OPTIMA FACTORS SINGLE-MEMBER S.A.

Financial statements

31st December 2021

In accordance with International Financial Reporting Standards

The attached financial statements have been approved by the Board of Directors of Optima Factors Single-Member S.A. on 13th July 2022 and have been published at www.optimafactors.gr

Optima factors

Contents

Annual Management Report of the Board of Directors of the Company Optima Factors Single-Member S.A. on the Financial Statements for the year 2021

Dear Shareholders,

We set out the activity of the Company, during its twenty-third fiscal year, from 1 January to 31 December 2021, under the name Optima Factors Single-Member S.A.

Economic Environment for 2021

2021 confirmed the expectations for a "V"-type recovery of economic activity, since GDP, in terms of volume, according to the Hellenic Statistical Authority (ELSTAT), amounted to 181 billion euro against 167.1 billion euro, an increase of 8.3%. Exports of goods and services played an important role in the above, recording an increase of 21.9%. As a result, in the first months of 2022, our country's credit rating was upgraded by international rating agencies of recognized value. However, in the wider international environment, new conditions are emerging, mainly due to Russia's invasion in Ukraine, with inflation and the energy crisis as its main features.

Evolution of factoring business in the Global Market for 2021

The global factoring market grew significantly by 12.6% in 2021 (from €2,724 billion to €3,069 billion), according to data published by Factors Chain International (FCI).
Europe remains the largest and most mature market for factoring (68.4% of the total), which grew by 14.8% and recorded a total assigned factoring volume of €2.118 billion. France (+12.8%), Great Britain (+20.4%), Germany (+12.5%), Italy (+10%) and Spain (9.4%) remain the largest in Europe in terms of turnover. Countries that stood out for their impressive changes in size are: Poland (+25.6%), Romania (19.3%), Russia (62.4%), Bulgaria (54.5%) and the Czech Republic (32%), always according to FCI.

Evolution of factoring business in Greece for 2021

According to the Hellenic Factors Association the turnover of its members for 2021 (total factoring receivables) amounted to 17.7bn. Euro increased by 22.4% compared to 2020, which was a year of mild contraction due to the pandemic crisis. This is an all-time high for the industry, which comes from a successful management with particularly low default rates during the ten-year period of the financial crisis in Greece. It is noteworthy that the penetration of factoring in Greece's GDP amounted to 9.7%, rapidly approaching the corresponding European average of 11%.

Financial performance of the Company for 2021

The Company's total assigned factoring volume increased by 12.9% to € 142.5 million for 2021 compared to € 126.2 million for 2020. Receivables from factoring customers increased by 9.3% to € 24.6 million compared to € 22.6 million for the same period last year. Taking into consideration the above, the portfolio turnover was 5.8 times for 2021 compared to 5.5 times for 2020.

The Company's profitability before taxes for 2021 increased by 13% and amounted to € 895 thousand compared to € 791 thousand for 2020 with a corresponding impact on both the return on equity ratio which reached 7.9% from 7.3% for 2020 and the return on assets ratio which recorded a value of 2.3% compared to 2.2% for 2020.

The 7.3% increase in the company's commission income is noteworthy. In 2021 they amounted to €918k, which directly affected the increase of the Gross Profit Margin to 76.2% for 2021 compared to 71.4% for the same period last year.

The Company's capital adequacy was 50.97% for 2021 compared to 54.31% for 2020. 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 quick liquidity ratio was 1.7 for 2021 compared to 1.8 for 2020, highlighting the high level of liquidity and the rational use of the Company's assets. Subsequently, the working capital ratio recorded a value of 0.44 for 2021 from 0.47 for 2020.

Financial risks management

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

The Company's Management places significant 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.

Market risk
Market risk is defined as the probability of a loss in the portfolio due to an unfavourable movement in the market value of the said portfolio. The market risk for the Company is very limited.

Interest rate risk
Interest rate risk is the risk for the Company to financial instruments held and net interest income decrease in value due to adverse changes in market interest rates. Interest rate risk arises due to the delay in the repricing of interest rates or the maturity of assets and liabilities. The Company's policy is to establish fixed interest rate margins with both its customers and its obligations from the lending bank in order to manage interest rate risk, and the pricing base rate is primarily linked to the borrowing base rate.

Exchange rate 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. 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 either from the lack of sufficient cash to cover the Company's liabilities when they become due, or from the inability to secure the necessary cash at an acceptable cost. The Company manages risk by monitoring the progress of appropriate financial ratios, limits, contingency simulation exercises, contingency plans, controls, and clear reporting lines.

Operational Risk
Operational risk is the risk of losses due to the inadequacy or failure of internal processes, people and systems or to external events, including legal risk. 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.

Labour issues
The Company employed 8 people for 2021 as in the previous 3 years, having both the health of these people through remote work and the uninterrupted service of its customers as its main priority. Continuous training and excellent relations between employees and management have been and still are a basic principle of the company.

Environmental issues
The company, recognising 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.

The Company closely monitors the developments of both the domestic and global environment, among other things, through the election of the executive responsible for the development of its operations to the Board of Directors of the Hellenic Factors Association since December 2020.

Major events that have happened in 2022

- The Company, always in cooperation with the parent company, fully followed all restrictions and measures imposed due to Russia's invasion in Ukraine.
- On 1 February 2022, Mr. Ioannis Nakatsiadis took over as CEO.

Estimate for the course of Optima Factors activities in 2022.
According to the Hellenic Factors Association, in 2022, inflation and excess liquidity, two countervailing trends are expected to operate. The assessment of the Association's members is that the result of these trends will be further growth in factoring business for 2022, but at a single-digit rate.

The company's strategic objectives for 2022 include:

1. Synergies with all parent bank's finance departments.
2. Reduction of its financial costs.
3. Investing in human and technological resources.
4. Continuous upgrading of its processes/services in order to create economies of scale and provide specialized services of high added value.
5. Improving its efficiency.
6. Providing products/services to companies with a mainly export-oriented focus and selectively increasing synergies through hybrid products.
7. Investing in systems to monitor the risk taken.
8. Continuous training of its human resources.

Statements by members of the Board of Directors
The members of the Board of Directors declare that the accompanying financial statements for the period from 1 January 2021 to 31 December 2021, 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, 13 July 2022

The President of the Board of Directors	The CEO
George Ioann. Taniskidis	Ioannis N. Nakatsiadis

1. Statement of Comprehensive Income

	Note	2021	2020 Revised (note 6.1.2)
Interest and similar income	8.1	1,243,314	1,226,506
Interest and similar expenses	8.1	(470,764)	(550,984)
Net interest income		**772,549**	**675,522**
Revenue from fees and commissions	8.2	918,881	856,248
Expenses from fees and commissions	8.2	(43,369)	(42,781)
Net fee / commission income		**875,513**	**813,467**
Other income / (expenses)	8.3	(2,068)	(1,163)
Revenue from operating activities		**1,645,994**	**1,487,826**
Personnel fees and expenses	8.4	(438,783)	(443,927)
General operating expenses	8.5	(243,393)	(230,747)
Depreciation		(22,613)	(8,777)
Provisions for credit risks		(135,552)	(12,508)
(Other provisions) / Reversal of provisions		89,616	-
Profit before tax		**895,269**	**791,867**
Income tax	8.6	(257,619)	(191,671)
Profit after Tax		**637,649**	**600,196**
Amounts that may not be reclassified subsequently in profit or loss			
Actuarial gain/(loss) on defined benefit plans		(706)	(844)
Total comprehensive income after tax		**636,943**	**599,352**
Profit / (Loss) after tax per share		0.17	0.16

2. Statement of Financial Position

	Note	31/12/2021	31.12.2020 Revised (note 6.1.2)
Assets			
Cash and cash equivalents	8.7	1,013,738	1,003,269
Factoring receivables	8.8	24,669,473	22,688,784
Intangible assets	8.9	26,297	21,118
Property, plant and equipment	8.9	125,505	10,702
Right of use assets	8.10	106,447	-
Other assets	8.11	131,767	117,339
Deferred tax asset		-	3,724
Total Assets		**26,073,226**	**23,844,938**
Liabilities and Equity			
Short-term liabilities to credit institutions	8.12	14,011,143	12,236,943
Liabilities to customers	8.13	66,823	357,517
Lease liabilities	8.10	103,809	-
Other provisions	8.14	82,742	141,044
Other liabilities	8.15	443,678	396,397
Deferred tax liability		24,818	-
Total Liabilities		**14,733,014**	**13,131,901**
Share capital	8.16	10,870,300	10,870,300
Reserves	8.17	628,969	628,969
Retained earnings		(159,056)	(786,232)
Total Equity		**11,340,213**	**10,713,037**
Total Liabilities and Equity		**26,073,226**	**23,844,938**

3. Statement of Changes in Equity

	Share Capital	Statutory reserves	Other reserves	Retained earnings	Total
Balance on 31/12/2019	**10,870,300**	**619,562**	**9,406**	**(1,387,810)**	**10,111,458**
Change in accounting policy IAS 19	-	-	-	667	667
Balance on 31/12/2019	**10,870,300**	**619,562**	**9,406**	**(1,387,143)**	**10,112,125**
Balance on 01/01/2020	**10,870,300**	**619,562**	**9,406**	**(1,387,143)**	**10,112,125**
Profit for the year	-	-	-	599,352	599,352
Branch profit	-	-	-	1,559	1,559
Balance on 31/12/2020	**10,870,300**	**619,562**	**9,406**	**(786,232)**	**10,713,036**
Balance on 01/01/2021	**10,870,300**	**619,562**	**9,406**	**(786,232)**	**10,713,036**
Profit for the year	-	-	-	636,943	636,943
Branch loss	-	-	-	(9,767)	(9,767)
Balance on 31/12/2021	**10,870,300**	**619,562**	**9,406**	**(159,056)**	**11,340,212**

4. Statement of Cash Flows

	2021	2020 Revised (note 6.1.2)
Cash flow from operating activities		
Profit before tax	894,563	791,023
Adjustments to profit before tax		
Depreciation	22,613	8,777
Provisions for credit risks	135,552	12,508
Other provisions / Reversal of provisions	(89,616)	-
Other provisions for employee benefits	5,814	4,954
Loss/(Gain) on sale of assets	(523)	-
Branch loss	9,764	1,559
Foreign exchange debit differences	38	40
Foreign exchange credit differences	(26)	(44)
	978,180	**818,817**
Net (increase) decrease in assets related to operating activities		
Factoring receivables	(2,116,241)	(2,611,252)
Other assets	14,428	(29,981)
Net increase (decrease) in liabilities related to operating activities		
Amounts due to customers	(290,694)	196,343
Other liabilities	47,174	20,659
Net cash flow from Operating Activities before tax	**(2,345,333)**	**(2,424,232)**
Income taxes paid	248,242	192,362
Net cash flow from Operating Activities	**(1,615,396)**	**(1,797,777)**
Cash flow from investing activities		
Purchase of tangible fixed assets	(134,995)	(5,289)
Sale of tangible fixed assets	4,200	-
Net cash flow from investing activities	**(130,795)**	**(5,289)**
Cash flow from financing activities		
Issuance (repayment) of loans	1,774,200	2,062,349
Payments of lease liabilities	(17,540)	-
Net cash flow from financing activities	**1,756,660**	**2,062,349**
Net increase in cash flow	**10,469**	**259,283**
Cash and cash equivalents at beginning of period	**1,003,269**	**743,986**
Cash and cash equivalents at end of period	**1,013,738**	**1,003,269**

5. General Information

"Optima Factors Single-Member S.A." (the Company) is located in Aigaleo, at Eikostis Pemptis Martiou & 259 Iera Odos Str., and is registered in the General Commercial Register (G.E.MI.) - Athens Chamber of Commerce and Industry with number 3033901000 {former number of the Register of Societes Anonymes 41316/01AT/B/98/269 (07)}**.**

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 3601/2007 on financial institutions and the provisions of other relevant legislation.

The Company is 100% owned by Optima Bank S.A.

The number of the Company's employees as of 31 December 2021 was 8 persons, the same as in the previous fiscal year 2020.

The Company is active in Domestic and International Factoring, with and without recourse and its business is factoring contracts both in Greece and abroad.

Management

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

Georgios Taniskidis of Ioannis	President, Non-Executive Member
Nakatsiadis Ioannis of Nikiphoros	Chief Executive Officer - Executive Member
Dimitrios Kyparissis of Apostolos	Vice President, Non-Executive Member
Kyriakos Georgios of Konstantinos	Independent Non-Executive Member
Paris Oikonomou of Polykarpos	Non-Executive Member
Konstantinos Vatousis of Charalampos	Non-Executive Member

The Certified Public Accountant of the annual financial statements is:

Statutory Certified Public Accountant:	Ioannis Tentes (Reg. no. SOEL 17061)
Auditing Company:	RSM Greece S.A. - Certified Public Accountants and Business Consultants (Reg. no. 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 13 July 2022 and are subject to final approval by the Annual General Meeting of Shareholders.

6.1.1 Basis of presentation and measurement

The Company's financial statements have been prepared according to the "going concern" basis.

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

6.1.2. New accounting principles

6.1.2.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that have entered into force and have been adopted by the European Union

New standards, amendments to standards and interpretations have been issued and must be applied to annual fiscal periods starting from January 1, 2021 or later.

Unless otherwise stated, the amendments and interpretations effective for the first time in fiscal year 2021 have no impact on the Company's Financial Statements. The Company did not adopt early standards, interpretations or amendments issued by the IASB and adopted by the European Union that were not mandatory for the 2021 period.

Standards and Interpretations compulsory for 2021 fiscal year

IFRS 4 "Insurance Contracts" - (Amendment) deferral of IFRS 9 (issued on 25 June 2020)

This amendment postpones the effective date by two years, to annual reporting periods beginning on or after 1 January 2023, to allow time for the smooth adoption of the amended IFRS 17 by jurisdictions around the world. This will allow more insurance entities to apply the new Standard at the same time. In addition, IFRS 4 was amended to allow insurance entities to apply IFRS 9 Financial Instruments alongside IFRS 17. The amendments do not affect the Financial Statements.

IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 (Amendment) "Interest Rate Benchmark Reform" Phase 2

In August 2020, the International Accounting Standards Board (IASB) issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work on the implications of interbank interest rate adjustments in financial information. The amendments provide for temporary facilities that deal with the effects on financial reporting when an interbank lending rate is replaced by an almost zero-risk alternative interest rate. In particular, the amendments provide for a practical facility for accounting for changes in the basis of the determination of contractual cash flows of financial assets and liabilities, requiring the adjustment of the effective interest rate, as in the case of a change in the purchase rate. In addition, the amendments introduce facilities for the non-termination of the hedging relationships, including a temporary release from the requirement of distinct recognition of an almost zero-risk alternative interest rate, defined as the hedging of a risk item. The amendments also introduce in IFRS 7 “Financial Instruments: Disclosures” additional disclosures that allow users of financial statements to understand the implications of interbank lending rate reform on financial instruments and on the risk management strategy of the economic entity. The amendments do not affect the Financial Statements.

IFRS 16 Leases - Rent Discounts Related to Covid-19 (Amendments)

In March 2021, the IASB issued amendments regarding the practical application of IFRS 16, under which the application period is extended by one year to include Covid-19-related lease concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect the Financial Statements.

IAS 19 "Employee Benefits" - Transitional provisions implementing the final agenda decision under the heading "Allocation of benefits to periods of service"

Based on the aforementioned Decision, the way in which the basic principles of IAS 19 were applied in Greece in the past is different in this respect, and consequently, in accordance with what is set out in the "IASB Due Process Handbook (paragraph 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies accordingly in this respect.

Until the adoption of the agenda decision, the Company applied IAS 19 by allocating the benefits defined by article 8 of Law 3198/1955, Law 2112/1920, and its amendment by Law 4093/2012 to the period from the date of recruitment or until the date of retirement of the employees.

The application of this final Decision in the attached financial statements has resulted in the allocation of benefits in the last sixteen [16] years until the employees' retirement date following the scale of Law 4093/2012.
Based on the above, the application of the above final Decision has been treated as a change in accounting policy, applying the change retrospectively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8.

On the basis of the above, the above decision was applied as a change in accounting policy. The impact of the change is shown below:

Extract from the Statement of Financial Position 31.12.2019	Published on 31.12.2019	Revised in accordance with IAS 19	Revised on 31.12.2019
Retained earnings	(1,387,810)	667	(1,387,143)
Other provisions	136,757	(667)	136,090
Extract from Statement of Comprehensive Income 2020	**Published on 2020**	**Revised in accordance with IAS 19**	**Revised on 2020**
Personnel fees and expenses	443,308	619	443,927
Actuarial gain/(loss) on defined benefit plans	(2,407)	1,563	(844)
Income tax	(190,946)	(725)	(191,671)
Extract from the Statement of Financial Position 31.12.2020	**Published on 31.12.2020**	**Revised in accordance with IAS 19**	**Revised on 31.12.2020**
Retained earnings	(787,118)	1,669	(785,449)
Other provisions	142,655	(944)	141,711
Deferred tax asset	4,449	(725)	3,724

6.1.2.2 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 amendments are not expected to have a significant impact on the financial statements of the Company, unless stated otherwise.

Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and "Annual Improvements 2018 - 2020" (effective for annual periods beginning on or after 01/01/2022).

In May 2020, the IASB issued a series of amendments, including limited-purpose amendments to three standards, as well as the Board's Annual Improvements. Those amendments shall clarify the wording of the Standards or correct minor consequences, omissions or conflicts between the requirements of the Standards. In particular:

The amendments to IFRS 3 Business Combinations update a reference in IFRS 3 in the Conceptual Framework for Financial Reporting without changing the accounting requirements relating to business combinations.
The amendments to IAS 16 Property, Plant and Equipment prohibit an entity from deducting from the cost of property, plant and equipment amounts received from the sale of items produced in the course of preparing those assets to be ready for use. Instead, the company recognises these sales proceeds and related costs in the Income Statement.
The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify the costs that a company should include when assessing whether a contract is loss-making.

The Annual Improvements to IFRSs - 2018-2020 Cycle make minor amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS 9 “Financial Instruments”, IAS 41 “Agriculture” and the Explanatory Examples accompanying IFRS 16 “Leases”. These have been adopted by the European Union and entered into force on 01/01/2022.

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 they are not expected to have any. These have been adopted by the European Union and entered into force on 01/01/2023.

Amendments to IAS 1 "Classification of Liabilities as Current or Long-Term" (effective for annual periods beginning on or after 01/01/2023)

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. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

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 they are not expected to have any. The above have not been adopted by the European Union.

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 they are not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 12 "Income Taxes: Deferred Taxes 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 recognise both a receivable and a liability. In certain circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that this exemption does not apply and entities are required to recognise deferred tax on these transactions. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

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 they are not expected to have any. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

6.2 Main Accounting Principles

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

6.2.1Transactions in foreign currency

Transactions in foreign currencies are converted into the transaction currency, the Euro, at the exchange rates prevailing on the dates of the transactions.

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

Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates prevailing at the reporting date. Income and expenses from foreign operations are translated into Euro at the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the translation of foreign operations, and in particular from the integration of the branch's books, are recognised in Other Comprehensive Income as "Exchange differences arising from foreign operations".

6.2.2 Financial assets

(a) Receivables-Advances to customers

i. Classification:

The financial asset category "Factoring receivables" is divided into "Factoring portfolio loans" and "Factoring portfolio loans - without recourse" and includes the short-term trade receivables of a supplier from its buyers, which the Company aquires. This purchase is made through the assignment to the Company by the Supplier in accordance with the terms of the contract. These trade receivables constitute the assets of the Company.

ii. Classification

The Company records these categories when it advances money to customers acquiring receivables or when it acquires the rights and obligations of non-recourse factoring receivables. The Company becomes a party to the financial instrument and therefore has the legal right to receive cash.

iii. Initial recognition

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 amortised cost using the effective interest method and tested for impairment in accordance with paragraph 6.2.6

v. Derecognition

An instrument ceases to be recognised 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.

6.2.3 Property, plant, and equipment

Tangible fixed assets are recognised 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 recognised 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 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 statement.

6.2.4 Intangible assets

Intangible assets include the Company's software programs and are carried at cost less accumulated depreciation and amortization.

Amortization is calculated using the straight-line method over the useful life of the software, which is ten (10) years. For impairment, maintenance and gains or losses on disposal, the same principles as for property, plant and equipment are applied by analogy.

6.2.5 Cash and cash equivalents

Cash and cash equivalents include monetary assets with a maturity of less than three months from the date of acquisition, such as cash, cash on hand and short-term receivables from credit institutions.

6.2.6 Impairment of Financial Instruments

The Company assesses at each balance sheet date whether there is objective evidence of impairment of a financial asset or group of financial assets. A financial asset or a group of financial assets is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an impairment event) and the impairment event (or events) will have an effect on the future cash receipts of the financial asset if it can be estimated accordingly. Objective evidence of impairment of an asset or group of assets 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.
iii. There is a strong possibility that the debtor is headed for bankruptcy and bankruptcy proceedings will be initiated.
iv. 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 impairment test indicates that there is reasonable evidence that an impairment loss on advances granted exists, the impairment loss is measured as the difference between the carrying amount of the receivable at the time of testing and the expected cash flows (less expected future credit losses already incurred) discounted to present value at the effective interest rate. The amount recognised in the financial statements is reduced through the provision account and the loss is recognised in the profit and loss account. In case advances to customers bear a variable interest rate, the discount rate corresponds to the prevailing effective interest rate resulting from the contract.

The calculation of the present value of the expected cash flows of a financial asset for which there is collateral reflects the cash flows that may result from the liquidation of the collateral less the costs of liquidating and/or selling the collateral.

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.

When an advance is not considered recoverable on reasonable grounds, it is written off against the provision. 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 recognised in the profit and loss.

6.2.7 Financial liabilities

Financial liabilities are initially recognised at fair value, including issue costs. They are subsequently measured at amortised cost as determined using the effective interest rate. Any difference between the amount received (net of related costs) and the redemption value is recognized in the income statement on the basis of the effective interest rate method.

This category includes liabilities to credit institutions.

6.2.8 Provisions

The Company makes 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.

Contingent liabilities for which an outflow of resources is not probable are disclosed unless they are not considered material.

6.2.9 Leases

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. 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.

6.2.10 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 entry.

6.2.11 Interest income and expenses

Interest income and expenses are recognised in the income statement on an accrual basis using the effective interest method. The effective interest method is a method of calculating the underpreciated 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 the estimated future payments or receipts throughout the expected life of the financial instrument. Interest income and expenses include interest on loans to customers.

6.2.12 Commissions and related income

Commissions and related income are recognised in the profit and loss in the period in which the related services are provided unless they are a component of the effective interest rate.

6.2.13 Net results of financial instrument transactions

The net results of financial instrument transactions include gains and losses arising from the purchase and sale of assets and liabilities, as well as realised and unrealised changes in their fair value.

6.2.14 Income tax and deferred tax

The income tax charge for the year consists of current taxes, deferred taxes and tax audit differences.

Income tax is recognised in the profit and loss account, 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 fiscal years.

Current taxes are measured in accordance with the tax rates and tax laws applicable to the fiscal 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 fiscal year but already charged or to be charged by the tax authorities in different years. Deferred tax is defined by the balanced sheet method resulting from the temporary differences between the book value and the tax base of assets and liabilities. No deferred tax is accounted if it results from the initial recognition of an asset or liability in a transaction, other than business combination, which did not affect either the accounting or the taxable profit or loss when the transaction took place.

Deferred tax assets and liabilities are calculated on the basis of the tax rates expected to apply on the period the asset 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 fiscal year after the date of the balance sheet shall be used.

Deferred tax assets are accounted at the extent where a future taxable profit will result for the use of 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 profit and loss statement.

According to the new tax law 4646/2019 that entered into force on 12 December 2019, the income tax rate for legal entities in Greece is set at 22% and the corresponding advance income tax for the year 2021 at 80%.

6.2.15 Share capital

Ordinary shares are classified under Equity. Direct costs of issuing shares, after deduction of the related income tax, are shown as a reduction in Equity.

7. Estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the reported amounts of revenues 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 advances and factoring receivables to determine if they are impaired. 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

Financial assets carried at amortised cost are subject to impairment testing. All receivables are considered on a case-by-case basis and the impairment provision is based on management's estimate of the present value of the cash flows expected to flow to the Company. In calculating these flows, management makes estimates of the financial condition of the counterparties, the likelihood of settlement and the net value of any guarantees or collateral that may exist.

c) Fair Value Measurement of Financial Instruments

The calculation of the fair value of financial assets and liabilities for which there are no published market prices requires the use of specific valuation techniques. The calculation of their fair value requires various types of estimates. The most important ones relate to the assessment of the various risks to which the instrument is subject, such as business risk, interest rate risk and currency risk.

d) Defined benefit plans

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.

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 recognised, 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 analysed as follows:

	2021	2020
Interest on factoring portfolio	1,243,168	1,226,172
Other interest	146	334
Interest and similar income	**1,243,314**	**1,226,506**
Interest from credit institutions	(470,764)	(550,984)
Interest and similar expenses	**(470,764)**	**(550,984)**
Total	**772,549**	**675,521**

8.2 Net fee / commission income

Net fee and commission income is derived mainly from the provision of factoring services.

	2021	2020
Factoring commissions	918,881	856,248
Revenue from fees and commissions	**918,881**	**856,248**
Factoring commissions	(28,831)	(21,039)
Bank commissions & bank charges	(14,537)	(21,742)
Expenses from fees and commissions	**(43,369)**	**(42,781)**
Total	**875,513**	**813,467**

8.3 Other incomes - (expenses)

	2021	2020
Exchange rate differences arising from transactions abroad	(12)	4
Other expenses	(2,622)	(1,455)
Other income	566	288
Total	**(2,068)**	**(1,163)**

8.4 Personnel fees and expenses

The number of employees as at 31 December 2021 was 8 (31 December 2020: 8).

	2021	2020
Wages	356,492	355,493
Social security contributions	70,298	76,440
Additional Staff Benefits	11,993	11,993
Total	**438,783**	**443,927**

8.5 General operating expenses

General operating expenses are analysed as follows:

	2021	2020
Rent (operating lease)	5,658	14,964
Taxes, fees, stamp duties	1,460	1,152
Repairs and maintenances	965	2,501
Third party fees (lawyers, engineers, etc.)	106,546	127,285
Telephone and mail expenses	12,193	13,138
Promotion and advertising	637	478
Travel and transport costs	3,686	2,767
Subscriptions - Contributions	13,539	14,478
Forms and stationery	2,457	2,492
Other expenses	57,825	16,852
Operational support fees	38,430	34,640
Total	**243,393**	**230,747**

8.6 Income tax

The income tax is analysed as follows:

	2021	2020
Income tax	229,077	190,946
Correction of deferred tax due to IAS 19	-	725
Deferred tax	28,542	-
Total	**257,619**	**191,671**

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. Companies are therefore subject to liability for possible penalties and taxes that may be imposed upon examination of the books and records.

The Company has been audited for tax purposes for the fiscal years up to 31 December 2008 and has completed the 2009 fiscal year in accordance with the provisions of Law no. 3888/2012. For the fiscal years 2011, 2012 and 2013 it has been audited by the Certified Public Accountants and has received the annual tax certificate according to paragraph 5 of article 82 of the Income Tax Code (Law 2238/1994) and for the fiscal years 2014, 2015, 2016, 2017, 2018, 2019 and 2020 has received an annual tax certificate provided for by the provisions of article 65 A of Law 4174/2013.

For the fiscal year 2021 the Company has been subject to the tax audit by the Certified Public Accountants provided for by the provisions of article 37 of Law 4646/2019. This audit is under way and the relevant tax certificate is expected to be issued after the publication of the financial statements for 2021. 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.

8.7 Cash and cash equivalents

	31/12/2021	31/12/2020
Sight deposits	1,013,423	1,002,365
Term Deposits	-	407
Petty cash	315	497
Total	**1,013,738**	**1,003,269**

8.8 Factoring receivables

Factoring customer receivables relate to receivables arising from the Company's operating activities.

	31/12/2021	31/12/2020
Factoring receivables with recourse	7,089,476	7,737,158
Factoring receivables without recourse	17,812,992	15,049,069
Provisions for doubtful factoring receivables	(232,995)	(97,443)
Total	**24,669,473**	**22,688,784**

8.9 Tangible and intangible fixed assets

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

	Buildings, building facilities	Transportation means	Other equipment	Total
COST				
Balance on 01/01/2020	**-**	**14,345**	**10,552**	**24,897**
Additions	-	-	5,295	5,295
Balance on 31/12/2020	**-**	**14,345**	**15,847**	**30,192**
Additions	94,635	-	29,006	123,641
Disposals	-	(14,345)	(4,995)	(19.34) 0
Balance on 31/12/2021	**94,635**	**-**	**39,858**	**134,493**
ACCUMULATED DEPRECIATION				
Balance on 01/01/2020	**-**	**8,033**	**7,388**	**15,421**
Depreciation	-	2,295	1,774	4,069
Balance on 31/12/2020	**-**	**10,328**	**9,162**	**19,490**
Depreciation	600	383	4,178	5,161
Disposals	-	(10,711)	(4,952)	(15,663)
Balance on 31/12/2021	**600**	**-**	**8,388**	**8,988**
NET BOOK VALUE				
Balance on 31/12/2020	**-**	**4,017**	**6,685**	**10,702**
Balance on 31/12/2021	**94,035**	**-**	**31,470**	**125,505**

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

	Software
COST	
Balance on 01/01/2020	**47,277**
Additions	-
Balance on 31/12/2020	**47,277**
Additions	10,803
Balance on 31/12/2021	**58,080**
ACCUMULATED DEPRECIATION	
Balance on 01/01/2020	**21,450**
Depreciation	4,708
Balance on 31/12/2020	**26,159**
Depreciation	5,625
Balance on 31/12/2021	**31,784**
NET BOOK VALUE	
Balance on 31/12/2020	**21,118**
Balance on 31/12/2021	**26,296**

8.10 Right of use assets

	Real property
COST	
Balance on 01/01/2020	-
Additions	-
Balance on 31/12/2020	**-**
Additions	118,274
Balance on 31/12/2021	**118,274**
ACCUMULATED DEPRECIATION	
Balance on 01/01/2020	**-**
Depreciation	-
Balance on 31/12/2020	**-**
Depreciation	11,827
Balance on 31/12/2021	**11,827**
Net book value	
Balance on 31/12/2020	**-**
Balance on 31/12/2021	**106,447**

The corresponding finance lease liabilities are analysed as follows:

	2021	2020
Balance on January 1	-	-
Increase in liabilities from new leases	118,274	-
Decrease in liability due to repayment/resolution of lease payments	14,465	-
Total	**103,809**	**-**

8.11 Other assets

Other assets are analysed as follows:

	31/12/2021	31/12/2020
Prepaid expenses	34,962	9,244
Prepaid and withheld taxes	96,699	107,023
Other	111	1,072
Total	**131,771**	**117,339**

8.12 Short-term liabilities to credit institutions

	31/12/2021	31/12/2020
Short-term liabilities to associate Banks	13,214,646	11,691,558
Short-term liabilities to other financial institutions	796,497	545,385
Total	**14,011,143**	**12,236,943**

8.13 Liabilities to Customers

	31/12/2021	31/12/2020
Liabilities arising from the purchase of non-recourse export factoring receivables	137	85,945
Liabilities arising from the purchase of domestic factoring receivables with recourse	66,686	271,572
Total	**66,823**	**357,517**

Liabilities to suppliers of receivables (customers) are contractual obligations of the Company to third parties within the framework of its normal operation and are structured according to the factoring products that the Company provides.

8.14 Other provisions

	31/12/2021	31/12/2020
Provision for accounting loss coverage	-	64,116
Provisions for litigation risk coverage	60,000	60,000
Provision for personnel benefits	22,742	16,928
Total	**82,742**	**141,044**

The provision for staff compensation as at 31 December 2021 amounts to € 22,742 (2020: € 16,928). Under the provisions of labour 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 charges the results for accrued benefits in each fiscal 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:

	2021	2020
Opening balance	**16,928**	**11,974**
Expense included in the profit and loss account	5,108	4,110
Actuarial gain / (loss) included in other comprehensive income	706	844
Balance at the end of the year	**22,742**	**16,928**

The main actuarial assumptions used are as follows:

	2021	2020
Discount rate	0.60%	0.60%
Future increases in wages	0.00%	0.00%
Inflation	1.50%	1.50%

8.15 Other liabilities

Other liabilities are analysed as above:

	31/12/2021	31/12/2020
Liabilities from taxes and duties	349,437	306,470
Social security contributions	26,739	28,292
Suppliers and other creditors	64,500	32,864
Accrued expenses	3,002	28,771
Total	**443,678**	**396,397**

8.16 Share capital

	31/12/2021	31/12/2020
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**

8.17 Reserves

	31/12/2021	31/12/2020
Statutory reserve	619,563	619,563
Special reserves for the conversion of Share Capital into Euro	9,406	9,406
Total	**628,969**	**628,969**

According to Greek commercial legislation, the Company is obliged to retain a minimum of 5% per annum from its net accounting profits as a statutory reserve. The withholding ceases to be mandatory when the total of the ordinary 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.

9 Related party transactions

Optima Bank Group	2021	2020
Receivables		
Receivables from Optima Bank SA	600,889	586,966
Total receivables	**600,889**	**586,966**
Liabilities		
Loan liabilities to Optima Bank SA	13,214,646	11,691,558
Other liabilities to Optima Bank SA	-	3,480
Total Liabilities	**13,214,646**	**11,695,038**
	1.1 - 31.12.2021	**1.1 - 31.12.2020**
Expenses		
Interest and similar expenses for Optima Bank SA	461,696	544,736
Commission expenses for Optima Bank SA	4,030	6,451
Other expenses for Optima Bank SA	40,948	35,687
Total expenses	**506,674**	**586,874**

10 Remuneration to Members of the Board of Directors and Management of the Company

The total remuneration and other benefits to the members of the Board of Directors and the Management of the Company are as follows:

	2021	2020
Salaries & Employee contributions (charged to the profit and loss account)	154,767	156,618
Additional fees	-	3,490
Total benefits	**154,767**	**160,108**

11 Fair value of financial assets and liabilities

Fair value represents the amount for which an asset could be replaced, or a liability settled, in an arm's length transaction. Differences between the carrying amount and fair value of financial assets and liabilities are not significant.

12 Management of financial risks

As any other financial institution, the Company is exposed to risks such as credit risk, liquidity risk and operational risk. These are constantly monitored in various ways by the Company's Management 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 fiscal year. In the context of the implementation of the Basel III rules and Law 4261/2014, the Company is required to prepare an annual Report in which supervisory information on its capital structure, capital adequacy and risk management is published. This information is published annually on the Company's website: www.optimafactors.gr.

12.1 Credit risk

Credit risk relates to cases where counterparties fail to meet their contractual obligations. 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 exposure of credit risk is based on internationally recognised factoring practices and criteria in order to ensure the transparency of transactions and the identification of risk.

Credit Risk Management

The Company's Management places significant 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 analysed in detail.

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

Factoring with recourse:
In factoring with recourse, the Company has the right to return the uncollected invoices to the supplier against payment of the discounted amount plus commissions and accrued interest. 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 exposure of credit risk relates to debtors. 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 Bank's creditors and/or other companies with high creditworthiness).

The monitoring of the creditworthiness of counterparties and credit exposures, together with the respective approved limits, is carried out on a systematic basis, adopting a two-dimensional system of assessment and rating of its credit exposures, adapted to the specialised nature of its activity.

➢ **Maximum exposure to credit risk before collateral given and other credit upgrades**

The table below shows the maximum exposure to credit risk arising from the financial instruments presented in the statement of financial position, without taking into account any collateral or other credit enhancement measures taken.

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

	Maximum exposure 2021	2020
Exposure to credit risk from balance sheet items:		
Credit Institutions	1,013,423	1,002,772
(a) Cash and cash equivalents	**1,013,423**	**1,002,772**
Other	25,059,803	22,842,166
(b) Other assets	**25,059,803**	**22,842,166**
Total Balance Sheet items (a+b)	**26,073,226**	**23,844,938**

➢ **Factoring receivables With and Without recourse**

The table below shows the factoring portfolio receivables after they have been assessed for objective evidence of impairment.

	2021		2020	
	Factoring Portfolio With Recourse	Factoring portfolio - Without recourse	Factoring Portfolio With Recourse	Factoring portfolio - Without recourse
Up-to-date, not impaired	7,089,476	17,812,992	7,737,158	15,049,069
In arrears but not impaired	-	-	-	-
Impaired	-	-	-	-
Total before provisions	7,089,476	17,812,992	7,737,158	15,049,069
Provision for impairment	(65,942)	(167,054)	(69,358)	(28,086)
Total after provisions	**7,023,534**	**17,645,939**	**7,667,800**	**15,020,983**

➢ Concentration of credit risk by geographical area

The table below shows the carrying value 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 exposure.

2021	Greece	Other countries	Total
Factoring receivables with recourse	22,039,239	-	22,039,239
Factoring receivables without recourse	2,535,892	327,258	2,863,150
Total	**24,575,131**	**327,258**	**24,902,389**

The corresponding credit risk concentration figures by geographic region for the year 2020:

2020	Greece	Other countries	Total
Factoring receivables with recourse	7,600,774	40,725	**7,641,499**
Factoring receivables without recourse	14,969,858	77,427	**15,047,285**
Total	**22,570,632**	**118,152**	**22,688,784**

For capital adequacy purposes (Pillar I), the Company applies the Standardized Approach for the calculation of capital requirements for credit risk exposures.
In detail, the capital requirements against credit risk were as follows:

Credit Risk 31.12.2021	Capital Requirements (in Euro)
Corporate	1,538,471
Credit Institutions	12,806
Other Assets	12,837
Total	**1,564,114**

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

- Interest rate risk,
- Exchange rate risk,

The market risk for the Company is very limited, as are the associated risks - except for interest rate risk.

12.3 Interest rate risk

Interest rate risk is the risk for the Company to financial instruments held and net interest income decrease in value due to adverse changes in market interest rates. Interest rate risk arises due to the delay in the repricing of interest rates or the maturity of 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. The base rate for pricing is primarily linked to the base rate for lending.

The following table shows the carrying value of the Company's assets and liabilities, categorised by the floating rate revaluation date.

2021 period - Interest rate risk

	INTEREST-FREE	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 ETH	ABOVE 5 YEARS	TOTAL
ASSETS							
Cash and cash equivalents	315	-	-	-	-	-	**315**
Receivables from credit institutions	1,013,423	-	-	-	-	-	**1,013,423**
Factoring receivables with recourse	-	1,893,985	4,939,480	1,592,958	-	-	**8,426,423**
Factoring receivables with none recourse	-	4,053,172	10,354,292	1,835,586	-	-	**16,243,050**
Intangible assets	26,297	-	-	-	-	-	**26,297**
Property, plant, and equipment	125,505	-	-	-	-	-	**125,505**
Other assets	131,767	-	-	-	-	-	**131,767**
Deferred tax asset	-	-	-	-	-	-	-
TOTAL ASSETS	**1,297,307**	**5,947,157**	**15,293,772**	**3,428,544**	-	-	**25,966,779**
LIABILITIES							
Liabilities to customers	66,823	-	-	-	-	-	**66,823**
Lease liabilities	103,809	-	-	-	-	-	**103,809**
Other provisions	82,742	-	-	-	-	-	**82,742**
Liabilities to credit and other financial institutions	-	3,377,716	8,686,170	1,947,257	-	-	**14,011,143**
Other liabilities	443,678	-	-	-	-	-	**443,678**
Deferred tax liability	24,818	-	-	-	-	-	**24,818**
TOTAL LIABILITIES	**721,870**	**3,377,716**	**8,686,170**	**1,947,257**	-	-	**14,733,013**
TOTAL INTEREST RATE RISK EXPOSURE	**575,436**	**2,569,441**	**6,607,602**	**1,481,286**	**-**	**-**	**11,233,766**
Share capital	10,870,300	-	-	-	-	-	**10,870,300**
Other Reserves and retained earnings	469,913	-	-	-	-	-	**469,913**
TOTAL NET EQUITY	**11,340,213**	-	-	-	-	-	**11,340,213**

2020 period - Interest rate risk

	INTEREST-FREE	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 ETH	ABOVE 5 YEARS	TOTAL
ASSETS							
Cash and cash equivalents	497	-	-	-	-	-	**497**
Receivables from credit institutions	1,002,772	-	-	-	-	-	**1,002,772**
Factoring receivables with recourse	-	3,398,693	4,269,108	-	-	-	**7,667,801**
Factoring receivables with none recourse	-	5,532,087	9,488,897	-	-	-	**15,020,984**
Intangible assets	21,118	-	-	-	-	-	**21,118**
Property, plant, and equipment	10,702	-	-	-	-	-	**10,702**
Other assets	117,339	-	-	-	-	-	**117,339**
Deferred tax asset	4,449	-	-	-	-	-	**4,449**
TOTAL ASSETS	**1,156,877**	**8,930,780**	**13,758,005**	**-**	**-**	**-**	**23,845,662**
LIABILITIES							
Liabilities to customers	357,517	-	-	-	-	-	**357,517**
Other provisions	142,655	-	-	-	-	-	**142,655**
Liabilities to credit and other financial institutions	-	4,816,717	7,420,226	-	-	-	**12,236,943**
Other liabilities	396,397	-	-	-	-	-	**396,397**
TOTAL LIABILITIES	**896,569**	**4,816,717**	**7,420,226**	**-**	**-**	**-**	**13,133,511**
TOTAL INTEREST RATE RISK EXPOSURE	**260,309**	**4,114,064**	**6,337,778**	**-**	**-**	**-**	**10,712,151**
Share capital	10,870,300	-	-	-	-	-	**10,870,300**
Other Reserves and retained earnings	(158,149)	-	-	-	-	-	**(158,149)**
TOTAL NET EQUITY	**10,712,151**	**-**	**-**	**-**	**-**	**-**	**10,712,151**

12.4 Exchange rate 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, or by forward or spot foreign exchange contracts, or even by derivatives including options.

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.

2021 period - Exchange rate risk

ASSETS	EUR	RSD	Total
Cash and cash equivalents	315	-	**315**
Receivables from credit institutions	1,012,339	1,084	**1,013,423**
Factoring receivables	7,023,534	-	**7,023,534**
Other non-recourse factoring receivables	17,645,939	-	**17,645,939**
Intangible assets	26,297	-	**26,297**
Property, plant, and equipment	125,505	-	**125,505**
Other assets	131,767	-	**131,767**
Deferred tax asset	-	-	**-**
TOTAL ASSETS	**25,965,695**	**1,084**	**25,966,778**

LIABILITIES	EUR	RSD	Total
Liabilities to customers	66,823	-	**66,823**
Lease liabilities	103,809	-	**103,809**
Other provisions	82,742	-	**82,742**
Short-term liabilities to credit and other financial institutions	14,011,143	-	**14,011,143**
Deferred tax liability	24,818	-	**24,818**
Other liabilities	443,678	-	**443,678**
TOTAL LIABILITIES	**14,733,014**	-	**14,733,014**
Total Exchange Position	**11,232,682**	**2,902**	**11,235,584**
Share capital	10,870,300	-	**10,870,300**
Other reserves and retained earnings	469,913	-	**469,913**
TOTAL NET EQUITY	**11,340,213**	-	**11,340,213**

2020 period - Exchange rate risk

ASSETS	EUR	RSD	Total
Treasury	497	-	**497**
Receivables from credit institutions	999,870	2,902	**1,002,772**
Factoring receivables	7,667,801	-	**7,667,801**
Other non-recourse factoring receivables	15,020,984	-	**15,020,984**
Intangible assets	21,118	-	**21,118**
Property, plant, and equipment	10,702	-	**10,702**
Other assets	117,339	-	**117,339**
Deferred tax asset	4,449	-	**4,449**
TOTAL ASSETS	**23,842,760**	**2,902**	**23,845,662**

LIABILITIES	EUR	RSD	Total
Liabilities to customers	357,517	-	**357,517**
Other provisions	142,655	-	**142,655**
Short-term liabilities to credit and other financial institutions	12,236,943	-	**12,236,943**
Other liabilities	396,397	-	**396,397**
TOTAL LIABILITIES	**13,133,511**	**-**	**13,133,511**
Total Exchange Position	**10,709,249**	**2,902**	**10,712,151**
Share capital	10,870,300	-	**10,870,300**
Other reserves and retained earnings	(158,149)	-	**(158,149)**
TOTAL NET POSITION	**10,712,151**	-	**10,712,151**

12.5 Liquidity risk

Liquidity risk arises when an organisation, although solvent, does not have sufficient financial resources to meet its obligations when they fall due, or can only secure them at a high cost of borrowing.

The Company manages liquidity risk by monitoring the progress of appropriate financial ratios, limits, contingency plans, controls and clear reporting lines.

12.6 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.

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

For capital adequacy purposes (Pillar I), the Company applies the Basic Indicator Approach for the calculation of capital requirements against operational risk.
In detail, the capital requirements against operational risk were as follows:

Operational Risk on 31.12.2021	Capital Requirements (in Euro)
Receivables	240,559
Total	**240,559**

13 Capital adequacy

Optima Factors is subject to the supervision of the Bank of Greece, which sets and monitors the Company's capital adequacy requirements. For the calculation of capital adequacy, the Company applies the new regulatory framework (Basel III), which was incorporated into Greek law by Law 4261/2014.

Capital adequacy is monitored by the Company's financial management and is submitted to the Bank of Greece.

The Company's regulatory capital is derived exclusively from basic equity (Tier I) capital, while it has no supplementary (Tier II) capital.

The Company's capital adequacy ratio as of 31/12/2021 and 31/12/2020 was as follows:

	2021	2020
Share capital	10,870	10,870
Other reserves	629	629
Retained earnings	(159)	(787)
Intangible assets	(26)	(21)
Total Tier I capital	**11,314**	**10,691**
Total Tier II capital	**-**	**-**
Total Regulatory Capital	**11,314**	**10,691**
Weighted assets		
- balance sheet data	19,414	16,775
- operational risk	2,785	2,475
Total	**22,199**	**19,250**
Capital adequacy ratio	**50.97%**	**55.54%**

The capital adequacy ratio for 2021 remained significantly higher than the minimum required ratio of 8% under Basel III, while the decrease in the Ratio compared to 2020 is mainly due to the increase in weighted assets.

14 Contingent liabilities

A) Information on contingent liabilities

Judicial cases
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 fiscal years 2015 to 2020 the company has received an annual tax certificate provided for by the provisions of article 65 A of Law 4174/2013.

For the fiscal year 2021 the Company has been subject to the tax audit by Certified Public Accountants provided for by the provisions of article 37 of Law 4646/2019. This audit is under way and the relevant tax certificate is expected to be issued after the publication of the financial statements for 2021. 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.

15 Audit fees

The total fees of the statutory auditor are analysed as follows:

	2021	2020
Statutory audit of financial statements	10,000	10,000
Tax Certificate	8,000	8,000
Total	**18,000**	**18,000**

16 Reclassifications

Reclassifications of minor amounts have been made for comparability purposes.

17 Events after the balance sheet date

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

Aigaleo, 13 July 2022

The President of the Board of Directors	**CEO**	**The Head of Accounting**
Taniskidis Ioan. Georgios	Nakatsiadis N. Ioannis	Vardiampasis V. Michail
Identity card no. X 606444	Identity card no. AK 536257	No. Class A licence 99010 EMPHASIS General Partnership

RSM Greece SA

Patroklou 1 & Paradissou
15125 Athens

T +30 210 6717733
F +30 210 6726099

www.rsmgreece.gr

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 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted 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.

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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.

- 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.

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

- 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

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 2021.

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, 18 July 2022
The Certified Public Accountant

Ioannis Tentes
Reg. Number SOEL 17061
For RSM GREECE S.A. (Reg. Num. SOEL 104)
Independent Member of RSM
Patroklou 1 & Paradissou, 151 25 Marousi

This is a true translation of the original auditors' report issued in the Greek language.