ERB NEW EUROPE HOLDING B.V.

Amsterdam, the Netherlands

FINANCIAL STATEMENTS 2020

ERB NEW EUROPE HOLDING B.V.

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ERB NEW EUROPE HOLDING B.V.

Report of the Managing Directors

In accordance with the Articles of Association of ERB New Europe Holding B.V., The Board of Managing Directors herewith submits the Annual Report of ERB New Europe Holding B.V. (the Company) for the year ended 31 December 2020.

Key Activities

ERB New Europe Holding B.V. was incorporated on 2 July 2003 and has its registered and office address at Herengracht 500, Amsterdam, the Netherlands. The Company is incorporated in The Netherlands and is wholly owned by Eurobank S.A. ("the Bank and / or the Group") in Greece. On 1 November 2012 the Company changed its name to ERB New Europe Holding B.V. (former name: EFG New Europe Holding B.V.). As of 1 January 2023 the Company changed its address to Strawinskylaan 569, 1077 XX, Amsterdam, The Netherlands.

ERB New Europe Holding B.V. is part of and acts as a holding Company for investments within Eurobank Ergasias S.A. Group. The Company's objectives are:

a. to incorporate, to participate in, and to conduct the management of other companies and enterprises;

b. to render administrative, technical, financial, economic or managerial services to other companies, persons and enterprises;

c. to acquire, to dispose of, to manage and to commercialise moveable and immoveable property and other goods, including patents, trademark rights, licenses, permits and other industrial property rights;

d. to borrow and to lend money, to act as surety or guarantor in any other manner, and to bind itself solely and jointly or otherwise in addition to or on behalf of others.

Position of Eurobank Group

The Management taking into consideration the below factors has been satisfied that the financial statements of the Company can be prepared on a going concern basis.

Macroeconomic environment

2022 was marked by the war in Ukraine, which gave rise to a global - but predominantly European - energy crisis, added to the mounting inflationary pressures, and led to widespread economic uncertainty and increased volatility in the global economy and financial markets. Nevertheless, the post-pandemic recovery continued for a second consecutive year in Greece, with its GDP growth overperforming that of most of its EU peers. According to the Hellenic Statistical Authority (ELSTAT) provisional data, the Greek economy expanded by 5.9% on an annual basis in 2022, with the European Commission (EC) estimating the full-year 2022 growth rate at 5.5% and 1.2% in 2023 in its winter economic forecast (February 2023). The inflation rate, as measured by the change in the 12-month average Harmonized Index of Consumer Prices (HICP), increased to 9.3% in 2022 according to ELSTAT, primarily as a result of supply-side shocks (including the hikes in energy, food and other raw material prices, the continued disruptions in the supply chain and the rising nominal wages), alongside the steep post-pandemic recovery of domestic and external demand. The EC expects that the inflation rate will decline to 4.5% in 2023, and further de-escalate to 2.4% in 2024. Moreover, provisional ELSTAT data shows that the average monthly unemployment in 2022 decreased to 12.4%, from 14.8% in 2021, while the Organisation for Economic Co-operation and Development (OECD) in its latest report (January 2023) expects unemployment to decline to 11.5% in 2023. On the fiscal front, the general government primary balance was to post a deficit of 1.6% of GDP in 2022 according to the 2023 Budget (latest outlook point to a primary deficit of ca. 1% of GDP or even lower), and a surplus of 0.7% of GDP in 2023 (2021: deficit of 5%). The gross public debt-to-GDP ratio is expected to decline to 168.9% and 159.3% in 2022 and 2023 respectively (2021: 194.5%). The above forecasts may change in case of potential adverse international developments that could affect energy and other goods prices, interest rates, external and domestic demand, and bring about the need for additional fiscal support measures.

A significant boost to growth in Greece and in other countries of presence is expected from European Union (EU) funding, mainly under the Next Generation EU (NGEU) instrument and the Multiannual Financial Framework (MFF) 2021–2027, EU's long-term budget. Greece shall receive EU funds of more than € 30.5 billion (€ 17.8 billion in grants and € 12.7 billion in loans) up to 2026 from NGEU's Recovery and Resilience Facility (RRF) to finance projects and initiatives laid down in its National Recovery and Resilience Plan (NRRP) titled "Greece 2.0".

Position of Eurobank Group (continued)

A pre-financing of € 4 billion was disbursed in August 2021, and the first two regular payments of € 3.6 billion each in April 2022 and January 2023 respectively. Greece has been also allocated about € 40 billion through MFF 2021-2027. On the monetary policy front, although net bond purchases under the temporary Pandemic Emergency Purchase Programme (PEPP) ended in March 2022, as scheduled, the European Central Bank (ECB) will continue to reinvest principal from maturing securities at least until the end of 2024, including purchases of Greek Government Bonds (GGBs) over and above rollovers of redemptions. Furthermore, the Governing Council of the ECB, in line with its strong commitment to its price stability mandate, has proceeded with six rounds of interest rate hikes (in July, September, October, December 2022, February and in March 2023), raising the three key ECB interest rates by 350 basis points in aggregate. Moreover, it approved a new instrument (the "Transmission Protection Instrument" – TPI) aimed at preventing fragmentation in the sovereign bonds market. Finally, following the expiration of the special terms and conditions applying to the TLTRO III (Targeted Longer-Term Refinancing Operations) on 23 June 2022, the ECB will keep assessing how targeted lending operations are contributing to its monetary policy stance.
In 2022, the Greek State proceeded with the issuance of nine bonds of various maturities (5-year, 10-year, 15-year and 20-year) through the Public Debt Management Agency (PDMA), raising a total of € 8.3 billion from international financial markets. On 17 January 2023, the PDMA issued a 10-year bond of € 3.5 billion at a yield of 4.279% and more recently, on 29 March 2023, issued a 5-year bond of € 2.5 billion at a yield of 3.919%. As of end 2022, the cash reserves of the Greek State stood in excess of € 30 billion, and as of early February 2023, its sovereign rating was one notch below investment grade by three of the four External Credit Assessment Institutions (ECAIs) accepted by the Eurosystem (DBRS Morningstar: BB (high); S&P Ratings, Fitch Ratings: BB+).

Regarding the outlook for the next 12 months the major macroeconomic risks and uncertainties in Greece and its region are as follows:

(a) the ongoing Russia - Ukraine war and its ramifications on regional and global stability and security, as well as the European and Greek economy, (b) a potential prolongation of the ongoing inflationary wave and its impact on economic growth, employment, public finances, household budgets, firms' production costs, external trade and banks' asset quality, as well as any potential social and/or political ramifications these may entail, (c) the ongoing and potential upcoming central bank interest rate hikes worldwide, and in the euro area in particular, that may exert upwards pressures on sovereign and private borrowing costs, especially those of highly indebted borrowers, deter investments, increase volatility in the financial markets and lead economies to slow down or even a temporary recession, (d) the recent banking sector turmoil to continue and expand in the euro area, affecting customers' confidence, with a potential impact on assets under management levels and on liquidity, (e) the impact of a potential curtailment or discontinuation of the government energy support measures on growth, employment and the servicing of household and corporate debt, (f) the persistently large current account deficits and the prospect of them becoming once again a structural feature of the country's growth model, (g) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the country, (h) the effective and timely implementation of the reform agenda required to meet the RRF milestones and targets and to boost productivity, competitiveness, and resilience, (i) a delay in the implementation of planned reforms, projects and the budget's fiscal agenda due to the possibility of the 2023 national elections resulting in an inability or delay to form a government with solid Parliament majority, (j) the geopolitical developments in the near region, (k) the evolution of the pandemic and the probability of emergence of new Covid-19 variants that could further impact economic growth, fiscal balances and international trade by prolonging the disruptions in the global supply chain, and (l) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment, fiscal balance and sustainable development in the long run.

Materialization of the above risks, would have potentially adverse effects on the fiscal planning of the Greek government, as it could decelerate the pace of expected growth and on the liquidity, asset quality, solvency and profitability of the Greek banking sector. The Group Management and Board, mindful of the recent banking turmoil across some markets, has done a proactive internal review to re-assure itself of the continued resilience of Eurobank business model to such possible external shocks and is pleased to report that this model is well supported by sound business practices, diversified activities and prudent risk management approaches. The resulting stability of the Group's business operating model is also further well-reflected by, among others, its financial position and performance as analysed below. In this context, the Group is continuously monitoring the developments on the macroeconomic, financial and geopolitical fronts as well as the evolution of its asset quality and liquidity KPIs and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals in accordance with the business plan for 2023 - 2025.

As at 31 December 2022, the Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios of Eurobank Holdings Group, stood at 19.2% (31 December 2021: 16.1%) and 16% (31 December 2021: 13.7%) respectively. At the same date, the Total CAD and CET1 ratios of Eurobank S.A. (the Bank) amount to 18.9% (31 December 2021: 15.3%) and 15.1% (31 December 2021: 12.4%) respectively.

With regards to asset quality, as at 31 December 2022, the Group's NPE stock, following the classification of project "Solar" underlying loan portfolio as held for sale and other initiatives, amounted to € 2.3 billion (Bank: € 1.9 billion) (31 December 2021: € 2.8 billion, Bank: € 2.2 billion), driving the NPE ratio to 5.2% (31 December 2021: 6.8%), while the NPE coverage ratio stood at 74.6% (31 December 2021: 69.2%).

Position of Eurobank Group (continued)

Eurobank Demerger

On 20.03.2020 Eurobank Ergasias S.A. announced that, following the decision of the Extraordinary General Meeting of its shareholders held on 31.01.2020 and after obtaining the necessary approvals by the competent Authorities, its demerger through sector's hive down and establishment of a new company-credit institution ("Demerger") under the corporate name "Eurobank S.A." ("Eurobank") was completed. Furthermore, on 23.03.2020 the amendment of its Articles of Association was announced, according to which its corporate name of Eurobank Ergasias S.A. was amended to "Eurobank Ergasias Services and Holdings S.A." ("Eurobank Holdings").
Following the above, Eurobank substitutes Eurobank Holdings, by way of universal succession, to all the transferred assets and liabilities, as set out in the transformation balance sheet of the hived down sector (as at 30.06.2019) and formed up to Demerger's completion on 20.03.2020.

Eurobank Holdings, Eurobank's sole shareholder, ceases to be a credit institution and maintains activities and assets and liabilities that are not related to main banking activities, but are mainly related to the strategic planning of the administration of non-performing loans and the provision of services to the Group companies and third parties. Eurobank Holdings continues to be listed on the Athens Stock Exchange with its shares trading under its new name starting from 24.03.2020.

Solvency risk

As at 31 December 2022, the Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios of Eurobank Holdings Group, stood at 19.2% (31 December 2021: 16.1%) and 16% (31 December 2021: 13.7%) respectively. At the same date, the Total CAD and CET1 ratios of Eurobank S.A. (the Bank) amount to 18.9% (31 December 2021: 15.3%) and 15.1% (31 December 2021: 12.4%) respectively.

In terms of liquidity, as at 31 December 2022, the Eurobank Holding's Group deposits increased to € 57.2 billion (31 December 2021: € 53.2 billion), while the funding from the targeted long term refinancing operations of the European Central Bank – TLTRO III programme decreased by € 2.9 billion amounting to € 8.8 billion (Bank: € 7.9 billion) (31 December 2021: € 11.7 billion, Bank: € 10.8 billion). During the year, the Bank proceeded with the issuance of a preferred senior note of € 500 million and the Parent Company completed the issuance of a Tier 2 instrument of € 300 million. More recently, in January 2023, the Bank successfully completed the issue of a € 500 million senior preferred note (note 33). The rise in high quality liquid assets of the Eurobank Holding Group led the respective Liquidity Coverage ratio (LCR) to 173% (31 December 2021: 152%). In the context of the 2022 ILAAP (Internal Liquidity Adequacy Assessment Process), the liquidity stress tests results indicated that the Bank has adequate liquidity buffer to cover the potential outflows that could occur in all scenarios both in the short term (1 month horizon) and in the medium term (1 year horizon).

Risk Management

The Managing Board utilises a risk management policy and receives regular reports to enable prompt identification of financial risk so that appropriate actions may be taken. The Company employs written policy and procedures that sets out specific guidelines to manage credit risk, interest rate risk, foreign currency risk and liquidity risk. For a further analysis we refer to note 4 in the Notes to the balance sheet and Statement of Comprehensive income of this report.

Position of Eurobank Group (continued)

Credit Rating of Eurobank Group

On 20/3/2020 Moody's Investors Service (Moody's) assigned a Baseline Credit Assessment (BCA) of caa1 and deposit ratings of Caa1/NP to Eurobank S.A.
On 27/3/2020 Standard & Poor's assigned 'B' long- and short-term issuer counterparty ratings and 'B' long and short term resolution counterparty rating to Eurobank SA. (with stable outlook).
On 27/4/2021 Standard & Poor's raised their long-term issuer credit ratings (ICRs) on Eurobank S.A, to 'B+' from 'B' (with stable outlook), and assigned 'B+' issue ratings to Eurobank S.A.'s senior preferred notes.

Outlook

There were no changes in the nature of the activities of the Company in 2020 and no changes took place untill the date of signing.

Current year results

During the year under review the Company recorded a loss of EUR 18.990.660. The loss was mainly driven by Impairments on Investment. In the previous financial year (2019) a profit recorded amounted EUR 52.456.167.

Related party transactions

The Bank's shareholding structure

Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank). The Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of the Bank and part of the key management personnel (KMP) of the Bank provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities.

As at 31 December 2022, the percentage of Eurobank Holdings' ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 1.40%. The HFSF is considered to have significant influence over the Bank pursuant to the provisions of the Law 3864/2010, as in force, including the amendments under law 4941/2022 and the Tripartite Relationship Framework Agreement (TRFA) between Eurobank S.A., Eurobank Holdings and the HFSF signed on 23 March 2020 and amended on 3 February 2022.
In 2023, Eurobank Holdings announced its intention to submit an offer for the buyback of its 52.08 million shares (corresponding to a participation of 1.4%), presently owned by the HFSF, subject to the receipt of the required approvals from the regulator and the General Meeting of the Company's Shareholders.
Fairfax Group, which holds 32.99% of Eurobank Holdings voting rights as of 31 December 2022 (31 December 2021: 33%), is considered to have significant influence over Eurobank Holdings and accordingly over the Bank.

Position of Eurobank Group (continued)

Post balance sheet events

On 15/11/21 Interim dividend distribution €58 mil to the shareholder (Eurobank S.A.) was performed as per EGM dated 15.11.2021.

On 22/11/21 the Company's BoD approved the Shares' Transfer of 7,655 shares of Eurobank a.d. Beograd from ERB New Europe Holding B.V. to Mr. Andrej Jovanovic and of 7,655 shares of Eurobank a.d. Beograd from ERB New Europe Holding B.V. to Mr. Bojan Milovanovic without consideration, in the context of the Eurobank a.d. Beograd and Direktna Banka a.d. Kragujevac merger which was completed on 10/12/2021.

On 25/7/22 an Agreement for the Sale and Purchase of the Share Capital of EUROBANK CYPRUS LTD was signed between ERB New Europe Holding BV (Seller) and Eurobank S.A. (Buyer) regarding the sale of 1,201 ordinary shares of nominal value €10,000 each in the capital of EUROBANK CYPRUS LTD for the consideration of EUR 596,925,000.

On 26/9/22 Interim dividend distribution €160 mil to the shareholder (Eurobank S.A.) was performed as per EGM dated 23.09.2022.

On 01/01/23 the Company changed its address to Strawinskylaan 569, 1077 XX, Amsterdam, The Netherlands.

On 02/03/23, Eurobank S.A. announced that it has signed binding agreement (share purchase agreement) with AIK Banka a.d. Beograd ("AIK") for the sale of Eurobank Direktna in Serbia (the "Transaction").

The Transaction values 100% of Eurobank Direktna at €280 million and is expected to be completed within year 2023, subject to customary regulatory and other approvals.

Other events

COVID-19 developments

During 2020 and the first quarter of 2021, the outbreak of Covid-19 pandemic and the measures adopted to contain the virus expansion defined the economic environment in Greece and globally. More specifically, the Covid-19 pandemic posed substantial uncertainties and risks for both the macroeconomic environment and the ability of numerous businesses to operate under the restrictive measures, including countywide and local lockdowns, adopted to contain the virus expansion.

Current conflict between Russia and Ukraine developments

In 2022, the geopolitical and economic upheaval caused by the Russian invasion in Ukraine, along with the persistent - albeit decelerating - inflationary pressures, high energy prices and rising borrowing costs affected negatively the global economic environment, worsened the macroeconomic outlook of the European economies, which are now confronted with a slowdown in growth and, accordingly, exacerbated economic uncertainty in the regions that the Bank operates. In this volatile environment, the Greek economy has exhibited notable resilience, mainly driven by the increase in consumption, export of services, strong performance in tourism and further acceleration of new investments supported by the RRF funds, which is expected to continue, at a slower pace though.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Future developments

The Company's business strategy and activities are linked to these of Eurobank S.A., which is the direct shareholder of the Company.
The assessment by the directors of the Company's ongoing business model is closely associated with the business decisions and operations of the Parent Company and its subsidiaries. On the basis of the analysis of the Company's profitability, capitalisation and funding structure, the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future.

Amsterdam, 22 June 2023

Managing Directors
ERB New Europe Holding B.V.
Chamber of Commerce number: 34192535

C. Koukoutsaki   S. Psychogios

L.P. Elstershamis   R. Wemmi

ERB NEW EUROPE HOLDING B.V.

Other Comprehensive Income
for the period ended 31 December 2020
(in EUR)

	Note	1/1/2020 - 31/12/2020	1/1/2019 - 31/12/2019
Income and Expenses			
Interest income	15	2.832	2.775
Interest expense	15	-740.270	-886.011
(Impairment)/Impairment reversal on investments in subsidiaries and associates.	6, 7	-14.771.146	52.899.784
Gain from participation share sale	6	0	11.786
Loss on disposal and liquidation of investments		-3.242.503	0
Currency exchange result		-156.418	34.846
General and administrative expenses		-83.155	-105.012
Operating Profit		-18.990.660	51.958.167
Profit before taxation		-18.990.660	51.958.167
Profit for the year from continuing operations		-18.990.660	51.958.167
Profit for the year from discontinued operations		0	498.000
(Loss) / Profit for the year		-18.990.660	52.456.167
Total comprehensive income for the year		**-18.990.660**	**52.456.167**

The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.

Balance Sheet as at 31 December 2020

(In EUR, before appropriation of results)

	Notes	31/12/2020	31/12/2019
ASSETS			
Non-current assets			
Investments in subsidiaries	6	271.630.678	269.746.668
Investments in associates	7	524.290.616	539.429.886
		795.921.294	809.176.554
Current assets			
Trade and other receivables	8	421.364	612.827
Cash and cash equivalents	9	57.804.900	63.466.566
		58.226.264	64.079.393
TOTAL ASSETS		854.147.558	873.255.947
EQUITY			
Equity attributable to equity holders of the Company			
Ordinary shares	4.2	767.728.500	767.728.500
Share premium		8.904	8.904
Accumulated Profit / (Losses)		41.988.207	60.978.868
TOTAL EQUITY		809.725.611	828.716.272
LIABILITIES			
Current liabilities			
Loan payable	15	43.813.750	43.813.750
Trade and other payables	12	608.197	725.925
		44.421.947	44.539.675
TOTAL EQUITY, PROVISIONS AND LIABILITIES		854.147.558	873.255.947

The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.

Cash Flow Statement
for the period ended 31 December 2020
(in EUR)

	Notes	1/1/2020 - 31/12/2020	1/1/2019 - 31/12/2019
Cash flow from (continuing) operating activities			
(Application of Indirect Method)			
Profit/Loss before tax for the year		-18.990.660	51.958.167
Adjustments for:			
(Impairment reversal) / Impairment on investments in subsidiaries and associ	6, 7	14.771.146	-52.899.784
(Gain)/Loss on disposal and liquidation of investments	6	3.242.503	-11.786
Unrealised foreign exchange Loss/(Gain)		128.412	-7.704
Interest income		-2.832	-2.775
Interest expense		740.270	886.011
		-111.161	**-77.871**
Net decrease in trade and Other receivables	9	191.463	204.191
Net (decrease) / increase in trade and Other payables	13	-117.728	-1.003.848
Interest paid		-712.156	-886.011
Net cash used in continuing operating activities		**-749.582**	**-1.763.539**
Cash flows from continuing investing activities			
Interest received	15	2.832	2.775
Liquidation of interests in subsidiaries	6	257.497	0
Acquisition of interests in associaties	7	-15.995	0
Net cash generated from continuing investing activities		**244.334**	**2.775**
Dividends paid to shareholder		0	-100.000.000
Share Capital Increase in Subsidiary		-5.000.000	0
Net cash used in continuing financing activities		**-5.000.000**	**-100.000.000**
Total cash from continuing operations		**-5.505.248**	**-101.760.764**
Net increase in cash equivalents from continuing operating activities		**-505.248**	**-1.760.764**
Net cash generated / (used in) discontinued activities	8	0	498.000
Net increase / (decrease) in cash equivalents		**-5.505.248**	**-101.262.764**
Cash and cash equivalents at the beginning of the year	10	63.466.566	164.694.485
Cash and cash equivalents at the end of the year	10	57.804.900	63.466.566
Effect of exchange rate fluctuations on cash held		-156.418	34.846
Movement in cash		**5.505.248**	**101.262.765**

The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.

ERB NEW EUROPE HOLDING B.V.

Statement of Changes in equity
for the period ended 31 December 2020
(in EUR)

	Ordinary Shares	Share premium	Retained earnings	Total equity
Balance as at 1 January 2019	**767.728.500**	**8.904**	**108.522.700**	**876.260.104**
Dividend payable	--	--	-100.000.000	-100.000.000
Total comprehensive income for the year	--	--	52.456.167	52.456.167
Balance as at 31 December 2019	**767.728.500**	**8.904**	**60.978.867**	**828.716.271**
Balance as at January 1, 2020 as restated	**767.728.500**	**8.904**	**60.978.867**	**828.716.271**
Total comprehensive income for the year	--	--	-18.990.660	-18.990.660
Balance as at December 31, 2020	**767.728.500**	**8.904**	**41.988.207**	**809.725.611**

The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.

1 GENERAL

ERB New Europe Holding B.V. (the Company) is a Dutch private company with limited liability, incorporated in Amsterdam on 2 July 2003 under name Cayne Management Group B.V. On 13 March 2007 Eurobank Ergasias S.A. (the 'Parent') acquired all shares in the capital of the Company and on May 2007 the Company changed its name to EFG New Europe Holding B.V. On 1 November 2012 the Company changed its name to ERB New Europe Holding B.V. The Company mainly acts as an intermediate holding and finance company and currently has its office address at Herengracht 500, Amsterdam, the Netherlands. As of 1 January 2023 the Company changed its address to Strawinskylaan 569, 1077 XX, Amsterdam, The Netherlands. The Company's Chamber of Commerce number is 34192535.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below:

2.1 Basis of preparation

2.1.1 New and amended standards and interpretations

New and amended standards adopted by the Group as of 1 January 2020

The following new standards, amendments to standards and new interpretations Conceptual Framework as issued by the International Accounting Standards Board
Amendments to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards
The adoption of the amended Framework had no impact on the financial statements.

Interest Rate Benchmark Reform - Phase 1: Amendments to IFRS 9, IAS 39 and IFRS 7

In September 2019, the IASB issued amendments to IFRS 9 ‘Financial Instruments’, IAS 39 “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures” to address the implications for certain hedge accounting requirements related to the uncertainties arising from the market-wide reform of several interest rate benchmarks (referred to as ‘IBOR reform’). As a result of the IBOR reform, there may be uncertainties about: a) the interest rate benchmark designated as a hedged risk and/or b) the timing or amount of the benchmark rate-based cash flows of the hedged item or the hedging instrument, during the period before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (‘(‘RFR’). The amendments modify certain hedge accounting requirements under IAS 39 or IFRS 9 in order to provide temporary reliefs from the potential effect of the uncertainty, during the transition period., which apply to all hedging relationships that are directly affected by the IBOR reform. These reliefs are related mainly to the highly probable requirement for the cash flow hedges, the compliance with the identifiable nature of the hedged risk component and the application of prospective and retrospective effectiveness tests. The amendments to IFRS 7 require additional disclosures in relation to the hedging relationships to which the above reliefs are applied.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The IASB addresses the IBOR reform and its potential effects on financial reporting in two phases. The first phase, as described above, focuses on hedge accounting issues affecting financial reporting in the period before the interest rate benchmark reform, while the second phase, effective from 1 January 2021, focuses on potential issues that might affect financial reporting once the existing rates are replaced with alternative rates. (refer below to section ‘’new standards, amendments to standards and interpretations not yet adopted by the Group”).

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” aim to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition. According to the new definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality depends on the nature or magnitude of information, or both, while an entity should assess whether information is material on its own or when combined with other information.

The definition of material in the Conceptual Framework was also amended in order to align with the revised definition in IAS 1 and IAS 8.

The adoption of the amendments had no impact on the financial statements.

New standards, amendments to standards and interpretations not yet adopted by the Group.

A number of new standards, and amendments to existing standards and interpretations are effective after 2020, as they have not yet been endorsed by the European Union (EU), or have not been early applied by the Group. Those that may be relevant to the Group are set out below:

IAS 1, Amendments, Classification of Liabilities as Current or Non-Current (effective 1 January 2023, not yet endorsed by EU)

The amendments affect only the presentation of liabilities in the balance sheet and provide clarifications over the definition of the right to defer the settlement of a liability, while they make clear that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. In addition, it is clarified that the assessment for liabilities classification made at the end of the reporting period is not affected by the expectations about whether an entity will exercise its right to defer settlement of a liability. The Board also clarified that when classifying liabilities as current or non-current, an entity can ignore only those conversion options that are recognised as equity.

The adoption of the amendments is not expected to impact the financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021)

In August 2020, the IASB issued “Interest Rate Benchmark Reform: Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16”, which addresses issues that affect financial reporting once an existing rate is replaced with an alternative rate (RFR) and provides specific disclosure requirements. The Phase 2 Amendments provide key reliefs related to contractual modifications due to the reform and to the hedging relationships affected by the reform.
More specifically, the amendments introduce a practical expedient if a contractual change, or changes to cash flows, result “directly” from IBOR reform and occurs on an ‘economically equivalent’ basis. In these cases, changes will be accounted for by updating the effective interest rate, similar to changes to a floating interest rate. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform.
In addition, the Phase 2 amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentations without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR as well as redefining the description of the hedging instruments and/or the hedged items to reflect RFR.
Based on the Phase 2 amendments, when performing a retrospective hedge effectiveness assessment under IAS 39, a company may elect to reset the cumulative fair value changes of the hedged item and hedging instrument to zero immediately after ceasing to apply the Phase 1 relief on a hedge-by-hedge basis. However, actual hedge ineffectiveness will continue to be measured and recognized in full in profit or loss. The Phase 2 amendments also clarify that changes to the method for assessing hedge ineffectiveness due to the modifications required by the IBOR reform, will not result to the discontinuation of the hedge accounting.
The amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9.
Consequential amendments were made by the Phase 2 Amendments to IFRS 7, to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Annual improvement to IFRSs 2018-2020 cycle: IFRS1, IFRS9 and IFRS 16 (effective 1 January 2022, not yet endorsed by EU)

The improvements introduce changes to several standards. The amendments that are relevant to the Group's activities are set out below:

The amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards' provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
The amendment to IFRS 9 'Financial Instruments' clarifies which fees should be included in the 10% test for derecognition of financial liabilities, The fees to be included in the assessment are only those paid or received between the borrower (entity) and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.
The amendment to IFRS 16 'Leases' removes the illustration of the reimbursement of leasehold improvements, in order to avoid any potential confusion about the treatment of lease incentives.

The adoption of the amendments is not expected to impact the financial statements.

IFRS 4, Amendment, Deferral of IFRS 9 (effective 1 January 2021)

In June 2020, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023, in order to align the effective dates of IFRS 9 Financial Instruments with IFRS 17 Insurance Contracts.

The amendment is not relevant to the Group's activities, other than through its associate Eurolife ERB Insurance Group Holdings S.A.

IAS 37, Amendment, Onerous Contracts – Costs of Fulfilling a Contract (effective 1 January 2022, not yet endorsed by EU)

The amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' clarifies that the direct costs of fulfilling a contract include both the incremental costs and an allocation of other costs directly related to fulfilling contracts' activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The adoption of the amendment is not expected to impact the financial statements.

IFRS 3, Amendments, Reference to the Conceptual Framework (effective 1 January 2022, not yet endorsed by EU)

The amendments to IFRS 3 'Business Combinations' updated the reference to the current version of Conceptual Framework while added a requirement that, for obligations within the scope of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
In addition, the issued amendments added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition in a business combination at the acquisition date.

The adoption of the amendments is not expected to impact the financial statements.

IAS 8, Amendments, Definition of Accounting Estimates (effective 1 January 2023, not yet endorsed by EU)

The amendments in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" introduced the definition of accounting estimates and include other amendments to IAS 8 which are intended to help entities distinguish changes in accounting estimates from changes in accounting policies.

The amendments clarify (a) how accounting policies and accounting estimates relate to each other by (i) explaining that accounting estimates are used in applying accounting policies and (ii) making the definition of accounting policies clearer and more concise, (b) that selecting an estimation technique, or valuation technique, used when an item in the financial statements cannot be measured with precision, constitutes making an accounting estimate, and (c) that, in applying IAS 2 Inventories, selecting the first-in, first-out (FIFO) cost formula or the weighted average cost formula for interchangeable inventories constitutes selecting an accounting policy.

The adoption of the amendments is not expected to impact the financial statements.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023, not yet endorsed by EU)

IASB issued amendments to IAS 1 "Presentation of Financial Statements" to require entities to disclose their material accounting policies rather than their significant accounting policies.

According to IASB, 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.

Furthermore, the amendments clarify how an entity can identify material accounting policy information, while provide examples of when accounting policy information is likely to be material. The amendment to IAS 1 also clarify that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2 Making Materiality Judgements to accounting policy disclosures, in order to support the amendments to IAS 1.

The adoption of the amendments is not expected to impact the financial statements.

2.2.2 Classification and measurement

IFRS 9 applies a new classification and measurement approach for all types of financial assets that reflects the entity's business model for managing the assets and their contractual cash flow characteristics. IFRS 9 requires financial assets to be classified into one of the following measurement categories: amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available for sale.

Financial assets will be measured at amortized cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principle and interest (SPPI). Financial assets will be measured at FVOCI if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principle and interest. All other financial assets will be classified at FVTPL.

An entity may at initial recognition, designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. Furthermore, on initial recognition of an equity instrument that is not held for trading, an entity may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Under IFRS 9, embedded derivatives in contracts where the host is a financial asset in the scope of the standard are no longer bifurcated. Instead, the hybrid financial instrument is assessed for classification as a whole.

IFRS 9 retains most of the existing requirements for financial liabilities. However, for financial liabilities designated at FVTPL, gains or losses attributable to changes in own credit risk shall be presented in OCI and shall not be subsequently transferred to profit or loss unless such a presentation would create or enlarge an accounting mismatch. Under IAS 39, all fair value changes of liabilities designated at FVTPL are recognized in profit or loss unless this would create or enlarge an accounting mismatch.

Business model assessment

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect contractual cash flows from the asset, to realize cash flows from the sale of assets, or both to collect contractual cash flows and cash flows from the sale of assets. Financial assets that are held for trading or that are managed on a fair value basis will be measured at FVTPL.

The Company's approach is to perform the business model assessment consistently with its operating model and the information provided to key management personnel. In making the above assessment the Company will consider a number of factors including:

• the stated policies and objectives for each portfolio;
• how the performance of each portfolio is evaluated and reported;
• the risks associated with the performance of the business model and how those risks are managed;
• how managers are compensated; and
• past experience on how the cash flows from those portfolios were collected, expectations about future sales activity and how the Company's stated objective for managing the financial assets is achieved.

SPPI assessment

In assessing whether the contractual cash flows are solely payments of principle and interest, the Company will consider whether the contractual terms of the instrument are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin. This will include an assessment of whether a financial asset contains a contractual term that could change the amount or timing of contractual cash flows in a way that it would not be consistent with the above condition. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset will be measured at FVTPL.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

IFRS 9 introduces an expected credit loss (ECL) model that replaces the incurred loss model in IAS 39. The new requirements eliminate the threshold in IAS 39 that required a credit event to have occurred before credit losses were recognized and will apply to a broader population of financial instruments compared to IAS 39. The measurement of ECL will require the use of complex models and significant judgment about future economic conditions and credit behavior.

The new impairment model will apply to financial assets that are not measured at FVTPL, including loans, lease receivables, debt securities, financial guarantee contracts and loan commitments issued. No impairment loss will be recognized on equity investments.

'Three stage approach' will reflect changes in credit quality since initial recognition. At each reporting date, a loss allowance equal to 12-month ECL will be recognized for debt investment securities that are determined to have a low credit risk at the reporting date, and for all other financial assets for which there is no significant increase in credit risk since initial recognition. 12-month ECL are the portion of ECL that result from default events that are possible within the next 12 months after the reporting date. For financial assets that have experienced a significant increase in credit risk since initial recognition where no specific loss event has been identified, a loss allowance equal to lifetime expected credit losses will be recognized. The loss allowance for purchased or originated credit impaired financial assets will always be measured at an amount equal to lifetime ECL. Financial assets where 12-month ECL are recognized are considered to be in 'stage-1'; financial assets which have experienced a significant increase in credit risk are in 'stage-2' and financial assets that are credit impaired are in 'stage-3'.
The measurement of expected credit losses will be a probability-weighted average amount that will reflect the time value of money. In measuring ECL, information about past events, current conditions and reasonable and supportable forecasts of future conditions should be considered. The new impairment model is expected to result in a higher loss allowance for the Company compared to IAS 39.

Prior year comparison

The accounting policies have been consistently applied to the years presented.

Foreign currencies

All monetary investments and liabilities denominated in currencies other than EUR have been translated at the rates of exchange prevailing on balance sheet date. All transactions in foreign currencies have been translated into EUR at rates of exchange approximating those prevailing on the dates of the transaction. Unless otherwise indicated, any resulting exchange differences are included in the Statement of Comprehensive income. Income and expenses are translated at the rates of date of transaction.

The Company's presentation currency is the EUR being the functional currency of the parent company. Except as indicated, financial information presented in EUR has been rounded to the nearest million.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The Company controls an entity when 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. The investments in subsidiaries are accounted for at cost less any accumulated impairment losses. The Company determines at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognises the amount to the profit and loss. The recoverable amount of the investment is the higher of its fair value less costs to sell and its value in use. For the further explanation please see page 19 'Subsidiaries'.

Associates

Associates are all entities over which the Company 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 at cost less any accumulated impairment losses. The Company 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 Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount to the profit and loss. The recoverable amount of the investment is the higher of its fair value less costs to sell and its value in use.

Investment securities

Under investment securities are classified all investments over which the Company has neither significant influence nor control, generally accompanying a shareholding of below 20% of the voting rights. Investment securities are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Gains and losses arising from changes in the fair value of the investment securities are recognised directly in equity, until the financial investment is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss. The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset (debt and equity securities). If any such evidence exists the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in profit and loss, is removed from equity in profit and loss.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Trade and other receivables

Trade and other receivables are amounts due from customers in the ordinary course of business and its value is assumed to be a close approximation of their fair value. Trade and other receivables are included in the current assets if collection is expected in one year or less. If not, they are presented as non-current assets.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.
Borrowings and trade and other payables are classified as current liabilities if payment is due to one year or less. If not, they are presented as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less, that is readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Provisions

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is likely to require an outflow of resources and the extent of which can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligation at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

Interest income and expenses

Interest income and expenses are recognised in the income statement for all interest bearing instruments on an accruals basis, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Dividend income is recognised when the right to receive payment is established.

De-recognition of financial assets and liabilities

A financial asset is derecognised when the contractual cash flows of the loan expire, or the Company transfers its rights to receive those cash flows in an outright sale in which substantially all the risk and rewards of ownership have been transferred. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Non-current assets classified as held for sale

Non-current assets are classified as held for sale when the carrying amount is to be recovered through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

3 PRINCIPLES OF DETERMINATION OF RESULT

General

Result is determined as the difference between dividend/investment income and interest income on loans granted and interest expense from loans issued and other charges for the year. Income from transactions is recognised in the year in which it is realised.

4 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of risks. Exposure to credit, interest rate, currency and liquidity risk arises in the normal course of the Company's business. The Company's overall risk management policy focuses on the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The management considers there is no significant concentration of the following risks at the balance sheet date.

The procedures for assessing the risk are also shown below:

Credit Rating of Eurobank Group

On 20/3/2020 Moody's Investors Service (Moody's) assigned a Baseline Credit Assessment (BCA) of caa1 and deposit ratings of Caa1/NP to Eurobank S.A.
On 27/3/2020 Standard & Poor's assigned 'B' long- and short-term issuer counterparty ratings and 'B' long and short term resolution counterparty rating to Eurobank SA. (with stable outlook).
On 27/4/2021 Standard & Poor's raised their long-term issuer credit ratings (ICRs) on Eurobank S.A, to 'B+' from 'B' (with stable outlook), and assigned 'B+' issue ratings to Eurobank S.A.'s senior preferred notes.

Since Eurobank S.A. is the ultimate parent entity of the Company , the Company doesn't have any specific policy in place to monitor the risk.

Interest rate risk

The interest rate applied for the year 2020 was EURIBOR plus 1,65%. Effective from 28 March 2017 in the event of EURIBOR is less than zero, then shall be deemed zero.
The Company analyses its interest rate exposure on a dynamic basis and simulated a scenario based upon which the Company calculates the impact of an interest rate shift on the Company's profit and loss account.

The excess of cash which the Company currently has is invested in short-term deposits, which bear a fixed interest rate for the period. Due to the fact that the deposits are agreed for a short-term period only, the risk is considered minimal.

Foreign currency risk

The Company holds several financial investments in foreign currencies. It holds bank accounts in Serbian Dinars, which have an immaterial amount in aggregate. In addition, the Company holds bank accounts in United States Dollars which is disclosed in note 9 of these financial statements. Moreover, the Company has other intercompany loans receivable in USD as disclosed in note 10 of these financial statements. Any resulting exchange differences on the items mentioned above, are included in the Statement of Comprehensive income. Foreign currency risk is continued monitored by the management and is regarded manageable.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company also holds several participations in Eastern Europe Countries as disclosed in notes 6 and 7 of these financial statements for which there is no foreign currency risk for the Company's profit and loss account as it uses the historical cost for the valuation of its participations.

		Less than 1 year		**Over 1 year**	
As at 31 December 2020	CCY	Amount in CCY	Amount in EUR	Amount in CCY	Amount in EUR
Trade and other receivables	USD	429.624	350.115	--	--
Cash and cash equivalents	RSD	64.041	545	--	--
Cash and cash equivalents	USD	1.649.573	1.344.286	--	--

		Less than 1 year		**Over 1 year**	
As at 31 December 2019	CCY	Amount in CCY	Amount in EUR	Amount in CCY	Amount in EUR
Trade and other receivables	USD	429.624	382.433	--	--
Cash and cash equivalents	RSD	64.041	545	--	--
Cash and cash equivalents	USD	1.646.402	1.465.552	--	--

Based on an analysis of the Company's foreign currency risk and the materiality of the balances, the impact on the profit and loss account by a increase/decrease in USD rate of 10%, would cause a maximum increase/decrease of EUR 186,384 and 152,496 respectively. By comparing the same analysis on the Company's 2019 balances a shift of 10% of the USD rate, would have caused a maximum increase/decrease of EUR 203,278 and 166,319 respectively.

Foreign currency risk is continued monitored by the management and is regarded manageable.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Liquidity risk

Management considers liquidity risk to be minimal at this stage. The Company has a significant cash position as at year end. The Company acts as a holding company and day-to-day cash flows are limited.

The table below analyses the Company's financial liabilities into relevant groupings based on the remaining period at the balance sheet to the contractual maturity date.

As at 31 December 2020	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Over 12 months
Liabilities:				
Loan payable	43.813.750	--	--	--
Trade and other payables	--	108.197	--	--

As at 31 December 2019	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Over 12 months
Liabilities:				
Loan payable	43.813.750	--	--	--
Trade and other payables	--	729.773	--	--

4.2 Capital management

The Company actively manages capital base to cover risk inherent to the business. The Company's objectives, when managing capital are:

• To provide an adequate level of capital so a to enable the Company to continue its operations as a going concern
• To maintain a strong capital base to support the development of its business

The Company is not required to comply with any capital requirements set by the regulators.
There have been no material changes in the Company's management of capital during the year.

The capital of the Company is presented below:

	31 December 2020	**31 December 2019**
Issued and paid-up capital	767.728.500	767.728.500
Share premium	8.904	8.904
Reatained Earnings	60.978.867	108.522.700
Dividend payable	0	-100.000.000
Total comprehensive income for the year	-18.990.660	52.456.167
Total equity	**809.725.611**	**828.716.271**

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price). When a quoted price for an identical asset or liability is not observable, fair value is measured using valuation techniques that are appropriate in the circumstances, and maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect assumptions that market participants would use when pricing financial instruments, such as quoted prices in active markets for similar instruments, interest rates and yield curves, implied volatilities and credit spreads.

Financial instruments not carried at fair value

The carrying amounts of loan granted to subsidiary undertakings, trade payables, trade receivables and cash and cash equivalents are assumed to approximate their fair values.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Impairment of investments

The Company follows the guidance of IAS36 to determine when an investment is impaired. An impairment loss is recognised for the amount by which the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is the higher of an investment’s fair value less costs of disposal and its value in use. When an investment is impaired, the loss regarding this impairment is recognised in the profit and loss.

An impairment loss recognised in prior periods for an investment shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount which cannot be higher than the acquisition cost. That increase is a reversal of an impairment loss and is recognised immediately in profit or loss.

6 INVESTMENTS IN SUBSIDIARIES

The movements in the investments in subsidiaries are as follows:

	2020	**2019**
Opening balance as at 1 January	269.746.668	271.520.894
Share Capital Increase	5.000.000	--
Disposals	(3.500.000)	--
Reversal of impairment loss / (Impairment loss)	384.010	(1.774.226)
Balance as at 31 December	271.630.678	269.746.668

The impairment of the subsidiaries is based on the latest available management estimates on the recoverable amount.

6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Company has shares in the following Subsidiaries which are part of the Eurobank Ergasias Group:

Name		**Ownership and voting rights**	**Cost price in euro 2020**	**Cost price in euro 2019**
1 Eurobank Cyprus Limited Cyprus				
	Opening balance	100%	257.454.482	257.454.482
	Closing balance	100%	257.454.482	257.454.482
2 ERB New Europe Funding II B.V. The Netherlands				
	Opening balance	100%	12.000.200	12.000.200
	Closing balance	100%	12.000.200	12.000.200
3 Eurobank Finance SA Romania				
	Opening balance	80,35%	291.986	559.384
	(Impairment loss) / Reversal of impairment loss		3.208.014	(267.398)
	Liquidation	-80,35%	(3.500.000)	--
	Closing balance	0,00%	0	291.986

On 15/7/2020 Eurobank Finance SA was liquidated and on 8/10/2020 was officially deleted from the Local Trade Register.

4 ERB IT Shared Services S.A. Romania				
	Opening balance	98,90%	--	1.506.827
	(Impairment loss)		(2.824.003)	(1.506.827)
	Share Capital Increase	0,65%	5.000.000	--
	Closing balance	99,55%	2.175.997	--
5 Bulgarian Retail Services A.D. Bulgaria				
	Opening balance	99,999%	--	1
	impairment loss / (Impairment loss)	-99,999%	0	(1)
	Closing balance	0,000%	0	--

On 29/11/2019, Bulgarian Retail Services A.D. was deleted from local Trade Register (was absorbed by ERB Leasing Bulgaria EAD)

7 INVESTMENTS IN ASSOCIATES

The movements in the investments in associates are as follows:	**Cost price in euro 2020**	**Cost price in euro 2019**
Opening balance as at January 1,	539.429.886	484.771.235
Additions	15.995	--
Transfer of shares to Eurobank AD	--	(12.381)
Reversal of impairment loss / (Impairment loss)	(15.155.265)	54.671.032
Balance as at December 31,	524.290.616	539.429.886

The impairment is based on the latest available management estimate on the recoverable amount.

The Company has shares in the following Associates:

Name		**Ownership and voting rights**	**Cost price in euro 2020**	**Cost price in euro 2019**
1 Eurobank A.D. Beograd Serbia				
	Opening balance	42,74%	195.758.445	188.733.071
	Reversal of impairment loss / (Impairment loss)	--	(15.131.981)	7.025.374
	Closing balance	42,74%	180.626.464	195.758.445

Name		**Ownership and voting rights**	**Cost price in euro 2020**	**Cost price in euro 2019**
2 ERB Leasing A.D. Beograd Serbia				
	Opening balance	32,99%	213.314	264.899
	(Impairment loss) / Reversal of impairment loss		(23.176)	(51.585)
	Closing balance	32,99%	190.137	213.314
3 Eurobank Bulgaria AD Bulgaria				
	Opening balance	43,850%	343.458.125	295.773.259
	Transfer of shares to Eurobank Bulgaria AD	--	--	(12.377)
	Share purchase	0,002%	15.995	--
	Reversal of impairment loss		--	47.697.243
	Closing balance	43,852%	343.474.120	343.458.125

In year 2020 ERB NEH acquired:
a) from Eurobank Bulgaria A.D. 457 dematerialized, ordinary, voting shares having a nominal value of BGN 1 each and total nominal value of BGN 457, in consideration of a total price of BGN 1361.86 (457 X 2.98 BGN/share) which constitute the remaining in the possession of Eurobank Bulgaria shares out of 11,000 shares acquired by ERB New Europe Holding BV (“buy back of own shares’) pursuant to the decision of the BoD of ERB New Europe Holding BV dated 4/10/2019 and the conclusion of the related share transfer agreement between ERB New Europe Holding BV and Eurobank Bulgaria A.D. on 18/10/2019.
b) from a physical person named Verzhiniya Todorova 10,041 dematerialized, ordinary, voting shares having a nominal value of BGN 1 each and total nominal value of BGN 10,041 , in consideration of a total price of BGN 29,922.18 (10,041 X 2.98 BGN/share) representing 0.002% of the share capital of Eurobank Bulgaria A.D.

7 INVESTMENTS IN ASSOCIATES (CONTINUED)

4 IMO Property Investments Bucuresti S.A.
Romania

	Opening balance	0,001%	1	1
	Closing balance	0,001%	1	1

5 IMO II Property Investments S.A.

Romania	Opening balance	0,010%	1	1
	Closing balance	0,010%	1	1

6 CAIRO MEZZ PLC

Cyprus	Opening balance	0,0000000%	--	--
	Acquisition	0,0000003%	0,19	--
	Closing balance	0,0000003%	0,19	--

Eurobank Ergasias Services and Holdings S.A. in consideration of 0.19 € by ERB New Europe Holding B.V. agreed on 25/6/2020 to transfer 1 Share of CAIRO MEZZ PLC (0,0000003% of total Share Capital).

8 TRADE AND OTHER RECEIVABLES

As at 31 December 2020, this item can be detailed as follows:

Name	**CCY**	**Amount in CCY**	**2020**	**2019**
EFG International Bermuda Ltd			1	1
EFG Investment II (UK)	USD	429.624	350.114	382.432
* Income tax receivable			71.249	230.394
			421.364	612.827

* Note 13 of the financial statements provides a detailed breakdown of the Income tax receivable.

9 CASH AND CASH EQUIVALENTS

Cash at banks

As at 31 December 2020, this item can be detailed as follows:

Description	**CCY**	**Amount in CCY**	**Rate**	**2020**	**2019**
Current accounts	USD	1.649.573	0,81493	1.344.286	1.465.552
Current accounts	RSD	64.041	0,00850	545	545
Current accounts	EUR			56.510.627	62.051.025
Impairment due from other credit institutions	EUR			-50.557	-50.557
				57.804.900	63.466.566

All Cash and Cash equivalents is at free disposal of the Company.

10 EQUITY

The Company's authorised share capital amounts to EUR 1,000,000,000 and consists of 1,000,000 ordinary shares with a nominal value of EUR 1,000 each. On 29 June 2015 the nominal value of the ordinary shares has been decreased from the original nominal value of EUR 1,000 with EUR 55.52 each, resulting in the new nominal value of EUR 944.48 per share. In order to decrease the negative reserve, the Company made a set off on 29 June 2015 of the share premium for the amount of EUR 401.027.926 against the negative reserve of EUR 448.215.769 which was in the books as at 29 June 2015. The remainder repayment of the negative reserve has been facilitated by decreasing the nominal value of the shares. As at December 31, 2016, 850,000 shares were issued and fully paid-up. As at 18 September 2017 the Share Capital of the Company was decreased by the total amount of EUR 35.079.500 from EUR 802.808.000 to 767.728.500, by decreasing the nominal value of each share in the capital of the Company from EUR 944.48 to EUR 903.21. As at 31 December, 2020, 850,000 shares were issued and fully paid-up (as at 31 December, 2019, 850,000 shares were issued and fully paid-up). For the movements in the Equity we refer to the Statement of changes in Equity on page 11 of this report.

11 LOAN PAYABLE

As at 31 December 2020, the Company's outstanding borrowings are detailed as follows:

Name	Description	CCY	2020	2019
Eurobank Private Bank Luxemburg S.A.	Loan	EUR	43.813.750	43.813.750
			43.813.750	43.813.750

The interest rate applied for the year 2020 was EURIBOR plus 1,65%. Effective from 28 March 2017 in the event of EURIBOR is less than zero, then shall be deemed zero.

12 TRADE AND OTHER PAYABLES

As at 31 December 2020, this item can be detailed as follows:

Name	Description	2020	2019
Other provisions	General and admin. expenses	500.000	500.000
Trade and other payables	General and admin. expenses	108.197	225.925
		608.197	725.925

13 CORPORATE INCOME TAX CREDIT

For the year ended 31 December 2020, this item can be detailed as follows:

	2020
Loss for the year	-18.990.660
- Realized results from participations	-2.940.616
Fiscal profit computation	-21.931.276
- Participation exemption*	3.242.503
Taxable amount	**(18.688.773)**
Corporate Income Tax paid during 2020	--
Corporate Income Tax received from previous years	--
Corporate Income Tax position 2020	--

The nominal Corporate income tax rate in the Netherlands is 20% for the first EUR 200,000 and the remaining taxable result 25%.
*The participation exemption applies to dividends received from subsidiaries/associates and sale of subsidiaries/associates.

13 CORPORATE INCOME TAX CREDIT (CONTINUED)

The movements in the Corporate Income tax receivable / (payable) are as follows:

	2020	2019
Opening balance	230.394	441.797
Payments made/(receipts) during the year relating to previous years	(159.145)	(211.403)
Balance as at 31 December 2020	71.249	230.394

The Company has fiscal tax loss available to carry forward as at 31 December 2020 amounting to € 10,620,341. No relevant deferred tax asset has been recognised since management does not expect that the Company will have adequate future taxable profits.

14 RELATED PARTY TRANSACTIONS

The Bank's shareholding structure

Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings) is the parent company of Eurobank S.A. (the Bank). The Board of Directors (BoD) of Eurobank Holdings is the same as the BoD of the Bank and part of the key management personnel (KMP) of the Bank provides services to Eurobank Holdings according to the terms of the relevant agreement between the two entities.

As at 30 June 2022, the percentage of the Company's ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 1.40%. The HFSF is considered to have significant influence over the Company pursuant to the provisions of the Law 3864/2010, as in force and the Tripartite Relationship Framework Agreement (TRFA) between the Bank, the Company and the HFSF signed on 23 March 2020 and amended on 3 February 2022. Fairfax Group, which holds 33% of Eurobank Holdings voting rights as of 30 June 2022 (31 December 2021: 33%), is considered to have significant influence over the Eurobank Holdings.

14 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Cash and cash equivalents (Eurobank Ergasias S.A.)

	Closing balance	
Description	**2020**	**2019**
Current accounts held with subsidiaries / associates	1.195.677	993.375
Current accounts held with shareholder / parent entity	56.659.780	62.523.748
	57.855.457	63.517.122

(b) Loan payable (Eurobank Private Bank Luxembourg S.A.)

	Closing balance	
Description	**2020**	**2019**
Loan payable	43.813.750	43.813.750
	43.813.750	43.813.750

(c) General and administrative expenses

	Closing balance	
Description	**2020**	**2019**
Dividend payable (Eurobank Ergasias S.A.)	--	100.000.000
	--	100.000.000

(d) Financial income and expenses

	Closing balance	
Description	**2020**	**2019**
Interest income on deposit account held with shareholder (Eurobank Ergasias S.A.)	2.832	2.775
Interest expense on loan payable to group company (Eurobank Private Bank Luxembourg S.A.)	(740.270)	(886.011)
Gain from participation share sale	-	11.786
Gain relates to previous year	-	2.978
	(737.437)	(868.472)

15 OTHER INFORMATION ON GENERAL AND ADMINISTRATIVE EXPENSES

During the year under review the Company did not have any employees. Hence, it did not pay any wages and related social security contributions.

The audit fees of EUR 15,000 (2019: EUR 15,000) comprises the fees of external independent auditor KPMG for the statutory audit of the financial statements. The external independent auditor has not charged any fees relating to other assurance related services, tax, consulting or any other consulting services.

16 CONTINGENT LIABILITIES, LITIGATIONS AND COMMITMENTS

No contingent liabilities, litigations or commitments that would affect the financial statements of the entity are outstanding as at 31 December 2020 (2019: nil). No off balance sheet contractual commitments or obligations, affecting the financial statements, have occurred to date.

17 DIRECTORS

During the year under review, the Company had four Managing Directors, who received no remuneration during the current or the previous financial year. The Company has no Supervisory Directors.

18 OTHER INFORMATION

Position of Eurobank Group

The Management taking into consideration the below factors has been satisfied that the financial statements of the Company can be prepared on a going concern basis.

Macroeconomic environment

2022 was marked by the war in Ukraine, which gave rise to a global - but predominantly European - energy crisis, added to the mounting inflationary pressures, and led to widespread economic uncertainty and increased volatility in the global economy and financial markets. Nevertheless, the post-pandemic recovery continued for a second consecutive year in Greece, with its GDP growth overperforming that of most of its EU peers. According to the Hellenic Statistical Authority (ELSTAT) provisional data, the Greek economy expanded by 5.9% on an annual basis in 2022, with the European Commission (EC) estimating the full-year 2022 growth rate at 5.5% and 1.2% in 2023 in its winter economic forecast (February 2023). The inflation rate, as measured by the change in the 12-month average Harmonized Index of Consumer Prices (HICP), increased to 9.3% in 2022 according to ELSTAT, primarily as a result of supply-side shocks (including the hikes in energy, food and other raw material prices, the continued disruptions in the supply chain and the rising nominal wages), alongside the steep post-pandemic recovery of domestic and external demand. The EC expects that the inflation rate will decline to 4.5% in 2023, and further de-escalate to 2.4% in 2024.

Moreover, provisional ELSTAT data shows that the average monthly unemployment in 2022 decreased to 12.4%, from 14.8% in 2021, while the Organisation for Economic Co-operation and Development (OECD) in its latest report (January 2023) expects unemployment to decline to 11.5% in 2023. On the fiscal front, the general government primary balance was to post a deficit of 1.6% of GDP in 2022 according to the 2023 Budget (latest outlook point to a primary deficit of ca. 1% of GDP or even lower), and a surplus of 0.7% of GDP in 2023 (2021: deficit of 5%). The gross public debt-to-GDP ratio is expected to decline to 168.9% and 159.3% in 2022 and 2023 respectively (2021: 194.5%). The above forecasts may change in case of potential adverse international developments that could affect energy and other goods prices, interest rates, external and domestic demand, and bring about the need for additional fiscal support measures.

A significant boost to growth in Greece and in other countries of presence is expected from European Union (EU) funding, mainly under the Next Generation EU (NGEU) instrument and the Multiannual Financial Framework (MFF) 2021–2027, EU's long-term budget. Greece shall receive EU funds of more than € 30.5 billion (€ 17.8 billion in grants and € 12.7 billion in loans) up to 2026 from NGEU's Recovery and Resilience Facility (RRF) to finance projects and initiatives laid down in its National Recovery and Resilience Plan (NRRP) titled "Greece 2.0". A pre-financing of € 4 billion was disbursed in August 2021, and the first two regular payments of € 3.6 billion each in April 2022 and January 2023 respectively. Greece has been also allocated about € 40 billion through MFF 2021-2027. On the monetary policy front, although net bond purchases under the temporary Pandemic Emergency Purchase Programme (PEPP) ended in March 2022, as scheduled, the European Central Bank (ECB) will continue to reinvest principal from maturing securities at least until the end of 2024, including purchases of Greek Government Bonds (GGBs) over and above rollovers of redemptions. Furthermore, the Governing Council of the ECB, in line with its strong commitment to its price stability mandate, has proceeded with six rounds of interest rate hikes (in July, September, October, December 2022, February and in March 2023), raising the three key ECB interest rates by 350 basis points in aggregate. Moreover, it approved a new instrument (the "Transmission Protection Instrument" – TPI) aimed at preventing fragmentation in the sovereign bonds market. Finally, following the expiration of the special terms and conditions applying to the TLTRO III (Targeted Longer-Term Refinancing Operations) on 23 June 2022, the ECB will keep assessing how targeted lending operations are contributing to its monetary policy stance.

In 2022, the Greek State proceeded with the issuance of nine bonds of various maturities (5-year, 10-year, 15-year and 20-year) through the Public Debt Management Agency (PDMA), raising a total of € 8.3 billion from international financial markets. On 17 January 2023, the PDMA issued a 10-year bond of € 3.5 billion at a yield of 4.279% and more recently, on 29 March 2023, issued a 5-year bond of € 2.5 billion at a yield of 3.919%. As of end 2022, the cash reserves of the Greek State stood in excess of € 30 billion, and as of early February 2023, its sovereign rating was one notch below investment grade by three of the four External Credit Assessment Institutions (ECAIs) accepted by the Eurosystem (DBRS Morningstar: BB (high); S&P Ratings, Fitch Ratings: BB+).

Liquidity risk

In 2018, the expectations for a further improvement of the macroeconomic environment in Greece has enhanced Greece's credibility towards the international markets, improved the domestic economic sentiment and facilitated the return of deposits. The prompt implementation of the post-program period's reforms scheme will help further reinstating depositors' confidence, will accelerate the access to the markets for debt issuance and positively influence the financing of the economy.
As at 31 December 2018, the Bank's dependency on Eurosystem financing facilities decreased to € 2.1 bn (of which € 0.5 bn funding from ELA), mainly due to deposits inflows, assets deleveraging, increased market repos on Greek Government securities and two asset backed securities issues sold via a private placement to an international institutional investor (31 December 2017: € 10 bn, of which € 7.9 bn from ELA). As at 28 February 2019, the Group has eliminated the use of ELA funding while the total Eurosystem funding further declined to € 1.3 bn. In addition, the increase of deposits by more than € 5 bn in 2018 improved the Group's (net) loans to deposits (L/D) ratio to 92.6% end of December 2018 from 109.6% end of 2017.

Solvency risk

As at 31 December 2022, the Total Adequacy Ratio (total CAD) and Common Equity Tier 1 (CET1) ratios of Eurobank Holdings Group, stood at 19.2% (31 December 2021: 16.1%) and 16% (31 December 2021: 13.7%) respectively. At the same date, the Total CAD and CET1 ratios of Eurobank S.A. (the Bank) amount to 18.9% (31 December 2021: 15.3%) and 15.1% (31 December 2021: 12.4%) respectively.

In terms of liquidity, as at 31 December 2022, the Eurobank Holding's Group deposits increased to € 57.2 billion (31 December 2021: € 53.2 billion), while the funding from the targeted long term refinancing operations of the European Central Bank – TLTRO III programme decreased by € 2.9 billion amounting to € 8.8 billion (Bank: € 7.9 billion) (31 December 2021: € 11.7 billion, Bank: € 10.8 billion). During the year, the Bank proceeded with the issuance of a preferred senior note of € 500 million and the Parent Company completed the issuance of a Tier 2 instrument of € 300 million. More recently, in January 2023, the Bank successfully completed the issue of a € 500 million senior preferred note (note 33). The rise in high quality liquid assets of the Eurobank Holding led the respective Liquidity Coverage ratio (LCR) to 173% (31 December 2021: 152%). In the context of the 2022 ILAAP (Internal Liquidity Adequacy Assessment Process), the liquidity stress tests results indicated that the Bank has adequate liquidity buffer to cover the potential outflows that could occur in all scenarios both in the short term (1 month horizon) and in the medium term (1 year horizon).

18 OTHER INFORMATION (CONTINUED)

Post balance sheet events

On 15/11/21 Interim dividend distribution €58 mil to the shareholder (Eurobank S.A.) was performed as per EGM dated 15.11.2021.

On 22/11/21 the Company's BoD approved the Shares' Transfer of 7,655 shares of Eurobank a.d. Beograd from ERB New Europe Holding BV to Mr. Andrej Jovanovic and of 7,655 shares of Eurobank a.d. Beograd from ERB New Europe Holding BV to Mr. Bojan Milovanovic without consideration.

On 25/7/22 an Agreement for the Sale and Purchase of the Share Capital of EUROBANK CYPRUS LTD was signed between ERB New Europe Holding BV (Seller) and Eurobank S.A. (Buyer) regarding the sale of 1,201 ordinary shares of nominal value €10,000 each in the capital of EUROBANK CYPRUS LTD for the consideration of EUR 596,925,000.

On 26/9/22 Interim dividend distribution €160 mil to the shareholder (Eurobank S.A.) was performed as per EGM dated 23.09.2022.

On 01/01/23 the Company changed its address to Strawinskylaan 569, 1077 XX, Amsterdam, The Netherlands.

On 02/03/23, Eurobank S.A. announced that it has signed binding agreement (share purchase agreement) with AIK Banka a.d. Beograd ("AIK") for the sale of Eurobank Direktna in Serbia (the "Transaction").
The Transaction values 100% of Eurobank Direktna at €280 million and is expected to be completed within year 2023, subject to customary regulatory and other approvals.

Other events

COVID-19 developments
During 2020 and the first quarter of 2021, the outbreak of Covid-19 pandemic and the measures adopted to contain the virus expansion defined the economic environment in Greece and globally. More specifically, the Covid-19 pandemic posed substantial uncertainties and risks for both the macroeconomic environment and the ability of numerous businesses to operate under the restrictive measures, including countywide and local lockdowns, adopted to contain the virus expansion.

Current conflict between Russia and Ukraine developments
In 2022, the geopolitical and economic upheaval caused by the Russian invasion in Ukraine, along with the persistent - albeit decelerating - inflationary pressures, high energy prices and rising borrowing costs affected negatively the global economic environment, worsened the macroeconomic outlook of the European economies, which are now confronted with a slowdown in growth and, accordingly, exacerbated economic uncertainty in the regions that the Bank operates. In this volatile environment, the Greek economy has exhibited notable resilience, mainly driven by the increase in consumption, export of services, strong performance in tourism and further acceleration of new investments supported by the RRF funds, which is expected to continue, at a slower pace though.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

<u>The Board of Managing Directors,</u>

C. Koukoutsaki

S. Psychogios

L.P. Elstershamis

R. Wemmi

Amsterdam, 22 June 2023

Other Information

Statutory provision regarding appropriation of Result

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the unappropriated results are at the disposal of the shareholder in accordance with the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholders' equity exceeds the amount of the issued capital and the legal reserves.

Independent Auditor's report

Reference is made to the independent auditor's report hereinafter.

KPMG Certified Auditors S.A.
3 Stratigou Tombra Street
Aghia Paraskevi
153 42 Athens, Greece
Telephone +30 210 6062100
Fax +30 210 6062111
Email: info@kpmg.gr

Report on the Audit of the Financial Statements

To the Shareholders of
ERB New Europe Holding B.V.

Opinion

We have audited the accompanying Financial Statements of ERB New Europe Holding B.V. (the "Company") which comprise the Balance Sheet as at 31 December 2020, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of ERB New Europe Holding B.V. as at 31 December 2020 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the ethical requirements that are relevant to the audit of the financial statements and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Athens, 22 June 2023

KPMG Certified Auditors S.A.