< 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	Unaffected items	TOTAL
ASSETS						
Cash	-	-	-	-	300	**300**
Receivables from credit institutions	4,516,576	-	-	-	-	**4,516,576**
Receivables from customers	-	118,247,294	-	-	-	**118,247,294**
Intangible assets	84,298	-	-	-	-	**84,298**
Property, plant, and equipment	118,393	-	-	-	-	**118,393**
Other assets	-	-	-	-	205,411	**205,411**
TOTAL ASSETS	**4,719,268**	**118,247,294**	**0**	**0**	**205,711**	**123,172,273**
LIABILITIES						
Liabilities to credit institutions	-	540,000	-	-	-	**540,000**
Liabilities to customers	-	-	-	-	1,458,268	**1,458,268**
Bonds	2,023,553	103,318,749	-	-	-	**105,342,302**
Income tax liabilities	-	-	-	-	437,316	**437,316**
Deferred tax liabilities	-	-	-	30,017	-	**30,017**
Other liabilities	-	-	-	-	831,934	**831,934**
TOTAL LIABILITIES	**2,023,553**	**103,858,749**	**0**	**30,017**	**2,727,518**	**108,639,837**
INTEREST RATE RISK EXPOSURE	**2,695,715**	**14,388,545**	**0**	**(30,017)**	**(2,521,807)**	**14,532,436**
Share capital	10,870,300	-	-	-	-	**10,870,300**
Other Reserves and retained earnings	3,662,136	-	-	-	-	**3,662,136**
TOTAL NET POSITION	**14,532,436**	**0**	**0**	**0**	**0**	**14,532,436**

FY 2022 - Interest rate risk, as reclassified

Amounts in euro	< 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	Unaffected items	TOTAL
ASSETS						
Cash	-	-	-	-	802	**802**
Receivables from credit institutions	2,884,116	-	-	-	-	**2,884,116**
Receivables from customers	-	55,626,247	-	-	-	**55,626,247**
Intangible assets	32,853	-	-	-	-	**32,853**
Property, plant, and equipment	120,922	-	-	-	-	**120,922**
Other assets	-	-	-	-	207,874	**207,874**
TOTAL ASSETS	**3,037,891**	**55,626,247**	**0**	**0**	**208,676**	**58,872,814**
LIABILITIES						
Liabilities to credit institutions	-	23,937,996	-	-	-	**23,937,996**
Liabilities to customers	-	-	-	-	858,072	**858,072**
Bonds	5,036,425	15,026,194	-	-	-	**20,062,619**
Income tax liabilities	-	-	-	-	132,844	**132,844**
Other liabilities	-	-	-	-	1,629,537	**1,629,537**
TOTAL LIABILITIES	**5,036,425**	**38,964,190**	**0**	**0**	**2,620,453**	**46,621,068**
INTEREST RATE RISK EXPOSURE	**(1,998,534)**	**16,662,047**	**0**	**0**	**-2,411,777**	**12,251,746**
Share capital	10,870,300	-	-	-	-	**10,870,300**
Other Reserves and retained earnings	1,381,447	-	-	-	-	**1,381,447**
TOTAL NET POSITION	**12,251,747**	**0**	**0**	**0**	**0**	**12,251,747**

11.4 Currency risk

Currency risk is the risk that the value of financial instruments and assets and liabilities will fluctuate due to changes in exchange rates. The risk from foreign currency transactions arises from an open position, positive or negative, which exposes the Company to changes in currency exchange rates. This risk may arise if assets in one currency are held, financed by liabilities in another currency.

The Company's policy is to obtain the necessary liquidity by borrowing in a currency corresponding and equivalent to the respective currencies and amounts with which it finances its customers.

The following tables present the Company's exposure to foreign exchange risk. The tables present the Company's assets and liabilities at book value categorised by currency.

2023 period - Exchange rate risk

Amounts in euro

ASSETS	EUR	USD	RSD	Total
Cash	300	-	-	**300**
Receivables from credit institutions	4,502,047	14,291	238	**4,516,576**
Receivables from factoring customers	118,233,531	13,763	-	**118,247,294**
Intangible assets	84,298	-	-	**84,298**
Property, plant, and equipment	118,393	-	-	**118,393**
Other assets	102,417	-	-	**102,417**
Right of use assets	102,994	-	-	**102,994**
TOTAL ASSETS	**123,143,980**	**28,054**	**238**	**123,172,274**

LIABILITIES	EUR	USD	RSD	Total
Liabilities to customers	1,458,268	-	-	**1,458,268**
Lease liabilities	90,944	-	-	**90,944**
Liabilities to credit institutions	540,000	-	-	**540,000**
Bond loans	105,342,302	-	-	**105,342,302**
Staff retirement obligations	10,041	-	--	**10,041**
Deferred tax liabilities	30,017	-	-	**30,017**
Income tax liabilities	437,316	-	-	**437,316**
Other liabilities	730,950	-	-	**730,950**
TOTAL LIABILITIES	**108,639,837**	**0**	**0**	**108,639,837**
Total Exchange Position	**14,504,143**	**28,054**	**238**	**14,532,436**
Share capital	10,870,300	-	-	**10,870,300**
Other reserves and retained earnings	3,662,136	-	-	**3,662,136**
TOTAL NET POSITION	**14,532,436**	**0**	**0**	**14,532,436**

2022 period - Exchange rate risk

Amounts in euro

ASSETS	EUR	USD	RSD	Total
Cash	802	-	-	**802**
Receivables from credit institutions	2,630,068	253,810	238	**2,884,116**
Receivables from factoring customers	54,768,759	857,488	-	**55,626,247**
Intangible assets	32,853	-	-	**32,853**
Property, plant, and equipment	120,922	-	-	**120,922**
Other assets	61,803	-	-	**61,803**
Right of use assets	111,858	-	-	**111,858**
Deferred tax asset	34,214	-	-	**34,214**
TOTAL ASSETS	**57,761,279**	**1,111,297**	**238**	**58,872,814**
LIABILITIES	**EUR**	**USD**	**RSD**	**Total**
Liabilities to customers	717,438	140,634	-	**858,072**
Lease liabilities	108,057	-	-	**108,057**
Other provisions	56,278	-	-	**56,278**
Liabilities to credit institutions	23,937,996	-	-	**23,937,996**
Bond loans	19,125,810	936,809	-	**20,062,619**
Income tax liabilities	132,844	-	-	**132,844**
Other liabilities	1,465,202	-	-	**1,465,202**
TOTAL LIABILITIES	**45,543,625**	**1,077,443**	**0**	**46,621,068**
Total Exchange Position	**12,217,654**	**33,854**	**238**	**12,251,747**
Share capital	10,870,300	-	-	**10,870,300**
Other reserves and retained earnings	1,381,447	-	-	**1,381,447**
TOTAL NET POSITION	**12,251,747**	**0**	**0**	**12,251,747**

11.5 Liquidity risk

Liquidity risk arises when an organization, although solvent, does not have sufficient financial resources to meet its transactional obligations when they fall due.

The Company manages liquidity risk by ensuring that it maintains sufficient liquidity to meet its transactional obligations.

The table below presents the liquidity maturity analysis, calculating the cash flows arising from all assets and liabilities, classified into time periods according to when they are expected to be realized.

FY 2023 - Liquidity Risk

Amounts in euro	< 1 month	1-3 MONTHS	3-6 MONTHS	6-12 MONTHS	> 1 year	TOTAL
ASSETS						
Cash	300	-	-	-	-	**300**
Receivables from credit institutions	4,516,576	-	-	-	-	**4,516,576**
Receivables from customers	13,747,190	36,726,368	51,654,689	16,119,047	-	**118,247,294**
Intangible assets	-	-	-	84,298	-	**84,298**
Property, plant, and equipment	-	-	-	118,393	-	**118,393**
Other assets	1,297	88,924	3,863	8,333	102,994	**205,411**
TOTAL ASSETS	**18,265,364**	**36,815,292**	**51,658,552**	**16,330,072**	**102,994**	**123,172,273**
LIABILITIES						
Liabilities to credit institutions	-	540,000	-	-	-	**540,000**
Liabilities to customers	1,458,268	-	-	-	-	**1,458,268**
Bonds	23,553	1,018,749	-	-	104,300,000	**105,342,302**
Income tax liabilities	-	-	-	327,987	109,329	**437,316**
Deferred tax liabilities	-	-	-	-	30,017	**30,017**
Other liabilities	-	730,950	-	100,985	-	**831,934**
TOTAL LIABILITIES	**1,481,821**	**2,289,699**	**0**	**428,971**	**104,439,346**	**108,639,837**
NET LIQUIDITY	**16,783,543**	**34,525,593**	**51,658,552**	**15,901,100**	**(104,336,351)**	**14,532,437**

FY 2022 - Liquidity Risk

Amounts in euro	< 1 month	1-3 MONTHS	3-6 MONTHS	6-12 MONTHS	> 1 year	TOTAL
ASSETS						
Treasury	802	-	-	-	-	**802**
Receivables from credit institutions	2,884,116	-	-	-	-	**2,884,116**
Receivables from customers	10,266,581	17,493,861	16,682,911	11,182,894	-	**55,626,247**
Intangible assets	-	-	-	32,853	-	**32,853**
Property, plant, and equipment	-	-	-	120,922	-	**120,922**
Other assets	533	54,223	1,512	5,534	146,072	**207,875**
TOTAL ASSETS	**13,152,032**	**17,548,084**	**16,684,423**	**11,342,203**	**146,072**	**58,872,814**
LIABILITIES						
Liabilities to credit institutions	7,500,321	16,437,675	-	-	-	**23,937,996**
Liabilities to customers	858,072	-	-	-	-	**858,072**
Bonds	36,425	89,385	-	-	19,936,809	**20,062,619**
Income tax liabilities	-	-	-	99,633	33,211	**132,844**
Other liabilities	119,695	1,345,507	-	164,335	-	**1,629,537**
TOTAL LIABILITIES	**8,514,513**	**17,872,567**	**0**	**263,968**	**19,970,020**	**46,621,067**
NET LIQUIDITY	**4,637,519**	**(324,483)**	**16,684,423**	**11,078,235**	**(19,823,948)**	**12,251,747**

11.6 Operational Risk

Operational risk is the risk of damage or loss due to the inadequacy or failure of internal processes and systems, mismanagement by human resources, or purely external factors.

There are provisions for the identification, assessment, management, monitoring and reporting of operational risks, while due to the size of the Company and its special/exclusive purpose of operation, the complexity and range of risks is significantly mitigated.

As part of the implementation of the Group's single operational risk management framework, the Company is aligned with the implementation of proactive risk identification and assessment methods, by applying on an annual basis the operational risk self-assessment (RCSA) method. The relevant Units then take action to compensate for the possible negative effects.

Operational risk events, self-assessment results and other current operational risk issues are systematically monitored by the Risk Management Unit of parent company Optima bank, in application of the outsourcing agreement.

The security of the Company's information systems is covered by the Systems & Information Security Unit of parent bank Optima bank.

12 Capital adequacy

Optima Factors is subject to the supervision of the Bank of Greece, which sets and monitors the Company's capital adequacy requirements.

The supervisory framework concerning the business receivables agency companies is specified in the Acts of the Governor of the Bank of Greece dated 27.09.2021 as follows:

Decision no. 193/ 1: Terms and conditions for the authorization of the establishment and operation of companies in the following fields: (a) leasing, (b) credit and (c) factoring - Special holdings - Repeal of the Governor's Act no. 2622/21.12.2009 "Requirements for the granting of authorisation for the establishment and operation and supervision rules of a) leasing companies, b) credit companies and c) factoring companies" (B΄ 3/2010) and other Acts of the Governor of the Bank of Greece.

Decision no. 193/2: Prudential supervision rules for financial leasing companies, credit institutions, factoring companies, and microfinancing institutions under Law 4701/2020.

In particular, Decision No. 193/2 states that "The amount of the regulatory own funds of the institutions referred to herein may not be less than the minimum initial capital prescribed, as the case may be, throughout the duration of their operation".

The Company is in full compliance with the above decisions, and the amount of its regulatory own funds exceeds by far the amount of capital required under the above decisions.

The Company's supervisory equity is derived exclusively from Common Equity (Tier I). These mainly include share capital, reserves and retained earnings, while it has no Tier II Supplementary Capital.

In FY 2023, the Company's capital adequacy ratio of core and total equity was 14.85% compared to 33.91% in FY 2022.

13 Contingent liabilities

A) Information on contingent liabilities

<u>Legal cases</u>

There are no litigious or under arbitration disputes with judicial or arbitration bodies that could have a significant impact on the financial position or operation of the Company.

B) Unaudited tax years

For the financial years 2017 to 2022, the Company has received the annual certificate provided for by the provisions of article 65 A of Law 4174/2013.

For the financial year 2023 the Company has been subject to the tax audit by the Certified Auditors provided for by the provisions of article 37 of Law 4646/2019. This audit is in progress and the relevant tax certificate is expected to be issued after the publication of the financial statements for 2023. We expect that no additional tax liabilities will arise until the completion of the tax audit that will have a material impact on the financial statements.

14 Audit fees

The audit of the annual Financial Statements for the financial period from 1 January to 31 December 2023 has been entrusted to RSM Greece S.A. audit firm and the audit fee was determined on a freely negotiated basis in accordance with the market data.

15 Events after the balance sheet date

There are no additional events after the reporting date that should be disclosed in the Financial Statements.

Aigaleo, 25th July 2024

The Chairman of the Board of Directors	The Chief Executive Officer	The Head of Accounting
Taniskidis I. Georgios	Nakatsiadis N. Ioannis	Vardiampasis V. Michail
Identity card no. X 606444	Identity card no. AK 536257	Class A license no. 99010 For EMPHASIS General Partnership

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16. Independent Auditor's Report

To the Shareholders of the company «OPTIMA FACTORS SINGLE MEMBER SA»

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of the company « OPTIMA FACTORS SINGLE MEMBER SA » (the Company) which comprise the statement of financial position as of 31 December 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. During our audit, we remained independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. 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 comprises the information included in the Board of Directors' Management Report for which reference is made to the "Report on other Legal and Regulatory Requirements", to the Statements of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Other information (continued)

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

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern principle of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the financial statements

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

As part of an audit in accordance with ISAs as incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. Management Report of Board of Directors

Taking into consideration that the Management is responsible for the preparation of the Management Report of the Board of Directors in application with the clauses of paragraph 5 of article 2 of Law 4336/2015 (part B), we note the following:

a) In our opinion the Management Report of the Board of Directors has been compiled according to the effective legal requirements of article 150 of Law 4548/2018, whereas its contents correspond to the attached financial statements for the year ended 31 December 2023.

b) Based on the knowledge we acquired during our audit for the company « OPTIMA FACTORS SINGLE MEMBER SA » and its environment, we have not detected any material inconsistencies in the Management Report of its Board of Directors

Athens, 29 July 2024
The Certified Public Accountant

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For RSM GREECE S.A. (Reg. Num. SOEL 104)
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This is a true translation of the original auditors' report issued in the Greek language.