

**Registered number: 10878966**

# **QUALCO HOLDCO LIMITED**

## **ANNUAL FINANCIAL REPORT**

**For the financial year from 1 January to 31 December 2023**

**QUALCO HOLDCO LIMITED**  
**Annual Financial Report**  
**for the year from 1 January to 31 December 2023**

**COMPANY INFORMATION**

**Directors**

Orestis Tsakalotos  
Robert Badenoch Scott (resigned on April 25 2023)  
Mohammad Kamal Syed (appointed on June 19 2023)  
Nils Melngailis (resigned on June 19 2023)  
Omar Maasarani (appointed on April 25 2023)  
Steven Edwards  
Miltiadis Georgantzis

**Secretary**

Milbank LLP

**Company number**

10878966

**Registered office**

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Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
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**QUALCO HOLDCO LIMITED**  
**Strategic Report**  
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## STRATEGIC REPORT

The directors present their strategic report on the Group for the year ended 31 December 2023.

This report sets out the performance of Qualco Holdco Limited (hereinafter "the Company"), and its subsidiaries (together "the Group") for the year ended 31 December 2023. The report also contains details of the Group's financial position at the year end, a report of the significant events during the year ended 2023, the significant events that occurred since the year end, the Group's future developments and a description of the principal risks and uncertainties.

The subsidiaries consolidated within the Qualco Holdco financial statements, and the proportion of share ownership within the Group, are as follows:

<b>Name</b>	<b>Registered office</b>	<b>Ownership</b>
Qualco Information Systems Single Member S.A.	Greece	100%
QQuant Master Servicer Servicing of Loans and Credits Single Member SA	Greece	100%
Qualco (UK) Limited	Great Britain	93.74%
Qualco Cyprus Ltd	Cyprus	100%
Qualco SAS	France	100%
QRES Cyprus Ltd	Cyprus	100%
QQuant Master Servicer Cyprus (disposed of in October 22')	Cyprus	38.2%
Qualco FIN Limited (under strike-off)	Great Britain	51%
A.I. Synthetica Solutions Limited	Cyprus	51%
Daedalus Technologies FZE	UAE	100%
Qualco Europe Holdings Ltd	Cyprus	100%

### **General overview of the year**

Throughout 2023 Qualco Group took steps to transform and enable its clients' success. It maintained that spirit of innovation, constantly reimagining how technology should evolve to help businesses radically decrease non-performing exposures, bringing money back to the real economy.

Digital transformation is a top priority for Qualco Group's clients today and the Group has adapted to that demand by the QUALCO 360 offering, a constantly expanding technology ecosystem that enables creditors and collections functions to rapidly align operational activity with the ever-changing customer behaviour, by combining predictive analytics and a comprehensive collections system with self-service and omnichannel capabilities.

Despite the headwinds in the economy, in 2023 the Group moved forward with ambitious but well-planned targets and managed to grow its top-line by 14% reaching c. €175mil in revenues (2022: € 153mil). This achievement is attributed to a healthy influx of new customers (evident in Fintech and Qualco UK), the introduction of the Pillar portfolio (which boosted the servicing Revenues in Quant and QRES) and the introduction of new projects, the investment in which is expected to further propel growth in the next years.

After years of rapid scaling up in headcount figures, 2023 growth was more targeted and focused mostly on technology and product improvements, supporting the Group's new revenue-generating initiatives and carefully improving certain support areas with a strict focus on accommodating increasing business needs.

The mix above was translated into a strong EBITDA performance which reached in 2023 to € 38.3mil (2022: €37.8 mil), largely unaffected by the turmoil in the economy observed in 2023.

Furthermore, throughout 2023 the Group continued investing in its international sales force and towards robust corporate shared services. These investments are the cornerstone of the Group's continuing growth and their results, coupled with the stabilization of the revenue mix, are expected to lead to sustainable EBITDA margins of 20%-22%, as per the Group's long-term business plan.

A general overview of the year for each principal subsidiary of the Group is provided below:

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### **Qualco SA**

In FY 2023 Qualco Information Systems Single Member S.A. ("Qualco SA") continued with its acquisition strategy which has started since 2021, aiming to expand services rendered to clients as well as entering to new markets. The following acquisition deals were closed in 2023:

On March 3rd, 2023 Qualco SA acquired a 51% shareholding in the company A.I. Synthetica Solutions Limited for a total purchase price of €2.66 million. Synthetica designs, produces and installs proprietary software solutions connected with the areas of artificial intelligence, machine learning and the internet of things (IoT). With this transaction Qualco Group aims to expand its technology footprint and this way enter new business industries as well as further diversify Group's revenue streams.

On March 22, 2023 SA acquired a 30 % shareholding in the company Indice S.A. for a purchase price of €1.8 million. Indice S.A. has developed a digital enablement platform and specializes in the design, development and distribution of software products and applications with emphasis in the area of NPL and receivables management. With this transaction Qualco Group aims to expand its product offering and also use Indice's know-how for the implementation of new business lines in the Group.

Also, in FY 2023 the relationship with Public Power Corporation ("PPC"), a key customer of the company, further increased and strengthened Qualco's position as PPC's Sub-Servicer.

### **QQuant**

With regards to QQuant Master Servicer Single Member S.A. (QQuant), in FY 2023 the company continued the servicing of the portfolios it had in the prior year while it also successfully boarded a EUR2.7 billion residential non-performing loan portfolio ("Pillar" portfolio), demonstrating its expanding services and experience. The "Pillar" portfolio transfer constitutes one of the largest portfolio transfers in the secondary market and with the completion of this transaction, QQuant strengthens its leading position in the domestic market of independent managers.

Moreover, in early 2024, Fitch Ratings, the International Rating Agency, has upgraded QQuant Master Servicer Single Member S.A.'s (Quant) commercial special servicer rating to 'CSS2+' from 'CSS2' and affirmed its asset-backed special servicer rating at 'ABSS2+'. Notably, the outlooks of both ratings remained stable. The rating scale starts from '1', which corresponds to the highest score, to '5', which corresponds to the lowest. Fitch's operational review is a rigorous and comprehensive process that thoroughly examines Quant's operational efficiency and processes. This upgrade attests to the company's unwavering commitment to its business strategy and continuous technological improvements, leading to more effective day-to-day servicing.

### **Qualco UK**

With regards to Qualco (UK) Limited, in FY 2023 the company continued to support Public and Private Sector Clients in their management of debt portfolios by providing both Panel and Asset Management solutions. Qualco UK has managed to bring to the market a fully digital Open Banking Solution that can be incorporated as White Label or Branded Solution. The solution sits alongside and compliments existing Debt Collection Strategies. Open Banking lives across the company's Utilities/Retail and Financial Services Clients and will be a major growth area for 2024.

Furthermore, Qualco UK has developed and will be launching Togglit in the first half of 2024. Togglit has been designed perfectly to meet the brief of the UKRN Cost of Living Working Group. The FCA has released a joint letter with Ofgem, Ofwat and Ofcom (the regulators in energy, water, and communications respectively) on the shared expectations in relation to debt collection and how firms react to vulnerable customers. Togglit addresses the much asked question regarding the ability to provide a single customer view to cut down the many communications sent and keep customer records up to date.

The three services Togglit, Open Banking (Payments and Affordability) and the traditional ExtraCollect platform should propel the business forward while addressing all aspects of consumer duty.

### **Financial Review**

The financial position of the Group and the performance during the year ended 31 December 2023 is presented in the accompanying statements and, taking into consideration the prevailing conditions in Greece where the main activity of the Group is located, the directors consider the results to be satisfactory. The results of the Group for the year ended 31 December 2022 are also in accordance with management's estimates.

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### Key performance indicators

The directors consider the following to be the Group's key performance indicators:

	<u>31/12/2023</u>	<u>31/12/2022</u>
Total Current Assets/Total Assets	52.35%	58.99%
Total Current Assets/Total Current Liabilities	125.68%	136.13%
Total Equity/Total Liabilities	50.45%	42.13%
Total Equity/Total Assets	33.53%	29.64%

The first two ratios measure the liquidity of the Group by reflecting the proportion of funds allocated to current and fixed assets. They are also an indication of the coverage of short-term liabilities by current requirements.

The total equity to total liabilities ratio measures the Group's financial self-sufficiency, reflecting its dependence on borrowed funds.

The total equity to total assets ratio measures the extent of the Group's equity financing.

### EBITDA

Management assesses the Group's profitability by calculating EBITDA (Earnings before interest, taxes, depreciation and amortization) as follows:

	<i>Note</i>	<b>FY 2023</b>	<b>FY 2022</b>
<b>Net Profit</b>		<b>18,795,241</b>	<b>19,207,130</b>
<u>Add back (+) / Deduct (-)</u>			
Depreciation & amortization	5,6,7	8,784,402	10,499,850
Financial income / expenses		2,628,384	2,159,990
Tax expense (incl. tax expense attributing to discontinued operations)		8,171,122	7,102,091
Gain from disposal of discontinued operation		-	(1,144,505)
Share of results of associates		(72,414)	(25,351)
<b>Total EBITDA</b>		<b>38,306,735</b>	<b>37,799,205</b>

Analysed as:

<b>EBITDA from continuing operations</b>	<b>38,306,735</b>	<b>34,506,926</b>
<b>EBITDA from discontinued operations</b>	-	<b>3,292,278</b>

### Principal Risks and Uncertainties

#### Counterparty risk

The Group has relationships with both the end user of its products and services, as well as trading with a small number of key counterparties who are headquartered in a number of jurisdictions. The Group is, therefore, exposed to the risk of not collecting outstanding receivables in time or at all. The Group constantly monitors the collection of outstanding receivables which historically has been satisfactory.

#### Key employees

The Group's future development and prospects depend to a significant degree on the continuing contribution of key members of its Board and senior management. The Group relies on a core team of staff and is therefore exposed to any significant departures of key personnel. The Group operates in a highly

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competitive field where technology companies are constantly seeking for talented employees. To seek to mitigate the potential risk of departures, the Group has adopted a competitive remuneration structure.

**Technological development risk**

Technological developments have a major impact on the competitiveness of companies active in the IT sector. Companies that are active in the IT industry must be constantly informed about changes and developments in existing technology and make the necessary investments to ensure the most up-to-date technology.

It is also necessary to regularly review the recoverability of the capitalized costs that have been implemented for the development of new software.

Based on the above and in order to reduce the negative impact of technological developments on the Group, the following strategies have been adopted:

- ensuring the development of products on highly efficient and internationally recognized platforms
- providing regular training to the Group's staff to educate them in potential technological issues, in cooperation with internationally recognized organizations, who specialize in technology
- offering innovative applications which meet the requirements of customers and ever-changing markets; and
- renewing and enriching the potential of the Group's staff.

Through the adoption of the above strategies, management consider the risk of technological development not to be significant during the given time period, as its suite of products are well developed.

**Investment strategy – Research and development**

The Group's investment strategy includes investment both in new product development and in the business development of specific identified markets. At the same time the Group, in its efforts to consolidate its position in the market for software and services products, has given particular priority to the research and development of new products.

Throughout FY 2023 the Group continued its investment in its proprietary solution QUALCO Loan Manager, a web-based platform specifically designed to covers all stages of credit processing, from portfolio onboarding and loan disbursement to termination and restructuring, while supporting fully the management of performing, non-performing and terminated portfolios.

**Financial Risk management**

The Group is exposed to financial risks such as market risks, including changes in foreign exchange rates, interest rates and market prices, credit risk, liquidity risk, technological risk and macroeconomic risks. The Group does not currently use derivative financial instruments to hedge certain risk exposures. The principal financial risks and uncertainties facing the group are set out in Note 3 of the financial statements.

**Environmental and labour issues**

**Corporate social responsibility**

Contributing to the progress and prosperity of society is one of the Group's fundamental values and key operating principles, largely determining its sustainable business performance. Employees are being trained throughout their carrier in the Group. Well educated people promote society's progress, and the Group supports this through actions. In addition, the Group offers psychological support to employees via professionals to promote employee well-being.

Corporate social responsibility is about how we achieve our goals and leverage our business incentives, operating in a way that reflects Company values in areas that include the market, employees, consumers, society and the environment.

For us, the people of Qualco Group, actions relating to corporate social responsibility are an integral part of our culture and our overall philosophy as an organization. Our focus on "humanity" and "support without compensation" are the main strategic structures of the Group, and the active development of the above two points is a key priority for Qualco Group.



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The corporate social responsibility philosophy covers all the key strategic areas of Qualco in all countries. Firstly, it includes all the actions and initiatives that differentiate us from our competition. Secondly, it includes initiatives that support local communities, agencies and people who really need it. Finally, the third pillar of our strategy, is to ensure that all employees are able to participate in all actions and activities pertaining to corporate social responsibility.

### **Environmental issues**

The Group has shown great respect for the environment throughout the history of the Group, and continuing this respect ranks very highly in the ethical practice that governs all of our business.

Our operations comply with all applicable regulations, and frameworks on good environmental practices. Office buildings meet the requirements of the legislation for the protection of the environment. All Entities participate in recycling programs and all Company cars have a low carbon footprint.

### **Labour issues**

Being fully aware of the prevailing economic conditions, we recognize that human resources are our most important asset and a key factor in achieving our strategic goals.

Through transparent and merit-based frameworks for selecting and evaluating the performance and rewards of our human resources and utilising a set of appropriate processes and rational organisational structures, the Group aims to achieve its goals with regards to employees. Opportunities for development and progression are part of our anthropocentric philosophy.

Finally, through the implementation of structured communication policies between hierarchical levels, we build trust between our employees at all levels.

### **Equal opportunities**

Company executives, employees, and affiliates are required to treat their colleagues with respect, and every partner of the Company fully complies with equal opportunity legislation. Any form of harassment against any employee, or a third party that deals with the Group, is not acceptable.

The ability, qualifications and performance of individuals are the main reasons for assigning more complex and demanding employment roles, whilst traits related to gender, age, religion, origin, colour or beliefs are not reasons for their preference or exclusion compared to their colleagues.

### **Health and safety of staff**

In the context of safeguarding the safety and health of its employees, a Safety Technician and Occupational Therapist has been designated to investigate potential hazards in the workplace and to propose measures to avoid them. Protecting health and safety in all areas of the Group's activities are issues of paramount importance and priority as the directors wish to ensure the conditions of the working environment are appropriate and pleasant for all employees. As a result, the criteria set to ensure health and safety in the workplace are particularly high.

### **Society**

The Group ensures the implementation of minimum social standards and aims to continuously improve them. These minimum social standards are the foundation of its functioning, and include:

- Human dignity
- Law compliance
- Prohibition of working minors
- Prohibition of forced labour and disciplinary actions
- Freedom of association and assembly
- Environmental protection

The implementation and monitoring of the aforementioned social standards is carried out through an intra-corporate social responsibility strategy and an associated intra-corporate process. The punishment or disadvantage of workers who report any violation of these social standards is not permitted.

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**Future developments**

The significant amount and value of projects already underway in 2023 creates the expectation for further growth in 2024 for the Group. Growth is driven by revenue from products and services from the expanding base of large and medium-sized customers.

Based on its formulated strategy, the Group will continue in FY2024 to focus on expanding its fintech footprint in the following fields:

- **Credit tech**, by offering Technologies and Solutions used to transform the provision and management of Credit and Receivables
- **Property tech**, by offering Technologies and Solutions used to digitalise the Purchase, Rental, Management and Disposal of Real Estate Assets
- **Digital Tech**, by offering Technologies and Solutions that accelerate & facilitate Customer Interactions using extensive automation, digitalisation and adoption of Data Analytics and Machine Learning

Furthermore, the Group will place particular emphasis on the following areas:

- Strengthen its activity abroad by growing the core technology business into additional international markets,
- Expand securitization and receivables management internationally,
- Develop and introducing new features and innovative products to the domestic and international markets,
- Diversify Qualco UK product offering with additional value propositions,
- Accelerate international growth of digital twin maritime offering,
- Take a targeted approach to new projects, in particular complex IT projects,
- Take a targeted approach to obtain servicing portfolios as they become available in the market,
- Explore M&A opportunities to attract additional growth.

The flexibility of the internal structure and organisation already created in the Group enables it to adapt more rapidly and effectively to the new market conditions in order to exploit real growth opportunities. In addition, the growth of the Group's operations in sectors with high added value are expected to have a beneficial effect on financial results and profitability.

The Group has been systematically enhancing its presence and market activities in order to provide the most complete coverage and services to the banking and investment sector, in which it has significant expertise.

Qualco continues its well-defined plan to help clients do great things with its technology, re-investing a significant part of its annual revenue to optimize its offering and enhance QUALCO 360 with new capabilities covering areas such as cloud deployment options, explainable AI, and value-adding data services. Additionally, all along the way, Qualco continues to work on driving sustainable growth with very good margins for another year by executing a demanding plan that aims to expand its client base across EMEA either organically or through an established partner network, while shifting its commercial model from being professional services dependent, to a more agile one, focusing on recurring license fees (AUF).

In 2024 the servicing of both the securitized and non-securitized Portfolio of PPC continued at the same pace as in 2023, with Qualco SA acting as sub-servicer.

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**Events after the reporting date**

On March 8 2024 Qualco Information Systems Single Member S.A. ("Qualco S.A.") signed a long-term bond loan agreement for a Recovery and Resilience Loan facility ("RRF loan") with Piraeus Bank and Optima Bank (co-financing loan part) and the Greek State (RRF part) as bond holders. The RRF loan is of a total amount of € 30mil, is expected to be withdrawn in the years 2024 to 2026, has a repayment duration of 13 years and is meant to finance the continuous investments of Qualco SA falling under the pillars of Digital Transformation, Greek transition and Innovation.

On April 16, 2024 Qualco S.A. acquired a 50,1% shareholding in the company d.d.Synergy Hellas S.A. for a purchase price of €5.0 million. d.d. Synergy Hellas S.A. is a Gold Partner of SAP in Greece, specializing in integrated hardware and software solutions and it has over two decades of expertise. With this strategic acquisition Qualco Group aims to enhance its service offerings and broaden its customer base.

On June 28, 2024, Qualco S.A. acquired a 70% shareholding in the company Middle Office Services SA for a purchase price of €1.77 million. Middle Office Services SA provides specialized services for the effective management and monitoring of corporate loan portfolios. The partnership marks the establishment of the Business Process Outsourcing Unit within the Qualco Group, which will target banks, portfolio management companies and utilities. These new services will allow the organization's customers to focus on business growth through automated processes and access to advanced technologies, while optimizing resources and costs.

On July 23, 2024, a new company was established under the name Real Estate Transactions & Integrated Solutions Platform S.A. (the "Uniko" S.A.) which is a joint venture between the National Bank of Greece and Qualco S.A. Qualco S.A. holds a 51% controlling shareholding in the new company.

The initial accounting of the abovementioned business combinations (fair value accounting of net assets acquired, purchase price allocation and goodwill calculation) is incomplete at the time of the current financial statements being authorized for issue, thus no IFRS 3 disclosures have been made.

On October 23, 2024 Qualco Information Systems Single Member SA acquired 10,000 shares from the minority shareholder of Qualco UK Limited for a purchase price of GBP 0.75 million, rendering this way its total shareholding to 98.75%.

On October 30, 2024 the General Assembly of Qualco Information Systems Single Member SA approved the distribution of a dividend of €13.7 million to its direct parent Qualco Europe Holdings Ltd. Then, on December 2, 2024 the Board of Director of Qualco Europe Holdings Ltd approved the distribution of a dividend of €13.56 million to Qualco Holdco Ltd.

Apart from the ones mentioned above, no other adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorization.

By order of the board

*Orestis Tsakalotos*

Orestis Tsakalotos

The Chairman of the Board of Directors

December 23, 2024

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**Section 172(1) statement**

The following 'Section 172' disclosure, which is required by the Companies Act 2006, describes how the directors have had regard to the views of the Company's stakeholders in their decision making.

During the year the Directors have had regard to the following matters when performing their duties under section 172:

- The likely consequence of any decision in the long-term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The Board ensures that it addresses the s172 requirements by allocating responsibility for specific areas to senior management, Board and committee meetings, the use of clear agendas, appropriate board papers, budgeting and reforecasting, and strategy events at both holding company and subsidiary company level.

Key stakeholders are identified during board and committee meetings. The culture that the Group strives for and the way that it works means there is a continuous communication with the Group's key stakeholders. The board receives quarterly reports, including strategic updates, financial performance, business updates, regulatory updates, legal matters, risks and omissions, client updates and team updates. Actions resulting from discussion of these reports are agreed and then shared with stakeholders as appropriate.

**Long-term consequences of decisions**

The Group's long-term model reflects its determination to share success and to grow in a responsible, sustainable way. This goes beyond environmental and societal impacts; it influences the products that the Group offers, the talent it hires and how the Group manages its future. The Directors strive for a balance between growth through acquisition, organic growth, cashflow and liquidity considerations, performance and reward, culture at work, diversity and inclusion, wellbeing and equal pay.

Decisions discussed and reached in board meetings are reported against agreed strategic objectives from strategy days. The directors maintain regular contact with management, which allows the directors to appreciate the context of current projects and to be on hand to assist and advise where necessary.

Examples of a key board decisions taken during the year were the consideration and approval of a number of minority company stakes' acquisitions as detailed in the "General overview of the year" section of the strategic report. The long-term consequences of these decisions were considered using extensive proposals, budgeting and forecasting summaries.

**The interests of the company's employees**

Fore Qualco Group people are a vital source of value creation, and their prosperity is Group's utmost priority. To this end, Qualco has adopted an all-encompassing wellbeing approach for all employees, and their families focused on the career, financial, physical, mental, emotional, and community aspects. In order for its people to achieve their personal and professional aspirations, Qualco has adopted a Well-being Policy, creating an inclusive workplace culture at its core, where healthy lifestyle choices are valued and promoted. In this respect, Qualco takes great pride in receiving the 'Great Place to Work' Certification (Greece) in October 2022, officially recognised as an employer of choice in the local market. More information is provided in the "Environmental and labour issues" section of the strategic report. Furthermore, the Group Human Rights Policy establishes and formalizes a framework of principles, commitments, and processes within which Qualco Group, through its operations, value chains and relationships, can ensure that human rights are upheld, respected and promoted in accordance with all international standards and the relevant applicable laws and regulations.

In all aspects of employment, such as recruitment, hiring, promotion, compensation and benefits, training, development and termination, we treat individuals in a non-discriminatory manner, valuing solely their qualifications, skills, knowledge and experience. Therefore we are committed to a zero tolerance policy on any discrimination or harassment on the basis of race, gender, sex, ethnic, national or social origin, colour, age, disability, religion, conscience, marital status, sexual orientation, or any other characteristic protected by local law, regulation, or ordinance.

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**The company's relationships with suppliers, customers and others**

Digitalisation is being rapidly adopted worldwide, unlocking new opportunities and business models. Through a series of technology products, and tech-enabled solutions and services, Qualco Group makes a positive impact by:

- Enabling Business Growth. Qualco's technology helps enterprises scale their operations and sustainably grow their customer base while making more informed decisions by providing real-time data and analytics
- Supporting Vulnerable Customers. Qualco enables its clients to identify vulnerable customers and provide them with viable plans based on their actual financial position with fairness and transparency.
- Raising Financial Awareness. Qualco's Fintech offering enables financial institutions and customers to gain a clear view of personal financial circumstances and responsibly access financial resources.
- Cultivating Talent and Innovation. Qualco promotes its human capital across global markets by providing ongoing professional development opportunities as well as significant rewards and recognition. Group's investment in R&D supports and leverages innovation in the Fintech ecosystem.

In addition, Qualco Group identifies as its stakeholders those groups which, directly or indirectly, are connected to, affect, or are affected by its decisions and performance. Qualco Group engages its stakeholders in a continuous dialogue and collaboration, to understand and respond to their expectations, needs, concerns, and requests. To effectively communicate with its stakeholders and build strong relationships, Qualco Group proceeded with a stakeholder mapping process which can be found in the "Qualco Group Sustainability Report" in <https://qualco.group>.

**Impact on communities and the environment**

Through its business operations, service provision, business partnerships, and investment, Qualco Group generates multiple positive impacts, both direct and indirect, across the whole economy. These impacts extend beyond the scope of its operations, supporting the broader FinTech ecosystem and creating jobs in local communities.

With regards to the environment and being a FinTech organisation, the Group operates in an industry with a relatively low environmental impact. However, Group's top priority is to systematically monitor, review and measure data in this respect, alongside setting specific targets and objectives for energy use and emission reduction for the upcoming years. In addition, the Group's primary goal is raising employee awareness about environmental responsibility through multiple activities (e.g. training and informative sessions, communication through the internal Workplace Platform, volunteer and other initiatives).

**Maintaining high standards of business conduct**

The directors are responsible for setting high standards of business conduct, to ensure that the Group's commitments to stakeholders are met. Qualco Group's policies, directives, and principles govern business activities and relationships while being an integral part of serving and sustaining stakeholder relationships. The Group has established a Compliance Function, a critical component of the internal control system in safeguarding us against compliance risks. Based on the global trend and accumulated experience, the Code of Conduct programme lies at the core of the Group's compliance. It constitutes a commitment by the Group companies, aiming to create a unified culture based on commonly accepted values. Qualco Group is certified under ISO 37001 Anti-bribery management systems.

Furthermore, Qualco Group has identified "Corporate Governance, Business Ethics, and Risk" as one of the most material topics for its performance, including identifying and managing potential risks and ensuring its business continuity.

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**The need to act fairly between members of the company**

The Group emphasises that the Board should be composed of members with an excellent overall balance of knowledge, experience, and skills to effectively perform the role and responsibilities alongside ensuring diversity and the appropriate size. The Group needs to conduct comprehensive and multifaceted management for diverse business domains. Consequently, it examines the Board's composition, considering diversity from a multidimensional perspective, and appoints such people with appropriate knowledge of finance, law, business, technology, and accounting.

By order of the board



Orestis Tsakalotos

The Chairman of the Board of Directors

December 23, 2024

**QUALCO HOLDCO LIMITED**  
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## **DIRECTORS' REPORT**

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2023.

### **Principal activities**

The principal activities of the Group are as follows:

- a) the development, distribution and support of advanced software products and business solutions for the broader financial and real estate sectors;
- b) the rendering of a wide range of services concerning Information Technology Infrastructure (IT Infrastructures);
- c) the design, implementation and support of complex Business Intelligence and Management Information Systems (MIS);
- d) the design and implementation of mission-critical, large-scale (line-of-business) IT projects;
- e) the design and implementation of risk calculation.

### **Climate change reporting**

None of the Company's UK subsidiaries are large companies and, therefore, they are not obliged to report under the SECR regulations. Accordingly, the Company has excluded the data from these companies from its report. The parent company consumes less than 40MWh of energy per year and is, therefore, exempt from providing full disclosure in this directors' report.

### **Future developments**

Details of future developments are included in the Strategic Report.

### **Results and dividends**

The results for the year are set out on pages 22-28.

Dividends amounting to €10,000,000 were received by the Company during the period by its subsidiary Qualco Information Systems Single Member Societe Anonyme. The Company paid out to its shareholder dividends amounting to €8,500,000.

### **Events after the reporting period**

Details of events after the reporting period are included in the Strategic Report.

### **Directors**

The directors who held office during the period and up to the date of approval of the financial statements were as follows:

- |   |                              |
|---|------------------------------|
| 1) Orestis Tsakalotos, Executive Chairman               | (appointed 21 July 2017)     |
| 2) Robert Badenosh Scott, Investor Director             | (resigned 25 April 2023)     |
| 3) Nils Melngailis, Independent non-executive Director  | (resigned on June 19 2023)   |
| 4) Steven Edwards, Independent non-executive Director   | (appointed 29 November 2018) |
| 5) Miltiadis Georgantzis, Group Chief Executive Officer | (appointed 29 March 2018)    |
| 6) Omar Maasarani, Investor Director                    | (appointed 25 April 2023)    |

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**Financial instruments**

Details on the Group's exposure to liquidity risk, foreign exchange risk and credit risk are shown in the Strategic Report.

**Provision of information to the auditor**

The directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Going concern**

The Directors have considered the applicability of the going concern basis in the preparation of the financial statements. This included the review of internal budgets, cash flow projections covering at least the going concern period and the financial results in the management accounts to date for 2023.

Taking into account reasonably probable changes in financial performance, the Group and Company will be able to operate within the level of its current funding arrangements (refer to note 2.1.1 for further information).

The Directors believe that the Group and the Company have adequate resources to continue in operation for the foreseeable future. For this reason, they have adopted the going concern basis in the preparation of the financial statements.

**Directors' remuneration**

The Company has two directors with services contracts. Their total remuneration for 2023 amounted to € 98,400 (2022: 98,400).

Directors of Qualco Holdco Limited are not entitled to any retirement benefits, as there is no pension plan available for them.

**Auditor**

Grant Thornton UK LLP were appointed as auditor to the Group and Company in accordance with section 485 of the Companies Act 2006. Grant Thornton UK LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on December 23, 2024 and was signed on its behalf on December 23, 2024.

*Orestis Tsakalotos*

Orestis Tsakalotos

Director



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**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Strategic and Directors Report / Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including UK-adopted international accounting standards). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

*Orestis Tsakalotos*

Orestis Tsakalotos

Director  
23/12/2024

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUALCO HOLDCO LIMITED**

**Opinion**

We have audited the financial statements of Qualco Holdco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the consolidated statement of financial position, the company statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the company statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards, and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK-adopted international accounting standards, and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent 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 report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the impact of the Russian invasion of Ukraine and the high interest and inflation rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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### **Other information**

The other information comprises the information included in the annual financial report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual financial report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 17 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are

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capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, for example Companies Act 2006, and determined that the most significant are those that relate to the reporting accounting frameworks;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included checking the completeness of journal entries and identifying and testing journal entries, in particular manual journal entries processed at the year-end for financial statement preparation. We also reviewed the financial statement's disclosures and corresponding supporting documentation.
- Our audit procedures involved:
  - The evaluation of the design effectiveness of controls that management have in place to prevent and detect fraud;
  - Journal entry testing, with a focus on material manual journals, including those with unusual account combination, and those that were considered higher risk based on the engagement team's understanding of the Company and the group;
  - Challenging the assumptions and judgements made by management in its significant accounting estimates;
  - Testing the completeness of the Company's related party transactions through information obtained at the parent entity level and testing that these transactions had a valid business purpose; and
  - Assessing the extent of the compliance with the relevant laws and regulations as part of our procedures.
- In addition, we completed the audit procedures to conclude on the compliance of the disclosures in the Annual Financial Report with the applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the client operates;
  - Understanding of the legal and regulatory requirements specific to the Company including the provisions of the applicable legislation and the applicable statutory provisions.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We corroborated the results of our enquiries to relevant supporting documentation.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Company's operations, including the nature of its revenue and its objectives and strategies, to understand the classes of transactions, account balances, expected financial statement disclosures, and business risks that may result in the risk of material misstatement;
  - The applicable statutory provisions; and
  - The Company's control environment, including the policies and procedures implemented to comply with the requirements of the applicable accounting standards, the adequacy of procedures for authorisation of transactions, internal review procedures over the Company's compliance with regulator requirements, the authority of, and procedures to ensure that possible breaches of requirements are appropriately investigated and reported
- A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state

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to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Pearson

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

23 December 2024

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<b>GROUP</b>	
	<b>Note</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	15,492,851	8,988,151
Right-of-use assets	6	18,851,901	19,999,326
Intangible assets	7	18,532,122	11,232,510
Goodwill	9	1,711,730	-
Investments in associates	12	5,477,503	659,751
Deferred tax assets	24	-	241,082
Financial assets	13	5,238,599	5,716,991
Other non-current assets	14	691,885	610,428
<b>Total non-current assets</b>		<b>65,996,591</b>	<b>47,448,239</b>
<b>Current assets</b>			
Inventories		68,474	-
Trade and other receivables	15	15,802,203	14,877,913
Income tax assets	16	5,378,989	5,859,960
Contract assets	17	16,788,461	12,431,581
Financial assets	13	1,577,282	9,606,464
Contract costs	8	3,959,516	-
Other current assets	18	5,921,850	6,205,482
Cash and cash equivalents	19	22,553,629	19,277,184
<b>Total current assets</b>		<b>72,050,404</b>	<b>68,258,583</b>
<b>Total assets</b>		<b>138,046,995</b>	<b>115,706,822</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	21	5,000,000	5,000,000
Other reserves	22	219,364	1,380,246
Retained earnings		39,509,956	27,716,860
Translation reserve		(54,560)	(21,793)
<b>Equity attributable to owners of the Company</b>		<b>44,674,760</b>	<b>34,075,312</b>
Non-controlling interests		977,809	224,054
<b>Total equity</b>		<b>45,652,569</b>	<b>34,299,366</b>

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

	Note	GROUP	
		31/12/2023	31/12/2022
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	23	16,041,327	12,824,574
Lease liabilities	6	16,722,019	17,920,397
Deferred tax liabilities	24	522,836	-
Retirement benefit obligation	25	739,080	488,165
Other non-current liabilities		23,610	33,394
<b>Total non-current liabilities</b>		<b>34,048,872</b>	<b>31,266,530</b>
<b>Current liabilities</b>			
Trade and other payables	26	12,029,201	11,117,225
Borrowings	23	14,443,142	7,465,946
Lease liabilities	6	3,321,138	2,849,112
Contract liabilities	28	2,495,134	2,137,517
Other current liabilities	27	16,609,722	16,845,693
Dividends payable		-	-
Income tax liabilities	29	9,447,217	9,725,433
<b>Total current liabilities</b>		<b>58,345,554</b>	<b>50,140,927</b>
<b>Total liabilities</b>		<b>92,394,426</b>	<b>81,407,456</b>
<b>Total equity and liabilities</b>		<b>138,046,995</b>	<b>115,706,822</b>

The notes on pages 29 to 83 are an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on December 23, 2024, and were signed on its behalf on December 23, 2024 by

*Orestis Tsakalotos*

Orestis Tsakalotos

Director

Registered number: 10878966

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**COMPANY STATEMENT OF FINANCIAL POSITION**

	Note	COMPANY	
		31/12/2023	31/12/2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	11	11,125,680	11,125,680
<b>Total non-current assets</b>		<b>11,125,680</b>	<b>11,125,680</b>
<b>Current assets</b>			
Trade and other receivables	15	9,371	46,835
Other reserves	18	69,831	617,069
Cash and cash equivalents	19	314,648	1,052,069
<b>Total current assets</b>		<b>393,850</b>	<b>1,715,973</b>
<b>Total assets</b>		<b>11,519,530</b>	<b>12,841,653</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital and share premium	21	5,000,000	5,000,000
Other reserves		1,522,548	1,522,548
Retained earnings		3,028,650	3,323,983
<b>Total equity</b>		<b>9,551,198</b>	<b>9,846,531</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	23	1,690,000	2,755,000
<b>Total non-current liabilities</b>		<b>1,690,000</b>	<b>2,755,000</b>
<b>Current liabilities</b>			
Trade and other payables	26	189,389	87,545
Other current liabilities	27	88,943	152,577
<b>Total current liabilities</b>		<b>278,332</b>	<b>240,122</b>
Liabilities related to Assets held for sale		-	-
<b>Total liabilities</b>		<b>1,968,332</b>	<b>2,995,122</b>
<b>Total equity and liabilities</b>		<b>11,519,530</b>	<b>12,841,653</b>

The notes on pages 29 to 83 are an integral part of these financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company Statement of Comprehensive Income.

The profit for the parent Company for the year was €8,204,667 (2022: Profit €14,172,157).

The financial statements were approved and authorized for issue by the Board of Directors on December 23, 2024, and were signed on its behalf on December 23, 2024 by

Orestis Tsakalotos

*Orestis Tsakalotos*

Director

Registered number: 10878966



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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	GROUP	
		1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022
Revenue	30	174,953,419	152,663,189
Cost of sales	31	(93,693,400)	(81,843,542)
<b>Gross profit</b>		<b>81,260,019</b>	<b>70,819,647</b>
Administrative expenses	31	(32,885,428)	(27,246,065)
Sales & marketing expenses	31	(18,721,557)	(18,316,270)
Other income		380,500	417,860
Other expenses		(511,201)	(433,175)
<b>Operating profit</b>		<b>29,522,333</b>	<b>25,241,997</b>
Finance income	34	285,695	108,327
Finance expenses	34	(2,914,079)	(2,268,317)
<b>Finance expense - net</b>		<b>(2,628,384)</b>	<b>(2,159,990)</b>
Share of results of associates accounted for using the equity method	12	72,414	25,351
<b>Profit before income tax</b>		<b>26,966,363</b>	<b>23,107,358</b>
Income tax	35	(8,171,122)	(6,246,639)
<b>Profit for the year from continuing operations</b>		<b>18,795,241</b>	<b>16,860,719</b>
Profit for the year from discontinued operations	10	-	2,346,411
<b>Profit for the year</b>		<b>18,795,241</b>	<b>19,207,130</b>
<b>Other comprehensive income:</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Foreign exchange differences on translation of foreign operations		-	(9,299)
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurements of defined benefit obligation	25	9,055	26,923
Deferred tax on actuarial gains	35	(51,937)	(5,923)
Remeasurement of fair value through OCI		227,337	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>184,455</b>	<b>11,701</b>
<b>Total comprehensive income for the year after tax</b>		<b>18,979,696</b>	<b>19,218,831</b>
<b>Profit for the year attributable to:</b>			
- Owners of the parent company		18,952,994	19,294,685
- Non-controlling interests		(157,753)	(87,555)
		<b>18,795,241</b>	<b>19,207,130</b>
<b>Total comprehensive profit for the year attributable to:</b>			
- Owners of the parent company		19,137,449	19,306,388
- Non-controlling interests		(157,753)	(87,555)
		<b>18,979,696</b>	<b>19,218,833</b>

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

		<u>GROUP</u>							
		Attributed to equity holders of the Parent							
Note	Share Capital	Share Premium	Other Reserves	Retained Earnings	Translation Reserves	Total	Non- controlling Interests	Total Equity	
	<b>Balance as at 1 January 2022</b>	<b>2,103,743</b>	<b>2,896,257</b>	<b>2,227,137</b>	<b>10,534,279</b>	<b>(14,928)</b>	<b>17,746,488</b>	<b>10,886,175</b>	<b>28,632,663</b>
	Profit for the year	-	-	-	19,294,685	-	19,294,685	(87,555)	19,207,130
	Other comprehensive income for the year	-	-	21,000	-	(9,299)	11,701	-	11,701
	<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>21,000</b>	<b>19,294,685</b>	<b>(9,299)</b>	<b>19,306,386</b>	<b>(87,555)</b>	<b>19,218,831</b>
	Movement in non-controlling interests from the disposal of subsidiary	-	-	-	5,320,001	-	5,320,001	(10,574,566)	(5,254,565)
	Transfer to / from reserves	-	-	(867,891)	867,895	2,434	2,438	-	2,438
	Dividend Distribution	-	-	-	(8,300,000)	-	(8,300,000)	-	(8,300,000)
	<b>Balance as at 31 December 2022</b>	<b>2,103,743</b>	<b>2,896,257</b>	<b>1,380,246</b>	<b>27,716,860</b>	<b>(21,793)</b>	<b>34,075,312</b>	<b>224,054</b>	<b>34,299,366</b>
	<b>Balance as at 1 January 2023</b>	<b>2,103,743</b>	<b>2,896,257</b>	<b>1,380,246</b>	<b>27,716,860</b>	<b>(21,793)</b>	<b>34,075,312</b>	<b>224,054</b>	<b>34,299,366</b>
	Profit for the year	-	-	-	18,952,994	-	18,952,994	(157,753)	18,795,241
	Valuation of financial assets at fair value	-	-	227,337	-	-	227,337	-	227,337
	Other comprehensive loss for the year	-	-	(42,882)	-	-	(42,882)	-	(42,882)
	<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>184,455</b>	<b>18,952,994</b>	<b>-</b>	<b>19,137,449</b>	<b>(157,753)</b>	<b>18,979,696</b>
	Acquisition of subsidiary	-	-	-	-	-	-	911,084	911,084
9	Transfer from revaluation reserve to retained earnings (equity investment change to associate)	-	-	(1,345,337)	1,345,337	-	-	-	-
	Transfer to / from reserves	-	-	-	(5,235)	(32,767)	(38,000)	425	(37,575)
	Dividend Distribution	-	-	-	(8,500,000)	-	(8,500,000)	-	(8,500,000)
	<b>Balance as at 31 December 2023</b>	<b>2,103,743</b>	<b>2,896,257</b>	<b>219,364</b>	<b>39,509,956</b>	<b>(54,560)</b>	<b>44,674,761</b>	<b>977,810</b>	<b>45,652,571</b>

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**COMPANY STATEMENT OF CHANGES IN EQUITY**

	Note	COMPANY				Total Equity
		Share Capital	Share Premium	Other Reserves	Retained Earnings	
<b>Balance as at 1 January, 2022</b>		<b>2,103,743</b>	<b>2,896,257</b>	<b>1,522,548</b>	<b>(2,548,174)</b>	<b>3,974,374</b>
Profit for the year		-	-	-	14,172,157	14,172,157
<b>Total comprehensive income for the year</b>		-	-	-	<b>14,172,157</b>	<b>14,172,157</b>
Share capital decrease						-
Dividend distribution					(8,300,000)	(8,300,000)
<b>Balance as at 31 December 2022</b>		<b>2,103,743</b>	<b>2,896,257</b>	<b>1,522,548</b>	<b>3,323,983</b>	<b>9,846,531</b>
<b>Balance as at 1 January, 2023</b>		<b>2,103,743</b>	<b>2,896,257</b>	<b>1,522,548</b>	<b>3,323,983</b>	<b>9,846,531</b>
Profit for the year		-	-	-	8,204,667	8,204,667
<b>Total comprehensive income for the year</b>		-	-	-	<b>8,204,667</b>	<b>8,204,667</b>
Dividend distribution					(8,500,000)	(8,500,000)
<b>Balance as at 31 December 2023</b>		<b>2,103,743</b>	<b>2,896,257</b>	<b>1,522,548</b>	<b>3,028,650</b>	<b>9,551,198</b>

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**STATEMENT OF CASH FLOWS**

	Note	GROUP		COMPANY	
		1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022	1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022
<b>Profit for the year before tax</b>		26,966,363	23,107,357	8,204,667	14,172,157
<b>Adjustments for:</b>					
Share of results of associates	12	(72,414)	(25,351)	-	-
Gain from reversal of impairment of investment in subsidiaries			-	-	(2,083,253)
Depreciation of property, plant and equipment	5	1,948,294	1,454,656	-	-
Depreciation of right-of-use assets	6	3,982,120	2,828,157	-	-
Amortisation of intangibles assets	7	2,853,989	6,217,038	-	-
Provisions for employee benefits		239,881	149,889	-	-
Finance income	34	(285,695)	(108,327)	-	(71,378)
Finance expenses	34	2,539,593	2,268,317	87,256	178,142
Dividend Income			-	(10,078,468)	(12,000,000)
Impairment of assets and other investments		(16,683)			
		<b>38,155,448</b>	<b>35,891,736</b>	<b>(1,786,545)</b>	<b>195,668</b>
<b>Changes in working capital:</b>					
Decrease / (Increase) in inventories		(62,562)	0	0	0
(Increase) / decrease in trade and other receivables		(675,988)	(6,515,813)	584,702	(626,340)
(Increase) / decrease in contract assets & contract costs		(8,313,996)	598,422	-	-
Increase / (decrease) in trade and other payables		959,665	256,490	38,210	(729,128)
Increase / (decrease) in contract liabilities (deferred income)		357,616	149,241	-	-
Increase / (decrease) in other liabilities		(469,581)	540,243	-	-
<b>Cash flows from operating activities</b>		<b>29,950,602</b>	<b>30,920,319</b>	<b>(1,163,633)</b>	<b>(1,159,800)</b>
Corporate income tax paid		(7,350,449)	(8,570,772)	-	-
<b>Net cash flows generated from/(used in) operating activities</b>		<b>22,600,153</b>	<b>22,349,547</b>	<b>(1,163,633)</b>	<b>(1,159,800)</b>
<b>Cash flows from investing activities:</b>					
Purchase of property, plant and equipment		(8,394,267)	(4,374,955)	-	-
Purchases of intangible assets		(8,989,301)	(8,225,723)	-	-
Proceeds from financial assets sold		2,796,087	-	-	-
Payments to acquire financial assets		(3,364,888)	(4,482,338)	-	-
Acquisition of subsidiary	9	(1,600,000)	-	-	-
Acquisition of associates	12	(1,800,000)	-	-	-
Increase in the investment cost of associate	12	(850,000)	-	-	-
Increase in investment in associate		-	(3,000)	-	-
Proceeds from disposal of subsidiary	10	7,000,000	6,000,000	-	-
Dividend received		-	-	10,078,468	12,000,000
Interest received		285,695	-	-	45,846
<b>Net cash flows generated from/(used in) investing activities</b>		<b>(14,916,674)</b>	<b>(11,086,016)</b>	<b>10,078,468</b>	<b>12,045,846</b>
<b>Cash flows from financing activities:</b>					
Proceeds from borrowings	23	15,700,000	4,000,000	-	-
Repayment of borrowings	23	(5,439,439)	(4,286,967)	-	-
Repayment of lease liabilities	23	(4,536,505)	(3,451,275)	-	-
Proceeds from related parties borrowings			-	-	1,161,000
Loans granted to related parties		(2,000,000)	(1,000,000)	-	-
Repayment of related party borrowings		2,000,000	-	(1,065,000)	(2,506,000)
Interest paid	23	(1,630,747)	(703,411)	(87,256)	(268,742)
Proceeds from government grants		-	-	-	-
Dividends paid		(8,500,000)	(8,300,000)	(8,500,000)	(8,300,000)
<b>Net cash flows generated from / (used in) financing activities</b>		<b>(4,406,691)</b>	<b>(13,741,653)</b>	<b>(9,652,256)</b>	<b>(9,913,742)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
		<b>3,276,787</b>	<b>(2,478,124)</b>	<b>(737,421)</b>	<b>972,304</b>
Cash and cash equivalents at beginning of year		19,277,184	22,728,856	1,052,070	79,765
Cash and cash equivalents of subsidiaries acquired		10,000	-	-	-
Effect of foreign exchange rate changes		(10,342)	-	-	-
Effect from disposal of subsidiary	8		(973,549)	-	-
<b>Cash and cash equivalents at end of year</b>		<b>22,553,629</b>	<b>19,277,184</b>	<b>314,649</b>	<b>1,052,070</b>

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## Notes to the financial statements

### General information

Qualco Holdco Limited (the "Company") is a private limited Company that is domiciled and incorporated in England and Wales. The registered office address is Building 1, The Heights Brooklands, Weybridge, England, KT13 0NY.

Qualco Holdco Limited was incorporated in England and Wales on 21 July 2017. On 9 February 2018, Qualco Holdco Limited acquired the entire issued share capital of Qualco SA, a Company incorporated in Greece, by way of a share for share exchange. This transaction has been treated as a Group reorganization and has been accounted for using the reverse merger accounting method given the same controlling parties before and after the reorganization.

The Company is the direct holding Company of Qualco France SAS, of which it has a 99% shareholding, Qualco SA, of which it has a 100% shareholding and Q RES Cyprus Limited of which it has a 100% shareholding. It is noted that during the current year 2022 the Company disposed of its 38.2% shareholding in QQuant Master Servicer Cyprus Limited.

The principal activities of the Company's subsidiaries, as presented in note 10, are as follows:

- a) The development, distribution and support of software advanced products and business solutions for the broader financial and construction sectors,
- b) The rendering of a wide range of services concerning Information Technology Infrastructure (IT Infrastructures),
- c) Management of non- performing loan portfolios
- d) Real estate asset management.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively the "Group"). The interests held by the Group are presented in notes 10 and 11.

The Company is a subsidiary of Wokalon Finances Limited, which holds 80% of the Company's shares. Amely S.a.r.l. holds the remaining 20% of the Company's shares. The ultimate parent Company into which these results are consolidated is Wokalon Finances Limited.

### Summary of significant accounting policies

#### 1.1. Basis of preparation of financial statements

The main accounting principles applied for the preparation of these financial statements are presented below. These principles have been applied with consistency for all the financial periods presented, except stated otherwise.

These separate and consolidated financial statements of Qualco Holdco Limited have been prepared in accordance with the UK-adopted international accounting standards.

The financial statements have been prepared under the historical cost convention, except for financial instruments that are measured at fair value, and the going concern basis of accounting.

The Group and the Company present their financial statements in Euros since, despite the incorporation of the parent Company in England and Wales, the majority of the Group's activities occur in Greece and EU countries and are therefore denominated in Euros. Monetary amounts in these financial statements are rounded to the nearest €. The functional currency of the parent Company is British pounds.

The preparation of financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies adopted. Actual results may differ from these estimates under different assumptions or conditions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

#### 2.1.1 Going concern

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The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. As part of their assessment the Directors also performed a stress testing of the assumptions included in their cash flow forecast of the 12 months following the date of approval of the Group financial statements, taking into account key risks which could potentially pose a threat to the viability of the Group. This stress testing did not reveal any significant liquidity pressure or any particular threat which cannot be mitigated.

More specifically the key risks considered were:

- The further increase in Euribor rates expected in FY 2023 and its impact in meeting debt obligations  
 The Directors have assessed the risk of significant increases in Euribor posing threat in the ability of the Group to meet its debt obligations. Based on the approved Budget for FY 2024 and although the Group expects some pressure on margins, the EBITDA and overall profitability is expected to remain at the same levels as in FY 2023. Cash flow generation for FY 2024 is also expected to be strong and cash reserves at the end of FY 2024 are expected to be even higher than the current year's levels. Taking the aforementioned factors into accounts and combined with the significant headroom that exists in key ratios of DSCR / EBITDA and the Net debt / EBITDA, the Directors have concluded that any Euribor increases cannot pose any significant threat on the Group's debt repayment obligations.
- The lower than expected onboarding of new customer contracts  
 The Directors have assessed the impact on EBITDA and cash flow in the event that the acquisition of new customer contracts is significantly lower than that already planned for in the Budget of FY 2024. The Directors have concluded that, given the materiality of the value of customer contracts already in place, even in the most adverse scenario of no new customer contracts being made in 2024, the Group would still be in a positive cash flow position. Directors' assessment was based on the fact that even in those adverse scenarios the Group would still be able to preserve cash through lower or nil dividend distributions, cuts on performance related bonus payouts and/or significantly reduced or nil new staff hirings.

Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Group has reported a profit for the year of € **18,795,241**

The Directors believe that the Group and the Company have adequate resources to continue in operation for the foreseeable future. For this reason, they have adopted the going concern basis in the preparation of the financial statements.

## **1.2. New standards, amendments to standards and interpretations**

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

### **Standards and Interpretations effective for the current financial year**

#### **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies**

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

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**Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

**Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates**

The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

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

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union

**Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the Group’s consolidated financial statements in future periods should such transactions arise.

**Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the Group’s consolidated financial statements in future periods.

**Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants**

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The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants. The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

**Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16. The Group/ Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above standards have not been adopted by the European Union



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### **1.3. Basis of consolidation**

#### **(a) Subsidiaries**

Subsidiaries are all entities over which the Group has control, either directly or indirectly through other subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred in a business combination for the acquisition of a subsidiary is measured at fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal Groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

The costs related to the acquisition of investments in subsidiaries (e.g. advisory, legal, accounting, valuation and other professional or consulting fees) are recognized as expenses through profit or loss over the period in which the costs are incurred.

Non-controlling interests in subsidiaries are identified separately from the Group's equity. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared as of the same reporting period as the parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All inter-Company transactions, balances and any Intercompany profit or loss between Group companies are eliminated in the consolidated financial statements.

In the separate financial statements, investments in subsidiaries and associates are recognized at cost, adjusted for any impairment where necessary, which is the amount of cash or cash equivalents paid or the fair value of the other consideration given at the time of acquisition.

#### **(b) Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in change of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

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**(c) Disposal of / loss of control over subsidiaries**

When the Group disposes of or ceases to have control over a subsidiary, any retained interest in the subsidiary is remeasured to its fair value at the date of disposal or when control is lost, with the change in carrying amount recognized in profit or loss. Subsequently, this asset is classified as an associate or financial asset and its acquisition cost equals that fair value. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are reclassified to profit or loss.

**(d) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

In case of sale of a holding in an associate on which the Group continues, however, to exercise significant influence, only a proportionate share of the amounts previously recognized directly in other comprehensive income will be reclassified to profit or loss.

The Group's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share in the losses of an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has assumed further obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Gains and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

**1.4. Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and the acquisition date fair value of any previous equity interest held over the fair value of the identifiable net assets acquired. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Where goodwill forms part of a cash-generating unit and part of the operation of this unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

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## 1.5. Foreign currency translation

### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured in the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the parent Company is Pounds sterling (£). The consolidated financial statements are presented in Euros, since the majority of the Group's activities occur in Greece and are therefore denominated in Euros.

Monetary amounts in these financial statements are rounded to the nearest €.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses are presented in the income statement within "Other income/(expenses)".

### (c) Group Companies

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

- i) assets and liabilities are translated using the rates in effect at the date of the statement of the financial position;
- ii) income and expenses are translated using the average rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- iii) all resulting exchange differences are recognized in other comprehensive income and are transferred to the income statement upon disposal of these companies.

## 1.6. Property, Plant and Equipment

Items of property, plant and equipment are measured at acquisition cost, less accumulated depreciation and any impairment in value (note 2.9). Acquisition cost includes all expenditure directly attributable to the acquisition of property plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

-	Leasehold property improvements	10 years
-	Machinery	5 years
-	Motor vehicles	10 years
-	Furniture and other equipment	3-10 years
-	Computer hardware	5 years

The residual values and useful economic life of property, plant and equipment are subject to reassessment, at each balance sheet date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Upon the sale of PPE, any difference between the proceeds and the net book value is recorded as gain or loss in the income statement.

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## **1.7. Intangible assets**

### **1.7.1. Intangible assets acquired separately**

An acquired intangible asset is initially recognized at cost. Following initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Group's acquired intangible assets include computer software and software licenses, which are capitalized on the basis of the costs incurred to acquire and bring them into use. These costs are amortized over their estimated useful lives of five years.

Costs associated with maintaining computer software are recognized as an expense as incurred.

### **1.7.2. Internally – generated intangible assets (Software development) – research and development expenses**

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Computer software development costs recognized as intangible assets are amortized over their estimated useful lives of 5 – 7 years, on a straight line basis.

Software under construction relates to costs capitalized in accordance to the same criteria as above, but where the software being developed is not yet available for use. Software under construction is not subject to amortization.

### **1.7.3. Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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## **Derecognition of intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognised.

### **1.8. Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **The Group as a lessee**

The Group applies a single recognition and measurement approach for all leases (including short-term leases and leases of low-value assets). The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **i) Right-of-use assets**

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. If ownership of the leased asset is transferred to the Group at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The right-of-use assets are also subject to impairment, as described in note 2.9.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the statement of comprehensive income in the period in which the event or condition that triggers those payments occurs.

##### **ii) Lease liabilities**

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments that are not paid at that date. The lease payments will be discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group will use the incremental borrowing rate.

At the commencement date of the lease period, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease period:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be paid by the lessee under the residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

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The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease liabilities are presented as a separate line in the consolidated statement of financial position.

Interest on the lease liability is allocated during the lease term in such a manner so that the amount produces a constant periodic rate of interest on the remaining balance of the lease liability.

After the commencement date of the lease period, the Group recognizes in profit or loss (unless the costs are included in the carrying amount of another asset applying other applicable Standards) both:

- (a) interest on the lease liability; and
- (b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

### **1.9. Impairment of non-current assets excluding goodwill**

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Intangible assets not yet ready to use and not yet subject to amortization are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

### **1.10. Financial instruments**

#### **i) Initial recognition**

Financial assets or financial liabilities are recognized in the statement of financial position of the Group and Company when the Group or Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

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**ii) Classification and subsequent measurement**

**a) Financial assets**

**Financial assets at amortized cost**

The classification of financial assets at initial recognition is based on the contractual cash flow of the financial assets and the business model within which the financial asset is held.

With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset that is not measured at fair value through profit or loss. Trade receivables are initially measured at transaction value as defined by IFRS 15.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest' (SPPI) test and is performed at financial instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within (a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group measures financial assets at amortized cost if both of the following conditions are met:

- (1) the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

**Financial assets at FVTOCI**

Equity instruments at fair value through the statement of comprehensive income, without transfer of profit or loss to the income statement when derecognised. This category includes only equity instruments which the Group intends to hold for the foreseeable future and has irrevocably decided to classify them in this manner upon initial recognition. Equity instruments at fair value through the statement of comprehensive income are not subject to impairment. Dividends from such investments continue to be recognised in the income statement, unless they represent recovery of the investment cost.

For investments that are traded on an active market, fair value is calculated based on market bid prices. For investments for which there is no active market, fair value is determined by valuation techniques, unless the range of rational estimates of fair value is significantly large and the probable accuracy of the various estimates cannot reasonably be assessed, when valuation of such investments at fair value is prohibited. The purchase or sale of financial assets that require the delivery of assets within a timeframe provided for by a regulation or market assumption is recognised at the settlement date (i.e. the date when the asset is transferred or delivered to the Group or the Company).

**b) Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

**Financial liabilities measured subsequently at amortized cost**

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective

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interest method. Financial liabilities measured at amortized cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortization is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortized cost using the effective interest method.

Fair value is determined in the manner described in note 3.3.

**iii) Derecognition of financial assets and financial liabilities**

a) A financial asset is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group or the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group or the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group or the Company also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained

b) Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled. When an existing financial liability is replaced by another to the same lender but under substantially different terms or the terms of an existing liability are significantly modified, such exchange or amendment is treated as a recognition of the original liability and recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognized in profit or loss as gain or loss on modification within "other gains/(losses) - net".

**iv) Impairment of financial assets**

The Group assesses at each reporting date, whether a financial asset or Group of financial assets is impaired and recognizes, if necessary, an allowance for Expected Credit Losses (ECLs) regarding all financial assets not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.



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To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected credit loss in relation to contract assets, is measured based on the expected early contract termination rate, the penalty for early termination and its collectability rate.

For all other Group's financial assets at amortized cost, the general approach is applied.

#### **v) Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Group or the Company has a legal right to set off the recognized amounts and intends either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

##### **1.11. Trade and other receivables**

Trade receivables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method, except if the discount outcome is not material, less provision for impairment. For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

##### **1.12. Cash and cash equivalents**

Cash and cash equivalents include cash in hand and bank deposits.

##### **1.13. Restricted cash**

Restricted cash is cash not available for immediate use. Such cash cannot be used by a Company until a certain point or event in the future. In cases when restricted cash is expected to be used within one year after the reporting date, it is classified as a current asset. However, if restricted cash is not expected to be used within one year after the reporting date, it is classified as a non-current asset. Restricted cash is not included in line "Cash and cash equivalents".

##### **1.14. Share capital and share premium**

Share capital consists of ordinary shares. Share premium account represents the excess of the issue price over the par value on shares issued. Direct expenses for the issue of shares appear net of any tax, as a reduction from share premium.

##### **1.15. Capital contributions**

Capital contributions are recognized separately within other reserves.

Capital contributions are not defined in IFRSs but is generally accepted as meaning a contribution by owner, which increases the entity's equity without any obligation for the entity to make repayment or to do anything in consideration for receiving it.

Since, there is no guidance in IFRSs as to where in equity capital contributions shall be recognized, the Group, has implemented the guidance of IAS 8 "Accounting policies, changes in accounting estimates and errors", which requires entities to use their judgment to develop and apply an accounting policy for transactions for which no specific standard or interpretation exists. The accounting policy developed should reflect the economic substance of the transaction and not merely the legal form and be relevant and reliable to the users.

According to IAS 1 para 106 (d) (iii), transactions with owners in their capacity as owners, such as contributions by owners, are recognized directly in the statement of changes in equity. Whether a particular transaction should be recognised as a capital contribution is a matter of judgment in the context of the particular facts and circumstances.

Capital contributions are not considered income, which is defined in the Conceptual Framework for Financial Reporting as increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating

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to contributions from equity participants. Therefore, capital contributions cannot be included in profit or loss for the period, nor within other comprehensive income.

#### **1.16. Current income tax and deferred tax**

Income tax comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is measured on the taxable income for the year using enacted or substantively enacted tax rates at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is intention to settle the balances on a net basis.

#### **1.17. Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred. After initial recognition, loans are measured at the amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method.

In general, borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss within "other gains / (losses) – net.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### **1.18. Employee benefits**

According to Greek laws 2112/20 and 4093/2012, Group entities incorporated in Greece must pay to their personnel benefits at their termination of employment or retirement. The benefits are related to, employment years, remuneration amount and whether the employment was terminated or left employment due to retirement. The maturity of the right to participate in these schemes usually depends upon service years of the employee before retirement.

##### **(a) Post-employment benefits**

The Group contributes to both defined benefit and defined contribution plans. The Group operates various postemployment schemes. Payments are defined by the applicable local legislation and the fund's regulations.

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### **Defined contribution plan**

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly administered pension insurance plans on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **Defined benefit plans**

Defined benefit plan is a pension plan which defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability of the defined benefit plan is calculated annually by an independent actuary with the use of the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan which is recognized in the income statement in employee benefit expense reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Past-service costs are recognized immediately in the income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in the income statement.

### **(b) Employment termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

In case of termination of employment where the number of employees who will use such benefits cannot be determined, the benefits are disclosed as contingent liabilities and are not accounted for.

### **1.19. Trade payables and other payables**

Trade payables are usually obligations to make payment for products or services acquired during the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the payment is due within no more than one year. If not, they are classified as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

### **1.20. Provisions**

Provisions are recognized when: there is a present obligation (legal or constructive) as a result of past events, when it is highly probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments for the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Provisions are reviewed at each reporting date, and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, they are reversed. Provisions are used only for expenditures for which they were originally recognized. No provisions are recognized for future operating losses.

## **1.21. Revenue recognition**

### **(a) Revenue from contracts with customers**

Revenue represents the transfer of promised goods or services to our customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Qualco derives its revenue from licenses and subscriptions of its software and related professional services, which can include assistance in implementation, customization and integration, post-contract customer support and other professional services. Qualco's non-recurring revenues also include its specialty consultancy and advisory services to design and develop bespoke and innovative technology solutions to deliver tailored solutions and technical tools that enable customers to create long-term value, differentiate themselves from competitors, and pre-empt technological, regulatory, and competitive change.

Qualco's operating model, is structured under two business segments:

- Software & Platforms segment comprised of Software & Technology and Platform as a Service business solutions; and
- Portfolio Management segment comprised of Servicing and Tech-enabled Operations Digitization solutions.

Both segments are supported by Qualco's business units, each responsible for the offering its solutions and adjacent services and analysed as follows:

#### **Software & Platforms segment**

##### Software and Technology solutions

The revenue of Software and Technology solutions, is divided into recurring revenue and non-recurring revenue. Recurring revenue consists of (i) revenue from annual usage fee, which relates to subscriptions; (ii) revenue from post-contractual support, which relates to software support and maintenance; and (iii) revenue from the provision of IT support services. Non-recurring revenue is divided into: (i) revenue from license at a point in time, which relates to perpetual licenses; (ii) revenue from professional services, which relates to projects to implement, configure and upgrade software, train and consult customers, or migrate customers from other products to Qualco, or onto the cloud; (iii) third parties' revenues, which relate mainly to the reselling of IT products, the provision of cloud environments and other commercial off-the-shelf solutions (partners solutions). In addition to the above, Software and Technology solutions generates revenue through its relationships with receivables management clients via the Group's other product offerings (i.e. Qualco Intelligent Finance)

##### Platform as a Service solutions

These solutions relate mainly to fully digital cloud-native platforms that build full-value chain ecosystems of receivable collection, receivable management, real estate. More specific, revenues from Qualco Intelligent Finance derive mainly from success fees on recoveries, on a recurring and non-recurring basis in the context of non-banking receivable management platform. The Qualco UK, through the offerings of its platform, generates revenue divided into four categories: (i) revenue from fixed fees relating to monthly charges for the platform usage; (ii) revenue from variable fees relating to small commission upon collections; (iii) additional consulting fees; and (iv) revenue from the sale of platform licenses. Last, the revenues from the Qualco Real Estate are derived from four types of activities: (i) technical services; (ii) brokerage; (iii) valuation services; and (iv) advisory services.

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**Portfolio Management segment**

Servicing and Tech-enabled Operations Digitization solutions

Under the Portfolio Management segment, Quant S.A. is the servicing arm of the Group. Quant generates revenues that mainly divided into five categories: (i) revenue from strategic advisory services on NPL portfolio sales and adjacent services covering the back-office and loan administration processes; (ii) revenue from fixed fees as a percentage on assets under management; (iii) revenue from success fees on recoveries; (iv) services revenue in relation to underwriting fees; and (v) revenue from administration fees related to manage external partners.

**Timing of revenue recognition (at a point in time / over time)**

**Software licence** revenue represents all fees earned from granting customers a right to use or a right to access licence of the Group's software, either through an initial licence or through the purchase of additional modules or user rights. Under customary Group practice, in customer contracts where software licence is bundled with other services (usually maintenance and support and other professional services), the software licence itself is considered as a separate performance obligation. This is because the licence is capable of being distinct because the customer could benefit from it without the other promises in the contract.

For software licences offered under a perpetual or term licence scheme, which are usually priced as a one-off fee billed at the start of the contract, revenue is recognized at a point-in-time (usually being the beginning of licence term and when the software is made available to the customer). This is because the nature of the Group's promise in transferring the licence is to provide a right to use the entity's intellectual property as it exists at a point in time with the software licence having stand-alone functionality.

For software licences offered under an annual usage fee scheme, which are priced at an annual fee usually payable in advance, revenue is recognized over time (so over the year) on a straight-line basis. This is because the nature of the Group's promise in transferring the licence is to provide a right to access the Group's intellectual property as it exists throughout the licence annual period and the customer simultaneously receives and consumes the benefits from the Group's performance of providing access to its intellectual property as the performance occurs.

**Software maintenance and support (M&S)** is included in most software licence arrangements with customers and is usually priced as a percentage of the initial software licence fees. The standard maintenance offering is a stand ready obligation to provide technical support and unspecified updates, upgrades and enhancements on a when-and-if available basis. The customer simultaneously receives and consumes the benefits of these support services as performed hence revenue is recognized rateably on a straight-line basis over the term of the arrangement (duration of the M&S) as the performance obligation is satisfied.

**Professional services** revenue mainly relates to system integration, project management, application configuration and hosting services. Those services are offered as separate promises in customer agreements bundled with software licences (either in the perpetual licences pricing or the annual usage fees pricing schemes). The professional services are usually considered separate performance obligations and are also separately priced under the contracts under a transaction price that also corresponds to the stand-alone selling price of the service.

In the majority of cases the Group uses the practical expedient provided by IFRS 15 and recognizes revenue in the amount to which it has a right of invoice i.e. upon invoicing to the customer. This because in most cases the Group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. In fewer cases the revenue is recognized rateably on a straight-line basis over the term of the contract as the performance obligation is satisfied.

Professional services also relate to income from consulting, technical services, asset valuations, underwriting services for portfolios, IT services and other. Fixed-price arrangements are accounted for over time on a percentage-of-completion basis as determined by the percentage of project costs incurred to date compared to the estimated total project costs. For time and material-based contracts, revenue is recognized as services are rendered because the customer receives and uses the benefits simultaneously. Professional Services projects are typically invoiced based on set project milestones with an initial portion invoiced upon contract signature.

**Servicing fees** revenue represent income associated with the recovery of debts (usually a portfolio of debts) which have been assigned to the Group for collection under a servicing or subservicing contract. The debts serviced can be either trade receivables or banking related receivables (NPLs) which have previously been securitized. Revenue is recognized in line with the actual collected amounts, based on a fees schedule specified

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in the debt collection agreements. The servicing fees consist of fixed fees (more commonly driven by the underlying portfolio's size of Assets under Management – AuM) as well as variable performance related fees with the latter mainly being dependent on achieving specific collection targets specified in each portfolio's AuM.

**Contract assets**

When the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is the Group's right to consideration in exchange for goods or services that the entity has transferred to a customer.

**Contract liabilities**

When customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). Incremental costs of obtaining a contract are expensed as incurred.

**(b) Interest income**

Interest income is recognized on the accruals basis using the effective interest method. In the case of impairment of borrowings and receivables, interest income is recognized using the rate which discounts future flows for impairment purposes.

**1.22. Dividend distribution**

Dividend distribution to the shareholders is recognized as a liability in the period they are approved by the General Assembly of the Company's shareholders.

**1.23. Government grants**

Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all stipulated conditions of the grant.

**(a) Grants relating to assets**

Government grants relating to the purchase of fixed assets or the construction of projects are included in non-current liabilities as deferred government grants and are recognized as income through profit or loss using the straight line method according to the asset's expected useful life.

**(b) Grants relating to costs**

Government grants relating to costs are deferred and recognized in profit or loss to match with the costs that they are intended to compensate.

**Financial risk management**

**1.24. Financial risk factors**

The Group is exposed to various financial risks, such as market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Financial risks are associated with the following financial instruments: accounts receivable, cash and cash equivalents, accounts payable, other liabilities and borrowings. The accounting principles referred to the above financial instruments are presented in note 2.

The Group's risk management plan seeks to limit the negative impacts on Group financial results arising from inability to predict how financial markets will perform and from fluctuations in costs and sales variables.

The procedure followed is outlined below:

- assessment of risks relating to the Group's activities and functions;
- planning of the methodology and selection of adequate financial instruments for risk mitigation; and
- the application and execution of the risk management procedures, in accordance with those approved by Management.

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**(a) Market Risk**

Market risk is the risk related to the business sectors in which the Group operates. The Group operates, as is well known, in a competitive and highly demanding international environment, which is subject to significant and rapid changes. Over the last few years, the Group has been systematically reinforcing and furthering its outward-looking approach in geographically strategic areas. The focus in these areas has been on up-to-date technologies and on the continuous technological upgrade of its products and solutions, whilst also developing new activities and promoting entry into new markets, with a view to further enhancing the Group's competitiveness.

The Group remains competitive despite inherent problems faced by the industry which have been caused due to the Greek economic crisis. This is because of its specialized expertise, its many years of experience and presence in the field, the organization and structure of the Group allowing for the strong engagement of all its executives, its wide recognition in connection with the research, development and marketing of new products, as well as the continuous improvement and upgrading of existing products, whilst also focusing on the quality of the product and the ability to meet demand directly and changing the needs of end customers.

The Group's significant qualitative diversification, combined with the continuous development and upgrading of its products, are the main means available in order to minimize the negative consequences of the unprecedented economic crisis. However, it is expected that in the current period, the revenues and the overall results will inevitably be affected due to the continuation of the above mentioned economic crisis and the lack of liquidity in the market, which has led to a wide customer base on which the Group relies, the suspension of investment plans and the postponement of programmes for business transformation.

*(i) Foreign currency risk*

Foreign current risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. The Group mainly operates in the EU, and most of its transactions are settled in Euros, however there are also transactions in British pounds. As a result, the Group is exposed to foreign exchange rate risk.

In particular, foreign currency risk arises when advisory fees, as well as project costs, are incurred in foreign currencies. The Group does not make use of currency forward contracts but it verifies and evaluates on a periodic basis its exposure to foreign exchange risk and its significance in order to take appropriate actions if required to mitigate its risk.

The financial assets and the respective liabilities in foreign currency are broken down as follows:

	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
Assets in foreign currency	358,381	179,709	-	-
Liabilities in foreign currency	(293,453)	65,092	-	44,785
<b>Total Exposure</b>	<b><u>64,928</u></b>	<b><u>244,801</u></b>	<b><u>-</u></b>	<b><u>44,785</u></b>

The table below presents the changes in the operating result and equity in relation to the financial assets and financial liabilities, if floating rates with British pound sterling (GBP) were to vary by 10%. This sensitivity analysis has been calculated for the financial instruments in foreign currency held by the Group for each reporting period.

Sensitivity analysis to foreign exchange changes:

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	<b>GROUP</b>			
	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>
	<b>31/12/2023</b>		<b>31/12/2022</b>	
	<b>GBP</b>		<b>GBP</b>	
Impact on profit/(loss) before tax	15,665	(15,665)	18,328	(18,328)
Impact on equity	15,687	(15,687)	18,328	(18,328)

	<b>COMPANY</b>			
	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>
	<b>31/12/2023</b>		<b>31/12/2022</b>	
	<b>GBP</b>		<b>GBP</b>	
Impact on profit/(loss) before tax	-	-	320	(320)
Impact on equity	-	-	320	(320)

The Group's exposure to foreign exchange risk varies during the year depending on the volume of transactions in foreign currency. Yet, the above analysis is considered representative of the Group's foreign exchange exposure and is considered to be highly immaterial to the Group.

*(ii) Cash flow risk and risk arising from fair value change due to a change in interest rates*

The Group is exposed to risk from the fluctuations of interest rates, arising from bank loans with floating rates. The Group is therefore exposed to the floating interest rates prevailing in the market, which affect both the financial position and the cash flows. The cost of borrowings may increase, or decrease, as a result of these changes creating profit or losses. It should be noted that the fluctuation in interest rates in recent years has been a result of extremely high spreads in Greek government bonds, due to the lack of liquidity in the Greek banking market and the estimated risk of Greek companies, and, to a lesser extent, due to the increase in base interest rates (e.g. Euribor).

With regards to long-term borrowings, the Group's management regularly monitors interest rate fluctuations and assesses the need to take relevant positions to hedge risks, when and if necessary. A significant part of the Group's borrowings is linked to floating rates, and all borrowings are denominated in Euros.

The Group monitors interest rate trends, as well as the duration and nature of the Group's financing requirements. Decisions on loan terms, as well as the extent of loans with variable or fixed interest rates, are considered separately on an individual case-by-case basis.

The Group is exposed to the risk of variances in future cash flows due to changes in interest rates. The sensitivity analysis showing the impact of a change in the variable rate of interest is shown below:

<b>As at 31/12/2023</b>	<b>+0,5%</b>	<b>-0,5%</b>
Impact on Equity	152,422	(152,422)
Impact on Profit and Loss	(152,422)	152,422
<b>As at 31/12/2022</b>	<b>+0,5%</b>	<b>-0,5%</b>
Impact on Equity	101,453	(101,453)
Impact on Profit and Loss	(101,453)	101,453



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**(b) Credit risk**

**Risk management**

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. Defaulted payments of trade receivables and other receivables could potentially adversely affect the liquidity of the Group.

Trade receivables are due from a large customer base, therefore there is no significant concentration of receivables from an individual counterparty. As a result of the current market conditions, management ensure that procedures are being followed to monitor work in progress, ensuring invoicing and receipts are strictly controlled, particularly in relation to new contracts. For several customers, the Group is protected against credit risk by management obtaining letters of guarantee from a bank to ensure the execution and full payment of the contracts in place.

In addition, most of the receivables comes from large organizations, (e.g. multinational companies, banks, etc). In the judgment of management, appropriate provisions are recognized for impairment loss on the basis of specific credit risk.

Potential credit risk also exists in relation to cash and cash equivalents. In such cases, the risk may arise from counterparty failure to fulfil their obligations towards the Group. In order to manage this credit risk, the Group sets limits to the degree of exposure for each financial institution, within the scope of the policies of the Board of Directors.

**Impairment of financial assets**

The Group has the following assets that are subject to the expected credit loss model:

- Trade receivables for sales and from the provision of services; and
- Contract assets relating to customer contracts.

**Trade receivables and contract assets**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery.

The ageing analysis of trade receivables and the provision recognized are disclosed in note 15.

There are no contract assets which are overdue and non-impaired, and no impairment losses have been recognized in respect of these assets for the year ended 31 December 2023.

Whilst cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company has no receivables other than those from Group entities, which are eliminated during the consolidation process.

**(c) Liquidity risk**

The Group manages its liquidity needs by carefully monitoring its debts, long-term and short-term financial liabilities, monitoring available funding and maintaining sufficient cash to meet the Group's obligations. Liquidity requirements are monitored in various time zones on a daily and weekly basis and on a rolling 30-day basis. Long-term liquidity requirements for the 6 months ahead and the following year are calculated on a monthly basis.

The tables below analyse the Group's and Company's financial liabilities as at 31 December 2023 and 2022 respectively into relevant maturity groupings based on their contractual maturities for:

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- a) all non-derivative financial liabilities; and  
b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

	<b>GROUP</b>			<b>Total</b>
	<b>Within 1 year</b>	<b>31/12/2023</b>		
		<b>Between 1 and 5 years</b>	<b>Over 5 years</b>	
Trade and other payables	12,029,201	-	-	<b>12,029,201</b>
Lease liabilities	4,209,352	13,828,111	4,643,761	<b>22,681,224</b>
Borrowings	14,375,142	16,041,327	-	<b>30,416,469</b>
Accrued expenses	5,906,443			<b>5,906,443</b>
<b>Total non-derivatives</b>	<b>36,520,138</b>	<b>29,869,438</b>	<b>4,643,761</b>	<b>71,033,337</b>

	<b>GROUP</b>			<b>Total</b>
	<b>Within 1 year</b>	<b>31/12/2022</b>		
		<b>Between 1 and 5 years</b>	<b>Over 5 years</b>	
Trade and other payables	11,117,225	-	-	<b>11,117,225</b>
Lease liabilities	3,276,618	12,184,082	5,308,808	<b>20,769,508</b>
Borrowings	7,465,946	12,824,574	-	<b>20,290,520</b>
Accrued expenses	7,066,162			<b>7,066,162</b>
<b>Total non-derivatives</b>	<b>28,925,951</b>	<b>25,008,656</b>	<b>5,308,808</b>	<b>59,243,415</b>

	<b>COMPANY</b>			<b>Total</b>
	<b>Within 1 year</b>	<b>31/12/2023</b>		
		<b>Between 1 and 5 years</b>	<b>Over 5 years</b>	
Trade and other payables	189,389	-	-	<b>189,389</b>
Borrowings		1,690,000	-	<b>1,690,000</b>
Other liabilities	-	-	-	-
<b>Total non-derivatives</b>	<b>189,389</b>	<b>1,690,000</b>	-	<b>1,879,389</b>

	<b>COMPANY</b>			<b>Total</b>
	<b>Within 1 year</b>	<b>31/12/2022</b>		
		<b>Between 1 and 5 years</b>	<b>Over 5 years</b>	
Trade and other payables	87,545	-	-	<b>87,545</b>
Borrowings		2,755,000		<b>2,755,000</b>
Other liabilities	152,577	-	-	<b>152,577</b>
<b>Total non-derivatives</b>	<b>240,122</b>	<b>2,755,000</b>	-	<b>2,995,122</b>

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**1.25. Capital management**

Regarding cash management, the Group's intention is to ensure its ability to continue its operations unhindered so as to secure returns for shareholders and benefits for other parties associated with the Group, whilst maintaining an optimal capital structure in order to achieve capital cost reductions.

In line with industry practice, the Group monitors the capital structure using the leverage ratio. Leverage is calculated as the ratio of net debt to equity. Net debt includes interest bearing loans, as well as long-term and short-term lease liabilities, less cash and cash equivalents.

The Group's and Company's gearing ratios as at 31 December 2023 and 31 December 2022 are presented in the following table:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Long-term borrowings	16,041,327	12,824,574	1,690,000	2,755,000
Short-term borrowings	14,443,142	7,465,946	-	-
Long-term lease liabilities	16,722,019	17,920,397	-	-
Short-term lease liabilities	3,321,138	2,849,112	-	-
Cash and cash equivalents	(22,553,629)	(19,277,184)	(314,648)	(1,052,069)
<b>Net debt</b>	<b>27,973,997</b>	<b>21,782,845</b>	<b>1,375,352</b>	<b>1,702,931</b>
<b>Total equity</b>	<b>46,151,922</b>	<b>34,299,366</b>	<b>9,551,198</b>	<b>9,846,531</b>
<b>Net debt to equity</b>	<b>0.61</b>	-	<b>0.14</b>	-

**1.26. Fair value estimation**

(i) Fair value hierarchy

The fair value hierarchy levels 1 to 3, prescribed under the accounting standards, are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>GROUP</b>			
	<b>31/12/2023</b>		<b>31/12/2022</b>	
<b>Investments in equity instruments designated as at FVOCI</b>	<b>Level 1</b>	<b>Level 3</b>	<b>Level 1</b>	<b>Level 3</b>
Listed Shares (designated as at FVTPL)	337,433		293,355	-
Unlisted Shares (designated as at FVTOCI)		1,381,166	-	3,578,704
	<b>337,433</b>	<b>1,381,166</b>	<b>293,355</b>	<b>3,578,704</b>

To perform the level 3 fair value measurements the Group uses the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. Significant unobservable inputs in the fair valuation exercise were the long-term growth rate, the long-term pre-tax operating margin, the weighted average cost of capital and the discount for lack of marketability.

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**Significant estimates and judgments of the management**

Annual financial statements along with the accompanying notes and reports may involve certain judgments and calculations that refer to future events regarding operations, developments and financial performance of the Company and the Group. Despite the fact that such assumptions and calculations are based on the best possible knowledge of the Company's and the Group's management with regard to current conditions and actions, the actual results may eventually differ from calculations and assumptions taken into consideration in the preparation of the Group's and the Company's annual financial statements.

Significant accounting estimates and assumptions that involve important risk of causing future material adjustments to the assets' and liabilities' carrying values are discussed below:

**Critical judgements in applying the group's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**(a) Judgment used to develop and apply an accounting policy**

There might be no standard or interpretation that specifically applies to a transaction, other event or condition. In such cases, management uses its judgment to develop and apply an accounting policy that is both relevant and reliable to the users. In exercising its judgment to develop and apply an accounting policy, management considers other guidance by referring to the following sources and considering their applicability in descending order:

- Requirements in IFRSs and interpretations that deal with similar and related issues;
- The definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

Management has exercised its judgment based on the above to develop an accounting policy for capital contributions by owners, as described in note 2.15.

**(b) Recoverability of trade receivables**

Provisions for credit losses within trade receivables are based on assumptions using historical data on recoverability of individual trade receivables, the risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward looking estimates at the end of each reporting period. The movement in the provision for credit losses has been included in note 24.

**(c) Capitalization of software development costs**

The expenses attributed to the development of the Group's software programs are recognized as intangible assets only when it is likely that the future economic benefits arising from the intangible assets will accrue to the entity. When estimating the future economic benefits, the Group takes also into account the technical capability to complete the intangible asset and make it available for sale or use, the existence of a market for the product producing the intangible asset or, in case it will be internally used, the usefulness of the intangible assets as well as the capability to measure reliably the expenses attributable to the intangible asset during its development.

The useful economic life over which intangible assets are amortized is based on management's estimate of the period over which revenue will be received, and the expected technical obsolescence of such assets. However, the actual useful economic life might be different, depending on technical innovations and competitor actions. The Group estimates the useful economic life of computer software development intangible assets to be at least five years. As at 31 December 2023, the carrying amount of this software was €13,398,664 (31.12.2022: €7,309,977).

**(d) Revenue from contracts with customers – determining the timing of meeting performance obligations**

The accounting policy for revenue is set out in note 2.21. With regards to the recognition of revenue under contracts with customers, management's judgment in determining whether performance obligations have

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been met affects the amount and timing of revenue from contracts. The Group determined that the percentage completion basis is the best method for measuring progress because there is a direct relationship between the Group's effort and the transfer of services to the customer. The judgment used in applying the percentage completion basis affects the amount and timing of revenue from contracts.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are discussed below.

**(e) Uncertain tax positions**

In recognizing income tax assets and liabilities, management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying values of income tax assets and liabilities are disclosed separately in the consolidated statement of financial position.

**(f) Fair value measurements and valuation processes**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors (BoD) and Chief Financial Officer (CFO) of the Company determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group and Company engage third party qualified valuers to perform the valuation. The BoD and CFO work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

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**Property, plant and equipment**

	<b>GROUP</b>			
	<b>Installations of buildings in third-party properties</b>	<b>Machinery / Motor Vehicles / Computer Hardware</b>	<b>Furniture and other equipment</b>	<b>Total</b>
<b>Cost</b>				
<b>Balance at 1/1/2022</b>	<b>3,522,426</b>	<b>236,324</b>	<b>6,676,196</b>	<b>10,434,946</b>
Additions	2,051,911	39,592	2,303,157	4,394,660
Write off / Sales	1,250	-	(22,597)	(21,347)
Disposal of subsidiary		(19,171)	(14,122)	(33,293)
<b>Balance at 31/12/2022</b>	<b>5,575,587</b>	<b>256,745</b>	<b>8,942,634</b>	<b>14,774,966</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1/1/2022</b>	<b>(1,011,062)</b>	<b>(149,319)</b>	<b>(3,183,037)</b>	<b>(4,343,418)</b>
Write offs	-	-	6,668	6,668
Depreciation	(384,957)	(23,902)	(1,045,797)	(1,454,656)
Disposal of subsidiary		1,396	3,195	4,591
<b>Balance at 31/12/2022</b>	<b>(1,396,019)</b>	<b>(171,825)</b>	<b>(4,218,971)</b>	<b>(5,786,815)</b>
<b>Net book amount 31/12/2022</b>	<b>4,179,568</b>	<b>84,920</b>	<b>4,723,663</b>	<b>8,988,151</b>
<b>Cost</b>				
<b>Balance at 1/1/2023</b>	<b>5,575,587</b>	<b>256,745</b>	<b>8,942,634</b>	<b>14,774,966</b>
Additions	6,056,267	72,840	2,323,887	8,452,994
<b>Balance at 31/12/2023</b>	<b>11,631,854</b>	<b>329,585</b>	<b>11,266,521</b>	<b>23,227,960</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1/1/2023</b>	<b>(1,396,019)</b>	<b>(171,825)</b>	<b>(4,218,971)</b>	<b>(5,786,815)</b>
Write offs	-	-	-	-
Depreciation	(684,165)	(35,469)	(1,228,660)	(1,948,294)
<b>Balance at 31/12/2023</b>	<b>(2,080,184)</b>	<b>(207,294)</b>	<b>(5,447,631)</b>	<b>(7,735,109)</b>
<b>Net book amount 31/12/2023</b>	<b>9,551,670</b>	<b>122,291</b>	<b>5,818,891</b>	<b>15,492,852</b>

There is no property, plant and equipment pledged as security.

As at December 31 2023 the Group had no commitments for the purchase of property.

The Company had no property, plant and equipment as at 31 December 2023 and 2022.

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**Leases**

Right-of-use assets are analysed as follows:

	<b>GROUP</b>			
	<b>Buildings</b>	<b>IT &amp; Telecom Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Cost</b>				
<b>Balance at 1/1/2022</b>	<b>19,752,379</b>	<b>310,573</b>	<b>1,129,759</b>	<b>21,192,711</b>
Additions	5,336,031	-	417,326	5,753,358
Termination of leases	(483,207)	-	(17,430)	(500,637)
Disposal of subsidiary	(943,401)	-	(21,160)	(964,561)
<b>Balance at 31/12/2022</b>	<b>23,661,803</b>	<b>310,573</b>	<b>1,508,496</b>	<b>25,480,870</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1/1/2022</b>	<b>(2,434,552)</b>	<b>(265,498)</b>	<b>(394,605)</b>	<b>(3,094,655)</b>
Depreciation	(2,484,144)	(37,737)	(306,276)	(2,828,157)
Termination of leases	333,961	-	7,263	341,224
Disposal of subsidiary	95,400	-	4,645	100,045
<b>Balance at 31/12/2022</b>	<b>(4,489,337)</b>	<b>(303,235)</b>	<b>(688,973)</b>	<b>(5,481,544)</b>
<b>Net book amount 31/12/2022</b>	<b>19,172,466</b>	<b>7,338</b>	<b>819,522</b>	<b>19,999,326</b>
<b>Cost</b>				
<b>Balance at 1/1/2023</b>	<b>23,661,802</b>	<b>310,573</b>	<b>1,508,496</b>	<b>25,480,871</b>
Additions	1,916,967	-	917,728	2,834,695
<b>Balance at 31/12/2023</b>	<b>25,578,769</b>	<b>310,573</b>	<b>2,426,224</b>	<b>28,315,566</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1/1/2023</b>	<b>(4,489,335)</b>	<b>(303,235)</b>	<b>(688,973)</b>	<b>(5,481,543)</b>
Depreciation	(3,530,857)	(910)	(450,353)	(3,982,120)
<b>Balance at 31/12/2023</b>	<b>(8,020,192)</b>	<b>(304,145)</b>	<b>(1,139,326)</b>	<b>(9,463,663)</b>
<b>Net book amount 31/12/2023</b>	<b>17,558,577</b>	<b>6,428</b>	<b>1,286,898</b>	<b>18,851,901</b>

The Company had no right-of-use assets as at 31 December 2023 and 2022.

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The consolidated statement of financial position as of 31 December 2023 and 2022 includes the following amounts related to lease liabilities:

	<b>31/12/2023</b>	<b>31/12/2022</b>
Lease liabilities (short-term portion)	3,321,138	2,849,112
Lease liabilities (long-term portion)	16,722,019	17,920,397
<b>Total lease liabilities</b>	<b>20,043,157</b>	<b>20,769,509</b>

The maturity analysis of lease liabilities is presented below:

	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Lease liabilities-minimum lease payments</b>		
Up to 1 year	4,209,352	3,757,088
1 to 5 years	13,828,111	16,363,849
Over 5 years	4,643,761	4,413,076
<b>Total</b>	<b>22,681,224</b>	<b>24,534,013</b>
Less: Future finance cost of lease liabilities	(2,638,066)	(3,764,504)
<b>Present value of lease liabilities</b>	<b>20,043,158</b>	<b>20,769,509</b>

The present value of lease liabilities is analysed below:

	<b>31/12/2023</b>	<b>31/12/2022</b>
Up to 1 year	3,321,138	2,849,112
1 to 5 years	12,297,923	12,740,339
Over 5 years	4,424,097	5,180,058
<b>Total</b>	<b>20,043,158</b>	<b>20,769,509</b>



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**Intangible assets**

	<b>GROUP</b>			<b>Total</b>
	<b>Service contract</b>	<b>Software development costs</b>	<b>Software &amp; Other Intangibles</b>	
<b>Cost</b>				
<b>Balance at 1/1/2022</b>	<b>19,136,000</b>	<b>21,621,520</b>	<b>5,491,414</b>	<b>46,248,935</b>
Additions	-	4,328,027	2,517,880	6,845,907
Disposal of subsidiary	(19,136,000)		(268,094)	(19,404,094)
Transfers	-	-	50,367	50,367
<b>Balance at 31/12/2022</b>	<b>-</b>	<b>25,949,547</b>	<b>7,791,567</b>	<b>33,741,114</b>
<b>Accumulated amortisation</b>				
<b>Balance at 1/1/2022</b>	<b>(3,366,519)</b>	<b>(14,698,693)</b>	<b>(3,190,417)</b>	<b>(21,255,628)</b>
Transfers	-	-	(2,556)	(2,556)
Amortization	(1,600,100)	(3,449,774)	(1,167,164)	(6,217,038)
Disposal of subsidiary	4,966,619			4,966,619
<b>Balance at 31/12/2022</b>	<b>-</b>	<b>(18,148,467)</b>	<b>(4,360,137)</b>	<b>(22,508,604)</b>
<b>Net book amount 31/12/2022</b>	<b>-</b>	<b>7,801,080</b>	<b>3,431,430</b>	<b>11,232,510</b>
<b>Cost</b>				
<b>Balance at 1/1/2023</b>	-	<b>25,949,547</b>	<b>7,791,567</b>	<b>33,741,114</b>
Additions	-	6,806,075	2,372,225	9,178,300
Acquisition of subsidiary	-	685,000	479,300	1,164,300
Transfers	-	(487,500)	298,500	(189,000)
<b>Balance at 31/12/2023</b>	<b>-</b>	<b>32,953,122</b>	<b>10,941,592</b>	<b>43,894,714</b>
<b>Accumulated amortisation</b>				
<b>Balance at 1/1/2023</b>	-	<b>(18,148,467)</b>	<b>(4,360,137)</b>	<b>(22,508,604)</b>
Amortization	-	(1,405,991)	(1,447,997)	(2,853,988)
<b>Balance at 31/12/2023</b>	<b>-</b>	<b>(19,554,458)</b>	<b>(5,808,134)</b>	<b>(25,362,592)</b>
<b>Net book amount 31/12/2023</b>	<b>-</b>	<b>13,398,664</b>	<b>5,133,457</b>	<b>18,532,122</b>

The Company has no intangible assets as at 31 December 2023 and 2022.

The disposal of the "Service contract" within FY 2022 reflects the derecognition of the intangible assets which had been recognized in the past as part of the acquisition of subsidiary QQuant Cyprus Master Servicer Cyprus Limited. The subsidiary was disposed of in October 2022 for a total consideration price of €13,000,000.

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**Contract costs**

Contract costs as at 31/12/2023 relate to capitalization of costs that incurred in FY 2023 in order to fulfil specifically identifiable anticipated customer contracts. Those costs have generated resources that will be used to provide goods or services in the next financial year and are expected to be recovered. Their amortization is expected to start in FY 2024.

There was no amortization of contract costs in FY 2023 and no impairment loss recognized.

**Acquisition of subsidiary**

On March 3rd, 2023 Qualco Information Systems Single Member S.A. acquired a 51% shareholding and thus obtained control of the company A.I. Synthetica Solutions Limited for a total purchase price of €2.66 million. A.I. Synthetica Solutions Limited owns 100% of the share capital of Synthetica Sole Shareholder Private Company (IKE) (both companies hereinafter described as "Synthetica"). Synthetica designs, produces and installs proprietary software solutions connected with the areas of artificial intelligence, machine learning and the internet of things (IoT). With this transaction Qualco Group aims to expand its technology footprint and this way enter new business industries as well as further diversify Group's revenue streams.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	<b>in Euro</b>
Property, plant and equipment	58,727
Developed Technology (Software)	1,164,300
Other assets	56,720
Cash & cash equivalents	10,000
Deferred tax liabilities	(145,538)
Trade and other payables	(110,782)
Other tax liabilities	(32,618)
Other liabilities	(201,456)
Share capital subscribed as condition for the share transfer	1,060,000
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>1,859,353</b>
Purchase consideration for 51% controlling stake	2,660,000
NCI proportionate share of net assets (49%)	911,084
Less : Fair value of net assets acquired (100%)	(1,859,352)
<b>Goodwill on acquisition</b>	<b>1,711,730</b>
<b>Net cash inflow arising on acquisition:</b>	
Cash consideration paid	1,600,000
Subscribed amount for share capital increase	1,060,000
Less: cash & cash equivalents acquired	(10,000)
	<b>2,650,000</b>

A goodwill of €1,711,730 arose from the acquisition and it relates to the synergies expected from the exploitation of future joint opportunities and projects using Synthetica's deep experience in the technology areas mentioned above. None of the goodwill is expected to be deductible for income tax purposes. Acquisition related costs were not material.

The non-controlling interest (49% ownership interest in Synthetica) recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to €392,000. This fair value was estimated by applying an income approach.

Synthetica contributed €259,923 revenue and €(153,373) to the group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of Synthetica had been completed on the first day of the financial year, group revenues for the year would have been €331,403 and group profit would have been €(206,194).

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**Discontinued operations**

On October 5<sup>th</sup>, 2022, the Group entered into a sale agreement to dispose of QQuant Master Servicer Cyprus Ltd, the company being a 100% subsidiary of Qualco Fin Limited. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The Group will keep its presence in the Cypriot market through ongoing collaboration with Astrobank and local partners. The disposal was completed on October 5<sup>th</sup>, 2022, on which date control of QQuant Master Servicer Cyprus Ltd passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit on disposal, are shown below:

	<b>Group</b>	
	<b>5/10/2022</b>	
Property, plant and equipment	28,702	
Intangible assets	268,094	
Right-of-use assets	864,516	
Trade and other receivables	4,645,879	
Accrued revenue	3,296,535	
Cash and cash equivalents	253,487	
Long term finance lease obligations	(894,642)	
Trade and other payables	(84,708)	
Other tax liabilities	(372,160)	
Other liabilities	(1,572,592)	
Dividends payable	(199,730)	
Income tax liabilities	(296,502)	
Non-controlling interests	(10,574,567)	
Attributable intangible assets net of deferred tax	11,173,181	
<b>Net assets disposed of</b>	<b>6,535,494</b>	A
Gain on disposal	1,144,505	B
Reversal through equity of non-controlling interest that had initially been recognised directly in retained earnings in FY 2020	5,320,001	C
<b>Total consideration</b>	<b>13,000,000</b>	=A+B+C
Satisfied by:		
Cash and cash equivalents	6,000,000	
Deferred consideration	7,000,000	
<b>Total consideration transferred</b>	<b>13,000,000</b>	
<b>Net cash inflow arising on disposal:</b>		
Consideration received in cash and cash equivalents	6,000,000	
Less: cash & cash equivalents disposed of	(253,487)	
	<b>5,746,513</b>	

The deferred consideration of €7,000,000 consists of 3 senior preferred bonds (two bonds of €2,350,000 and one bond of €2,300,000) which have been transferred by the purchaser to the Group. The bonds that were collected within the financial year 2023 (note 13).

The gain on disposal is included in the profit for the year from discontinued operations.

There were no disposals of subsidiaries made in 2023.

The results of the discontinued operation relating to QQuant Master Service Cyprus Limited, which have been included in the profit for the year 2022, were as follows:

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	<u>Group</u> <u>1.1 -</u> <u>30.9.2022</u>
<b><u>Discontinued Operations</u></b>	
Revenue	5,932,129
Expenses	(3,874,771)
Profit before tax	<u>2,057,358</u>
EBITDA	<u>3,292,278</u>
Attributable tax expense	(855,452)
Gain from disposal of subsidiary	1,144,505
Net profit attributable to discontinued operations (attributable to owners of the Company)	<u><b>2,346,411</b></u>

**Net cash flows of discontinues operations**

Cash and cash equivalents at beginning of the year	1,026,009
Net cash (used in)/from investing activities	(273,120)
Net cash (used in)/from financing activities	411,220
Cash flows from operating activities	<u>(910,621)</u>
<b>Cash and cash equivalents at end of the year</b>	<u><b>253,488</b></u>

**Investments in subsidiaries**

The change in the carrying value of Company's investments in subsidiaries is as follows:

	<u>COMPANY</u>	
	<u>31/12/2023</u>	<u>31/12/2022</u>
<b>Opening balance</b>	11,125,680	8,334,427
Additions	-	708,000
Impairment reversal	-	2,233,253
Impairment charge	-	(150,000)
<b>Closing Balance</b>	<u><b>11,125,680</b></u>	<u><b>11,125,680</b></u>

The cost and the accumulated impairment losses which constitute the carrying value of the Company's investments in subsidiaries as of 31 December 2022 as follows:

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	<b>COMPANY</b>		
	<b>Cost</b>	<b>Accumulated impairment</b>	<b>Carrying value</b>
Qualco Information Systems Single Member S.A.	10,407,578	-	10,407,578
Qualco SAS (France)	1,850,000	(1,850,000)	-
Qualco FIN Limited	102	-	102
Qres Cyprus Ltd	718,000	-	718,000
	<b>12,975,680</b>	<b>(1,850,000)</b>	<b>11,125,680</b>

In prior year 2022 the Company reassessed the value in use of its investment in Qualco Information Systems Single Member SA and determined that factors that in the past had led to its devaluation no longer existed and that its value in use as of 31 December 2022 significantly exceeded the carrying amount of the investment. Therefore, the Company booked an impairment reversal in the current year's profit and loss in accordance with IAS 36. In addition, the value in use of the Company's subsidiary Qualco SAS was determined as NIL, thus the Company recorded an additional impairment of €150,000.

### Principal subsidiaries

The Group's subsidiaries as at 31 December 2023 and 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Non-controlling interest in Qualco Group at 31 December 2023 are as follows:

Company Name	Registered office	Direct ownership		Indirect ownership		Non-controlling interests	
		2023	2022	2023	2022	2023	2022
QUALCO EUROPE HOLDINGS LTD (v)	CYPRUS	100%	-	-	-	-	-
QUALCO INFORMATION SYSTEMS SINGLE MEMBER SA	Greece	100%	100%	-	-	-	-
QQUANT MASTER SERVICER SA	Greece	-	-	100%	100%	-	-
QUALCO (UK) LIMITED	United Kingdom	-	-	93.75%	93.75%	6.25%	6.25%
QUALCO CYPRUS LTD	Cyprus	-	-	100%	100%	-	-
QUALCO SAS (FRANCE)	France	99%	99%	1%	1%	-	-
QRES CYPRUS LTD	Cyprus	100%	100%	-	-	-	-
QUALCO FIN LIMITED (i)	United Kingdom	51%	51%	-	-	49%	49%
QQUANT MASTER SERVICER CYPRUS LIMITED (ii)	Cyprus	-	-	0%	0%	0%	0%
TENSORFIN SA (iii)	Greece	-	-	100%	100%	-	-
DAEDALUS TECHNOLOGIES FZE	UAE	-	-	100%	100%	-	-
A.I. Synthetica Solutions Limited (direct ownership) / Synthetica Sole Shareholder Private Company (IKE) (indirect ownership). (iv)	Cyprus	51%	-	51%	-	49%	-

(i): Entity under a strike-off procedure

(ii): The Group disposed of its investment in QQuant Master Servicer Cyprus Limited on October 5<sup>th</sup> 2022.

(iii): Tensorfin Single Member SA was absorbed by Qualco S.A. in May 2022 through a legal restructuring approved by the Commercial Registry in Greece. The absorption (merger) had no effect at Qualco Group consolidation level.

(iv): A.I. Synthetica Solutions Limited was acquired in March 2023 (refer to Note 9).

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(v) Qualco Europe Holdings Ltd was established on December 31, 2023 as a part of a group reorganization that will take place in 2024. Based on the planned reorganization all the subsidiaries now being directly under Qualco Holdco Ltd will be transferred under Qualco Europe Holdings Ltd. The reorganization is planned in order to aid to the better monitoring of group subsidiaries and will have no effect on the group financial statements.

All subsidiaries are included in the consolidation share the same principal activity.

**Investments in associates**

The movement of investments in associates is as follows:

	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Opening balance</b>	659,751	631,400
Investment in Indice SA	1,800,000	3,000
Investment in Clever Services SA	1,500,000	
Share of loss/profit of associates	72,414	25,351
Increase in CNL AIFM	100,000	
Reclassification of OCI reserve to retained earnings due to change of equity investment to associate	1,345,337	
<b>Closing balance</b>	<b>5,477,502</b>	<b>659,751</b>

The Group's investments in associates are as follows:

<b>Entity Name</b>	<b>Activity</b>	<b>Country of establishment</b>	<b>% holding</b>
PQH Single Special Liquidation SA ("PQH")	Single Special Liquidator in Greece	Greece	33,33%
QCG Capital Ltd / QCG General Partner SRL / QCG Special Opportunities Fund	External Fund Manager / Special Opportunities fund	Cyprus / Luxemburg	25,00%
CNL AIFM	Alternative Investment Fund Manager	Greece	23,08%
Clever Services SA	Supply chain - Last mile delivery	Greece	30,00%
Indice SA	Software development for the banking, telco and retail industries	Greece	30,00%

All of the above associates are accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in note 2.3(d).

PQH was established in 2016 and appointed by the Bank of Greece to act as the Single Special Liquidator for all credit and financial institutions under special liquidation in Greece. There are currently 20 institutions under special liquidation, with several billion-euro worth of assets, the majority of which consist of corporate and retail non-performing loans.

On 29 July 2021 Qualco S.A. entered into a Subscription & Shareholders' Agreement ("SSA") with CNL Alternative Investment Fund Manager S.A. ("CNL AIFM") and CNL AIFM's managing shareholders for the acquisition of 73,940 registered common shares corresponding to a 20% of CNL AIFM's total share capital. The purchase consideration amounted to €300,000. On September 2023 Qualco S.A. acquired a further 14.788 shares for €100,000. Total shareholding as at 31/12/2023 corresponded to a 23.08% interest held.

CNL AIFM is an independent alternative investment fund manager located in Athens, Greece. It manages the first venture capital participation Company in Greece, CNL CAPITAL EKES, which was founded in 2014 and its shares were listed at the Athens Stock Exchange in 2018.

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On 5 April 2021 Qualco Cyprus acquired 75 ordinary shares of QCG Capital Ltd for a consideration of €75,000, corresponding to a 25% shareholding.

QCG is a special opportunities fund, domiciled in Luxembourg, acquiring high-quality assets in Greece and Cyprus, that have been underserved as a result of financial distress of the original borrowers.

QCG invests primarily in non-performing loans (NPLs) secured by real estate assets within the residential, commercial, hospitality, agriculture and industrial sectors.

On March 22, 2023 Qualco Information Systems Single Member S.A. acquired a 30% shareholding in the company Indice S.A. for a purchase price of €1,800,000. Indice S.A. has developed a digital enablement platform and specializes in the design, development and distribution of software products and applications with emphasis in the area of NPL and receivables management. With this transaction Qualco Group aims to expand its product offering and also use Indice's know-how for the implementation of new business lines in the Group.

In September 2023 Qualco Information Systems Single Member S.A. acquired a further 15% shareholding in Clever Services SA through a participation in the share capital increase of the said company (amount subscribed was €750,000). From October 1<sup>st</sup> onwards the Group has obtained significant influence over the entity, thus it is accounted for as an associate (till the prior year it was accounted for as a financial asset at FVOCI – note 11). As a result, the total revaluation of €1,345,337 held in the OCI reserve was reclassified to retained earnings in FY 2023.

PQH, CNL AIFM, QCG, Indice and Clever Services are private companies and there is no quoted market price available for their shares.

There are no contingent liabilities relating to the Group's interest in the above associates.

**Financial Assets**

	<b>GROUP</b>			
	<b>Current</b>		<b>Non-Current</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Investments in equity instruments designated as at FVOCI (i)</b>				
Shares in private companies	-	-	1,381,166	3,578,704
	-	-	<b>1,381,166</b>	<b>3,578,704</b>
<b>Financial assets measured at fair value through P&amp;L (ii)</b>				
Shares in listed companies	-	-	337,433	293,355
	-	-	<b>337,433</b>	<b>293,355</b>
<b>Financial assets measured at amortized cost (ii)</b>				
Investments in corporate bonds, government bonds and treasury bills (a)	-	1,557,200	-	1,424,932
Loans to related parties (b)	1,420,000	1,000,000	-	420,000
Other financial assets (c)	157,282	49,263	3,520,000	-
Bonds received as deferred consideration for the sale of Qquant Cyprus (d)	-	7,000,000	-	-
	<b>1,577,282</b>	<b>9,606,463</b>	<b>3,520,000</b>	<b>1,844,932</b>
<b>TOTAL</b>	<b>1,577,282</b>	<b>9,606,463</b>	<b>5,238,599</b>	<b>5,716,991</b>

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(i) Investments in equity instruments designated as at FVTOCI

The financial assets at FVTOCI are comprised of the investment in the following non-listed entities:

- the investments of Qualco S.A. in Linked Business S.A. (shareholding of 10% acquired in FY 2021 for an amount of €1,250,000). The investment has been revalued as at 31/12/2023 to €132,000.
- and investment of Qualco SA in Clever Service S.A. (shareholding of 15% acquired in FY 2021 for an amount of €750,000) which was presented as investment in equity instruments as of 31/12/2022, was reclassified in FY 2023 in «Investment in associates» (note 11) as a result of Qualco SA acquiring in FY 2023 a further 15% in the company for an additional amount of €750,000.
- the investment of Qualco S.A. in Bricklane Technologies Ltd, a technology - real estate Company incorporated in the UK, (shareholding of 2.5% acquired in FY 2022) valued at €1,028,120,
- the investment of Qualco S.A. in Convert Group (shareholding of 1.03% acquired in FY 2022) after the capital increase of 2023 valued at €221.046,43.

The above investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The above carrying values of the investments in equity instruments also represent a close approximation of their fair values as at 31/12/2023.

(ii) Investments in equity instruments designated as at FVTPL

- the investment of Qualco S.A. in CNL Capital EKES (listed entity in the Athens Stock Exchange) for an amount of €338,430 representing a total shareholding of 4,99% (the investment was fair valued as at 31/12/2023 at 293,355)
- the investment of Qualco SA in Optima Bank at an amount of €44,078.

(iii) Financial assets measured at amortized cost

The Group holds the following financial assets within a business model whose objective is to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence, all of those financial assets are classified as at amortized cost:

- a) As at December 31, 2022 Qualco S.A. held corporate bonds, government bonds and treasury bills which had maturity dates ranging from March 2023 to December 2024. These investments represented investment of excess cash of the Group and had been made with a view to interest income generation. Qualco SA liquidated these investments within 2023.
- b) The loans to related parties are comprised of:
  - a common bond loan of €420,000 issued by the Group associate CNL Alternative Investment Fund Manager S.A. ("CNL AIFM") and subscribed entirely by Qualco S.A. in December 2021. The common bond loan carries an interest rate of 3,9% and will be repaid by the borrower via a bullet payment in December 2024 so it was classified in short-term assets.
  - a common bond loan of initial amount €1,000,000 issued by the related party CNL CAPITAL EKES on May 2022 and subscribed entirely by Qualco S.A. The bond loan was amended in November 2022 based on which an amount of €1,000,000 corresponding to the first series of bonds was repaid by the issuer while the outstanding amount of €1,000,000 corresponding to the second series of bonds is due in December 2023. The common bond loan carries an interest rate of 3,7%.
- c) Other financial assets (non-current) as at 31/12/2023 include a loan of €2,000,000 to the company Lousios Limited which is repayable in FY 2033 and carries an interest rate of 6% p.a. and a loan to Linked Business SA of €1,500,000 which is repayable in FY 2025 which carries an interest rate of 7% p.a.
- d) As at 31/12/2022 Qualco SA held senior preferred bonds which were comprised of 3 separate redeemable bonds totalling to €7,000,000 which had been issued by AstroBank Public Company Ltd and received by the Group in FY 2022 as deferred consideration for the disposal of the Group's subsidiary QQuant Master Servicer Cyprus Limited. The bonds were collected in full in FY 2023.



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Impairment of financial assets

For the purposes of impairment assessment, the investments in corporate bonds, government bonds and treasury bills are considered to have low credit risk as the counterparties to these investments have a minimum BBB- credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL. The impairment allowance calculated as at 31/12/2023 has been determined as immaterial for Group reporting purposes.

As for the loans to related and other parties, a lifetime ECL was provided upon initial application of IFRS 9 until these financial assets are derecognized as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9. The impairment allowance calculated as at 31/12/2023 has been determined as immaterial for Group reporting purposes.

**Other non-current assets**

Other non-current assets are analysed as follows:

	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
Rent guarantees	691,885	610,428

The Company had no other non-current assets as at 31 December 2023 and 2022.

**Trade and other receivables**

Trade and other receivables are analysed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Trade receivables	17,250,986	16,269,256		-
Trade receivables - Related parties	-	61,407	9,371	46,835
Less: Provision for impairment	(1,436,790)	(1,433,537)		-
<b>Net trade receivables</b>	<b>15,814,196</b>	<b>14,897,126</b>	<b>9,371</b>	<b>46,835</b>
Prepayments	(11,993)	(19,213)	-	-
<b>Total</b>	<b>15,802,203</b>	<b>14,877,913</b>	<b>9,371</b>	<b>46,835</b>

Due to the short-term nature of trade receivables, their carrying amount is considered to be the same as the fair value.

The Group's and Company's maximum exposure to credit risk on 31 December 2023 and 2022 is the fair value of the above trade and other receivables. The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The following table details the risk profile of trade receivables based on the group's provision matrix.

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31/12/2023	<b>GROUP</b>						Total
	<b>Trade Receivables - Days past due</b>						
	Not past due	<90	90-180	180-270	270-360	>360	
<b>Expected credit loss rate</b>	0.5%	5%	15%	25%	50%	100%	
<b>Total gross carrying amount</b>	9,743,938	4,117,345	1,793,829	407,419	720,226	468,228	<b>17,250,987</b>
<b>Lifetime ECL</b>	48,121	189,398	269,074	101,855	360,113	468,228	<b>1,436,790</b>
<b>Trade Receivables</b>	<b>9,695,817</b>	<b>3,927,947</b>	<b>1,524,755</b>	<b>305,564</b>	<b>360,113</b>	-	<b>15,814,197</b>

31/12/2022	<b>GROUP</b>						Total
	<b>Trade Receivables - Days past due</b>						
	Not past due	<90	90-180	180-270	270-360	>360	
<b>Expected credit loss rate</b>	0.5%	5%	15%	25%	50%	100%	
<b>Total gross carrying amount</b>	11,433,924	2,719,668	252,635	145,619	1,198,896	579,920	<b>16,330,663</b>
<b>Lifetime ECL</b>	54,764	125,105	37,895	36,405	599,448	579,920	<b>1,433,537</b>
<b>Trade Receivables</b>	<b>11,379,160</b>	<b>2,594,563</b>	<b>214,740</b>	<b>109,214</b>	<b>599,448</b>	-	<b>14,897,126</b>

**Income tax assets**

	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
Income tax advance	5,360,055	5,238,601
Withholding income tax	18,935	621,360
<b>Total</b>	<b>5,378,990</b>	<b>5,859,961</b>

The Company had no current income tax assets as at 31 December 2023 and 31 December 2022.

**Contract assets**

Group contract assets as at 31 December in 2023 of €16,788,461 (31.12.2022: €12,431,581) relate to services that have been rendered to customers during 2023 and will be invoiced in 2024, according to the relevant customer contracts.

Company contract assets as at 31 December in 2023 of €9,371 are presented in line "Trade and other receivables" and relate to accrued interest income.

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**Other current assets**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Personnel advances	25,229	18,977	-	-
Vendor debit balances	886,960	-	-	-
Other receivables	112,269	171,565	69,831	617,069
Deferred expenses	3,530,079	2,925,657	-	-
VAT recoverable	1,367,313	3,089,283	-	-
<b>Total</b>	<b>5,921,850</b>	<b>6,205,482</b>	<b>69,831</b>	<b>617,069</b>

**Cash and cash equivalents**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Cash on hand	899	277	-	-
Cash at bank	22,552,730	19,276,905	314,648	1,052,069
<b>Total</b>	<b>22,553,629</b>	<b>19,277,184</b>	<b>314,648</b>	<b>1,052,069</b>

**Financial instruments**

The Group and the Company hold the following financial instruments:

	<b>GROUP</b>			<b>Total</b>
	<b>Amortized cost</b>	<b>Fair value through profit and loss</b>	<b>Fair value through other comprehensive income</b>	
<b>Financial assets:</b>				
Trade and other receivables (note 15)	15,802,203			15,802,203
Financial assets (equity instruments, debt securities, other financial assets at amortized cost) - Note 13	5,097,282	337,433	1,381,166	6,815,881
Cash and cash equivalents - Note 6	22,553,629			22,553,629
<b>Total</b>	<b>43,453,114</b>	<b>337,433</b>	<b>1,381,166</b>	<b>45,171,713</b>
<b>Financial liabilities:</b>				
Trade and other payables	12,029,201			12,029,201
Borrowings - Note 23	30,484,469			30,484,469
Lease liabilities - Note 6	20,043,157			20,043,157
<b>Total</b>	<b>62,556,826</b>	<b>-</b>	<b>-</b>	<b>62,556,826</b>

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<b>GROUP</b>				
<b>31/12/2022</b>				
	<b>Amortized cost</b>	<b>Fair value through profit and loss</b>	<b>Fair value through other comprehensive income</b>	<b>Total</b>
<b>Financial assets:</b>				
Trade and other receivables (note 15)	14,877,913			14,877,913
Financial assets (equity instruments, debt securities, other financial assets at amortized cost) – Note 13	11,451,395	293,355	3,578,704	15,323,455
Cash and cash equivalents	19,277,184			19,277,184
<b>Total</b>	<b>45,606,492</b>	<b>293,355</b>	<b>3,578,704</b>	<b>49,478,552</b>
<b>Financial liabilities:</b>				
Trade and other payables	11,117,225			11,117,225
Borrowings – Note 23	20,290,521			20,290,521
Lease liabilities	20,769,509			20,769,509
<b>Total</b>	<b>52,177,255</b>	<b>-</b>	<b>-</b>	<b>52,177,255</b>

	<b>COMPANY</b>	<b>COMPANY</b>
	<b>31/12/2023</b>	<b>31/12/2022</b>
	<b>Amortized cost</b>	<b>Amortized cost</b>
<b>Financial assets:</b>		
Trade and other receivables (note 15)	9,371	46,835
Financial assets (equity instruments, debt securities, other financial assets at amortized cost) - Note 8	-	-
Cash and cash equivalents	314,648	1,052,069
<b>Total</b>	<b>324,019</b>	<b>1,098,904</b>
<b>Financial liabilities:</b>		
Trade and other payables	189,389	87,545
Borrowings	1,690,000	2,755,000
Lease liabilities	-	0
<b>Total</b>	<b>1,879,389</b>	<b>2,842,545</b>

**Share capital and share premium**

<b>COMPANY</b>			
	<b>Share capital</b>	<b>Share Premium</b>	<b>Total</b>
Fully paid ordinary shares	(i) 2,103,743	2,896,257	5,000,000
<b>Total share capital and share premium</b>	<b>2,103,743</b>	<b>2,896,257</b>	<b>5,000,000</b>

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**(i) Movements in ordinary shares**

	<b>COMPANY</b>				
	<b>Number of shares</b>	<b>Par Value</b>	<b>Share capital</b>	<b>Share Premium</b>	<b>Total</b>
<b>Balance as at 1 January 2020</b>	14,970	1.00	14,970	-	14,970
Share capital increase	3,743	1.00	3,743	9,996,257	10,000,000
<b>Balance as at 31 December 2020</b>	<b>18,713</b>		<b>18,713</b>	<b>9,996,257</b>	<b>10,014,970</b>
<b>Balance as at 1 January 2021</b>	<b>18,713</b>	1.00	<b>18,713</b>	<b>9,996,257</b>	<b>10,014,970</b>
Share capital decrease	-	-	-	(7,100,000)	(7,100,000)
Transfer from reserves	2,085,030	1.00	2,085,030	-	2,085,030
<b>Balance as at 31 December 2021</b>	<b>2,103,743</b>	-	<b>2,103,743</b>	<b>2,896,257</b>	<b>5,000,000</b>
<b>Balance as at 31 December 2022</b>	<b>2,103,743</b>	1.00	<b>2,103,743</b>	<b>-</b>	<b>5,000,000</b>
<b>Balance as at 31 December 2023</b>	<b>2,103,743</b>		<b>2,103,743</b>	<b>-</b>	<b>5,000,000</b>

On 9 February 2018, Qualco Holdco issued 14,970 ordinary shares to purchase the issued share capital of Qualco SA by way of a share for share exchange, which has been treated as a Group reconstruction and accounted for using the reverse merger accounting method.

On March, 1 2018 and subject to an Investment and Shareholders' Agreement dated on August, 8 2017, the Company issued and Amely S.a.r.l. (the "Investor") subscribed for 3,743 Convertible Preference Shares for a total amount of €10m. On December, 31 2020, according to the Written Resolutions of the members of the Company signed on December, 21 2020, the 3,743 Convertible Preference Shares of €1.00 each in the capital of the Company (being all of the Convertible Preference Shares in issue) were redesignated as 3,743 Ordinary Shares of €1.00 each in the capital of the Company.

The last share capital increase was made in FY 2020 and pertained to the conversion of the Convertible Preference Shares on December 31, 2020.

Ordinary shares have a par value of €1. They entitle the holder to participate in dividends, and to share in the process of winding up the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder shall have one vote; and, on a poll, each share is entitled to a vote.

By the Company's BoD resolutions passed on April and June 2021 it was decided to reduce the Company's reduce share premium by €2,350,000 and €4,750,000 respectively. The sum of the amount was returned in cash to the shareholders.

In June 2021, the Company's BoD decided that an amount of €2,085,030, standing to the credit of the merger reserve of the Company, be capitalized and appropriated as capital to the existing Company's shareholders.

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## Other reserves

### 22.1 Group's other reserves

The following table shows a breakdown of Group's 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided in the table below:

	<b>GROUP</b>					
	<b>Shareholders' contributions</b>	<b>Merger reserve</b>	<b>Legal reserve</b>	<b>Actuarial gains / (losses) reserve</b>	<b>OCI reserve</b>	<b>Total other reserves</b>
<b>Balance as at 1 January 2022</b>	<b>991,846</b>	<b>863,728</b>	-	<b>371,564</b>		<b>2,227,137</b>
Actuarial losses	-	-	-	21,000		21,000
Remeasurement of fair value through OCI	-	-	-	-		-
Transfer to retained earnings	(991,846)		-			(991,846)
Legal reserve	-		123,954	-		123,954
<b>Balance as at 31 December 2022</b>	<b>-</b>	<b>863,728</b>	<b>123,954</b>	<b>392,564</b>	<b>-</b>	<b>1,380,245</b>
<b>Balance as at 1 January 2023</b>	<b>-</b>	<b>863,728</b>	<b>123,954</b>	<b>392,564</b>	<b>-</b>	<b>1,380,245</b>
Actuarial losses	-	-	-	(42,882)	-	(42,882)
Remeasurement of fair value through OCI	-	-	-		227,337	227,337
Transfer from revaluation reserve to retained earnings (equity investment change to associate)	-		-		(1,345,337)	(1,345,337)
Legal reserve	-		-	-		-
<b>Balance as at 31 December 2023</b>	<b>-</b>	<b>863,728</b>	<b>123,954</b>	<b>349,682</b>	<b>(1,118,000)</b>	<b>219,364</b>

### Capital contributions

Till 31/12/2022 capital contributions of €991,846 represented the 74.9% of a total GAP Fee of €1,324,227 contributed to Company's indirect subsidiary QQuant Master Servicer Cyprus Limited (QQuant Cyprus) by its former parent Company Astrobank Public Company Limited (the "Bank"). In the year 2022 the amount was transferred to retained earnings following the disposal of the subsidiary.

### Merger reserve

A merger reserve was created on purchase of the entire share capital of Qualco SA in 2018, which was completed by way of a share for share exchange and which has been treated as a Group reconstruction and accounted for using the reverse merger accounting method.

### Legal reserve

The legal reserve relates to Qualco SA and concerns the legal reserve created in accordance with the Greek Companies Law following the earnings distribution of the year FY 2021 (approved by the General Assembly of the Company in 2022).

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**OCI reserve**

The movement in the OCI reserve includes the revaluation of Clever Services SA with a gain in 2023 of €1,345,337 (note 12) with the revaluation transferred to retained earnings as a result of the equity investment becoming an associate, and the revaluation of Linked Business SA with a loss of €1,118,000 (note 12).

**Borrowings**

	Note	GROUP		COMPANY	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
<b>Long-term debt</b>					
Bank Loans		16,041,327	12,824,574		
Loan from related parties	36	-	-	1,690,000	2,755,000
<b>Total long-term debt</b>		<b>16,041,327</b>	<b>12,824,574</b>	<b>1,690,000</b>	<b>2,755,000</b>
<b>Short-term debt</b>					
Bank Loans		14,331,384	7,316,723		-
Loan from third party		-	47,057	-	-
Credit cards		111,758	102,166	-	-
<b>Total short-term debt</b>		<b>14,443,142</b>	<b>7,465,946</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>30,484,469</b>	<b>20,290,520</b>	<b>1,690,000</b>	<b>2,755,000</b>

All borrowings are expressed in Euros.

The Group has the following bank loans:

Loans payable by Qualco Information Systems Single Member SA ("Qualco S.A."):

- a) A bond loan of initial amount of €2,000,000 issued by National Bank of Greece in January 2021 at an interest rate of Euribor plus 3.8% and is repayable in semi-annual installments till June 2025. The bond loan is secured by 80% from the guarantee offered by the European Investment Bank acting on behalf of the Pan-European Guarantee Fund which was created in EU in response to the financial impact from Covid-19 pandemic. The outstanding capital amount of the bond loan as of December 31, 2023 was €666,666 out of which an amount of €444,444 is repayable in FY 2024 and has been classified as short-term.
- b) A bond loan of initial total amount of €5,500,000 issued by National Bank of Greece. The first series of bonds totalling €2,500,000 were issued in December 2021 and the second series totalling €3,000,000 were issued in June 2022. According to the terms of the bond loan agreement, the bonds carry an interest rate of Euribor plus 3.25% and will be repayable in 11 semi-annual installments of €500,000 each with the first repayment started in December 2022. The bond loan is secured by 75% from the guarantee offered by the European Investment Bank acting on behalf of the Pan-European Guarantee Fund which was created in EU in response to the financial impact from Covid-19 pandemic. The outstanding capital amount of the loan as of December 31, 2023 was €4,000,000 out of which an amount of €1,000,000 is repayable in FY 2024 and has been classified as short-term.
- c) A term loan of initial amount of €9,000,000 issued by Pancreta Bank in December 2021. The loan carries an interest rate of Euribor plus 4.0% plus the L.128/75 Levy (0.6%). The loan will be repayable in 20 quarterly installments of €450,000 each with the first having started in March 2022. The loan is secured over the trade receivables arising from a certain Qualco S.A.'s customer contract. Qualco S.A. is also obliged to meet during the period of the loan certain financial ratios. The outstanding capital amount of the loan as of December 31, 2023 was €5,850,000 out of which an amount of €1,800,000 is repayable in FY 2024 and has been classified as short-term.
- d) A term loan of initial amount of €2,000,000 issued by Alpha Bank in September 2020. The loan carries an interest rate of Euribor plus 3.25% plus the L.128/75 Levy (0.6%). The loan is repayable in quarterly installments of €120,000 and is repayable till September 2025. The outstanding capital amount of the loan

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as of December 31, 2023 was €875,000 out of which an amount of €500,000 is repayable in FY 2024 and has been classified as short-term.

- e) Two term loans of initial amount of €1,000,000 each issued by Piraeus Bank in December 2021 and in May 2022 respectively. Both loans carry an interest rate of Euribor plus 3.3% plus the L.128/75 Levy (0.6%) and both will be repayable in eighteen quarterly installments of €55.555 with the repayment period ending in December 2016 and May 2027 respectively. One of the loan is secured from the guarantee offered by the Hellenic Development Bank's Covid-19 Guaranteed Loan Fund while the other is secured from the guarantee offered by the European Investment Bank acting on behalf of the Pan-European Guarantee Fund which was created in EU in response to the financial impact from Covid-19 pandemic. The total outstanding capital amount from the two loans as of December 31, 2023 was €1,444,447 out of which an amount of €444,442 is repayable in FY 2024 and has been classified as short-term.
- f) Two revolving credit facilities one with Piraeus Bank (€456,203) and one with Optima Bank (€1,000,000) classified as short-term.
- g) A term loan of initial total amount of €5,000,000 issued by National Bank of Greece in December 2023. The loan carries an interest rate of Euribor plus 1.55%. The loan will be repayable in 10 semi-annual installments of €500,000 each. The loan is secured over the trade receivables arising from a certain Qualco S.A.'s customer contract. Qualco S.A. is also obliged to meet during the period of the loan certain financial ratios (the obligation being applicable from the financial statements of 31 December 2023 onwards). The outstanding capital amount of the loan as of December 31, 2023 was €5,00,000 out of which an amount of €1,000,000 is repayable in FY 2024 and has been classified as short-term.
- h) A bond loan of initial total amount of €4,700,000 issued by Optima Bank in October 2023. The bond was loan was issued in order to fund the acquisition by Qualco SA of a property in the centre of Athens for a total purchase price of €6,200,000. The property is used as additional employees' office space. According to the terms of the bond loan agreement, the bonds carry an interest rate of Euribor plus 3.5% and will be repayable in 10 semi-annual installments (8 of €389,513 and 2 of €789,013) with the first repayment starting in March 2024. The acquired property has been pledged to the bank as security for the loan. The outstanding capital amount of the loan as of December 31, 2023 was €4,700,000 out of which an amount of €1,178,526 is repayable in FY 2024 and has been classified as short-term.
- i) Two bank loans issued by Piraeus Bank and Optima Bank which amount to €3,000,000 and €2,000,000 respectively. Both loans carry an interest rate of Euribor + 3% % plus the L.128/75 Levy and were issued in October 2023 as bridge loans towards the ultimate completion of the procedure that will result in a co-financing bond loan to be issued by the two aforementioned banks and the Greek State under the provisions of the Recovery and Resilience Facility Loans scheme.

Loans provided to QQuant Master Servicer Servicing of Loans and Credits Single Member S.A ("QQuant S.A.")

In March 2021 QQuant S.A. entered into a revolving credit facility agreement of €1,000,000 with Optima Bank. The facility carries an interest rate of Euribor plus 4.15% plus the L.128/75 Levy (0.6%) and is of indefinite duration. The loan is secured over the trade receivables arising from a certain QQ's customer contract.

Loans from related parties

The Company has a loan granted by Qualco SA in the year 2021 which carries an interest rate of 4.5%.

The maturity of long-term debt is as follows:

Interest rate 7,4%.

	<b>GROUP</b>					
	<b>31/12/2023</b>			<b>31/12/2022</b>		
	<b>Bank Loan</b>	<b>Interest</b>	<b>Total</b>	<b>Bank Loan</b>	<b>Interest</b>	<b>Total</b>
Between 1 and 2 years	6,020,190	445,494	6,465,684	4,188,886	309,978	4,498,864
2 to 5 years	10,021,137	741,564	10,762,702	8,635,688	639,041	9,274,729
	<b>16,041,327</b>	<b>1,187,058</b>	<b>17,228,386</b>	<b>12,824,574</b>	<b>949,019</b>	<b>13,773,593</b>



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**Changes in liabilities arising from financing activities**

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group's consolidated cash flow statement as cash flows from financing activities.

Changes in liabilities arising from financing activities	GROUP					
	1 January 2023	Financing cash flows (new loans less repayments)	Disposal of subsidiary	New leases	Interest cost	31 December 2023
Bank loans	20,141,298	10,298,026			(66,613)	30,372,711
Credit Cards	149,223	(37,466)				111,757
Loans from related parties	-	-	-	-	-	-
Lease liabilities	20,769,509	(4,536,505)	-	2,834,695	975,459	20,043,158
<b>Total liabilities from financing activities</b>	<b>41,060,030</b>	<b>5,724,055</b>	<b>0</b>	<b>2,834,695</b>	<b>908,846</b>	<b>50,527,626</b>

Changes in liabilities arising from financing activities	GROUP					
	1 January 2022	Financing cash flows (new loans less repayments)	Disposal of subsidiary	New leases	Interest cost	31 December 2022
Bank loans	19,859,126	(7,489)			289,661	20,141,298
Credit Cards						149,223
Loans from related parties						0
Lease liabilities	18,576,419	(3,451,275)	(964,561)	5,753,359	855,568	20,769,509
<b>Total liabilities from financing activities</b>	<b>38,435,545</b>	<b>(3,458,764)</b>	<b>(964,561)</b>	<b>5,753,359</b>	<b>1,145,229</b>	<b>41,060,030</b>

Changes in liabilities arising from financing activities	COMPANY					
	1 January 2022	Financing cash flows (new loans less repayments)	Disposal of subsidiary	New leases	Interest cost	31 December 2022
Bank loans						
Credit Cards						
Loans from related parties	2,755,000	(1,065,000)				1,690,000
Other Liabilities	10,529				78,413	88,942
<b>Total liabilities from financing activities</b>	<b>2,765,529</b>	<b>(1,065,000)</b>	<b>0</b>	<b>0</b>	<b>78,413</b>	<b>1,778,942</b>

Changes in liabilities arising from financing activities	COMPANY					
	1 January 2023	Financing cash flows (new loans less repayments)	Disposal of subsidiary	New leases	Interest cost	31 December 2023
Bank loans						
Credit Cards						
Loans from related parties	5,261,000	(2,506,000)				2,755,000
Other liabilities	103,509	(268,742)				10,529
<b>Total liabilities from financing activities</b>	<b>5,364,509</b>	<b>(2,774,742)</b>	<b>0</b>	<b>0</b>	<b>175,762</b>	<b>2,765,529</b>

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**Deferred taxation**

The deferred tax assets and liabilities recognized by the Group are as follows:

	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Deferred tax assets / (liabilities)</b>		
Property, plant and equipment	(46,710)	(15,895)
Intangible assets & contract costs	(1,074,025)	(188,204)
Leases	231,165	167,476
Retirement benefit obligation	196,290	107,260
Provision for expected credit losses on trade receivables	170,444	170,444
<b>Total Deferred tax assets (liabilities)</b>	<b>(522,836)</b>	<b>241,081</b>

The movement of deferred tax is as follows:

	<b>GROUP</b>					
	<b>Property, plant and equipment</b>	<b>Intangible assets &amp; contract costs</b>	<b>Leases</b>	<b>Retirement benefit obligation</b>	<b>Provision for expected credit losses on trade receivables</b>	<b>Total</b>
<b>At 1 January 2022</b>	<b>45,609</b>	<b>(3,164,058)</b>	-	<b>85,228</b>	<b>170,445</b>	<b>(2,862,776)</b>
Deferred tax from acquisition of subsidiary		2,996,201			-	2,996,201
(Charge) / credit to profit or loss	(61,506)	(20,347)	167,476	27,136	-	112,759
Charge to other comprehensive income	-	-	-	(5,103)	-	(5,103)
<b>At 31 December 2022</b>	<b>(15,897)</b>	<b>(188,204)</b>	<b>167,476</b>	<b>107,261</b>	<b>170,445</b>	<b>241,081</b>
<b>At 1 January 2023</b>	<b>(15,897)</b>	<b>(188,204)</b>	<b>167,476</b>	<b>107,261</b>	<b>170,445</b>	<b>241,081</b>
(Charge) / credit to profit or loss	(30,812)	(764,154)	63,689	87,531	-	(643,749)
Acquisition of subsidiary	-	(121,667)	-	-	-	(121,667)
Charge to other comprehensive income	-	-	-	1,498	-	1,498
<b>At 31 December 2023</b>	<b>(46,709)</b>	<b>(1,074,025)</b>	<b>231,165</b>	<b>196,290</b>	<b>170,445</b>	<b>(522,836)</b>

The Company has no deferred tax assets or liabilities as at 31 December 2023 and 2022.

**Retirement benefit obligations**

The amounts recognized in the statement of financial position are the following:

	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Liabilities in the Statement of Financial Position for:</b>		
Present Value of obligations	739,080	488,165
<b>Total</b>	<b>739,080</b>	<b>488,165</b>

The amounts recognized in the profit or loss are as follows:

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	<b>GROUP</b>	
	<b>1/1/2022 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>
<b>Charge / (credit) for:</b>		
Current service cost	243,301	121,382
Interest cost	17,701	1,478
Past service cost	6,236	10,540
Settlement/curtailment/termination loss	(7,292)	5,944
<b>Total charged to profit or loss</b>	<b>259,946</b>	<b>139,344</b>

The amounts recognized in other comprehensive income are as follows:

	<b>GROUP</b>	
	<b>1/1/2022 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>
<b>(Charge) / credit for:</b>		
Actuarial losses due to changes in assumptions	(33,043)	66,165
Actuarial gains due to experience adjustments	42,098	(46,096)
<b>Total actuarial (losses) / gains recognized in OCI</b>	<b>9,055</b>	<b>20,069</b>
Other adjustments recognised in OCI	-	6,855
<b>Total amount recognised in OCI</b>	<b>9,055</b>	<b>26,924</b>

The movement in the liability recognized in the statement of financial position is as follows:

	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Movement in net liability</b>		
Net liability at beginning of period	488,165	387,398
Benefits paid directly by the Company	-	(22,470)
Total expense recognized in the income statement	335,681	150,393
Amount recognized in OCI	(84,766)	(27,155)
<b>Net liability at end of period</b>	<b>739,080</b>	<b>488,165</b>

	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Defined benefit obligation at start of the period</b>	<b>488,166</b>	<b>387,396</b>
Current service cost	243,301	186,546
Interest cost	17,723	1,478
Benefits paid directly by the Group	(86,708)	(97,698)
Settlement/curtailment/termination loss	79,416	91,952
Past service cost	6,236	10,540
Actuarial losses due to changes in financial assumptions	32,542	(66,396)
Gain on transfer of staff	-	(11,924)
Actuarial gains due to experience adjustments	(41,596)	(13,728)
<b>Defined benefit obligation at end of period</b>	<b>739,080</b>	<b>488,166</b>

The defined benefit plans are in respect of Greek companies, which are subject to the local legislation. Under Greek labor law, employees are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee's compensation, length of service and manner of termination (dismissal or retirement). The policy of the Greek companies in the Group is in alignment with L.4093/12, according to which:

- 40% of the compensation is paid upon normal retirement

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- 100% of the compensation is paid upon dismissal
- No indemnities are paid upon death, voluntarily withdrawal or retirement due to permanent disability
- No maximum limit on the pensionable monthly salary is applied by the companies

These are unfunded plans with obligation of payment at the date when they fall due. In the following 12 months no significant cash outflows are expected.

These benefits are valued using the Projected Unit Credit ("PUC") method. This method sees each period of service as giving rise to an additional unit of benefit entitlement (meaning that the employee gains an additional retirement benefit by each year of employment) and measures each unit separately to build up the final obligation. The assumptions used are decomposed in Economic and Demographic.

The assumptions used for 2023 and 2022 results are as follows:

**Economic assumptions:**

- Discount rate: The index of European Corporate bonds AA iBoxx 3-5 index, has been used, as at 31 December 2023 and 2022, as shown in the table below,
- Price inflation (CPI): Following the companies' long-term expectation, CPI is set annually in line with the long-term CPI for the Eurozone. The CPI for 2023 and 2022 is presented in the table below,
- Salary increase: The rate of annual salary increase is based on companies' view and has been estimated as shown in the table below,

**Demographic assumptions:**

- Mortality: The Swiss mortality table EVK2000 for males and females,
- Entry age at social security: When no data are available, the first occupation date is considered at the age of 28 years old,
- Age at normal retirement – The following assumptions have been considered:
  - Expected retirement ages are determined based on the rules of the main social security pension plan and in alignment with L.4093/12.
  - 2 years of notional service is assumed

**Limitations**

Since projections of the future for valuation purposes are based on many assumptions, it is unlikely that future experience will match exactly what has been projected, even though these projections are carried out on a central estimate basis.

The principal actuarial assumptions used for accounting purposes are:

	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
Discount Rate	3.08%	3.63%
Inflation rate	2024: 2.7% 2025: 2.2% 2026+: 2.1%	
Annual salary increase	2024: 6.00% 2025: 3.80% 2026+: 2.8%	2023: 8.00% 2024: 6.00% 2025: 3.80% 2026+: 2.8%
Average future working life (years)	22.61	22.91
Duration (years)	9.07	9.16

The following table shows the change in actuarial liability of the Group if the discount rate was 0.1% higher or lower than that which has been used and the corresponding change if the expected rate of salary increase was 0.1% higher or lower than the one used:

<b>Sensitivity analysis</b>	<b>Actuarial liability</b>	<b>Percentage change</b>
Increase in discount rate by 0.1%	735,134	(0.53%)

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Decrease in discount rate by 0.1%	741,241	0.29%
Increase of the expected salaries by 0.1%	741,263	0.30%
Decrease of the expected salaries by 0.1%	728,829	(1.39%)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the consolidated statement of financial position.

### Trade and other payables

	Note	GROUP		COMPANY	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
Trade payables		12,029,201	11,002,211	189,389	87,545
Trade payables - Related parties	33	-	115,014	-	-
<b>Total</b>		<b><u>12,029,201</u></b>	<b><u>11,117,225</u></b>	<b><u>189,389</u></b>	<b><u>87,545</u></b>

The carrying amounts of financial liabilities are considered to be the same as the fair values, due to their short-term nature.

### Other liabilities

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
VAT payable	207,912	68,210	-	-
Payroll taxes payable	1,563,095	1,609,910	-	-
Other taxes payable	246,860	191,455	-	-
Accrued expenses	11,865,639	12,769,256	88,943	152,577
Social security payable	1,979,618	1,763,717	-	-
Other payables	746,598	443,145	-	-
<b>Total</b>	<b><u>16,609,722</u></b>	<b><u>16,845,693</u></b>	<b><u>88,943</u></b>	<b><u>152,577</u></b>

The carrying amounts of other liabilities are considered to be the same as the fair values, due to their short-term nature.

### Contract liabilities

Contract liabilities represent Group's right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer.

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	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Deferred revenue	2,495,134	2,137,517	-	-
<b>Total</b>	<b>2,495,134</b>	<b>2,137,517</b>	<b>-</b>	<b>-</b>

**Income tax liabilities**

	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
Corporate income tax payable	9,447,217	9,725,433
<b>Total</b>	<b>9,447,217</b>	<b>9,725,433</b>

The Company has no income tax liabilities as at 31 December 2023 and 2022.

**Revenue**

The Group derives its revenue from contracts with customers for the transfer of goods and services in the following business segments:

	<b>GROUP</b>	
	<b>1/1/2023 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>
Software and platforms	151,871,059	129,082,097
Portfolio management	30,380,814	29,319,759
Intragroup revenue	(7,298,454)	(5,738,667)
<b>Total</b>	<b>174,953,419</b>	<b>152,663,189</b>

The Group revenue recognised in 2023 that was included in contract liabilities at the beginning of the period (1.1.2023) amounted to €2,137,517 (2022: €1,988,276)

The opening and closing balances of contract liabilities and contract assets are presented in notes 28 and 17 respectively.

There was no revenue recognised in the current year from the performance of performance obligations satisfied (or partially satisfied) in previous years.

The Company had no revenue for the years ended 31 December 2023 and 2022.

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**Expenses**

	<b>GROUP</b>			<b>Total</b>
	<b>1/1/2023 - 31/12/2023</b>			
	<b>Cost of sales</b>	<b>Administrative expenses</b>	<b>Marketing expenses</b>	
Remuneration and other benefits to employees	30,092,050	16,010,605	8,328,303	54,430,959
Tax and duties	1,045,052	578,395	6,462	1,629,910
Other expenses	2,715,555	2,279,765	1,793,065	6,788,385
Depreciation & amortization	2,479,623	6,300,946	0	8,780,570
Professional services & legal costs	18,412,645	3,349,911	4,640,141	26,402,697
Outsourcing	37,523,425	912,579	94,801	38,530,805
Facilities	0	2,454,539	5,578	2,460,117
Marketing - Advertising	32,595	779,882	1,478,171	2,290,648
Travelling	307,565	218,806	2,375,036	2,901,407
Provisions	0	-	-	-
Inventories used	1,084,890	-	-	1,084,890
<b>Total</b>	<b>93,693,400</b>	<b>32,885,428</b>	<b>18,721,557</b>	<b>145,300,388</b>

	<b>GROUP</b>			<b>Total</b>
	<b>1/1/2022 - 31/12/2022</b>			
	<b>Cost of sales</b>	<b>Administrative expenses</b>	<b>Marketing expenses</b>	
Remuneration and other benefits to employees	26,480,504	12,128,277	8,706,699	47,315,480
Tax and duties	297,273	541,505	2,095	840,873
Other expenses	3,005,782	1,697,357	1,347,155	6,050,294
Depreciation & amortization	3,421,622	5,280,863	-	8,702,485
Professional services & legal costs	16,218,972	3,831,715	4,173,990	24,224,677
Outsourcing	31,091,001	669,388	19,168	31,779,557
Facilities	8,374	2,124,727	1,128	2,134,229
Marketing - Advertising	36,717	1,242,213	1,619,452	2,898,382
Travelling	287,922	1,441,242	735,362	2,464,526
Inventories used	995,376	-	-	995,376
<b>Total</b>	<b>81,843,543</b>	<b>28,957,287</b>	<b>16,605,049</b>	<b>127,405,879</b>

**Audit Fees****Auditors' remuneration**

During the year, the Group, including its overseas subsidiaries, obtained the following services from the Company's auditor:

	<b>31/12/2023</b>	<b>31/12/2022</b>
Fees payable to the Company's auditor and its associates		
- For the audit of the parent Company and consolidated financial statements	211,000	160,000
- The provision of corporation tax services	27,500	27,500
<b>Total</b>	<b>238,500</b>	<b>187,500</b>

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**Employee benefits**

	<b>GROUP</b>	
	<b>1/1/2023 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>
Wages and salaries	47,047,223	43,091,570
Social Security	7,631,182	4,039,199
Cost of defined benefit plans	306,146	148,915
Other employee benefits	53,057	40,207
<b>Total</b>	<b>55,037,608</b>	<b>47,319,891</b>

The number of Group's employees as at 31 December 2023 was 938 (31/12/2022: 791). The analysis per Group subsidiary is provided below.

<b>Employees</b>	<b>Country</b>	<b>2023</b>	<b>2022</b>
Qualco S.A.	Greece	591	515
Quant S.A.	Greece	254	211
Qualco (UK) Limited	UK	53	46
Qualco Real Estate	Cyprus	4	6
Qualco Real Estate (branch)	Greece	19	13
A.I. Synthetica Solutions Limited	Greece	17	-
<b>Total</b>		<b>938</b>	<b>791</b>

The Company had no personnel in 2023 and 2022. The Company employed two directors with service contracts.

**Finance income and expenses**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1/1/2023 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>	<b>1/1/2023 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>
<b>Finance income</b>				
Interest income	285,695	108,327	-	71,378
	<b>285,695</b>	<b>108,327</b>	-	<b>71,378</b>
<b>Finance expense</b>				
Interest and bank expenses on bank loans	(1,709,124)	(1,250,423)	(87,256)	(178,142)
Commissions of letters of guarantee and other related bank charges	(229,496)	(94,246)	-	-
Interest cost on leasing	(975,459)	(923,648)	-	-
	<b>(2,914,079)</b>	<b>(2,268,317)</b>	<b>(87,256)</b>	<b>(178,142)</b>
<b>Finance (expenses) / income, net</b>	<b>(2,628,384)</b>	<b>(2,159,990)</b>	<b>(87,256)</b>	<b>(106,764)</b>



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**Income tax**

The tax on the Group's profit before tax is different from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the consolidated entities as, follows:

	<b>GROUP</b>	
	<b>1/1/2023 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>
Current tax expense	(7,580,807)	(6,281,511)
Deferred Tax	(590,314)	34,873
	<b>(8,171,122)</b>	<b>(6,246,638)</b>
	<b>GROUP</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Accounting profit before tax</b>	<b>26,966,363</b>	<b>23,107,357</b>
Tax rate applicable in Greece	22%	22%
Tax based on applicable tax rate	(5,932,600)	(5,083,619)
<b>Adjustments</b>		
Remeasurement of deferred tax - change of tax rate	-	-
Tax effect of non-deductible expenses in determining taxable profit	(2,007,444)	(1,844,046)
Tax losses for which no deferred tax is recognized	(231,668)	(162,488)
Tax effect of deduction: R&D expenses	698,500	776,577
Other differences	(697,910)	66,934
<b>Tax charge</b>	<b>(8,171,122)</b>	<b>(6,246,638)</b>

The tax corresponding to Other Comprehensive Income is as follows:

	<b>GROUP</b>			<b>GROUP</b>		
	<b>1/1/2023 - 31/12/2023</b>			<b>1/1/2022 - 31/12/2022</b>		
	<b>Before tax</b>	<b>Tax debit</b>	<b>After tax</b>	<b>Before tax</b>	<b>Tax debit</b>	<b>After tax</b>
Actuarial gains	9,055	(1,923)	7,132	26.923	(5.923)	21.000
Remeasurement of fair value through OCI	227,337	(50,014)	177,323	-	-	-
	<b>236,392</b>	<b>(51,937)</b>	<b>184,455</b>	<b>26.923</b>	<b>(5.923)</b>	<b>21.000</b>

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**Related party transactions and balances**

The aggregate amounts of sales and purchases from the beginning of the year, as well as the closing balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

**(a) Transactions with related parties**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1/1/2023 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>	<b>1/1/2023 - 31/12/2023</b>	<b>1/1/2022 - 31/12/2022</b>
Sales of goods and services to associate	3,249,668	1,790,573	-	-
Other operating income	102,624	37,701		651,812
Finance income from subsidiaries	-	-	-	71,378
Purchases of services from subsidiaries	-	-	-	47,657
Purchases of services from other related parties	2,035,250	1,575,372	-	-
Finance expense to subsidiaries	-	-	-	314,723
Key management compensation (short term employee benefits)	3,690,529	3,922,045	98,400	98,648

**(b) Year end balances arising from sales and purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2023</b>	<b>31/12/2022</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
Trade receivables from subsidiaries	-	-	-	46,835
Other receivables from subsidiaries	-	-	-	604,437
Loan granted to subsidiary	-	-	-	-
Trade receivables from other related parties	119,010	61,407	-	-
Loans granted to other related parties	-	39,399	-	-
Trade payables to subsidiaries	-	-	-	79,822
Other liabilities to subsidiaries	-	-	-	152,577
Financing - Long-term borrowings	-	-	1,690,000	2,755,000
Trade payables to other related parties	29,467	115,014	9,371	-

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Payables to related parties, apart from financing as described in (c), are non-interest bearing and there is no fixed date of repayment.

### **Contingencies**

#### **(a) Legal cases**

No legal proceedings have been initiated against the Group or the Company that are expected to have a significant effect on the financial position or the operations of the Group or the Company.

#### **(b) Guarantees**

The Group has issued letters of guarantee to various beneficiaries to assure their liabilities. As at December 31, 2023 had issued letters of guarantee amounting to €7.8 million.

### **Events after the reporting date**

On March 8 2024 Qualco Information Systems Single Member S.A. ("Qualco S.A.") signed a long-term bond loan agreement for a Recovery and Resilience Loan facility ("RRF loan") with Piraeus Bank and Optima Bank (co-financing loan part) and the Greek State (RRF part) as bond holders. The RRF loan is of a total amount of € 30mil, is expected to be withdrawn in the years 2024 to 2026, has a repayment duration of 13 years and is meant to finance the continuous investments of Qualco SA falling under the pillars of Digital Transformation, Greek transition and Innovation.

On April 16, 2024 Qualco S.A. acquired a 50,1% shareholding in the company d.d.Synergy Hellas S.A. for a purchase price of €5.0 million. d.d. Synergy Hellas S.A. is a Gold Partner of SAP in Greece, specializing in integrated hardware and software solutions and it has over two decades of expertise. With this strategic acquisition Qualco Group aims to enhance its service offerings and broaden its customer base.

On June 28, 2024, Qualco S.A. acquired a 70% shareholding in the company Middle Office Services SA for a purchase price of €1.77 million. Middle Office Services SA provides specialized services for the effective management and monitoring of corporate loan portfolios. The partnership marks the establishment of the Business Process Outsourcing Unit within the Qualco Group, which will target banks, portfolio management companies and utilities. These new services will allow the organization's customers to focus on business growth through automated processes and access to advanced technologies, while optimizing resources and costs.

On July 23, 2024, a new company was established under the name Real Estate Transactions & Integrated Solutions Platform S.A. (the "Uniko" S.A.) which is a joint venture between the National Bank of Greece and Qualco S.A. Qualco S.A. holds a 51% controlling shareholding in the new company.

The initial accounting of the abovementioned business combinations (fair value accounting of net assets acquired, purchase price allocation and goodwill calculation) is incomplete at the time of the current financial statements being authorized for issue, thus no IFRS 3 disclosures have been made.

On October 23, 2024 Qualco Information Systems Single Member SA acquired 10,000 shares from the minority shareholder of Qualco UK Limited for a purchase price of GBP 0.75 million, rendering this way its total shareholding to 98.75%.

On October 30, 2024 the General Assembly of Qualco Information Systems Single Member SA approved the distribution of a dividend of €13.7 million to its direct parent Qualco Europe Holdings Ltd. Then, on December 2, 2024 the Board of Director of Qualco Europe Holdings Ltd approved the distribution of a dividend of €13.56 million to Qualco Holdco Ltd.

Apart from the ones mentioned above, no other adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorization.