

ERB IT SHARED SERVICES SA

ANNUAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED ON
December 31, 2023**

**Prepared in accordance with the Order of the Minister of
Public Finance of Romania no. 1802/2014 as amended**

ERB IT SHARED SERVICES SA

FINANCIAL SITUATIONS

Issued in accordance with

**Order of the Minister of Public Finance No 1802/2014 with subsequent amendments
December 31, 2023**

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NOTE 1: INFORMATION ABOUT THE COMPANY

ERB IT Shared Services SA ("the Company") was established in 2006 as a subsidiary of ERB EUROBANK ERGASIAS SA, being a joint stock company and having as its object of activity data processing. The registered office of the Company is in Bucharest, District 2, no. 15 Pictor Stefan Luchian Street.

The company carries out computer data processing activities. The basic activity is the management / monitoring of banking operations / transactions from the IT point of view of the banks / companies within the Eurobank Ergasias SA Group.

The majority shareholder at the end of 2023 is EUROBANK SA.

NOTE 2: PRINCIPLES, POLICIES AND ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of these financial statements are presented below.

2.1 Basis of financial statements

These are the financial statements of ERB IT Shared Services SA for the financial year ended 31 December 2023 prepared in accordance with:

- Accounting Law 82/1991 (republished 2008) with subsequent modifications;
- The provisions of the Order of the Minister of Public Finance No 1802/2014 with subsequent amendments ("OMFP 1802/2014").
- Provisions of the Order of the Minister of Public Finance No 4268/ 2022 on the main aspects related to the preparation and submission of annual financial statements and annual accounting reports of economic operators to the territorial units of the Ministry of Public Finance, as well as for the amendment and completion of some accounting regulations

The accounting policies adopted for the preparation and presentation of the financial statements are in accordance with the accounting principles provided by OMFP 1802/2014.

According to the size criteria set out in OMF 1802/2024, the Company is categorised as a micro-entity.

These financial statements include:

- balance summary;
- profit and loss account summary;
- Notes to the financial statements;

The financial statements have not been prepared on a going concern basis as the only revenue-generating activity, the contract with Accenture, ended in 2023.

The company has no tangible fixed assets or inventories.

The outstanding receivables are related to Accenture for services rendered during 2023.

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for the financial year ending 31 December 2023

(all amounts are expressed in lei ("RON"), unless otherwise specified)

Trade payables are mostly represented by amounts due to suppliers from current activity.

These financial statements have been prepared on the basis of the historical cost convention, except as set out below in accounting policies.

The accounting records on the basis of which these financial statements have been prepared are made in lei ("RON").

The accompanying financial statements are not intended to present the financial position, results of operations, cash flows and a complete set of notes to the financial statements in conformity with accounting principles and regulations accepted in countries and jurisdictions other than Romania. Therefore, the attached financial statements are not prepared for the use of persons who are not familiar with the accounting and legal regulations in Romania, including the Order of the Minister of Public Finance no. 1802/2014 as amended.

2.2 Significant accounting principles

The financial statements for the year ended 31 December 2023 have been prepared in accordance with the following accounting principles:

The principle of continuity of activity

The company will continue its operations in 2024, mainly to finalise the process of VAT recovery from the tax authorities, but will no longer be operational. Therefore, the financial statements have not been prepared on a going concern basis.

The principle of permanence of methods

The company consistently applies accounting policies and valuation methods from one financial year to another.

The principle of prudence

In preparing the annual financial statements, recognition and measurement has been made on a prudent basis and, in particular:

- a) only the profit realised at the balance sheet date has been included in the profit and loss account;
- b) debts incurred during the current financial year or a previous year have been recognized even if they become apparent only between the balance sheet date and the date of its preparation;
- c) impairments were recognized, regardless of whether the result for the financial year is a loss or a profit.

The principle of accrual accounting

The effects of transactions and other events were recognized when the transactions and events occurred (and not as cash or cash equivalents were received or paid) and were recorded in the accounts and reported in the financial statements for the related periods.

All income and expenses for the year were taken into account, regardless of the date of collection or payment.

The incomes and expenses that resulted directly and simultaneously from the same transaction were

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(all amounts are expressed in lei ("RON"), unless otherwise specified)

recognized simultaneously in the accounting, by the direct association between the expenses and the afferent incomes, with the distinct highlighting of these incomes and expenses.

The principle of intangibility

For the purpose of ensuring comparability of the information contained in the financial statements for the financial year ending December 31, 2023, the opening balance sheet of the financial year corresponds to the closing balance sheet of the previous financial year.

The principle of separate valuation of assets and liabilities

In order to establish the value corresponding to a position in the balance sheet, the value of each component of the assets and liabilities elements was determined separately.

The principle of non-compensation

The values of the elements representing assets were not offset by the values of the elements representing debts, respectively the income with expenses.

Accounting and presentation of the elements from the financial statements, taking into account the economic fund of the transaction or commitment in question

The recording in accounting and the presentation in the financial statements of the economic-financial operations reflect their economic reality, highlighting the rights and obligations, as well as the risks associated with these operations.

The principle of valuation at purchase or production cost

The items recognised in the financial statements have been measured on the basis of the acquisition or production cost principle

10) Principle of significance threshold .

The entity may deviate from the requirements in applicable accounting regulations for disclosures and disclosures when the effects of compliance are immaterial

2.3 Reporting currency

The accounting is kept in Romanian and in the national currency ("lei" or "RON"). The accounting of the operations performed in foreign currency is kept both in the national currency and in foreign currency. The items included in these financial statements are presented in Romanian Lei.

2.4 Comparative situations

The financial statements as at 31 December 2023 are comparable with the financial statements of the previous financial year.

2.5 The use of accounting estimates

The preparation of the financial statements in accordance with OMFP 1802/2014, as amended, requires management to make estimates and assumptions that affect the reported amounts of assets

and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses during the reporting period. Actual results may differ from those estimated. These estimates are reviewed periodically and, if adjustments are required, they are recorded in the income statement as they become known.

2.6 Business continuity

These financial statements have not been prepared on a going concern basis, which implies that the Company will not continue its activity in the foreseeable future, based on the fact that the operational activity ceased in September 2023 (being the last month in which revenues were obtained from the contract with Accenture), the chire contract with SEFERCO was terminated in November 2023, and the Company moved its registered office to Bucharest, Sector 2, Pictor Stefan Luchian Street no. 15. It is expected that the liquidation of the Company will start in 2025.

At year-end 2023, the Company recorded a loss of RON 6,979,893 (31 December 2022: RON 7,497,407). At 31 December 2023 the Company's net current assets exceeded its current liabilities by RON 1,538,379 (at 2022: the Company's net current assets exceeded its current liabilities by RON 9,011,282).

2.7 Conversion of foreign currency transactions

Transactions realised in foreign currency are initially recorded at the exchange rate communicated by the National Bank of Romania on the transaction date.

At the balance sheet date, the monetary elements expressed in foreign currency and the receivables and liabilities expressed in lei whose settlement is made according to the exchange rate of a currency are evaluated and presented in the annual financial statements at the exchange rate communicated by the National Bank of Romania valid on the end of the financial year.

Gains and losses from exchange rate differences, realized and unachieved, between the exchange rate of the foreign exchange market communicated by the National Bank of Romania from the date of registration of receivables or liabilities in foreign currency and those expressed in lei whose settlement is made according to the exchange rate a currency, or the exchange rate at which they are recorded in the accounting and the exchange rate from the date of the end of the financial year, are recorded in the profit and loss account of the respective financial year.

Non-monetary items purchased with payment in foreign currency and recorded at historical cost (fixed assets, stocks) are presented in the annual financial statements using the exchange rate from the date of the transaction. Non-monetary items purchased with payment in foreign currency and recorded at fair value (for example, revalued property, plant and equipment) are presented in the annual financial statements at this value.

The RON/USD and RON/EUR exchange rates communicated by the National Bank of Romania on 31 December 2022 and 31 December 2023 were as follows:

Currency:	December 31, 2022	December 31, 2023
RON/USD	4,6346	4,4958
RON/EUR	4,9474	4,9746

2.8 Intangible assets

Intangible assets are valued at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful life of the intangible asset.

2.9 Tangible assets

Cost/evaluation

Tangible assets are initially measured at acquisition cost.

The cost of a tangible asset includes the initially estimated costs of dismantling and moving it for disposal, as well as the restauration of the location where the asset is, when these amount can be estimated credibly and the Company has the obligation to dismantle and move the asset and to restore the location.

The maintenance and repair of tangible assets are considered expenses when they occur, and significant improvements in tangible assets which increase the value of life span thereof or significantly increase their capacity to generate economic benefits are capitalized.

Depreciation

Depreciation is calculated at the input value using the linear method over the estimated life span of the assets as follows:

<u>Asset</u>	<u>Years</u>
IT equipment	4
Vehicles	6
Other installations, machinery and furniture	4-10
Capitalized relocation costs (design, wiring, and support)	
- duration of the rental contract	15

Depreciation is calculated from the month following commissioning and until full recovery of their input value.

Sale/disposal of tangible fixed assets

Tangible assets that are scrapped or sold are removed from the balance sheet together with the appropriate cumulative depreciation. Any profit or loss resulting as difference between the income generated and non-depreciated value, including costs generated by this operation are included in the profit and loss account in "Other operating income" or "Other operating expenses", as applicable.

When the Company recognizes the book value of a partial replacement in the carrying amount of a tangible asset (replacing a component), the book value of the replaced part with the related depreciation is removed from the records.

2.10 Assets depreciation

At year end, the value of tangible and intangible elements is reconciled with the inventory results. In this regard the net book value is compared to the value set based on the inventory value. The negative

differences between the inventory value and the net book value of elements is recorded based on additional impairment in case of depreciable assets for which depreciation is irreversible or if an adjustment is made for depreciation or value loss when depreciation is reversible. The inventory value is determined by the utility of the asset, its status and the market price.

2.11 Commercial receivables

Commercial receivables are recorded at the invoiced amount less the provision for the impairment of these receivables. The provision for impairment of trade receivables is established if there is objective evidence that the Company will not be in a position to collect all amounts at the original terms.

2.12 Financial assets

Financial fixed assets include VAT recoverable with an expected recoverable period of more than 1 year.

At 31 December 2023 its balance was Lei 4,298,768 and at 31 December 2022 its balance was Lei 4,067,865.

2.13 Cash and cash equivalents

Cash and cash equivalents are stated in the balance sheet at cost. In the balance sheet, the overdraft is shown in debt to be paid over a period of one year - due to credit institutions.

2.14 Commercial debts

Trade obligations are recorded at cost, which represents the value of the obligation that will be paid in the future for the goods and services received, regardless of whether or not they were invoiced to the Company.

2.15 Provisions

The provisions for decommissioning, restructuring, litigation, and other provisions for risks and expenses are recognized when the Company has a legal or implicit obligation generated from a previous event, when an outflow of resources is necessary and when a credible estimation of the obligation value is possible.

There are no provisions recognized for future operational losses.

Provisions are also recognised for litigation, fines and penalties, compensation, damages and other uncertain liabilities, taxes, pensions and similar obligations, bonuses to be paid to staff based on profit and in connection with concession agreements.

2.16 Employees benefits

In the normal course of business, the Company pays health, pension and state unemployment benefits on behalf of its employees at statutory rates. All employees of the Company are members of the mandatory pension plan of the Romanian state. These costs are recognized in the income statement with the recognition of salaries.

The Company does not operate any other retirement or retirement benefit plan and therefore has no other obligations regarding pensions.

2.17 Share capital:

Share capital composed of common shares is recorded at the value established on the basis of the instruments of incorporation

Gains or losses arising on the issue, redemption, sale, disposal, transfer for no consideration or cancellation of the entity's own equity instruments (shares, participating interests) are recognised directly in equity in the line items 'Gains / or Losses on equity instruments'.

The company recognizes the changes to the share capital only after their approval in the General Meeting of Shareholders and registration with the Trade Register.

2.18 Legal reserves

It is constituted in proportion of 5% of the gross profit from the end of the year, until the total legal reserves reach 20% of the paid-in share capital in accordance with the legal provisions.

2.19 Dividends

Dividends are recognized as a liability in the period in which their allocation is approved. The distribution of dividends is made after the approval of the financial statements.

2.20 Reported result

The reported accounting loss is covered in accordance with the decision of the general meeting of shareholders.

The accounting profit remaining after the distribution of the share of the legal reserve within the limit of 20% of the share capital shall be included in the retained earnings at the beginning of the financial year following the financial year for which the annual financial statements are drawn up, from where it shall be distributed to the other legal purposes.

The accounting highlighting of the accounting profit destinations is performed in the following year after the general meeting of shareholders that approved the profit distribution, by registering the amounts representing dividends due to shareholders, reserves and other destinations, according to the law.

2.21 Recognition of revenue

Income refers to the services provided. The Company's revenues are made from application monitoring, database storage and processing. Amounts are determined as a fixed tariff for a set volume of transactions, and for transactions that exceed this volume, a charge per transaction is charged. The Company also receives income from implementation and maintenance projects required for various banking operations.

Revenues for implementation and maintenance services are recognized on the basis of the completion stage, percentage of the total revenue related to the service contract. The percentage is determined as the ratio between the total services to be rendered and the services rendered up to the balance sheet date.

The income from interest is periodically recognized, proportionally, as the respective revenue is

generated, respectively, based on the accrual basis.

In these financial statements, income and expenses are presented at gross value. In the balance sheet, debts and claims from the same partners are presented at net value when there is a clearing right.

The turnover represents the invoiced amounts and the amounts to be invoiced, without VAT and discounts, for delivered goods and provided services

2.22 Taxes

The company recognises current income tax in accordance with the Romanian legislation in force at the date of the financial statements. Tax liabilities are recognised in the period to which they relate.

2.23 Financial income and expenses

Financial income comprises interest income, dividend income, income from financial fixed assets disposed of, income from short-term financial investments - net, income from exchange rate differences and income from discounts earned. Financial income is recognised on an accrual basis. Interest income is recognised periodically on a pro rata accrual basis as the income is earned; dividends are recognised when the shareholder's right to receive them is established.

Financial expenses comprise interest expense on borrowings, depreciation of provision discounting, impairment losses recognised on financial assets, expenses on financial fixed assets disposed of, expenses on short-term financial investments - net, foreign exchange expenses and discounting charges. All borrowing costs not directly attributable to the acquisition, construction or production of long-lived assets are recognised in the income statement periodically on an accrual basis,

2.24 Accounting errors

The errors found in the accounting can refer either to the current financial year or to the previous financial years; errors in previous periods also include incorrect presentation of information in the annual financial statements. The correction of the errors is made at the date of their ascertainment. Errors in prior periods are omissions and misstatements contained in the entity's financial statements for one or more prior periods resulting from the error of using or not using credible information that:

- a) were available at the time the financial statements for those periods were approved for issue;
- b) could have been reasonably obtained and taken into account in the preparation and presentation of those annual financial statements.

The correction of the errors related to the current financial year is made on account of the profit and loss account. The correction of significant errors related to previous financial years is made on account of the carried forward result. Insignificant errors relating to previous financial years are corrected in the profit and loss account.

The correction of the errors related to the previous financial years does not determine the modification of the financial statements of those years. In case of errors related to previous financial years, their correction does not imply the adjustment of the comparative information presented in the financial statements. Comparative information regarding the financial position and financial performance, respectively the change of the financial position, are presented in the explanatory notes. The explanatory notes to the financial statements also present information on the nature of the errors

found and the periods affected by them.

2.25 Affiliated parties and related parties

According to OMF 1802/2014, an entity is affiliated to a company if it is part of the same group. The Group represents a parent company and all its subsidiaries. The parent company is the entity that controls one or more subsidiaries.

Control exists when the parent company fulfils one of the following criteria:

- a) holds the majority of voting rights in a company;
- b) is a shareholder or associate shareholder of a subsidiary and has the right to appoint or dismiss the majority of the members of the administrative, management or supervisory bodies of that subsidiary;
- c) it is a shareholder or associate of a subsidiary and has the right to exercise a dominant influence over that subsidiary, pursuant to a contract entered into with that entity or a clause in its memorandum or articles of association, if the law applicable to the subsidiary permits such contracts or clauses;
- d) is a shareholder or associate of an entity and the majority of the members of the administrative, management or supervisory bodies of that entity (subsidiary) who have performed these functions during the financial year, during the previous financial year and up to the time of preparation of the annual consolidated financial statements, were appointed solely as a result of the exercise of his voting rights; or is a shareholder or associate of an entity and has sole control of the majority of the voting rights of the shareholders or associates of that entity (subsidiary) as a result of an agreement entered into with other shareholders or associates of that subsidiary.

The voting rights and the rights of appointment or removal of any other subsidiary, as well as those of any person acting in his own name but on behalf of the parent company or of another subsidiary, shall be added to those of the parent company.

A related party is a person or entity that is related to the entity preparing the financial statements, hereinafter referred to as the reporting entity.

A person or a close family member of that person is related to a reporting entity if that person:

1. has control or joint control over the reporting entity;
2. has a significant influence over the reporting entity; or
3. is a member of key management personnel of the reporting entity or the parent company of the reporting entity.

A related party is a person or entity that is related to the entity preparing the financial statements, hereinafter referred to as the reporting entity.

A person or a close family member of that person is related to a reporting entity if that person:

1. has control or joint control over the reporting entity;
2. has a significant influence on the reporting entity; or
3. is a member of the key management personnel of the reporting entity or the parent company of the reporting entity.

An entity is related to a reporting entity if it meets any of the following conditions:

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1. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and branch in the same group is related to the others);
2. an entity is an associate or jointly controlled entity of the other entity (or an associate or jointly controlled entity of a member of the group to which the other entity belongs);
3. both entities are jointly controlled entities of the same third party;
4. one entity is a jointly controlled entity of a third entity and the other is an associated entity of the third entity;
5. the entity is a post-employment benefit plan for the benefit of employees of the reporting entity or an entity related to the reporting entity. If the reporting entity itself represents such a plan, the sponsoring employers are also related to the reporting entity;
6. the entity is controlled or jointly controlled by a person or an immediate family member of that person who has control or joint control of the reporting entity, has significant influence over the reporting entity; or is a member of the key management personnel of the reporting entity or the parent company of the reporting entity.
7. a person or an appropriate member of that person's family who has control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or the entity's parent company);
8. the entity or any member of a group to which it belongs provides services to key management personnel of the reporting entity or the parent company of the reporting entity.

Key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the entity, directly or indirectly, including any director (executive or otherwise) of the entity.

A person's close family members are those family members who can be expected to influence or be influenced by that person in their relationship with the entity and include:

- a) children and spouse or life partner of the person concerned;
- b) the children of that person's spouse or life partner; and
- c) dependants of the person concerned or of that person's spouse or life partner.

According to OMF 1802/2014, affiliated entities means two or more entities within the same group.

2.26 Contingents debts

A contingent liability is:

- (a) potential obligation that arose as a result of past events before the balance sheet date and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a current obligation that arose as a result of past events, prior to the balance sheet date, but is not recognised because:
 - it is not certain that outflows of resources will be needed to settle this debt; or
 - the value of the debt cannot be assessed credibly enough.

Contingent liabilities are not recognized in the balance sheet, they are presented only in the explanatory notes to the financial statements.

Contingent liabilities are continuously assessed to determine whether an outflow of resources that incorporates economic benefits has become probable. If it is considered that the outflow of resources is necessary, generated by an element previously considered contingent debt, a debt or a provision will be recognized, as the case may be, in the financial statements related to the period in which the change in the event occurred.

2.27 Events after the balance sheet date

These financial statements reflect events after the end of the year, events that provide additional information about the Company's position at the balance sheet date or those that indicate a possible breach of the business continuity principle (events that cause adjustments). Subsequent events that are not events that trigger adjustments are disclosed in notes when considered significant.

NOTE 3: FIXED ASSETS

a) Intangible assets

	Concessions, patents, licences, trade marks, similar rights and values and other intangible assets
Gross value	
Balance on January 1, 2023	42803848
Disposal of assets	42803848
Balance on December 31, 2023	0
Cumulative depreciation	
Balance on January 1, 2023	42803828
Depreciation recorded during the year	0
Disposal of assets	42803828
Balance on December 31, 2023	0
Net book value 1 January 2023	0
Net carrying amount 31 December 2023	0

b) Tangible assets

	Technical facilities and machines	Other installations machinery and furniture	Total
Gross value			
Balance on January 1, 2023	53648595	7006177	60654772
Assignments, transfers and other reductions	53648595	7006177	60654772
Balance on December 31, 2023	0	0	0
Cumulative depreciation			
Balance on January 1, 2023	53648595	7006177	60654772

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Assignments, transfers and other reductions	53648595	6735728	60384323
Depreciation recorded during the year	-	425.216	425.217
Provisions for Depreciation		(695.665)	(695.665)
Balance on December 31, 2023	0	0	0
Net book value 1 January 2023	0	0	0
Net book value 31 december 2023	0	0	0

c) Financial assets

	Financial assets	Total
Gross value		
Balance on January 1, 2023	4067865	4067865
Increases during the year	230.903	230.903
Balance on December 31, 2023	4298768	4298768

Assets depreciation

During 2023 the company has written off all intangible and tangible fixed assets.

The balance of financial fixed assets refers to the portion of VAT claimed for refund with an estimated collection period of more than 1 year.

With regard to the tax inspection regarding the recovery of VAT claimed for refund and presented in financial fixed assets and considering both the tax inspection report, the response to the appeal filed by the Company cancelling the tax inspection report and ordering the tax inspection to be re-performed, and the receipt of the right to refund at the end of 2024, management considers that no impairment adjustment is necessary on this receivable.

NOTE 4: RECEIVABLES

On January 31 and December 31, 2023, the Company's receivables are as follows:

Description	December 31, 2022	December 31, 2023	Liquidity Term	
			Less than 1 year	Over 1 year
Commercial receivables	969.689	539.027	539.027	-
Value adjustments for trade receivables	(31.743)	-	-	-
Trade receivables, net	937.946	539.027	539.027	-
VAT to be recovered	0	2138213	2138213	-
Receivables from social contributions	11.636	-	-	-
Other trade receivables	11.018	-	-	-
Total receivables	960.600	2677340	2677340	-

NOTE 5: CASH AND BANK ACCOUNTS

	December 31, 2022	December 31, 2023
Bank accounts in lei	144.841	168.156
Bank accounts in foreign currency	7896592	803.228
Total	8041433	971.384

NOTE 6: DEBTS

At 31 December 2023, the debt situation is as follows:

	Balance at December 31, 2022	Balance at December 31, 2023	Payable in less than 1 year	Payable in less than 1 year
Trade payables - Suppliers	252.840	59.431	59.431	-
Trade payables - suppliers to group entities	608.289	2029847	2029847	-
Other debts, including tax and social insurance debts	1.218	21.067	21.067	-
Total	862.347	2110345	2110345	-

As at 31 December 2023, the Company has no debts falling due after 1 year.

The company has no loans contracted in 2022 or loans previously contracted in balance.

NOTE 7: PROVISIONS

At 31 December 2023 the balance of provisions is 0. During the year 2023, the provision made for the rent contract with SEFERCO in the amount of RON 13,183,066 was recognised as income, considering the closure of the contract with Seferco by full payment of the rent.

NOTE 8: CAPITAL AND RESERVES

Share capital:

The value of the share capital on 31 December 2023 is 73,986,260 lei. All the shares are ordinary and all the capital is paid up on 31 December 2023 (on 31 December 2022 the paid up capital was 61,065,300 lei). All shares have the same voting rights and have a face value of 0.1 lei / share.

The shareholding structure at 31 December 2022 is presented as follows:

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	No of shares	Amount	Percentage
	(k)	(lei)	(%)
EUROBANK SA	739862599	73986259.9	99.99999 %
EUROBANK LEASING SINGLE MEMBER SOCIÉTÉ ANONYME	1	0.1	0.00001%
Total	739862600	73986260	100

In 2023 the Company recorded a loss in the amount of 6,979,893 lei. The result will be incorporated in the retained result of the Company.

NOTE 9: NET TURNOVER

	2022	2023
<u>Services provided</u>	2721670	2034188

The turnover realised in the financial year ending 31 December 2023 is 2.034.188 lei (2022: 2.721.670 lei).

Operational activity ceased in September 2023, the last month of revenue from the Accenture contract.

NOTE 10: INFORMATION ABOUT EMPLOYEES AND MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

During the financial year 2023 and 2022 the Company did not grant any indemnities to the members of the administrative, management bodies.

The average number of employees during the year was the following:

	2022	2023
Administrative personnel	1	1
Production personnel	-	-
Total	1	1

	2022	2023
Total expenses with employees salaries	73.284	152.256

	December 31, 2022	December 31, 2023
Salaries to be paid at the end of the period	0	0

NOTE 11: OTHER EXPENSES

The structure of expenses presented in the abbreviated profit and loss account under other expenses is as follows:

Description	2022	2023
Expenses with energy and water	2166935	1509768
Expenses related to royalties and rental	4482685	14771599
Mail and telecommunication expenses	14.704	11.250
Expenses with banking and similar services	3.868	1.299
Other expenses with services performed by third parties	6755606	5628670
Other taxes, duties and similar expenses	-	4.474
Expenses with what date assets and other capital operations	-	302.190
Other operating expenses	-	12.707
Expenses due to exchange rate differences	1132180	209.101
Interest expenses	31.411	29.505
Total	14587389	22480561

Other expenses with services performed by third parties include mainly IT services expenses in relation with Oracle, Relational Technology, Global Technical Systems.

NOTE 12: INFORMATION ON RELATIONS WITH RELATED / AFFILIATED PARTIES

Nature of transactions with related/affiliated parties:

- Eurobank Ergasias SA - Parent Company
- Seferco Development SA - rent supplier
- Eurobank Leasing - leasing creditor

Credit balances with related parties

	December 31, 2022	December 31, 2023
Seferco Development SA	0	2029847
Eurobank Leasing	608.289	0
Total	608.289	2029847

Purchases of services and interest expenses

	2022	2023
Purchases of services		
- Seferco Development SA	6649620	16488873
Expenses with interest		
- Eurobank Leasing	31.411	29.505

NOTE 13: CONTINGENTS

Taxation

The Romanian tax system has undergone multiple changes in recent years and is in a continuous process of updating and modernising. As a result, still there are different interpretations of tax legislation. In certain situations, the tax authorities may treat different aspects differently by calculating additional taxes and interest and related late payment penalties (currently totaling 0,01% per day of delay). In Romania, the fiscal exercise remains open for fiscal verification for 5 years. The Company's management believes that the tax liabilities included in these financial statements are appropriate.

In November 2023 the tax inspection on VAT refund was started. In May 2024 the tax inspection report and the tax assessment decision was issued by the National Agency for Tax Administration. The result of the tax inspection report was challenged following the re-interpretation by ANAF of the contract with Accenture, calculating, erroneously in the opinion of the management, an additional VAT collected of 7,676,034 lei. The appeal was accepted in part, i.e. the collection of additional VAT was not admitted, the penalties and interest already paid and contested were cancelled and the tax inspection was ordered to be re-performed. The tax inspection was re-performed and the company received the right of reimbursement for the amount of 4.247.114 lei. The company will have the right to recover the difference between the amount claimed, i.e. 4.298.768 lei and the amount accepted in a later statement.

Following the outcome of the tax inspection report, the management of the company requested the main shareholder to increase the share capital in order to pay the VAT assessed by the tax inspection team and to minimise the losses resulting from the calculation of penalties. In June 2024 the share capital was increased by 9.207.450 RON on the basis of the decision of the shareholders no. 2/28.06.2024. The share capital was paid up on 01.07.2024. Subsequently, on the basis of the reply to the appeal to the tax inspection report, the company applies for the return of the cancelled penalties.

Transfer price

Romanian tax legislation includes the principle of "market value", according to which transactions between affiliated parties must be carried out at market value. Taxpayers conducting transactions with affiliated parties must prepare and make available to the tax authorities in Romania, upon their written request, the transfer pricing file. Failure to submit the transfer pricing file or submission of an incomplete file may result in penalties for non-compliance; In addition to the content of the transfer pricing file, tax authorities may interpret transactions and circumstances different from management's interpretation and, as a result, may impose additional tax obligations resulting from the adjustment of transfer pricing. The management of the Company believes that it will not suffer any losses in the event of a fiscal check to verify the transfer prices. However, the impact of different interpretations of tax authorities can not be estimated reliably. This may be significant for the Company's financial position and / or operations. Affiliated entities exist in Romania, Greece, Serbia and Luxembourg.

Legal claims

The company is not the subject of any legal proceedings and is not involved in any other litigation.

NOTE 14: EVENTS AFTER THE BALANCE SHEET DATE

In May 2024 the tax inspection report and the tax assessment decision was issued by the National Agency for Tax Administration. The result of the tax inspection report was challenged following the re-interpretation by ANAF of the contract with Accenture, calculating, erroneously in the opinion of the management, an additional VAT collected of 7,676,034 lei. The appeal was accepted in part, i.e. the collection of additional VAT was not admitted, the penalties and interest already paid and disputed were cancelled and the tax inspection was ordered to be re-performed.

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The financial statements from page 1 to page 22 have been authorised by the Board of Directors for approval at the AGM on 12 February 2025.

DIRECTORS

Name and surname Zafeiris Konstantinos

Name and surname Psychogios Spyros

Signatures_____

Stamp

PREPARED BY,

Name and surname

ABH EXPERT SRL

Position Accountant

Signature_____

Registration number with the professional body

CECCAR Authorization no. 11942/2017

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