EMMA ALPHA HOLDING LTD

Auditors' report

and consolidated financial statements

for the year ended 31 December 2023

Contents

Officers and Professional Advisors

Board of Directors	Radka Blažková Demetrios Aletraris Andri Pangalou
Secretary	Cyproman Services Limited 5 Esperidon Street 4th floor 2001 Nicosia Cyprus
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower, 6 Stasinou Avenue 1060 Nicosia Cyprus
Bankers	PPF Banka a.s. Hellenic Bank Public Company Ltd BRD Groupe Société Générale First Bank s.a. (ex-Piraeus Bank România) Banca Comercială Română (BCR) Air Bank a.s. J&T Banka a.s. Zagrebačka Banka D.D. Erste&Steiermarkische Bank D.D. Unicredit Bank SA European Bank for Reconstruction and Development (EBRD) European Investment Bank (EIB) Alpha Bank Romania SA Vista Bank (Romania) SA Vista Leasing IFN (Romania) S.A. Credit Agricole Bank Romania S.A. National Bank of Greece Eurobank Ltd Piraeus Bank Česká spořitelna a.s. Vista Bank Moneta Money Bank a.s. Citibank a.s. BC Eximbank S.A. BC Moldova Agroindbank SA Privedna banka Zagreb d.d.
Registered Office	48 Themistokli Dervi Athienitis Centennial Building, 3rd floor, Office 303 1066 Nicosia Cyprus
Registration number	HE313347

Consolidated Management Report

The Board of Directors of EMMA ALPHA HOLDING LTD (the "Company") presents to the members its Annual Report together with the audited consolidated financial statements of the Company and its subsidiary companies (together referred to as the "Group") for the year ended 31 December 2023.

INCORPORATION

The Company was incorporated in Cyprus on 12 October 2012 as a private limited liability company under the Cyprus Companies Law, Cap. 113.

PRINCIPAL ACTIVITIES

The activities of the Group comprise the holding of investments, trading of securities, sale and distribution of gas and electricity, sale of green energy, the provision of betting activities and casino games, the provision of medical services, trading in pharmaceuticals, the provision of insurance related consultancy services, logistic services and operating of marinas.

FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2023 are set out on page 12 in the consolidated financial statements. The net profit for the year 2023 amounted to TEUR 81,807 (2022: net profit amounted to TEUR 473,843).

EXAMINATION OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE ACTIVITIES OF THE GROUP

The Group's net profit attributable to equity holders of the Company for the year ended 31 December 2023 amounted to TEUR 69,729 (2022: net profit amounted to TEUR 451,808).

REVENUE

The Group's revenue (including finance income, gain from sale of investments and excluding gain on bargain purchase, dividend income and share of profit from associates) for the year ended 31 December 2023 amounted to TEUR 1,342,688 (2022: TEUR 1,535,062).

DIVIDENDS

The Board of Directors proposes to distribute dividends to EMMA CAPITAL LIMITED in the total amount of TEUR 24,387 as a part of the 2023 profit distribution. In addition, also as a part of the 2023 profit distribution, Board of Directors propose the dividends at the total amount of TEUR 17,250 to be distributed to the holders of redeemable preference shares. Both proposals have to be approved by the General Meeting of the Company.

During 2023, the Company distributed interim dividends to EMMA CAPITAL LIMITED in the total amount of TEUR 28,600 (2022: TEUR 20,000). Interim dividends in the total amount of TEUR 11,921 (2022: TEUR 15,908) were distributed to minority shareholders of subsidiaries.

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Group and the steps taken to manage these risks are described in Note 4 of the consolidated financial statements.

FUTURE DEVELOPMENTS

The Board of Directors does not expect major changes in the principal activities of the Group in the foreseeable future.

SHARE CAPITAL

There were no changes in the ordinary share capital of the Company during the year.

Consolidated Management Report (continued)

SHARE CAPITAL (continued)

During 2023, the Company redeemed 438 redeemable preference shares held by MEF HOLDINGS LIMITED (2022: 558 redeemable preference shares) for the total redemption value of TEUR 61,758 (2022: TEUR 71,145).

BRANCHES

During the year ended 31 December 2023, the Company did not operate any branches.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2023 and at the date of this report are presented on page 3. All of them were members of the Board of Directors during the year ended 31 December 2023.

In accordance with the Company's Articles of Association, all directors presently members of the Board continue in their office.

There were no significant changes in the composition, assignment of responsibilities and remuneration of the Board of Directors.

RECENT VOLATILITY IN GLOBAL FINANCIAL MARKETS

Any significant events that relate to the operating environment of the Group are described in Note 5 of the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

Any significant events that occurred after the end of the reporting period are described in Note 37 of the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 34 of the consolidated financial statements.

INDEPENDENT AUDITORS

During the year, Ernst & Young Cyprus Limited were appointed as the independent auditors of the Company.

The independent auditors of the Company, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Demetrios Aletraris
Director
Nicosia, 24 June 2024

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Independent Auditor's Report

To the Members of Emma Alpha Holding LTD

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emma Alpha Holding LTD (the "Company"), and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises information included in the consolidated management report, but does not include the consolidated financial statements and our auditor's report thereon.

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

Responsibilities of the Board of Directors for the Consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Consolidated Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this respect.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Comparative figures

The financial statements of Emma Alpha Holding LTD for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements on 16 June 2023.

Andreas Avraamides
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 24 June 2024

	Note	2023 TEUR	2022 (restated*) TEUR	01.01.2022 (restated*) TEUR
ASSETS	**Note**			
Non-current assets				
Goodwill	7	160,278	166,928	521,842
Intangible assets	7	51,496	49,043	75,795
Property, plant and equipment	8	487,628	372,205	284,756
Investments in equity-accounted investees	16	437,920	431,614	314,485
Loans receivable	11	38,223	35,177	10,932
Trade receivables	12	2,125	326	516
Other assets	14	22,600	4,922	7,689
Green certificates	15	1,090	3,628	--
Restricted deposits	10	2,808	5,446	141
Financial assets at fair value through other comprehensive income	10	1	7,492	7,489
Financial assets at amortised cost – other deposits	10	--	--	1,122
Financial assets at fair value through profit or loss	10	986	957	1,011
Deferred tax assets	23	3,221	5,181	2,996
Total non-current assets		**1,208,376**	**1,082,919**	**1,228,774**
Current assets				
Loans receivable	11	11,894	31,809	48,224
Current income tax assets	33	438	402	106
Trade receivables	12	160,214	168,563	119,489
Inventories	13	53,148	61,773	19,163
Contract assets	26	779	154	208
Other assets	14	56,783	239,944	23,449
Green certificates	15	3,895	2,050	--
Restricted deposits	10	5,638	9,990	778
Financial assets at amortised cost – other deposits	10	--	2,677	1,472
Financial assets at fair value through profit or loss	10	28,031	3,765	6,341
Operating derivative instruments – commodity contracts	24	--	3,123	--
Restricted cash	10	505	677	--
Cash and cash equivalents	9	246,678	153,122	87,319
Assets held for sale	17	176,890	--	--
Total current assets		**744,893**	**678,049**	**306,549**
Total assets		**1,953,269**	**1,760,968**	**1,535,323**

* Refer to note 2e for description of the restatement of comparative financial information
The notes on pages 15 to 135 are an integral part of these consolidated financial statements.

	Note	2023 TEUR	2022 (restated*) TEUR	01.01.2022 (restated*) TEUR
EQUITY				
Share capital	25	10	10	10
Redeemable preference shares	25	7	7	8
Share premium	25	204,914	204,914	204,914
Revaluation reserve	25	48,039	38,961	43,924
Translation reserve	25	25,517	11,454	(63,779)
Other reserves	25	(58,683)	(57,706)	(201,388)
Retained earnings		681,671	331,121	628,000
Profit/(loss) for the year		69,729	451,808	(43,340)
Equity attributable to owners of the Company		**971,204**	**980,569**	**568,349**
Non-controlling interests	25	**60,409**	**55,726**	**52,989**
Total equity		**1,031,613**	**1,036,295**	**621,338**
LIABILITIES				
Non-current liabilities				
Provisions		6,580	2,923	1,224
Due to non-banks	18	6,568	206,697	197,505
Due to banks and other financial institutions	18	283,044	156,348	164,681
Bonds issued	19	6,680	--	89,061
Financial liabilities at fair value through profit or loss	20	8,250	15,889	4,870
Trade payables	21	63	311	27
Lease liabilities	8	20,431	8,987	10,790
Other liabilities	22	39,294	14,729	19,326
Deferred tax liabilities	23	24,867	22,423	28,022
Total non-current liabilities		**395,777**	**428,307**	**515,506**
Current liabilities				
Provisions		4,021	2,126	576
Bank overdrafts	9	11,411	2,187	8,728
Due to non-banks	18	259,207	8,381	4,710
Due to banks and other financial institutions	18	77,618	60,418	72,109
Bonds issued	19	--	2,020	392
Financial liabilities at fair value through profit or loss	20	304	3,337	641
Operating derivative instruments – commodity contracts	24	--	3,777	--
Current income tax liabilities		5,482	4,255	10,296
Trade payables	21	101,315	62,772	51,833
Contract liabilities	26	17,628	11,198	6,501
Lease liabilities	8	7,443	3,136	4,134
Other liabilities	22	41,450	132,759	238,559
Total current liabilities		**525,879**	**296,366**	**398,479**
Total liabilities		**921,656**	**724,673**	**913,985**
Total liabilities and equity		**1,953,269**	**1,760,968**	**1,535,323**

On 24 June 2024, the Board of Directors of EMMA ALPHA HOLDING LTD authorised these consolidated financial statements for issue.

Radka Blažková
Director

Demetrios Aletraris
Director

* Refer to note 2e for description of the restatement of comparative financial information
The notes on pages 15 to 135 are an integral part of these consolidated financial statements.

	Note	2023 TEUR	2022 (restated*) TEUR
Sales revenues from core operations	26	1,285,685	1,493,735
Cost of goods sold/cost of services provided	26	(931,611)	(985,412)
Other income related to core operations	26	2,757	1,248
Services and material expenses	27	(169,062)	(137,011)
Personnel expenses	28	(73,688)	(76,763)
Impairment loss on loans and receivables	29	(14,403)	(37,856)
Depreciation and amortisation	7,8	(35,503)	(30,268)
Gain on bargain purchase	1	4,037	10,843
Other operating income	30	38,925	36,257
Other operating expenses	31	(8,150)	(7,457)
Profit from operations		**98,987**	**267,316**
Loss on derivatives related to finance income/expense	32	(155)	--
Finance income	32	15,321	3,822
Finance expense	32	(58,358)	(55,209)
Net finance expense		**(43,192)**	**(51,387)**
Dividends from financial instruments – FVTPL	10	183	218
Gain from sale and other disposals of investments in equity-accounted investees and subsidiaries	1,16	27,220	484,768
Equity-accounted investees - impairment loss	16	--	(27,402)
Equity-accounted investees – share of profit/(loss)	16	24,929	(143,667)
Profit before tax		**108,127**	**529,846**
Income tax expense	33	(26,320)	**(56,003)**
Profit after tax		**81,807**	**473,843**
Other comprehensive income / (expense):			
Items reclassified from other comprehensive income to profit or loss – disposal of subsidiaries	1	(2)	485
Items reclassified from other comprehensive income to profit or loss - disposal of associates	16	--	(18)
Items reclassified from other comprehensive income to profit or loss – associates	16	1,331	49,995
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		8,303	(972)
Equity-accounted investees – share of OCI	16	3,921	17,496
Items that will never be reclassified to profit or loss:			
Revaluation of property, plant and equipment	25	8,907	115
Fair value change on equity instruments	10	--	(3,924)
Other comprehensive income for the year		**22,460**	**63,177**
Total comprehensive income for the year		**104,267**	**537,020**
Total profit attributable to:			
Owners of the Company		69,729	451,808
Non-controlling interests	25	12,078	22,035
		81,807	**473,843**
Total comprehensive income attributable to:			
Owners of the Company		91,812	515,318
Non-controlling interests	25	12,455	21,702
		104,267	**537,020**

* Refer to note 2e for description of the restatement of comparative financial information
The notes on pages 15 to 135 are an integral part of these consolidated financial statements.

	Note	Share capital	Redeemable preference shares	Share premium	Revaluation reserve	Translation reserve	Other reserves	Retained earnings	Total – Owners of the Company	Non-controlling interest	Total
		TEUR	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**
Balance as at 1 January 2023 (restated)		**10**	**7**	**204,914**	**38,961**	**11,454**	**(57,706)**	**782,929**	**980,569**	**55,726**	**1,036,295**
Comprehensive income											
Profit for the year		--	--	--	--	--	--	*69,729*	*69,729*	*12,078*	*81,807*
Items reclassified from other comprehensive income to profit or loss – disposal of subsidiaries		--	--	--	--	(2)	--	--	**(2)**	--	**(2)**
Items reclassified from OCI to profit / (loss) – associates	16	--	--	--	--	1,331	--	--	**1,331**	--	**1,331**
Items reclassified from other comprehensive income to profit or loss		--	--	--	--	*1,329*	--		*1,329*	--	*1,329*
Fair value change of distribution networks	25	--	--	--	8,907	--	--	--	**8,907**	--	**8,907**
Translation reserve change		--	--	--	--	7,926	--	--	**7,926**	377	**8,303**
Associates - share of OCI	16	--	--	--	(976)	4,808	89	--	**3,921**	--	**3,921**
Total other comprehensive income for the year		--	--	--	*7,931*	*12,734*	*89*	--	*20,754*	*377*	*21,131*
Total comprehensive income for the year		--	--	--	**7,931**	**14,063**	**89**	**69,729**	**91,812**	**12,455**	**104,267**
Transactions with owners recognised directly in equity											
Contributions by and distributions to owners											
Capital contributions from NCI to equity of subsidiaries	1	--	--	--	--	--	--	--	--	1,289	**1,289**
Redemption of redeemable shares	25	--	--	--	--	--	--	(61,758)	**(61,758)**	--	**(61,758)**
Capital contributions and distributions	1	--	--	--	--	--	--	--	--	2,550	**2,550**
Dividends	25	--	--	--	--	--	--	(28,600)	**(28,600)**	(11,921)	**(40,521)**
Transfers		--	--	--	--	--	672	(672)	--	--	--
Transactions with NCI without a change in control	1	--	--	--	--	--	(2,000)	(8,999)	**(10,999)**	(1,337)	**(12,335)**
Effect from acquisitions through business combinations	1	--	--	--	--	--	--	--	--	1,647	**1,647**
Total transactions with owners		--	--	--	--	--	*(1,328)*	*(100,029)*	*(101,357)*	*(7,772)*	*(109,129)*
Transfer of revaluation reserve of equity instruments designated at FVOCI	25	--	--	--	1,147	--	--	(1,147)	--	--	--
Other movements		--	--	--	--	--	262	(82)	180	--	180
Balance as at 31 December 2023		**10**	**7**	**204,914**	**48,039**	**25,517**	**(58,683)**	**751,400**	**971,204**	**60,409**	**1,031,613**

The notes on pages 15 to 135 are an integral part of these consolidated financial statements.

	Note	Share capital	Redeemable preference shares	Share premium	Revaluation reserve	Translation reserve	Other reserves	Retained earnings	Total – Owners of the Company	Non-controlling interest	Total
		TEUR	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**
Balance as at 1 January 2022, as previously reported		**10**	**8**	**204,914**	**6,156**	**(63,398)**	**(201,388)**	**606,929**	**553,231**	**53,186**	**606,417**
Restatements	2e	--	--	--	37,768	(381)	--	(22,269)	15,118	(197)	14,921
Balance as at 1 January 2022 (restated)		**10**	**8**	**204,914**	**43,924**	**(63,779)**	**(201,388)**	**584,660**	**568,349**	**52,989**	**621,338**
Comprehensive income											
Profit for the year		**--**	**--**	**--**	**--**	--	--	451,808	**451,808**	22,035	**473,843**
Items reclassified from OCI to profit / (loss) – disposal of subsidiaries	1	--	--	--	--	485	--	--	**485**	--	**485**
Items reclassified from OCI to profit / (loss) – disposal of associates	16	--	--	--	--	(18)	--	--	**(18)**	--	**(18)**
Items reclassified from OCI to profit / (loss) – associates	16	--	--	--	89	49,906	--	--	**49,995**	--	**49,995**
Items reclassified from other comprehensive income to profit or loss		--	--	**--**	**89**	**50,373**	**--**	**--**	**50,462**	**--**	**50,462**
Fair value change of distribution networks	25	--	--	--	115	--	--	--	**115**	--	**115**
Fair value change of financial assets at fair value through OCI	10	--	--	--	(3,924)	--	--	--	**(3,924)**	--	**(3,924)**
Translation reserve change		--	--	--	--	(639)	--	--	**(639)**	(333)	**(972)**
Associates - share of OCI	16	--	--	--	(1,154)	18,384	266	--	**17,496**	--	**17,496**
Total other comprehensive income for the year		**--**	**--**	**--**	**(4,963)**	**17,745**	**266**	**--**	**13,048**	**(333)**	**12,715**
Total comprehensive income for the year		**--**	**--**	**--**	**(4,874)**	**68,118**	**266**	**451,808**	**515,318**	**21,702**	**537,020**
Transactions with owners recognised directly in equity											
Contributions by and distributions to owners											
Redemption of redeemable shares	25	**--**	1	**--**	**--**	**--**	**--**	(71,145)	**(71,146)**	--	**(71,146)**
Capital contributions and distributions	1	**--**	--	**--**	**--**	**--**	**--**	--	**--**	5,000	**5,000**
Dividends	25	--	--	--	--	--	--	(20,000)	**(20,000)**	(15,908)	**(35,908)**
Other distributions	25	--	--	--	--	--	--	(1,628)	**(1,628)**	--	**(1,628)**
Net contribution to legal reserve		--	--	--	--	--	642	(642)	**--**	--	**--**
Transactions with NCI without a change in control	25	**--**	--	--	--	(78)	182,111	(160,343)	**21,690**	(18,512)	**3,178**
Effect from acquisitions through business combinations	1	**--**	--	--	--	--	--	--	**--**	11,191	**11,191**
Total transactions with owners		**--**	**--**	**--**	**--**	**(78)**	**182,753**	**(253,758)**	**(71,083)**	**(18,229)**	**(89,312)**
Other movements		--	--	--	(89)	7,193	(39,337)	219	(32,014)	(736)	(32,750)
Balance as at 31 December 2022 (restated)		**10**	**7**	**204,914**	**38,961**	**11,454**	**(57,706)**	**782,929**	**980,569**	**55,726**	**1,036,295**

The notes on pages 15 to 135 are an integral part of these consolidated financial statements.

	Note	2023	2022 (restated*)
Cash flows from operating activities	**Note**	**TEUR**	**TEUR**
Profit / (loss) for the year before tax		**108,127**	**529,846**
Adjustment for:			
Depreciation and amortisation	7,8	35,503	30,268
Impairment loss on property, plant and equipment	31	(146)	523
Impairment losses on goodwill	31	8,079	1,477
Impairment losses on equity-accounted investees	16	--	27,402
Impairment loss on trade and other receivables	29,31	4,026	37,856
Impairment losses on loans and other financial assets	29	10,377	--
Net change in fair value of derivatives		--	(76,444)
Revaluation of assets/liabilities at FVTPL	10,20	(7,099)	162
Revaluation of assets FVTPL – equity instruments	10	(1,639)	172
Share of loss of equity-accounted investees, net of tax	16	(24,929)	143,667
Loss on the sales and other disposals of subsidiaries	1	(58)	(482,099)
Loss on disposal of investment	16	(27,162)	(2,669)
Loss on sale of PPE and intangibles assets	30,31	(152)	(1,890)
Dividend income	10	(183)	(218)
Gain on bargain purchase	1	(4,037)	(10,843)
Net interest (income)/expense	32	27,424	39,968
Unrealised foreign exchange loss/(gains)		1,430	3,714
Operating profit before changes in working capital and provisions		**129,561**	**240,892**
Decrease/(increase) in inventories		8,647	(42,770)
(Increase)/decrease in contract assets		(625)	54
Decrease/(increase) in trade and other receivables		179,601	(92,770)
Decrease/(increase) in restricted deposits related to operating activities		6,990	(11,950)
(Increase)/decrease in trade and other payables		(46,081)	60,178
Increase in contract liabilities		6,430	4,697
Increase in provisions and employee benefits		5,233	1,705
Increase in green certificates		1,227	702
Proceeds from operating derivatives		(654)	77,098
Cash from operating activities		**290,329**	**237,836**
Interest paid		(21,633)	(34,172)
Interest received		853	3,392
Income tax paid		(25,493)	(57,638)
Net cash generated from operating activities		**244,056**	**149,418**
Cash flows from investing activities			
Proceeds from the sale of assets FVTPL		112	2,697
Proceeds from deposits	10	2,662	854
Dividends received	10	42,928	218
Proceeds from sale of intangible assets		30	32
Proceeds from sale of property, plant and equipment		3,658	8,153
Proceeds from disposal of subsidiaries	1	28,301	598,333
Net cash outflow from acquisition of subsidiaries, net of cash acquired	1	(9,412)	(89,091)
Settlement of contingent consideration	20	(3,782)	(653)
Settlement of IR SWAP		36	
Loans provided		(69,592)	(68,061)
Loans repaid		77,380	37,267
Acquisitions of investments in equity-accounted investees	16	(189,274)	(254,214)
Acquisitions of financial assets at amortised cost - deposits	10	--	(4,165)
Acquisition of financial assets at FVTPL	10	(23,468)	(170)
Acquisition of financial asset at FVOCI	10	--	(3)
Acquisitions of intangible assets	7	(7,173)	(8,596)
Acquisitions of property, plant and equipment	8	(77,814)	(52,165)
Net cash generated from/(used in) investing activities		**(225,408)**	**170,436**
Cash flows from financing activities			
Other changes in equity		1,203	(435)
Transactions with owners without change in control	1, 25	(12,336)	(178,855)
Repayment of interest-bearing loans and borrowings received	18	(132,250)	(444,216)
Proceeds from interest-bearing loans and borrowings received	18	314,410	580,801
Repayment of bonds	19	(2,022)	(90,000)
Issue of bonds	19	6,680	--
Repayment of lease liabilities	18	(6,822)	(5,190)
Redemption of shares	25	(61,758)	(71,145)
Dividends paid	25	(40,521)	(37,536)
Change in cash held on restricted bank accounts		172	(677)
Change in cash held on restricted deposits related to financing activities		--	106
Net cash generated from/(used in) financing activities		**66,756**	**(247,147)**
Net movement in cash and cash equivalents		**85,404**	**72,707**
At the beginning of the year*	9	**150,935**	**78,591**
Effects of movements in exchange rates on cash held		(1,072)	(363)
At the end of the year*	9	**235,267**	**150,935**

The notes on pages 15 to 135 are an integral part of these consolidated financial statements
*Refer to note 2e for description of the restatement of comparative financial information
**Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1. Description of the Group

EMMA ALPHA HOLDING LTD (the "Company") was incorporated in Cyprus on 12 October 2012 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 48 Themistokli Dervi Avenue, Athienitis Centennial Building, 3rd Floor, office 303, 1066 Nicosia, Cyprus.

The consolidated financial statements of the Company as at and for the year ended 31 December 2023 comprise of the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in associates.

Shareholders

The owners of the Company are as follows:

Shareholders	Country of incorporation	Type of shares	Ownership interest (%) 2023	2022
MEF HOLDINGS LIMITED	Cyprus	Redeemable preference shares	92.20	93.37
SPRINGROCK LIMITED	Cyprus	Redeemable preference shares	1.94	1.61
ALIMENTOR LIMITED	Cyprus	Redeemable preference shares	1.88	1.56
DOROMEA LIMITED	Cyprus	Redeemable preference shares	0.63	0.52
MENGENO LIMITED	Cyprus	Redeemable preference shares	0.51	0.35
ALEDENCO LIMITED	Cyprus	Redeemable preference shares	0.33	0.24
MERALOS LIMITED	Cyprus	Redeemable preference shares	--	0.07
DAVID HAVLÍN	--	Redeemable preference shares	0.04	0.04
JOSE MARTIN GARZA	--	Redeemable preference shares	2.47	2.24
EMMA CAPITAL LIMITED	Cyprus	Ordinary shares	100.00	100.00

Principal activities

The activities of the Group comprise the holding of investments, trading of securities, sale and distribution of gas and electricity, sale of green energy, the provision of betting activities and casino games, the provision of medical services, trading in pharmaceuticals, the provision of insurance related consultancy services, logistic services and operating of marinas.

Description of the Ownership Structure

The Company controls, directly or indirectly, other companies in Cyprus, the Czech Republic, Slovakia, Romania, Croatia, Moldova, Greece, Italy, Hungary, Malta, Bulgaria, Serbia, Germany and Switzerland. Subsidiary companies are controlled by the Company and they are fully consolidated, whereas the results of the associated companies are included in the consolidated financial statements using the equity method.

1. Description of the Group (continued)

Consolidated subsidiaries	**Country of incorporation**	**Effective ownership interest (%)**	
		2023	**2022**
TONALA LIMITED	Cyprus	100.00	100.00
MARJOLENDO LIMITED	Cyprus	100.00	100.00
EMMA EPSILON LTD	Cyprus	87.50	87.50
• BOX NOW S.A.	Greece	83.65	83.17
• BOX CYPRUS LTD [8)]	Cyprus	83.65	--
• BOX NOW d.o.o. [7)]	Croatia	86.19	86.19
• BOX NOW o.o.d. [7)]	Bulgaria	85.75	85.75
EMMA LAMBDA LIMITED	Cyprus	100.00	100.00
RIXO a.s.	Czech Republic	97.89	97.71
PREMIER ENERGY PLC [3)]	Cyprus	99.99	99.99
• LIGATNE LIMITED	Cyprus	99.99	99.99
• PREMIER ENERGY S.R.L. [1)]	Romania	99.95	99.96
• PREMIER ENERGY TRADING S.R.L.	Romania	99.95	99.96
• LIGATNE GAS S.R.L.	Romania	99.95	99.95
• B.E.R.G. SISTEM GAZ S.R.L. [1)]	Romania	--	99.96
• B.E.R.G Instalatii Gaz S.R.L.	Romania	99.96	99.96
• JOSECO HOLDINGS CO. LIMITED	Cyprus	92.73	92.73
• NAVITAS ENERGY S.R.L.	Moldova	92.73	92.73
• ICS PREMIER ENERGY S.R.L.	Moldova	92.73	92.73
• ICS PREMIER ENERGY DISTRIBUTION S.A.	Moldova	92.73	92.73
• ELECTRA LOGISTICS S.R.L. [8)]	Moldova	92.73	--
• ECOENERGIA S.R.L.	Romania	79.99	79.99
• HARGAZ HARGHITA GAZ S.A. [2)]	Romania	--	99.63
• ENERGIA MILENIULUI III S.A.	Romania	66.64	66.64
• PROGAZ P&D S.A.	Romania	99.94	--
• PREMIER ENERGY HUNGARY Kft [7)]	Hungary	99.99	99.99
• TRUE ENERGY MANAGEMENT S.R.L.	Romania	59.99	59.99
• ALIVE CAPITAL S.A.	Romania	50.98	50.98
• ALIVE SUN POWER ONE S.R.L.	Romania	50.98	--
• ALIVE SUN POWER TWO S.R.L.	Romania	50.98	--
• DA VINCI NEW PROJECT S.R.L.	Romania	50.98	--
• PREMIER RENEWABLE INVEST CO S.R.L. [8)]	Romania	99.99	--
• ENEX NALBANT RENEWABLE S.R.O.	Romania	79.99	--
• ALIVE CAPITAL D.O.O. Beograd	Serbia	50.98	--
EMMA OMEGA LTD	Cyprus	100.00	100.00
• EMMA OMEGA FINANCE a.s. (in liquidation) [9)]	Czech Republic	--	100.00
EMMA GAMMA LIMITED	Cyprus	100.00	100.00
• SPORTICON DEVELOPMENT s.r.o. [10)]	Czech Republic	--	100.00
• ARESSU HOLDING LIMITED	Malta	60.00	60.00
• TORRO TEC LIMITED	Malta	60.00	60.00
• TORRO TEC GAMING LIMITED	Malta	60.00	60.00
• TORRO TEC SERVICES GmbH	Germany	60.00	60.00
• TORRO TEC (SWITZERLAND) GmbH	Switzerland	60.00	60.00
• EMMA GAMMA FINANCE a.s. (in liquidation)	Slovakia	100.00	100.00
• SPORT 360 d.o.o. [4)]	Croatia	37.50	45.00
• GTB GLOBAL BUSINESS S.A.	Romania	67.00	67.00
• CLUB KING S.R.L. [11)]	Romania	67.00	67.00
• CEMARBET S.R.L. [12)]	Romania	67.00	67.00
• GET'S BET ONLINE LTD	Malta	67.00	67.00

1. Description of the Group (continued)

Consolidated subsidiaries	Country of incorporation	Effective ownership interest (%) 2023	2022
• SAED ELECTRONIC LTD [11]	Romania	--	67.00
• GTB LINE SOFTWARE S.R.L. [12]	Romania	--	67.00
• NEOSOFT TECH SUPPORT S.R.L.	Romania	67.00	67.00
• NEOSOFT LTD	Malta	67.00	67.00
• EASYBET SOLUTIONS S.R.L.	Romania	67.00	--
• EGEH LIMITED [8]	Cyprus	100.00	--
MAIL STEP a.s.	Czech Republic	90.00	70.00
• MAILSHIP S.R.L. [7]	Italy	90.00	70.00
• MAILSHIP SINGLE MEMBER P.C. [8]	Greece	90.00	--
DELAMOS LIMITED [8]	Cyprus	100.00	--
EMMA KAPPA LIMITED	Cyprus	100.00	100.00
• PROFARM S.A.	Greece	59.92	59.92
• EL-PHARM A.E.	Greece	59.92	59.92
• PER SE PHARMACEUTICALS A.E.[5]	Greece	32.96	32.96
• INTEGRIS PHARMA LTD [6]	Greece	29.95	29.95
DANDELION HEALTHCARE, a.s.	Czech Republic	80.00	78.00
• EUROPE IVF INTERNATIONAL s.r.o.	Czech Republic	80.00	78.00
EMMA SIGMA LTD	Cyprus	100.00	100.00
• SIGMA POSLOVODSTVO d.o.o.	Croatia	100.00	100.00
• SERVISNI CENTAR TROGIR d.o.o.	Croatia	100.00	100.00
EMMA HETA LIMITED [8]	Cyprus	100.00	--
EMMA ZETA LIMITED [9]	Cyprus	100.00	100.00
• MPFH d.o.o. Beograd - Novi Beograd [8]	Serbia	100.00	--
ECFH a.s. [8]	Czech Republic	100.00	--
• FAVI ONLINE s.r.o.	Czech Republic	91.16	82.32

[1] B.E.R.G Sistem Gaz S.A. was merged to PREMIER ENERGY S.R.L with effective date 31 December 2022.
[2] HARGAZ HARGHITA GAZ S.A. was merged to PREMIER ENERGY S.R.L with effective date 30 June 2023.
[3] From a legal perspective, the current shareholding equals to 99.99%. As a result of contractual arrangements, the Group consolidates an additional shareholding of 0.01% in PREMIER ENERGY PLC and its subsidiaries.
[4] On 22 November 2023, the Group decreased ownership in SPORT 360 d.o.o. from 45% to 37.50%. The Group still holds the control, as it holds 50.00% of the voting rights in the entity.
[5] Direct ownership interest of PROFARM S.A. in PER SE PHARMACEUTICALS A.E. equals 55.00%, therefore the entity is controlled by the Group and consolidated as a subsidiary.
[6] Direct ownership interest of PROFARM S.A. in INTEGRIS PHARMA LTD equals 49.99% and PROFARM S.A. exercises control over this entity, therefore, INTEGRIS PHARMA LTD is controlled by the Group and consolidated as a subsidiary.
[7] Entities newly incorporated in 2022.
[8] Entities newly incorporated in 2023.
[9] On 28 June 2022, EMMA OMEGA FINANCE a.s. was put into voluntary liquidation. As at 10 January 2023, the entity was dissolved.
[10] As at 27 September 2023, the Group sold its ownership interest in Sporticon Development s.r.o. to the Group's associate, ENTAIN HOLDINGS (CEE) Ltd. As a result of this transaction, this entity has been consolidated as equity-accounted investee as at 31 December 2023. For further information, refer to section "Acquisition and disposals in 2023" in Note 1.
[11] SAED ELECTRONIC LTD was merged to CLUB KING S.R.L with effective date 30 December 2023.
[12] GTB LINE SOFTWARE S.R.L. was merged to CEMARBET S.R.L with effective date 30 December 2023.

1. Description of the Group (continued)

Equity-accounted investees (associates)	Country of incorporation	Ownership interest (%) 2023	2022
HOME CREDIT N.V. 3)	Netherlands	8.88	8.88
HOME FURNITURE GROUP GmbH 1)	Germany	46.06	46.06
KERMAS ISTRA d.o.o. 4)	Croatia	49.00	--
PRATI ME d.o.o. 5)	Croatia	21.58	--
PHARMANET A.E. 6)	Greece	17.38	17.38
NIKAPATZO LTD 7)	Cyprus	24.02	24.02
ENTAIN HOLDINGS (CEE) Ltd. 2)	Malta	22.50	25.00
BRASOV RENEWABLES S.R.L.	Romania	20.39	--
CUBE TOPCO s.r.o. 8)	Czech Republic	35.00	--

1) Home Furniture Group GmbH fully-owns three subsidiaries: Küchen Quelle Holding GmbH, Island Labs GmbH and Küchen Quelle GmbH. All entities reside in Germany. The associated group is currently insolvent.
2) As at 22 November 2022, the newly founded associate of the Group, ENTAIN HOLDINGS (CEE) Ltd., acquired from the Group 100% ownership interest in EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries SUPERSPORT d.o.o., MINUS5 d.o.o., PUNI BROJ d.o.o. and SUPERSPORT MARKETING d.o.o.). As at 27 September 2023, the Group sold its ownership interest in SPORTICON DEVELOPMENT s.r.o. to the Group's associate, ENTAIN HOLDINGS (CEE) Ltd. As a result of this transaction, this entity has been consolidated as equity-accounted investee as at 31 December 2023. For further information, refer to section "Acquisition and disposals in 2023" in Note 1. As at 10 October 2023, ENTAIN HOLDINGS (CEE) Ltd., acquired 100% ownership interest in STS Holdings S.A. (including its fully owned subsidiaries STS S.A., STS Gaming Group Limited, STS BET Limited, Betsys s.r.o. and Betsys Poland Sp. z.o.o.).
3) As at 29 November 2023, HOME CREDIT GROUP B.V. was merged into HOME CREDIT N.V. As at 31 December 2023, the whole investment in this associated group was disclosed as asset held for sale.
4) As at 18 April 2023, the Group acquired shares in KERMAS ISTRA d.o.o. (including its fully owned subsidiaries KERMAS ISTRA HOTELI d.o.o., KERMAS ISTRA NAUTIKA d.o.o., KERMAS ISTRA SERVICE d.o.o.) representing 49.00% of its share capital. For further information, refer to section "Acquisition and disposals in 2023" in Note 1.
5) As at 13 November 2023, the Group increased its ownership interest in PRATI ME d.o.o. (including its fully owned subsidiaries NAZOVI ME d.o.o., BAZZAR MARKETPLACE RS d.o.o., "Bazzar" d.o.o.) from 17.10% to 21.58%. As a result of this transaction, the Group derecognized financial asset at fair value through other comprehensive income and recognized an investment in associated group. This associated group has been consolidated as equity-accounted investee as at 31 December 2023. For further information, refer to section "Acquisition and disposals in 2023" in Note 1.
6) Direct ownership interest of PROFARM S.A. in PHARMANET A.E. equals 29% and PROFARM S.A. exercises significant influence over this entity, therefore, PHARMANET A.E. is treated as associate and consolidated as equity-accounted investee.
7) Including its subsidiary ERMIONIDA S.A. (direct ownership interest 95.87%) residing in Greece.
8) Including its fully-owned subsidiary CUBE BIDCO s.r.o. residing in the Czech Republic. For further information, refer to section "Acquisition and disposals in 2023" in Note 1.

1. Description of the Group (continued)

Acquisitions and disposals in 2023

On 9 January 2023, the Group acquired an 80% stake in ENEX NALBANT RENEWABLE S.R.L., a 13.75 MW wind electricity generation plant with rights to an additional 13.75 MW wind energy generation plant development near the town of Nalbant, Romania. The consideration for the percentage acquired amounted to TEUR 3,280. Total net assets with the fair value of TEUR 8,210 comprise mainly wind park assets and grid connection assets. Gain on bargain purchase in the amount of 3,288 was recognised as a result of this transaction due to a well negotiated acquisition by the management of the Group.

The fair value of the non-controlling interest was TEUR 1,642 as at the acquisition date. In addition, loans payables in the amount of TRON 35,240 (approximately TEUR 7,120) were assumed by the group from the former shareholders. On 2 March 2023, the Group received a loan in the amount of TEUR 8,900 from Vista Bank (Romania) S.A., effectively refinancing the loans assumed.

The acquisition was completed due to the Group's strategic growth initiative within the renewables electricity generation sector. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of ENEX NALBANT RENEWABLE S.R.L.:

	Note	**TEUR**
Intangible assets	7	218
Property, plant and equipment	8	19,044
Trade and other receivables	12	96
Other assets (financial and non-financial)	14	34
Deferred tax asset	23	35
Cash and cash equivalents	9	4
Interest-bearing loans and borrowings – non-banks	18	(41)
Lease liabilities	8	(217)
Other liabilities	22	(9,044)
Provisions		(319)
Deferred tax liabilities	23	(1,600)
Total identifiable net assets acquired		**8,210**
Non-controlling interest (on fair value of net assets)		**(1,642)**
Consideration, paid in cash		(3,280)
Gain on bargain purchase (+)		**3,288**

Cash effect on acquisition	
Consideration, paid in cash	(3,280)
Cash acquired	4
Net cash outflow	**(3,276)**

1. Description of the Group (continued)

Acquisitions and disposals in 2023 (continued)

On 30 June 2023, the Group's Alive Capital subsidiary acquired a 100% stake in the entity ALIVE SUN POWER TWO S.R.L., a company operating a 1.9 MW solar park on over 40,000 sq.m. of owned land in Urlati Commune, Prahova County, Romania, for the total purchase price of TEUR 1,710. The purchase price consists of the amount of TEUR 1,947 less the refinancing of TEUR 237 in shareholder loans provided to ALIVE SUN POWER TWO S.R.L. by the previous owners. Gain on a bargain purchase in the amount of TEUR 749 was recognized as a result of this transaction due to a well negotiated acquisition by the management of the Group.

The acquisition was completed because of its strong complementary, strategic fit within the renewable energy production business in Romania.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of ALIVE SUN POWER TWO S.R.L.:

	Note	TEUR
Property, plant and equipment	8	2,459
Green certificates	15	534
Trade and other receivables	12	4
Income tax receivable	33	5
Other assets (financial and non-financial)	14	38
Cash and cash equivalents	9	4
Interest-bearing loans and borrowings – non-banks	18	(237)
Trade and other payables	21	(14)
Other liabilities	22	(10)
Current income tax liabilities	33	(1)
Deferred tax liabilities	23	(323)
Total identifiable net assets acquired		**2,459**
Consideration, paid in cash		(1,710)
Gain on bargain purchase (+)		**749**
Cash effect on acquisition		
Consideration, paid in cash		(1,710)
Cash acquired		4
Net cash outflow		**(1,706)**

1. Description of the Group (continued)

Acquisitions and disposals in 2023 (continued)

On 18 July 2023, a new entity called ALIVE SUN POWER ONE S.R.L. was established as a 100% owned subsidiary of the Group's Alive Capital subsidiary. ALIVE SUN POWER ONE S.R.L. acquired through an asset transaction a 5.4 MW operational solar plant located in Valea Calugareasca Comunne, Prahova County, Romania with a normalised annual production of approximately 5,600 MWh/year. The fair value asset in the total amount of TEUR 26 was acquired.

The acquisition was completed because of its strong complementary, strategic fit within the renewable energy production business in Romania. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of ALIVE SUN POWER ONE S.R.L.:

	Note	**TEUR**
Intangible assets	7	82
Property, plant and equipment	8	2,831
Trade and other receivables	12	96
Other liabilities	22	(2,983)
Total identifiable net assets acquired		**26**
Consideration, paid in cash		(26)
Gain on bargain purchase (+)		**--**
Cash effect on acquisition		
Consideration, paid in cash		(26)
Cash acquired		--
Net cash outflow		**(26)**

1. Description of the Group (continued)

Acquisitions and disposals in 2023 (continued)

On 10 August 2023, the entity GTB GLOBAL BUSINESS S.A. acquired a 100.00 direct stake in the entity EASYBET SOLUTION S.R.L. (corresponding with an effective Group ownership of 67.00 %) for the total purchase price of TEUR 357. Goodwill in the amount of TEUR 227 was recognized as a result of this transaction.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of EASYBET SOLUTION S.R.L.:

	Note	TEUR
Property, plant and equipment	8	391
Other assets (financial and non-financial)	14	26
Interest-bearing loans and borrowings – non-banks	18	(233)
Trade and other payables	21	(23)
Deferred tax liabilities	23	(31)
Total identifiable net assets acquired		**130**
Consideration, paid in cash		(180)
Contingent consideration		(177)
Goodwill (-)		**(227)**
Cash effect on acquisition		
Consideration, paid in cash		(180)
Cash acquired		--
Net cash outflow		**(180)**

1. Description of the Group (continued)

Acquisitions and disposals in 2023 (continued)

On 25 August 2023, the Group acquired a 99.99% stake in the entity PROGAZ P&D S.A., a gas distribution company with 3 concessions in Romania, including one in Berceni, for the total purchase price of TEUR 1,911. Goodwill in the amount of TEUR 1,333 was recognized as a result of this transaction.

The acquisition was completed because of the Group's strategic growth initiative within the natural gas distribution and supply business with expected synergies from combining operations of the acquiree and the acquirer. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of PROGAZ P&D S.A.:

	Note	TEUR
Intangible assets	7	262
Property, plant and equipment	8	2,129
Trade and other receivables	12	80
Income tax receivable	33	1
Other assets (financial and non-financial)	14	25
Inventories	13	22
Cash and cash equivalents	9	78
Trade and other payables	21	(2,019)
Total identifiable net assets acquired		**578**
Consideration, paid in cash		(1,911)
Goodwill (-)		**(1,333)**
Cash effect on acquisition		
Consideration, paid in cash		(1,911)
Cash acquired		78
Net cash outflow		**(1,833)**

1. Description of the Group (continued)

Acquisitions and disposals in 2023 (continued)

On 20 November 2023, the entity DA VINCI NEW PROJECT S.R.L., a 23 MW solar plant development with 4.6 MW storage capacity and for which the company received a EUR 5.4 million government grant, was acquired with an effective Group ownership of 50,99 %. The purchase price consists of the amount of TEUR 2,541 less the outstanding shareholders loans of TEUR 141 plus the additional deferred consideration of TEUR 2,361 (the fair value of the deferred consideration as at 31 December 2023 was TEUR 1,993). Goodwill in the amount of TEUR 560 was recognized as a result of this transaction.

The acquisition was completed because of its strong complementary, strategic fit within the renewable energy production business in Romania.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of DA VINCI NEW PROJECT S.R.L.:

	Note	TEUR
Intangible assets	7	4,533
Property, plant and equipment	8	582
Other assets (financial and non-financial)	14	5,370
Cash and cash equivalents	9	1
Interest-bearing loans and borrowings – non-banks	18	(145)
Lease liabilities	8, 18	(422)
Other liabilities	22	(5,364)
Deferred tax liabilities	23	(725)
Total identifiable net assets acquired		**3,830**
Consideration, paid in cash		(2,397)
Consideration, deferred		(1,993)
Goodwill (-)		**(560)**
Cash effect on acquisition		
Consideration, paid in cash		(2,397)
Cash acquired		1
Net cash outflow		**(2,396)**

1. Description of the Group (continued)

Acquisitions and disposals in 2023 (continued)

On 27 September 2023, the Group entered into a share purchase agreement under which EMMA GAMMA LIMITED sold its 100% shareholding in SPORTICON DEVELOPMENT s.r.o. to its indirect associate ENTAIN HOLDINGS (CEE) Ltd. for the total price of TEUR 21.

The following table summarises the effect of disposal of the SPORTICON DEVELOPMENT s.r.o.:

	Note	TEUR
Intangible assets	7	394
Property, plant and equipment	8	4
Trade and other receivables	12	108
Other assets (financial and non-financial)	14	9
Cash and cash equivalents	9	153
Interest-bearing loans and borrowings – non-banks	18	(634)
Trade and other payables	21	(69)
Total identifiable net liabilities disposed of		**(35)**
Translation reserve reclassified to profit or loss		(2)
Total identifiable net assets and liabilities disposed of and translation effect reclassified to profit or loss		**(37)**
Consideration, received in cash		21
Consideration total		**21**
Gain resulting from disposal of subsidiaries (+)		58
Cash effect on disposal		
Consideration, received in cash		21
Cash (disposed of)		(153)
Net cash (outflow)		**(132)**

1. Description of the Group (continued)

Acquisitions and disposals in 2023 (continued)

On 3 February 2023, EMMA ALPHA HOLDING LTD increased its shareholding in RIXO a.s. from 97.71% to 97.89% by subscribing to new ordinary shares in total nominal value of TEUR 175 (TCZK 4,198) and share premium in total value of TEUR 2,738 (TCZK 65,802), for a total subscription price of TEUR 2,913 (TCZK 70,000); out of which TEUR 62 was attributable to non-controlling interest of RIXO a.s.

On 29 June 2023, EMMA ALPHA HOLDING LTD increased its shareholding in DANDELION HEALTHCARE, a.s. from 78% to 80% by purchase of 2% ownership interest from non-controlling shareholder for the total purchase price of TEUR 310 (TCZK 7,336). Completion (transfer of shares) occurred on 29 June 2023.

On 4 July 2023, EMMA ALPHA HOLDING LTD increased its shareholding in MAIL STEP a.s. from 70% to 90% by purchase of 20% ownership interest from non-controlling shareholder for the total purchase price of TEUR 5,909 (TCZK 140,000). Completion (transfer of shares) occurred on 4 July 2023.

On 11 October 2023, EMMA EPSILON LTD increased its direct shareholding in BOX NOW S.A. from 95.05% to 95.60% by subscribing to new ordinary shares in total nominal value of TEUR 75 and share premium in total value of TEUR 10,909, for a total subscription price of TEUR 10,984; out of which TEUR 483 was attributable to non-controlling interest of BOX NOW S.A.

On 22 November 2023, the Group decreased its shareholding in SPORT 360 d.o.o. from 45.00% to 37.50%. by sale of 7.50% ownership interest to non-controlling shareholder for the total sales price of TEUR 320. The Group still holds the control, as it holds 50.00% of the voting rights in the entity, and therefore continues to consolidate this entity as a subsidiary.

On 20 December 2023, the Group increased its shareholding in FAVI ONLINE s.r.o. from 82.32% to 91.16% by purchase of 8.84% ownership interest from non-controlling shareholder for the total purchase price of TEUR 4,430 (TCZK 109,520).

The Group has contractually agreed (refer also to Note 34, Related party transactions) the future acquisition of 10% in ARESSU HOLDING LIMITED from the non-controlling shareholder of ARESSU HOLDING LIMITED in 2027. As it was agreed before 31 December 2023, the transaction was accounted for in accordance with present-access method and the advance paid in total amount of TEUR 2,000 corresponding with the future transaction price was recognised with the corresponding entry to other reserves within equity attributable to the owners of the Company (refer also to Note 25, Equity) whereas the non-controlling interest remained unchanged within total equity.

In 2023, the Group received an additional consideration of TEUR 28,433 in connection with a share purchase agreement, entered into in 2022, under which EMMA GAMMA LIMITED sold its 100% shareholding in EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries SUPER SPORT d.o.o., MINUS5 d.o.o., PUNI BROJ d.o.o. and SUPERSPORT MARKETING d.o.o.) to its associate ENTAIN HOLDINGS (CEE) Ltd. (refer also further in Note 1, Acquisitions and disposals in 2022).

During 2023, subsidiaries ENERGIA MILENIULUI III S.A. and TRUE ENERGY MANAGEMENT S.R.L. increased their share capitals and share premiums. The capital contributions were subscribed to by the Group and by the non-controlling shareholders of the subsidiaries accordingly to their respective ownership interests. As a result of these transaction, non-controlling interest of ENERGIA MILENIULUI III S.A. increased by TEUR 642 and non-controlling interest of TRUE ENERGY MANAGEMENT S.R.L. increased by TEUR 647.

1. Description of the Group (continued)

Acquisitions and disposals in 2023 (continued)

On 18 April 2023, EMMA SIGMA LTD acquired 49% of KERMAS ISTRA d.o.o. for a total purchase price of TEUR 8,359. Croatian entity KERMAS ISTRA d.o.o. owns direct ownership interest of 100% in its subsidiaries KERMAS ISTRA HOTELI d.o.o., KERMAS ISTRA NAUTIKA d.o.o., KERMAS ISTRA SERVICE d.o.o., all residing in Croatia. Subsequently, the Group contributed to this associated group additional capital contributions in total amount of TEUR 4,000.

The acquisition of the associated group KERMAS ISTRA d.o.o. could be summarised as follows:

	TEUR
Value of share on net liabilities of associated group acquired (without goodwill recognized in the financial statements of the subgroup)	(2,500)
Consideration, shares purchased	8,359
Acquisition related cost	--
Total consideration	**8,359**
Goodwill included in the value of the equity-accounted investee	10,859
Net cash outflow	**(8,359)**

On 7 June 2023 the direct ownership interest of 40% in BRASOV RENEWABLES S.R.L. was acquired by the entity ALIVE CAPITAL S.A. for the total purchase price of TEUR 199. Effective ownership interest of the Group in this associate amounts to 20.39%. The value of the equity-accounted investee does not comprise any goodwill.

On 13 November 2023, the Company increased its ownership interest in PRATI ME d.o.o. from 17.10% to 21.58% by additional capital contribution to share capital and share premium of TEUR 2,500. Croatian entity PRATI ME d.o.o. owns direct ownership interest of 100% in its subsidiaries NAZOVI ME d.o.o. (residing in Croatia), BAZZAR MARKETPLACE RS d.o.o. (residing in Serbia), "Bazzar" d.o.o. (residing in Bosnia and Herzegovina). As a result of this transaction, the Group derecognized financial asset at fair value through other comprehensive income and recognized an investment in associated group (please also refer to Notes 10 and 16).

The acquisition of the associated group PRATI ME d.o.o. could be summarised as follows:

	TEUR
Value of share on net assets of associated group acquired (without goodwill recognized in the financial statements of the subgroup)	667
Consideration, shares purchased	2,500
Fair value of the financial asset at FVOCI before change in ownership interest	7,492
Acquisition related cost	--
Total consideration	**9,992**
Goodwill included in the value of the equity-accounted investee	9,325
Net cash outflow	**(2,500)**

On 15 December 2023, the Company acquired 35% of CUBE TOPCO s.r.o. for a total purchase price of TEUR 1. This Czech entity owns direct ownership interest of 100% in CUBE BIDCO s.r.o, also residing in the Czech Republic. The value of the equity-accounted investee does not comprise any goodwill.

As a result of new shares issued by ENTAIN HOLDINGS (CEE) Ltd. in 2023, the ownership interest of the Group in this associated group was diluted and decreased from 25.00% to 22.50%.

1. Description of the Group (continued)

Acquisitions and disposals in 2022

On 20 January 2022, PREMIER ENERGY PLC acquired a 100% stake in the entity ECOENERGIA S.R.L., a company operating a 34.5 MW wind farm near the town of Stejaru, Romania, for the total purchase price of TEUR 3,595. The purchase price consists of the amount of TEUR 34,400 less the refinancing of TEUR 30,805 in shareholder loans provided to ECOENERGIA SRL by the previous owners. Gain on a bargain purchase in the amount of TEUR 10,843 was recognized as a result of this transaction due to a well negotiated acquisition by the management of the Group. Total acquisition-related costs were immaterial and are recognized within the line, Services and material expenses, in the profit or loss.

The acquisition was completed because of its strong complementary, strategic fit within the green energy production in Romania.

	Note	TEUR
Property, plant and equipment	8	35,920
Green certificates	15	6,380
Trade and other receivables *	12	770
Other assets (financial and non-financial)	14	944
Restricted deposits	10	269
Cash and cash equivalents	9	3,496
Interest-bearing loans and borrowings – non-banks	18	(29,858)
Trade and other payables	21	(1,435)
Provisions		(1,359)
Deferred tax liabilities	23	(689)
Total identifiable net assets acquired		**14,438**
Consideration, paid in cash		(3,595)
Gain on bargain purchase (+)		**10,843**
Cash effect on acquisition		
Consideration, paid in cash		(3,595)
Cash (acquired)		3,496
Net cash outflow		**(99)**

* The gross value of the receivables acquired is the same as the fair value (TEUR 770) and the Group expects the full recovery of the amount.

On 2 September 2022, a 20% stake in ECOENERGIA SRL was sold to Alive Energy SRL, a related party to the non-controlling shareholder of ALIVE CAPITAL S.A., for TEUR 1,660. As a result of this transaction, non-controlling interest of ECOENERGIA SRL in the amount of TEUR 3,470 was recognised.

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 1 February 2022, EMMA GAMMA LIMITED entered into a term sheet concerning an acquisition of 60% shareholding in ARESSU HOLDING LIMITED, which is the sole shareholder of TORRO TEC LIMITED, TORRO TEC CASINO Limited, TORRO TEC SERVICES GmbH and TORRO TEC (SWITZERLAND) GmbH. TORRO TEC LIMITED is a sports betting operator holding a valid German sports-betting license. The purchase price for the shares was TEUR 7,400. As part of the transaction, EMMA GAMMA LIMITED contributed additional TEUR 4,600 into capital reserves of ARESSU HOLDING LIMITED. Effective date of the acquisition was 17 May 2022. The acquisition was completed due to the Group's strategic growth initiative within the betting business. Total acquisition-related costs were immaterial and are recognised within the line, Services and material expenses, in the profit or loss.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of ARESSU HOLDING LIMITED:

	Note	TEUR
Intangible assets	7	5,148
Property, plant and equipment	8	1,053
Trade and other receivables *	12	647
Cash and cash equivalents	9	4,729
Deferred tax assets	23	60
Loans and borrowings - non-banks	18	(2,198)
Lease liabilities	8, 18	(221)
Trade and other payables	21	(353)
Other liabilities	22	(467)
Deferred tax liabilities	23	(257)
Total identifiable net assets acquired		**8,141**
Non-controlling interest (on fair value of net assets)		(3,256)
Share on net identifiable assets and liabilities acquired		**4,885**
Consideration, paid in cash		(7,400)
Capital contribution, paid in cash		(4,600)
Goodwill (-)	7	**(7,115)**

Cash effect on acquisition	
Consideration, paid in cash	(12,000)
Cash (acquired)	4,729
Net cash outflow	**(7,271)**

* Gross amount of trade receivables acquired amounted to TEUR 751, whereas the fair value of these receivables amounted to TEUR 647 and the best estimate of the cash not expected to be collected amounted to TEUR 104.

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 24 February 2022, the Group acquired a 51% stake in the entity ALIVE CAPITAL S.A., an asset manager for approximately 450 MW of renewable energy production in Romania, providing an extensive combination of services from distribution and maintenance of equipment to the sale of electricity and green certificates to fiscal and administrative operations. ALIVE CAPITAL S.A. generated approximately EUR 80 million of revenue in 2021 and the stake was acquired by the Group for EUR 9 million. Goodwill in the amount of TEUR 7,562 was recognized as a result of this transaction due to expected synergies from combining operations of the acquiree and the acquirer. The acquisition was completed due to the Group's strategic growth initiative within the electricity generation and supply business. Total acquisition-related costs were immaterial and are recognised within the line, Services and material expenses, in the profit or loss.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of ALIVE CAPITAL S.A. (restated):

	Note	TEUR
Intangible assets	7	13,701
Property, plant and equipment	8	526
Loans provided	11	88
Trade and other receivables *	12	4,176
Income tax receivable		232
Other assets (financial and non-financial)	14	3,152
Restricted deposits	10	2,364
Inventories	13	5
Cash and cash equivalents	9	3,795
Interest-bearing loans and borrowings – non-banks	18	(7,117)
Trade and other payables	21	(9,850)
Bonds issued	19	(2,021)
Financial liabilities - other items	22	(10)
Other liabilities	22	(4,560)
Deferred tax liabilities	23	(908)
Total identifiable net assets acquired		**3,573**
Non-controlling interest (on fair value of net assets)		1,751
Share on net identifiable assets and liabilities acquired		**1,822**
Consideration, paid in cash		(9,384)
Goodwill (-)	7	**(7,562)**

Cash effect on acquisition	
Consideration, paid in cash	(9,384)
Cash (acquired)	3,795
Net cash outflow	**(5,589)**

* Gross amount of trade receivables acquired amounted to TEUR 6,537, whereas the fair value of these receivables amounted to TEUR 4,176 and the best estimate of the cash not expected to be collected amounted to TEUR 2,361.

On 22 July 2022, ALIVE CAPITAL S.A. increased its share capital from RON 100,000 to RON 100,001. The amount of RON 0.1 contributed to share capital and related contribution to share premium of RON 10,377,452 was subscribed to by the non-controlling shareholder of the subsidiary, thereby reducing the ownership interest of the Group from 51% to 50.99%. As a result of this transaction, non-controlling interest of the entity increased by TEUR 1,031 and the equity attributable to the owners of the Group increased by TEUR 1,074.

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 31 May 2022 and on 2 June 2022, PREMIER ENERGY S.R.L. signed 2 separate Stock Purchase Agreements to acquire a combined stake of 66.67% of ENERGIA MILENIULUI III S.A., a company developing a 99 MW wind farm project near the town of Razboieni, Romania, for EUR 7.0 million including assignment of financing loans. The closing of the acquisition occurred on 14 June 2022. Goodwill in the total amount of TEUR 1,986 was recognized as a result of this transaction due to expected synergies from combining operations of the acquiree and the acquirer. The acquisition was completed due to the Group's strategic growth initiative within the renewables electricity generation sector. Total acquisition-related costs were immaterial and are recognised within the line, Services and material expenses, in the profit or loss.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of ENERGIA MILENIULUI III S.A.:

	Note	TEUR
Intangible assets	7	7,486
Property, plant and equipment	8	2,316
Other assets (financial and non-financial)	14	154
Cash and cash equivalents	9	1
Interest-bearing loans and borrowings – non-banks	18	(3,849)
Lease liabilities	8	(2,316)
Trade and other payables	21	(510)
Total identifiable net assets acquired		**3,282**
Non-controlling interest (on fair value of net assets)		(1,093)
Share on net identifiable assets and liabilities acquired		**2,189**
Consideration, paid in cash		(675)
Consideration, deferred		(3,500)
Consideration, total		**(4,175)**
Goodwill (-)	7	**(1,986)**

Cash effect on acquisition	
Consideration, paid in cash	(675)
Cash (acquired)	1
Net cash outflow	**(674)**

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 1 July 2022, EMMA ALPHA HOLDING LTD acquired 82.32 % shareholding in FAVI ONLINE s.r.o, a company which operates a web aggregator and online furniture search engine, for the aggregate consideration of TEUR 43,757. The acquisition was completed to ensure increased strategic diversity of investment portfolio.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of FAVI ONLINE s.r.o.:

	Note	TEUR
Intangible assets	7	6,423
Trade and other receivables *	12	2,051
Income tax receivable		61
Other assets (financial and non-financial)	14	47
Deferred expenses and prepayments	14	90
Cash and cash equivalents	9	2,879
Interest-bearing loans and borrowings – bank	18	(10)
Trade and other payables	21	(1,699)
Provisions		(54)
Deferred tax liabilities	23	(1,194)
Total identifiable net assets acquired		**8,594**
Non-controlling interest (on fair value of net assets)		(1,519)
Share on net identifiable assets and liabilities acquired		**7,075**
Consideration, paid in cash		(43,757)
Consideration, other	20	(14,205)
Goodwill (-)	7	**(50,887)**

Cash effect on acquisition	
Consideration, paid in cash	(43,757)
Cash (acquired)	2,879
Net cash outflow	**(40,878)**

* Gross amount of trade receivables acquired amounted to TEUR 2,387, whereas the fair value of these receivables amounted to TEUR 2,051 and the best estimate of the cash not expected to be collected amounted to TEUR 336.

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 25 July 2022, EMMA SIGMA LTD acquired 100% holding in the Croatian company SERVISNI CENTAR TROGIR d.o.o. The consideration paid for the acquisition was TEUR 11,805.

The acquisition was completed due to the Group's strategic growth initiative within the marina sector.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of SERVISNI CENTAR TROGIR d.o.o.:

	Note	TEUR
Intangible assets	7	1,902
Property, plant and equipment	8	21,496
Loans provided	11	2,692
Trade and other receivables	12	3,472
Other assets (financial and non-financial)	14	35
Inventories	13	172
Deferred expenses and prepayments	14	16
Cash and cash equivalents	9	493
Interest-bearing loans and borrowings – non-banks	18	(23,347)
Lease liabilities	8,18	(1,448)
Trade and other payables	21	(1,733)
Provisions		(25)
Deferred tax liabilities	23	(82)
Total identifiable net assets acquired		**3,643**
Consideration, paid in cash		(11,805)
Goodwill (-)	7	**(8,162)**

Cash effect on acquisition	
Consideration, paid in cash	(11,805)
Cash (acquired)	493
Net cash outflow	**(11,312)**

* Gross amount of trade receivables acquired amounted to TEUR 3,499, whereas the fair value of these receivables amounted to TEUR 3,472 and the best estimate of the cash not expected to be collected amounted to TEUR 27.

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 2 September 2022, PREMIER ENERGY S.R.L purchased 99.67% in HARGAZ HARGHITA GAZ S.A., a natural gas distribution and supply company in Harghita county in Romania, for the total purchase price TEUR 2,750. Goodwill in the total amount of TEUR 250 was recognized as a result of this transaction. The acquisition was completed due to the Group's strategic growth initiative within the gas supply business with expected synergies from combining operations of the acquiree and the acquirer.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of HARGAZ HARGHITA GAZ S.A. (restated):

	Note	TEUR
Property, plant and equipment	8	2,427
Trade and other receivables *	12	131
Income tax receivable		16
Cash and cash equivalents	9	158
Trade and other payables	21	(169)
Provisions		(55)
Total identifiable net assets acquired		**2,508**
Non-controlling interest (on fair value of net assets)		(8)
Share on net identifiable assets and liabilities acquired		**2,500**
Consideration, paid in cash		(2,750)
Goodwill (-)		**(250)**

Cash effect on acquisition	
Consideration, paid in cash	(2,750)
Cash (acquired)	158
Net cash outflow	**(2,592)**

* Gross amount of trade receivables acquired amounted to TEUR 127, whereas the fair value of these receivables amounted to TEUR 131 and the Group expects the full recovery of the amount.

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 30 August 2022, EMMA GAMMA LIMITED entered into a share purchase agreement under which it acquired 67% share in GTB GLOBAL BUSINESS S.A., a Romanian holding company that holds 100% shareholdings in Romanian gaming operators CLUB KING S.R.L., CEMARBET S.R.L. and GET'S BET ONLINE LTD; and other service companies (SAED ELECTRONIC LTD, GTB LINE SOFTWARE S.R.L., NEOSOFT TECH SUPPORT S.R.L. and NEOSOFT LTD). Total purchase price for the acquired stake amounted to TEUR 25,160.

The acquisition was completed due to the Group's strategic growth initiative within the gaming business with expected synergies.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of GTB. GLOBAL BUSINESS S.A.:

	Note	TEUR
Intangible assets	7	1
Property, plant and equipment	8	3,879
Trade and other receivables	12	4,561
Other assets (financial and non-financial)	14	655
Restricted deposits	10	40
Inventories	13	489
Deferred expenses and prepayments	14	1,503
Cash and cash equivalents	9	2,562
Interest-bearing loans and borrowings – non-banks	18	(2,463)
Trade and other payables	21	(3,703)
Other liabilities	22	(1,859)
Current income tax liabilities		(268)
Provisions		(51)
Total identifiable net assets acquired		**5,346**
Non-controlling interest (on fair value of net assets)		(1,764)
Share on net identifiable assets and liabilities acquired		**3,582**
Consideration, paid in cash		(25,160)
Goodwill (-)	7	**(21,578)**

Cash effect on acquisition	
Consideration, paid in cash	(25,160)
Cash (acquired)	2,562
Net cash outflow	**(22,598)**

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

As at 17 October 2022, the Group acquired a 60% share in TRUE ENERGY MANAGEMENT S.R.L., the owner of an inoperable cogeneration plant requiring refurbishing located in the city of Faragas, Romania, for a total purchase price of TEUR 2,700. The acquisition was completed due to the Group's strategic growth initiative within the renewables electricity generation sector. The transaction was treated as an asset deal and therefore no goodwill or gain on bargain purchase was recognised.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of TRUE ENERGY MANAGEMENT S.R.L.:

	Note	TEUR
Property, plant and equipment	8	8,426
Other assets (financial and non-financial)	14	747
Cash and cash equivalents	9	22
Interest-bearing loans and borrowings – non-banks	18	(4,693)
Other liabilities	22	(2)
Total identifiable net assets acquired		**4,500**
Non-controlling interest (on fair value of net assets)		(1,800)
Share on net identifiable assets and liabilities acquired		**2,700**
Consideration, paid in cash		(2,700)
Goodwill		**--**
Cash effect on acquisition		
Consideration, paid in cash		(2,700)
Cash (acquired)		22
Net cash outflow		**(2,678)**

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 26 January 2022, the remaining 49% of shares in entity MINUS5 d.o.o. were purchased by EMMA GAMMA ADRIATIC d.o.o. from non-controlling shareholders for the total purchase price of THRK 12,256 (TEUR 1,628)

Under the share purchase agreement dated 4 February 2022, EMMA GAMMA ADRIATIC d.o.o. acquired from Mr. Danko Ćorić 33% shareholding in SUPER SPORT d.o.o. The purchase price paid for the shares amounted to THRK 1,368,677 (corresponding to TEUR 181,080 as at the date of the transaction). Completion of the transaction took place on 4 March 2022.

As at 31 December 2021, the transaction was accounted for in accordance with present-access method and the financial liability of TEUR 182,111 was recognised in the statement of financial position with the corresponding entry to other reserves within equity attributable to the owners of the Company whereas the non-controlling interest of Mr. Danko Ćorić of TEUR 29,991 remained within total equity. After the completion of the transaction, the particular non-controlling interest was derecognized with corresponding entry (increase) in other reserves within equity attributable to the owners of the Company. In March 2022, the Group entered into a new bank loan agreement for the total facility amount of EUR 230 million in order to repay the amount payable to Mr. Danko Ćorić.

During the year, EMMA ALPHA HOLDING LTD entered into share transfer agreements for the sale of 2.850 shares held to Box Now S.A. to third parties, reducing its shareholding from 95.80% to 95.05%, for the total consideration price of TEUR 3.

As at 5 September 2022, PREMIER ENERGY S.R.L. purchased an additional share of 0.32% and increased its holding in B.E.R.G. SISTEM GAZ S.A. to 100% for the consideration of TRON 4 (TEUR 1).

As at 28 December 2022, ownership interest of EMMA ALPHA HOLDING LTD held in EMMA EPSILON LTD (including its subsidiaries BOX NOW S.A., BOX NOW o.o.d. and BOX NOW d.o.o.) was diluted from 100.00% to 87.50% by subscription of part of newly issued shares of EMMA EPSILON LTD by a third party. Value of newly issued shares including share premium subscribed by the non-controlling shareholder amounted to TEUR 5,000 and total effect resulting from the transaction with the owners amounted to TEUR 2,709.

In 2022, the transactions with NCI without change in control described above resulted in total cash outflow of TEUR 178,855, out of which the major effect of TEUR 181,080 is attributable to acquisition of 33% shareholding in SUPER SPORT d.o.o. by EMMA GAMMA ADRIATIC d.o.o. from Mr. Danko Ćorić.

On 2 June 2022, as a result of the transformation of HUDDLE GAMING, INC. into HUDDLE TECH Inc., the Group's direct share in this subgroup was diluted and decreased from 23.33% to 7.05%. The equity-accounted investee was derecognized and the remaining ownership interest was recognized as financial asset at fair value through other comprehensive income. Gain resulting from derecognition of the equity-accounted investee recognized in profit or loss amounted to TEUR 2,669. For further information refer to Note 10 and Note 16.

On 22 December 2022, EMMA SIGMA LTD acquired 24% of NIKAPATZO LTD for a total purchase price of TEUR 2,700. Cypriot entity NIKAPATZO LTD owns direct ownership interest of 95.87% in ERMIONIDA S.A., residing in Greece.

The acquisition of NIKAPATZO LTD could be summarised as follows:

	TEUR
Value of share on net assets of associated group acquired (without goodwill recognized in the financial statements of the subgroup)	656
Consideration, shares purchased	2,700
Acquisition related cost	--
Total consideration	**2,700**
Goodwill included in the value of the equity-accounted investee	2,044
Net cash outflow	**(2,700)**

1. Description of the Group (continued)

Acquisitions and disposals in 2022 (continued)

On 9 November 2022, EMMA GAMMA LIMITED acquired 25% shareholding in ENTAIN HOLDINGS (CEE) Ltd for TEUR 1. On 21 November 2022, the Group subscribed additional shares corresponding with its ownership interest for total subscription price of TEUR 203,470. Furthermore, the Group contributed to this entity additional capital contribution in total amount of TEUR 45,000.

Simultaneously, the Group entered into a share purchase agreement under which EMMA GAMMA LIMITED sold its 100% shareholding in EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries SUPER SPORT d.o.o., MINUS5 d.o.o., PUNI BROJ d.o.o. and SUPERSPORT MARKETING d.o.o.) to its associate ENTAIN HOLDINGS (CEE) Ltd. for the enterprise value represented by the base purchase price of TEUR 800,000 plus an earn-out depending on 2022 performance. The effective date of the transaction was 22 November 2022.

The following table summarises the effect of disposal of the EMMA GAMMA ADRIATIC d.o.o. and its subsidiaries:

	Note	TEUR
Intangible assets	7	66,149
Property, plant and equipment	8	11,329
Loans receivable	11	57
Trade and other receivables	12	10,926
Other assets (financial and non-financial)	14	3,717
Inventories	13	826
Cash and cash equivalents	9	25,485
Interest-bearing loans and borrowings – non-banks	18	(190,374)
Lease liabilities	8, 18	(7,710)
Trade and other payables	21	(921)
Other liabilities	22	(22,093)
Current income tax liabilities		(5,016)
Deferred tax liability	23	(10,526)
Total identifiable net liabilities disposed of		**(118,151)**
Goodwill derecognised	7	451,558
Translation reserve reclassified to profit or loss		485
Total identifiable net assets and liabilities disposed of and translation effect reclassified to profit or loss		**333,892**
Consideration, paid in cash		623,880
Consideration, deferred		192,173
Consideration total		**816,053**
Gain resulting from disposal of subsidiaries (+)		**482,161**
Cash effect on disposal		
Consideration, received in cash		623,880
Cash (disposed of)		(25,485)
Net cash inflow		**598,395**

As at 13 August 2023, the company NAUTICA POINT GmbH was dissolved with a loss of TEUR 62 to be recognized in profit or loss and the same cash outflow effect.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113 as amended from time to time. The main purpose of preparing these Consolidated Financial Statements is to provide comprehensive financial information about the Group, which assists with its financing needs and reporting requirements.

(b) Basis of measurement

These consolidated financial statements have been prepared under the historic cost convention basis, except in the case of gas distribution networks (classified as property, plant and equipment), financial instruments at fair value through profit or loss (FVTPL), including derivatives and financial instruments at fair value through other comprehensive income (FVOCI), which are measured at fair value and investments in equity-accounted investees which are accounted for using the equity method. Financial assets and liabilities and non-financial assets and liabilities, which are valued at historic cost are stated at amortised cost or historic cost, as appropriate, net of any relevant impairment.

(c) Presentation and functional currency

The consolidated financial statements are presented in Euro (EUR), which is the Company's functional currency and Group's presentation currency. The functional currency of the Company's Romanian subsidiaries is the Romanian Leu, for the Moldovan subsidiaries is the Moldovan Leu, for the Czech subsidiaries is the Czech Crown for the Hungarian entity is the Hungarian forint, for the Serbian entity is the Serbian denar, for the Bulgarian entity is the Bulgarian Lev, for the Swiss entity is the Swiss franc and for the other entities is the Euro. Financial information presented in EUR has been rounded to the nearest thousand (TEUR). Refer to accounting policy 3(a) for further details.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 3 d) and 3 e): Estimated useful lives of property, plant and equipment and intangible assets;
- Note 4: measurement of ECL allowance for provided loans: key assumption in determining the Lifetime Expected Credit Losses of provided loans, probability of default and asset recoverability rates;
- Note 7 and 8: impairment test of intangible assets, goodwill and property, plant and equipment: key assumptions underlying recoverable amounts, assessment of indicators of impairment;
- Note 8: determining the fair value of gas distribution network on the basis of significant unobservable inputs;
- Note 26: own use exemption application for forward contracts.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Assumption and estimation uncertainties

- The Group concludes Purchase Power Agreements with renewable energy producers, covering all type of renewable energy from solar, wind, mycrohidro and biomass. These contracts typically cover the whole production capacity of the assets for a predetermined period (1 to 3 years), with the electricity being paid as produced, in exchange for a price either fixed, as the majority of the contracts, or pre-determined % of market price;
- The Group is facing the risk of imbalances from these contracts, resulting from the inherent nature of the green energy production, which cannot be exactly predicted due to variable weather conditions and other external factors. As a result of these imbalances the Group needs to sell the excess of energy supplied on a Day Ahead Market ("DAM") at the moment of the delivery, for the market price prevailing at the moment of the sale. As such, the timing and price of these sales is not under control of the Group and does not represent an intentional trading to benefit from short term market price fluctuations. In these situations the market price is typically lower in comparison to price obtained from end customer since also other market participants are hit by the same external factors leading to sales of excess supply. In addition, to achieve balance between portfolio of bilateral contracts, consumption forecast and availability of generation units at hourly level for the delivery day, the Group can also be in a position to buy the energy, usually, at a higher price per MWh, as these purchases occur in the moment when the market is short on energy;
- The Group constantly monitors, on monthly averages, the volume of these sales in comparison to total sales in order to reassess that these are not significant and are still consistent with the own use exemptions. In addition to this the Group monitors the impact of these sales on the profit or loss. In 2022 and 2023 both volume of sales and impact on the profit or loss were assessed as not significant and consistent with own use intention. The Group is actively managing the risk of imbalances mainly by structure of contracts concluded with renewable energy producers and continuous improvement of predictive capacity based on data collected from the suppliers;
- The Group considers transactions entered into with the aim of balancing electricity amounts purchased and sold to be part of an integrated energy group's ordinary activities; therefore, such contracts are not within the scope of IFRS 9;
- The Group is facing a risk of potential future more significant sales of excess supplies due to unpredictable external factors linked mainly to weather conditions and will continuously assess the appropriate classification of these contracts to identify cases where own use intention can no longer be sustained.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Fair values of financial instruments

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Board of Directors.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values of non-financial assets and liabilities

For the information on fair value determination of gas distribution networks refer to Note 8 Property, plant and equipment.

2. Basis of preparation (continued)

(e) Comparative financial information

The Group has applied IAS 16 as a method of accounting for gas distribution networks as of 1 January 2023. Furthermore, the Group reassessed its accounting policy in respect to the renewable electricity forward contacts.

i) Application of IAS 16 – Gas distribution networks

The Group re-assessed its accounting for service concession agreements. The Group had previously measured service concession agreements under IFRIC 12, using the cost model and classified them as intangible assets. Subsequent to initial recognition, the intangible asset was measured at cost less accumulated depreciation and accumulated impairment losses. The intangible asset was amortised from the date of its initial recognition until the end of the concession period using a straight line method.

On 1 January 2023, the Group, reassessed the previous accounting treatment under IFRIC 12, and concluded that the correct accounting treatment for gas distribution networks to be classified as property, plant and equipment under IAS 16. Gas distribution networks initially recorded at cost less accumulated depreciation and accumulated impairment losses. Subsequently they are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. The Group applied the revaluation model retrospectively from 1 January 2022. For further information on accounting policy, refer to Note 3 (e) Property, plant and equipment.

The effects resulting from retrospective application of IAS 16 on gas distribution networks are summarized in the tables below.

ii) Application of own use exception on renewable electricity forward contacts

In 2022, the Group entered into electricity forward contacts which were accounted for as financial derivatives under IFRS 9. The fair values of these contacts were determined on the basis of market data, available from external sources and any gain/(loss) on the fair value remeasurement was recognised in profit or loss statement.

In 2023, the Group reassess the accounting treatment of these contracts. Two factors were considered for this correction 1) The Group does not have a practice of settling similar contracts net in cash or another financial instrument or by exchanging financial instrument and 2) it does not have a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuation in price or dealer's margin.

The Group enters into renewable electricity forward contracts with physical delivery, creating links within the value chain for the commodity, purchasing the contracted volume from suppliers with the purpose to physically deliver the commodity to the customers. The Group constantly monitors the sales made from these contracts on the DAM (Day Ahead Market) and/or BRM (Romanian Commodity Exchange) due to imbalances between gas or electricity supplied vs. demand from customers at the moment of delivery and reassesses whether the own use exemption is applicable for such contracts. The Group concluded that the forward electricity contracts meet the definition of own use exception and should not be accounted for as derivatives.

The effects resulting from retrospective application (correction of previous accounting treatment) of the own use exception as at 31 December 2022 and 1 January 2022 are summarized in the tables below.

2. Basis of preparation (continued)

(e) Comparative financial information (continued)

The following tables summarize the reclassifications made:

	31.12.2022	Restatement	31.12.2022 Restated
	TEUR	TEUR	TEUR
ASSETS			
Non-current assets			
Goodwill	166,110	818	**166,928**
Intangible assets	74,494	(25,451)	**49,043**
Property, plant and equipment	297,285	74,920	**372,205**
Investments in equity-accounted investees	431,614	--	**431,614**
Loans receivable	35,177	--	**35,177**
Trade receivables	326	--	**326**
Other assets	4,922	--	**4,922**
Green certificates	3,628	--	**3,628**
Restricted deposits	5,446	--	**5,446**
Financial assets at fair value through other comprehensive income	7,492	--	**7,492**
Financial assets at amortised cost – other deposits	--	--	**--**
Financial assets at fair value through profit or loss	957	--	**957**
Operating derivative instruments – commodity contracts	4,007	(4,007)	**--**
Deferred tax assets	5,181	--	**5,181**
Total non-current assets	**1,036,639**	**46,280**	**1,082,919**
Current assets			
Loans receivable	31,809	--	**31,809**
Current income tax assets	402	--	**402**
Trade receivables	168,563	--	**168,563**
Inventories	61,773	--	**61,773**
Contract assets	7,662	(7,508)	**154**
Other assets	240,285	(341)	**239,944**
Green certificates	2,050	--	**2,050**
Restricted deposits	9,990	--	**9,990**
Financial assets at amortised cost – other deposits	2,677	--	**2,677**
Financial assets at fair value through profit or loss	3,765	--	**3,765**
Operating derivative instruments – commodity contracts	35,463	(32,340)	**3,123**
Restricted cash	677	--	**677**
Cash and cash equivalents	153,122	--	**153,122**
Total current assets	**718,238**	**(40,189)**	**678,049**
Total assets	**1,754,877**	**6,091**	**1,760,968**

2. Basis of preparation (continued)

(e) Comparative financial information (continued)

	31.12.2022	Restatement	31.12.2022 Restated
	TEUR	TEUR	TEUR
EQUITY			
Share capital	10	--	**10**
Redeemable preference shares	7	--	**7**
Share premium shares	204,914	--	**204,914**
Revaluation reserves	1,078	37,883	**38,961**
Translation reserve	11,822	(368)	**11,454**
Other reserves	(57,706)	--	**(57,706)**
Retained earnings	353,550	(22,429)	**331,121**
Profit for the year	452,244	(436)	**451,808**
Equity attributable to owners of the Company	**965,919**	**14,650**	**980,569**
Non-controlling interests	**55,777**	**(51)**	**55,726**
Total equity	**1,021,696**	**14,599**	**1,036,295**
LIABILITIES			
Non-current liabilities			
Provisions	2,923	--	**2,923**
Due to non-banks	206,697	--	**206,697**
Due to banks and other financial institutions	156,348	--	**156,348**
Financial liabilities at fair value through profit or loss	15,889	--	**15,889**
Trade payables	311	--	**311**
Lease liabilities	8,987	--	**8,987**
Other liabilities	14,729	--	**14,729**
Deferred tax liabilities	42,300	(19,877)	**22,423**
Total non-current liabilities	**448,184**	**(19,877)**	**428,307**
Current liabilities			
Provisions	2,126	--	**2,126**
Bank overdrafts	2,187	--	**2,187**
Due to non-banks	8,381	--	**8,381**
Due to banks and other financial institutions	60,418	--	**60,418**
Bonds issued	2,020	--	**2,020**
Financial liabilities at fair value through profit or loss	3,337	--	**3,337**
Operating derivative instruments – commodity contracts	4,666	(889)	**3,777**
Current income tax liabilities	4,255	--	**4,255**
Trade payables	62,772	--	**62,772**
Contract liabilities	11,198	--	**11,198**
Lease liabilities	3,136	--	**3,136**
Other liabilities	120,501	12,258	**132,759**
Total current liabilities	**284,997**	**11,369**	**296,366**
Total liabilities	**733,181**	**(8,508)**	**724,673**
Total liabilities and equity	**1,754,877**	**6,091**	**1,760,968**

2. Basis of preparation (continued)

(e) Comparative financial information (continued)

	01.01.2022 TEUR	Restatement TEUR	01.01.2022 Restated TEUR
ASSETS			
Non-current assets			
Goodwill	521,842	--	**521,842**
Intangible assets	103,221	(27,426)	**75,795**
Property, plant and equipment	223,330	61,426	**284,756**
Investments in equity-accounted investees	314,485	--	**314,485**
Loans receivable	10,932	--	**10,932**
Trade receivables	516	--	**516**
Other assets	7,689	--	**7,689**
Green certificates	--	--	**--**
Restricted deposits	141	--	**141**
Financial assets at fair value through other comprehensive income	7,489	--	**7,489**
Financial assets at amortised cost – deposits	1,122	--	**1,122**
Financial assets at fair value through profit or loss	1,011	--	**1,011**
Deferred tax assets	2,996	--	**2,996**
Total non-current assets	**1,194,774**	**34,000**	**1,228,774**
Current assets			
Loans receivable	48,224	--	**48,224**
Current income tax assets	106	--	**106**
Trade receivables	119,489	--	**119,489**
Inventories	19,163	--	**19,163**
Contract assets	1,051	(843)	**208**
Other assets	23,663	(214)	**23,449**
Restricted deposits	778	--	**778**
Financial assets at amortised cost – other deposits	1,472	--	**1,472**
Financial assets at fair value through profit or loss	6,341	--	**6,341**
Cash and cash equivalents	87,319	--	**87,319**
Total current assets	**307,606**	**(1,057)**	**306,549**
Total assets	**1,502,380**	**32,943**	**1,535,323**

2. Basis of preparation (continued)

(e) Comparative financial information (continued)

	01.01.2022 TEUR	Restatement TEUR	01.01.2022 Restated TEUR
EQUITY			
Share capital	10	--	**10**
Redeemable preference shares	8	--	**8**
Share premium	204,914	--	**204,914**
Revaluation reserves	6,156	37,768	**43,924**
Translation reserve	(63,398)	(381)	**(63,779)**
Other reserves	(201,388)	--	**(201,388)**
Retained earnings	650,269	(22,269)	**628,000**
Profit/(loss) for the year	(43,340)	--	**(43,340)**
Equity attributable to owners of the Company	**553,231**	**15,118**	**568,349**
Non-controlling interests	**53,186**	**(197)**	**52,989**
Total equity	**606,417**	**14,921**	**621,338**
LIABILITIES			
Non-current liabilities			
Provisions	1,224	--	**1,224**
Due to non-banks	197,505	--	**197,505**
Due to banks and other financial institutions	164,681	--	**164,681**
Bonds issued	89,061	--	**89,061**
Financial liabilities at fair value through profit or loss	4,870	--	**4,870**
Trade payables	27	--	**27**
Lease liabilities	10,790	--	**10,790**
Other liabilities	19,326	--	**19,326**
Deferred tax liabilities	22,106	5,916	**28,022**
Total non-current liabilities	**509,590**	**5,916**	**515,506**
Current liabilities			
Provisions	576	--	**576**
Bank overdrafts	8,728	--	**8,728**
Due to non-banks	4,710	--	**4,710**
Due to banks and other financial institutions	72,109	--	**72,109**
Bonds and notes issued	392	--	**392**
Financial liabilities at fair value through profit or loss	641	--	**641**
Current income tax liabilities	10,296	--	**10,296**
Trade payables	51,833	--	**51,833**
Contract liabilities	6,501	--	**6,501**
Lease liabilities	4,134	--	**4,134**
Other liabilities	226,453	12,106	**238,559**
Total current liabilities	**386,373**	**12,106**	**398,479**
Total liabilities	**895,963**	**18,022**	**913,985**
Total liabilities and equity	**1,502,380**	**32,943**	**1,535,323**

2. Basis of preparation (continued)

(e) Comparative financial information (continued)

	2022	Restatement	2022 Restated
	TEUR	**TEUR**	**TEUR**
Sales revenues from core operations	1,522,907	(29,172)	**1,493,735**
Cost of goods sold/cost of services provided	(982,056)	(3,356)	**(985,412)**
Other income related to core operations	1,248	--	**1,248**
Services and material expenses	(150,313)	13,302	**(137,011)**
Personnel expenses	(76,763)	--	**(76,763)**
(Impairment loss)/reversal of impairment on loans and receivables	(37,856)	--	**(37,856)**
Depreciation and amortisation	(26,542)	(3,726)	**(30,268)**
Gain on bargain purchase	12,780	(1,937)	**10,843**
Other operating income	35,995	262	**36,257**
Other operating expenses	(6,948)	(509)	**(7,457)**
Profit from operations	**292,452**	**(25,136)**	**267,316**
Finance income	3,822	--	**3,822**
Finance expense	(55,209)	--	**(55,209)**
Net finance expense	**(51,387)**	**--**	**(51,387)**
Dividends from financial instruments – FVTPL	218	-	**218**
Gain from sale and other disposals of investments in equity-accounted investees and subsidiaries	484,768	-	**484,768**
Equity-accounted investees - impairment loss	(27,402)	-	**(27,402)**
Equity-accounted investees – share of loss	(143,667)	-	**(143,667)**
Profit/(loss) before tax	**554,982**	**(25,136)**	**529,846**
Income tax expense	(81 403)	25 400	**(56 003)**
Profit after tax	**473,579**	**264**	**473,843**
Other comprehensive income / (expense):			
Items reclassified from OCI to profit /(loss) – disposal of subsidiaries	485	--	**485**
Items reclassified from OCI to profit /(loss) - disposal of associates	(18)	--	**(18)**
Items reclassified from OCI to profit /(loss) – associates	49,995	--	**49,995**
Items that are or may be reclassified subsequently to profit or loss:			
Translation reserves changes	(985)	13	**(972)**
Associates - share of OCI	17,496	--	**17,496**

2. Basis of preparation (continued)

(e) Comparative financial information (continued)

Items that will never be reclassified to profit or loss:			
Revaluation of property, plant and equipment	--	115	**115**
Revaluation gains/(losses) on equity instruments	(3,924)	--	**(3,924)**
Other comprehensive income for the year	**63,049**	**128**	**63,177**
Total comprehensive income for the year	**536,628**	**392**	**537,020**
Total profit attributable to:			
Owners of the Company	452,244	(436)	**451,808**
Non-controlling interests	21,335	700	**22,035**
	473,579	**264**	**473,843**
Total comprehensive income attributable to:			
Owners of the Company	515,626	(308)	**515,318**
Non-controlling interests	21,002	700	**21,702**
	536,628	**392**	**537,020**

2. Basis of preparation (continued)

(e) Comparative financial information (continued)

	2022 TEUR	Restatement TEUR	2022 Restated TEUR
Cash flows from operating activities			
Profit for the year before tax	**554,982**	**(25,136)**	**529,846**
Adjustment for:			
Depreciation and amortisation	26,542	3,726	**30,268**
Impairment loss on property, plant and equipment	14	509	**523**
Impairment losses on GW	1,477	--	**1,477**
Impairment losses on equity-accounted investees	27,402	--	**27,402**
Impairment loss/(reversal of impairment losses) on trade, loans and other receivables	37,856	--	**37,856**
Net change in fair value of derivatives	(141,448)	65,004	**(76,444)**
Revaluation of assets/liabilities at FVTPL	162	--	**162**
Revaluation of assets FVTPL – equity instruments	172	--	**172**
Share of loss of equity-accounted investees, net of tax	143,667	--	**143,667**
Gain on the sales and other disposals of subsidiaries	(482,099)	--	**(482,099)**
Gain on disposal of investment	(2,669)	--	**(2,669)**
Gain on sale of PPE and intangibles assets	(1,890)	--	**(1,890)**
Dividend income	(218)	--	**(218)**
Gain on bargain purchase	(12,780)	1,937	**(10,843)**
Net interest (income)/expense	39,968	--	**39,968**
Unrealised foreign exchange loss/(gains)	3,651	63	**3,714**
Operating profit before changes in working capital and provisions	**194,789**	**46,103**	**240,892**
(Increase)/decrease in inventories	(42,770)	--	(42,770)
(Increase)/decrease in contract assets	(6,611)	6,665	54
Decrease/(increase) in trade and other receivables	(92,290)	(480)	(92,770)
Decrease/(increase) in restricted deposits related to operating activities	(11,950)	--	(11,950)
(Increase)/decrease in trade and other payables	60,027	151	60,178
Increase in contract liabilities	4,697	--	4,697
Increase /(decrease) in provisions and employee benefits	1,705	--	1,705
Increase in green certificates	702	--	702
Proceeds from operating derivatives	121,788	(44,690)	77,098
Cash generated from operating activities	**230,087**	**7,749**	**237,836**
Interest paid	(34,172)	--	(34,172)
Interest received	3,392	--	3,392
Income tax paid	(57,638)	--	(57,638)
Net cash generated from operating activities	**141,669**	**7,749**	**149,418**

2. Basis of preparation (continued)

(e) Comparative financial information (continued)

	2022	Restatement	2022 Restated
Cash flows from investing activities	**TEUR**	**TEUR**	**TEUR**
Proceeds from the sale of assets FVTPL	2,697	--	**2,697**
Proceeds from deposits	854	--	**854**
Dividends received	218	--	**218**
Proceeds from sale of intangible assets	32	--	**32**
Proceeds from sale of property, plant and equipment	8,153	--	**8,153**
Proceeds from disposal of subsidiaries	598,333	--	**598,333**
Net cash outflow from acquisition of subsidiaries, net of cash acquired	(89,091)	--	**(89,091)**
Settlement of contingent consideration	(653)	--	**(653)**
Loans provided	(68,061)	--	**(68,061)**
Loans repaid	37,267	--	**37,267**
Acquisitions of investments in equity-accounted investees	(254,214)	--	**(254,214)**
Acquisition of financial assets at amortised cost - deposits	(4,165)	--	**(4,165)**
Acquisitions of financial assets at FVTPL	(170)	--	**(170)**
Acquisition of financial asset at FVOCI	(3)	--	**(3)**
Acquisitions of intangible assets	(17,308)	8,712	**(8,596)**
Acquisitions of property, plant and equipment	(35,704)	(16,461)	**(52,165)**
Net cash used in investing activities	**178,185**	**(7,749)**	**170,436**
Cash flows from financing activities			
Other changes in equity	(435)	--	(435)
Transactions with owners without change in control	(178,855)	--	(178,855)
Repayments of interest-bearing loans and borrowings received	(444,216)	--	(444,216)
Proceeds from interest-bearing loans and borrowings received	580,801	--	580,801
Repayment of bonds	(90,000)	--	(90,000)
Proceeds from lease liabilities	(5,190)	--	(5,190)
Redemption of shares	(71,145)	--	(71,145)
Dividends paid	(37,536)	--	(37,536)
Change in cash held on restricted bank accounts	(677)	--	(677)
Change in cash held on restricted deposits related to financing activities	106	--	106
Net cash (used in)/generated from financing activities	**(247,147)**	**--**	**(247,147)**
Net movement in cash and cash equivalents	72,707	--	72,707
At the beginning of the year*	78,591	--	78,591
Effects of movements in exchange rates on cash held	(363)	--	(363)
At the end of the year*	**150,935**	**--**	**150,935**

*Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Basis of preparation (continued)

(f) Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company EMMA ALPHA HOLDING LTD and the financial statements of its subsidiaries and the Group's interest in associates, as stated in Note 1. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date on which control effectively commences until the date on which control effectively ceases.

Legal restructuring and mergers involving companies under common control are accounted for using consolidated net book values, consequently no adjustment is made to carrying amounts in the consolidated accounts and no goodwill arises on such transactions.

(ii) Equity-accounted investees

Equity-accounted investees are enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date on which significant influence effectively commences until the date on which significant influence effectively ceases. Under equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses exceeds the Group's interest in the associate, that interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment in the associate to the extent of the Group's interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Changes in the Company's ownership interests in existing subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2. Basis of preparation (continued)

(v) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities are recognised and measured in accordance with IAS 12 Income Taxes; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in stating the financial position of the Company. The accounting policies have been consistently applied by all Group entities.

a) Foreign currency

(i) Foreign currency transactions

A foreign currency transaction is a transaction that is denominated in or requires settlement in a currency other than the functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. For initial recognition purposes, a foreign currency transaction is translated into the functional currency using the foreign currency exchange rate ruling at the date of the transaction. The exchange rate as published by the European Central Bank is used.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate ruling at the date on which the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are retranslated using the exchange rate ruling at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for the differences arising on the retranslation of equity investments designed at FVOCI which are recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

(ii) Financial information of foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to EUR, the Group's presentation currency, at exchange rates ruling at the reporting date. Income and expenses of foreign operations are translated to EUR at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on translation to presentation currency are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of so that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

b) Cash and cash equivalents

The Group considers cash in hand, unrestricted balances with banks and other financial institutions due within one month to be cash and cash equivalents. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c) Financial assets and liabilities

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

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

3. Material accounting policies (continued)

c) Financial assets and liabilities (continued)

Financial assets (continued)

with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, it is a derivative or it is designed as such on initial recognition.

(i) Recognition

Trade receivables and debt securities issued are initially recognised in the statement of financial position when they are originated. All other financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Subsequent measurement

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. This is an irrevocable election at initial recognition on an instrument by instrument basis. Dividend are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3. Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(iii) Fair value measurement

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (such as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

Valuation techniques include net present value and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other parameters used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

(iv) Amortised cost measurement principles

The amortised cost of a financial asset or liability is the amount in which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, net of any relevant impairment.

(v) Gains and losses on subsequent measurement

Gains and losses on financial instruments classified at fair value through profit or loss are recognised in profit or loss. Gains and losses on FVOCI financial assets are recognised in other comprehensive income (including for impairment losses but except foreign exchange gains and losses) until the asset is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

For financial assets and liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or liability is derecognised or impaired, and through the amortisation process.

(vi) Identification and measurement of expected credit losses

The Group has developed a provisioning policy, which describes in detail the procedures and methodology of the impairment measurement, and a write-off policy. The impairment measurement is dealt with as follows:

The Group uses for the recognition and measurement of expected credit losses of financial assets measured at amortised costs and debt investments measured at FVOCI the "expected credit loss" model (ECLs).

The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to the lifetime ECLs.

3. Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(vii) Identification and measurement of expected credit losses (continued)

The Group assesses at each reporting date whether there is objective evidence that financial assets carried at amortised costs and debt securities at FVOCI are credit impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

<u>Applicable for trade receivables</u>

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group limits its exposure to credit risk from trade receivables by establishing a payment period between 30 to 60 days.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the trade or other receivable is more than 90 days past due.

<u>Applicable for financial assets at amortised cost (other than trade receivables):</u>

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group´s historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the receivable is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognised a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(viii) Offsetting

Financial assets and liabilities are off set and the net amount presented in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(ix) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when the financial asset is 3 years past due based on historical experience of recoveries of similar assets. However, in cases where the Group has taken actions in order to recover the amounts, or the customer is in insolvency or in a bankruptcy process, the Group does not proceed with any write off until the procedures are finalised. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(x) Derivative financial instruments

A contract to buy or sell a non-financial item may be required to be accounted for as a derivative, even though the non-financial item itself falls outside the scope of the financial instruments standards. Non-financial items may include various items, such as gas and electricity. If contracts to buy or sell non-financial items can be settled net in cash or another financial instrument, including if the non-financial item is readily convertible into cash, then they are generally included in the scope of the financial instruments standards.

There is an exception to the above scope inclusion for contracts that are entered into and continue to be held for the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements (the 'normal sales and purchases' or 'own-use' exemption).

The commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of non-financial items in accordance with the Group’s expected purchase, sale or usage requirements are not accounted for as derivative financial instruments, but rather as executory contracts and they fall under own use exemption. The Group enters into renewable electricity forward contracts with physical delivery, creating links within the value chain for the commodity, purchasing the contracted volume from suppliers with the purpose to physically deliver the commodity to the customers. The Group does not have a practice of settling similar contracts net in cash or another financial instrument or by exchanging financial instrument. The Group constantly monitors the sales made from these contracts on the DAM (Day Ahead Market) and/or BRM (Romanian Commodity Exchange) due to imbalances between gas or electricity supplied vs. demand from customers at the moment of delivery and reassesses whether the own use exemption is applicable for such contracts. The Group does not have a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuation in price or dealer’s margin.

Gas forward contracts that do not meet the definition of own use exemptions are accounted for as financial derivatives. Such contracts were recognised only in 2022.

d) Intangible assets

Goodwill and gain on bargain purchase

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not amortised, and it is stated at cost less accumulated impairment losses (refer to Note 7).

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a gain on bargain purchase.

Software and other intangible assets

Software and other intangible assets that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss (as a part of “Other operating expenses”) on a straight line basis over their estimated useful lives (1 - 3 years), from the date that they are available for use. Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

3. Material accounting policies (continued)

e) Property, plant and equipment

The property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, except for gas distribution networks.

Gas distribution networks are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

The cost a property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use.

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

Depreciation on assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated economic useful lives, as follows:

	Years
Gas distribution network	29 – 49
Administrative Buildings	40 – 70
Wind and Solar operational parks	25 – 30
Operational Buildings	40 – 60
Electricity lines	35 – 45
Electro-energetic equipment	15 – 25
Other equipment	3 – 12
Meters	18
Cars	7 – 10
Specialized vehicles	10
Other tangible assets	7 – 10

Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. For further information, please refer to Note 3(g).

The depreciation and impairment losses are charged to profit or loss.

3. Material accounting policies (continued)

e) Property, plant and equipment (continued)

Disposal

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in “Other expenses” line when the asset is derecognized.

f) Leases – the entity acting as a lessee

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

The Entity acting as a lessee recognizes a right-of-use asset and the related lease liability in the balance sheet with exceptions where:

- the lease term does not exceed 12 months or;

- the underlying asset has a low value.

Right-of-use asset

At the commencement date, a right-of-use asset is measured at cost which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset.

A right-of-use asset is recognized in the statement of financial position in line Property, plant and equipment and is depreciated over the shorter of economic useful life of the underlying asset or the lease term. The related depreciation is recognized in the profit or loss in line Other operating expenses.

3. Material accounting policies (continued)

f) Leases – the entity acting as a lessee (continued)

Lease liability

At the commencement date, a lease liability is initially measured at the present value of the lease payments which that are not paid at that date. The lease payments are discounted using an interest rate which a lessee would have to pay, if a lessee borrowed cash to acquire the underlying asset taking into consideration the terms relating to a lease (i.e. lease/loan term, amount of loans, etc.).

Subsequently, the lease liability is remeasured when there is change in future lease payment (e.g. due to a change in an assessment whether and when it will exercise extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is recognized in the statement of financial position and presented in line Lease liabilities.

Interest expense on lease liability is recognized in profit or loss and presented in line Finance expense using the effective interest rate.

g) Impairment for non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (cash generating units). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

h) Trade and other receivables

Trade receivables are recognised initially at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Trade receivables are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are stated after deducting the appropriate allowances for any impairment.

For detailed disclosures in relation to identification and measurement of expected credit losses on trade receivables, refer to 3(c)(vii).

3. Material accounting policies (continued)

i) Green certificates

Green certificates are received by the Group based on the production levels of its renewable electricity generation assets in Romania. Green certificates are recognized at fair value when the wind producer is entitled to receive them. The deferred green certificates existing in the opening balance at the acquisition date will be measured at fair value at the business combination date (refer to note 3 (l) for the revenues).

The cost of green certificates is based on the first-in-first-out acquisition cost principle.

Green certificates are presented separately on the face of the statement of financial position as they are received and held for sale in the ordinary course of business of the Group.

j) Equity

i. Share capital

Ordinary and preference shares are classified as equity. Share capital represents the nominal value of shares issued by the Company. To the extent such shares remain unpaid as of the end of the reporting period a corresponding receivable is presented in other assets.

ii. Share premium

The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account. Share premium can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

iii. Dividends

Dividends on share capital are recognised as a liability provided they are declared before the end of the reporting period. Dividends declared after the end of the reporting period are not recognised as a liability but are disclosed in the notes.

iv. Non-controlling interests

Non-controlling interests consist of the minority shareholders' proportion of the fair values of a subsidiary's net assets, at the date of the original combination, plus or minus their share of changes in the subsidiary's equity since that date.

v. Translation reserve

The translation reserve includes exchange differences relating to the translation of the results and net assets of the Group's foreign operations from functional to the Group's presentation currency. Exchange differences previously accumulated in the translation reserves are reclassified to profit or loss on the disposal of the foreign assets and operations.

vi. Capital reserve

The Capital reserve represents other capital contributions by shareholders of the Company out of the share capital (without issue of new shares).

vii. Redeemable preference shares

Preference share capital is classified as equity. The right to redeem such shares in accordance with the procedure set out in the Company's Memorandum and Article of Association. Dividends thereon are recognised as distributions within equity on approval by the Company's shareholders. The redeemable preference shares meet the definition of puttable instrument according to IAS 32 and they meet the conditions stipulated in IAS 32.16A and 16B in order to be classified as equity.

k) Other financial liabilities

Accounts payable arise when the Group has a contractual obligation to deliver cash or another financial asset. Accounts payable are measured at amortised cost, which is normally equal to their nominal or repayment value.

3. Material accounting policies (continued)

l) Revenues

In accordance with IFRS 15, the Group has adopted a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) the Group transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the goods or services is transferred to the customer.

Revenues from sale and distribution of electricity

Supply and distribution of electricity

The invoicing of electricity sales is performed on a monthly basis. Monthly electricity invoices are based on meter readings or on estimated consumptions based on the historical data of each consumer.

Electricity delivered which is not yet billed at the reporting date is accrued on the basis of recent average consumption. Differences between estimated and actual amounts are recorded in subsequent periods.

Revenue is recognized over time, because the client simultaneously receives and consumes the benefits provided by the performance of the Group as the Group delivers electricity.

Advance payments received from customers for future electricity sales are recognized as contract liabilities.

Revenues related to supply of electricity to final consumers include transportation tariffs. These services are provided by the electricity transportation operator.

The Group assessed whether it is a principal or an agent in relation to transport cost passed to the end users and it concluded that it acts as a principal.

Revenues from the sale and distribution of natural gas

Supply and distribution of natural gas

Invoices for natural gas supply are issued monthly based on meter readings and based on estimates of natural gas delivered for which no readings have been made, communicated by the distribution operators.

Revenue is recognized over time, because the client simultaneously receives and consumes the benefits provided by the performance of the Group as the Group delivers gas. Advance payments received from customers for future gas sales are recognized as contract liabilities.

Revenues related to supply of gas to final consumers include transportation tariffs. These services are provided by the gas transportation operators. The Group assessed whether it is a principal or an agent in relation to transport cost passed to the end users and it concluded that it acts as a principal. The Group, therefore, recognizes revenue as it provides natural gas transportation services to the users of its infrastructure (the consumers) with the delivery of each unit of gas delivered. Revenue is measured based on the volume of gas delivered to the customer during the reporting period at the regulatory tariff.

Maintenance services is not considered as a separate performance obligation. Regular or routine repair and maintenance activities are necessary activities to be able to operate the existing infrastructure over the period of the concession arrangement and are considered part of the operation services for which the users of the infrastructure are the customers.

However, major maintenance services (e.g. replacement of significant infrastructure assets/components when needed) are treated and accounted for similarly to grid upgrade/expansion construction services based on the manner of compensation for these activities for regulatory revenue purposes (included in the regulated asset based and remunerated with the regulated rate of return).

Construction revenue

Revenues from sale and distribution of natural gas also include construction-related revenue earned based on grid construction, upgrades and expansions. The construction of the initial network revenue and network upgrade/expansion construction revenue are accounted for in accordance with IFRS 15.

3. Material accounting policies (continued)

l) Revenues (continued)

Revenues from the sale and distribution of natural gas (continued)

Supply and distribution of natural gas (continued)

Construction revenue (continued)

A cash advance is sometimes invoiced and received at the beginning of the construction contract. The Group recognizes a contract liability for any advance received at the beginning of the contract, which is offset against construction services rendered.

Users may also incur part of the costs of extension of the network based on contracts signed between the users and the Group, which stipulate the value of the extension works that will be reimbursed to the operator by the user. The contracts stipulate that the co-financing by the user of the construction works does not transfer any right to the user in relation to the grid or provide access to gas supply; however, the network extension is a pre-requisite of connection to the gas distribution network, which would otherwise not reach the customer's location.

The incentive for the users to co-finance the extension of the network arises from the Group's right under the applicable legislation at that time to refuse a connection if the technical solution was not economically feasible. In such case, the network was constructed, and the cost was borne by the user at the user's request.

The contractual relationship between the end user and the Group starts at signoff of the construction contract under co-financing conditions and ends when the network segment is constructed. Later, a connection contract is to be concluded by the end-user(s) with the Group for getting access to the gas network.

The amounts for such projects that are paid for by the users are not included in the regulated asset base (RAB) or the OPEX used in the tariff setting mechanism (i.e. they are not remunerated to the operator through the distribution tariff).

The Group determined that the accounting treatment in respect of connection fees above also applies to the case of user co-financing arrangements, as it determines appropriate to combine the user co-financing contract with the gas distribution contract under IFRS 15, because by agreeing to pay for the network extension, the user obtains an unconditional right to require connection to the network once the extension is completed.

Gas sale-purchase contracts

In the normal course of business, the Company concludes gas sale-purchase contracts on the centralized markets operated by Romanian Energy Market Operator (OPCOM) or Romanian Commodities Exchange (BRM) or negotiated contracts concluded outside the centralized platforms, as follows:

- spot contracts: sale or buy contracts concluded on OPCOM's day-ahead and intra-day markets, and BRM's spot market and balancing market (the latter refers to transactions with Transgaz, the Romanian transportation system operator);
- sale or buy forward contracts on centralized markets: contracts concluded on OPCOM's Centralized Market and BRM's gas forward markets; and
- sale or buy forward negotiated contracts, concluded directly with the counterparty.

Contracts to buy or sell gas that are entered into and continue to be held for receipt or delivery in accordance with the Group's normal expected purchase, sale or usage requirements - meaning that the gas is not intended to be delivered to final consumers or for balancing activities with delivery within 1-2 days ("own use exemption"), are accounted as executory contracts. Revenues are recognised over time as the customer receives and consumes simultaneously the benefits resulting from the performance of the obligation by the entity.

The contracts to buy or sell gas that do not qualify for own-use exemption are accounted for as derivatives in accordance with IFRS 9. The derivatives are classified as FVTPL.

3. Material accounting policies (continued)

l) Revenues (continued)

Production and sale of renewable energy in Romania and green certificates

According to the regulations in force, the producers of certain electricity from renewable sources benefit from green certificates for each MWh produced and delivered to the national energy system.

The transport and system operator, Transelectrica, sends to the Group, monthly, the number and series of green certificates allocated, corresponding to the production of electricity delivered in the national energy system. The green certificates can be traded on the OPCOM spot market, at term or combined markets. The sale price must fall between the minimum and maximum values established by Law no. 220/2008 for the establishment of the system for promoting the production of electricity from renewable energy sources, republished, with subsequent changes.

As a producer of electricity from renewable sources (solar and wind), the Company receives green certificates through the support scheme established by Law no. 220/2008. Each renewable production its having its own scheme support, considering the type and source of the production as well as the year it was in operation.

The Group sells green certificates on the spot and in the combined market. The customers obtain control over the green certificates when the transaction is recorded by market operator in its electronic register. In case of the spot market, the invoices are issued on the transaction date and the payment term is within 3 financial days. In case of combined market, the green certificates invoices are issued in 20 days and have a payment term of 5 financial days. Revenue is recognized at a specific point in time, when the control over the green certificates is transferred.

The group sells part of the renewable electricity based on forward contracts with electricity suppliers and traders as well as on the spot market (day-ahead market) to the market operator (OPCOM). Invoices are issued at the end of the month, during the delivery month or at the beginning of the next month for the electricity delivered in the current month. The payment term is depending on the individual agreement concluded with the counterparty (i.e before the delivery month, during the delivery month of the following month of the delivery).

Revenue is recognized over time because the customer receives and consumes simultaneously the benefits as the Group delivers electricity. The production and consumption of electricity are simultaneous because electricity is not stored. Advance payments received from customers for future energy sales of electricity are recognized as liabilities related to contracts with clients.

Revenues from betting activities

Revenues from betting activities represent amounts staked by the customers less betting payouts and betting taxes payable to the state. The amount paid by customers is deducted by 5% (transaction cost) and only remaining 95% of ticket amount is used to calculate the potential winning. Revenue is recognised when the result of the performance obligation is known, i.e. immediately after the bet event result occurs ("at a point in time").

Revenues from casino games represent net wins in respect of bets placed on casino games less gaming tax and amounts accrued for prize pools. Revenues from the online poker business reflect the net income (rake) earned from poker games completed by the year end. Revenue is recognised when the result of the performance obligation is known, i.e. immediately after the game result occurs ("at a point in time").

Revenue from pharmaceutical

In accordance with IFRS 15, revenue from sale of goods is recognized at the time the purchaser acquires control. Revenue from the sale of goods is recognized upon delivery to the buyer as long as there is no outstanding obligation that could affect the acceptance of the goods by the buyer and be measured at the consideration specified in the contract with the customer. Proceeds from the sale of goods come from the sale of pharmaceutical and parapharmaceutical products.

Revenue is defined as the amount that a financial entity expects to be entitled to as consideration for the goods or the services it transferred to any customer, with the exception of the amounts collected on behalf of third parties (value added tax, other sales taxes). Variable amounts are included in the price and are calculated either with the "expected value" method or the "most probable amount" method.

3. Material accounting policies (continued)

m) Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

n) Fee and commission income and expenses

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income and expense relate mainly to transaction and service fees, which are recognised as the services are rendered or received.

The Group acts as an agent for insurance providers offering their insurance products to consumer loan borrowers. Commission income from insurance represents commissions for such agency services received by the Group from such partners. It is not considered to be integral to the overall profitability of consumer loans because it is determined and recognised based on the Group's contractual arrangements with the insurance provider rather than with the borrower, the borrowers have a choice whether to purchase the policy, the interest rates for customers with and without the insurance are the same. The Group does not participate on the insurance risk, which is entirely borne by the partner. Commission income from insurance is recognised in profit or loss when the Group provides the agency service to the insurance company.

o) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and temporary differences related to investments in subsidiaries, branches and associates where the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Material accounting policies (continued)

p) Adoption of new and revised IFRS and Interpretations

As from 1 January 2023, the Group adopted all changes to IFRSs as adopted by the EU which are relevant to its operations. This adoption did not have a material effect on the consolidated financial statements.

The following New IFRSs, Amendments to IFRSs and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods beginning on 1 January 2023. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these New IFRSs, Amendments to IFRSs and Interpretations early.

(i) New IFRSs, Amendments to IFRSs and Interpretations adopted by the EU

- **IAS 12 *Income Taxes* (Amendments): International Tax reform – Pillar Two Model Rules** (effective for annual periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023; the mandatory temporary exception applies immediately)

  The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:
  - A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
  - Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before it's effective date.

  The use of the mandatory temporary exception is required to be disclosed.

  Management does not expect to have a material effect on the financial statements.

(ii) New IFRSs, Amendments to IFRSs and Interpretations adopted by the EU – not effective yet

- **IAS 1 *Presentation of Financial Statements* (Amendments): Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants** (effective for annual periods beginning on or after 1 January 2024)

  In 2020, the IASB has amended IAS 1 to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early.

  On 31 October 2022 the IASB issued further amendments to IAS 1 i.e. Non-current liabilities with covenants. The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

  The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt). When a liability includes a counterparty conversion option that involves a transfer of the company's own equity instruments, the conversion option is recognised as either equity or a liability separately from the host liability under IAS 32 Financial Instruments: Presentation. The IASB has now clarified that when a company classifies the host liability as current or non-current, it can ignore only those conversion options that are recognised as equity. Companies may have interpreted the existing IAS 1 requirements differently when classifying convertible debt. Therefore, convertible debt may become current.

  Management does not expect to have a material effect on the financial statements.

3. Material accounting policies (continued)

p) Adoption of new and revised IFRS and Interpretations (continued)

(ii) New IFRSs, Amendments to IFRSs and Interpretations adopted by the EU – not effective yet (continued)

- **IFRS 16 *Leases* (Amendments): Lease Liability in Sale and Leaseback** (effective for annual periods beginning on or after 1 January 2024)

  The IASB has issued amendments to IFRS 16 *Leases*, which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The amendments issued in September 2022 impact how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale and leaseback transactions entered into since 2019.

  The amendments confirm the following: (1) On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale and leaseback transaction. (2) After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

  Management does not expect to have a material effect on the financial statements.

- **IAS 7 *Statement of Cash Flows* (Amendments) *and IFRS 7 Financial Instruments:* Disclosures (Amendments) – Supplier Finance Arrangements** (effective for annual periods beginning on or after 1 January 2024)

  The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – to enable the users of the financial statements in understanding and assessing the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk as well as the impact to the entity if supplier finance arrangements were no longer available.

  The amendments do not define the supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. Specifically, all the following characteristics should apply:
  - a finance provider pays amounts that the entity owes to its suppliers;
  - the entity agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid; and
  - the entity is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

  Management does not expect to have a material effect on the financial statements

- **IFRS 10 *Consolidated Financial Statements* (Amendments) and IAS 28 *Investments in Associates and Joint Ventures* (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** (effective date postponed indefinitely; early adoption continues to be permitted)

  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (as defined in IFRS 3). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

  Management does not expect to have a material effect on the financial statements.

3. Material accounting policies (continued)

p) Adoption of new and revised IFRS and Interpretations (continued)

(iii) New IFRSs, Amendments to IFRSs and Interpretations not endorsed by EU – not effective yet

- **IAS 21** ***The Effects of Changes in Foreign Exchange Rates (*****Amendments): Lack of Exchangeability** (effective for annual periods beginning on or after 1 January 2025)

  The amendments, as issued in August 2023, aim to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. According to the amendments, a currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable at the measurement date, the company will be required to estimate a spot rate as the rate that would have been applied to an orderly exchange transaction between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate, but they set out a framework under which an entity can determine the spot rate at the measurement date using an observable exchange rate without adjustment or another estimation technique.

  Companies will be required to provide also new disclosures to help users assess the impact of a currency not being exchangeable to the entity's financial performance, financial position, and cash flows. To achieve this objective, entities will disclose information about the nature and financial impacts of a lack of exchangeability, the spot exchange rate(s) used, the estimation process and risks to the company because the currency is not exchangeable.

  Management does not expect to have a material effect on the financial statements.

- **IFRS 9** ***Financial instruments*** **(Amendments) and IFRS 7** ***Financial instruments: disclosures*** **(Amendments): Classification and Measurement of Financial Instruments** (effective for annual periods beginning on or after 1 January 2026; earlier adoption permitted).

  The amendments to the Standards allow an entity to treat a financial liability (or part of a financial liability) that will be settled in cash using an electronic payment system as settled before the settlement date if specified criteria are met.

  Furthermore, the amendments to the application guidance in IFRS 9 provide guidance on how an entity can assess whether the contractual cash flows of a financial asset are consistent with the underlying credit arrangement. The amendments expand the description of "non-recourse" assets and clarify the characteristics of contractual instruments that distinguish them from other transactions.

  The requirements of IFRS 7 are amended in relation to disclosures that an entity provides about investments in equity instruments designated at fair value through other comprehensive income. Companies would be required to disclose the fair value gain or loss recognised in other comprehensive income for the period, separately the fair value gain or loss relating to investments derecognised in the period and the fair value gain or loss relating to investments held at the end of the period. The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows if a contingent event occurs (or does not occur) that is not directly related to changes in the basic lending risks and costs. The requirements are applicable to each class of financial assets measured at amortised cost or fair value through other comprehensive income and each class of financial liabilities measured at amortised cost.

3. Material accounting policies (continued)

p) Adoption of new and revised IFRS and Interpretations (continued)

(iii) New IFRSs, Amendments to IFRSs and Interpretations not endorsed by EU – not effective yet (continued)

- **IFRS 18** ***Presentation and Disclosure in Financial Statements*** **(New standard)** (effective for annual periods beginning on or after 1 January 2027, retrospective application for comparative periods)

  IFRS 18 presents a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities:
  - Operating - income/expenses arising from a company's main business activities.
  - Investing – income/expenses from:
    - Investments in associates, joint ventures and unconsolidated subsidiaries;
    - Cash and cash equivalents; and
    - Assets that generate a return individually and largely independently (e.g. rental income from investment properties).
  - Financing – comprising:
    - Income/expenses from liabilities related to raising finance only (e.g. interest expense on borrowings); and
    - Interest income/expense and effects of changes in interest rates from other liabilities (e.g. interest expense on lease liabilities).

  These categories are not aligned with those for the cash flow statement. The new standard introduces two newly required subtotals on the face of the income statement: newly defined 'operating profit' subtotal following the operating category and 'profit or loss before financing and income tax' following the investing category.

  Companies with specified main business activities of investing in assets (e.g. real estate companies) or providing financing to customers (e.g. banks) classify additional income and expenses in the operating category, which would otherwise be classified in the investing or financing category. The former companies typically do not present subtotal 'profit of loss before financing and income tax'.

  As per the new standard, companies will present an analysis of operating expenses on the face of the income statement as companies are no longer permitted to disclose operating expenses only in the notes. Companies will present operating expenses either by nature, by function, or using a mixed presentation. Additional disclosures in the notes to the financial statements apply to operating expenses are presented by function and by nature.

  Certain 'non-GAAP' measures that are subtotals of income and expenses and meet the definition of Management performance measures (MPMs) will have to be disclosed in the financial statements and will be subject to audit. Additional disclosures in the note to the financial statements apply for MPMs.

  IFRS 18 also introduces enhanced guidance on grouping of information in the financial statements, which aims to discourage companies from labelling items as 'other' and aggregating items into large single amounts.

  Under the new standard, companies will use operating profit as the starting point for the indirect method of cash flow statement and the option for classifying interest and dividend cash flows as operating activities has been eliminated.

  Goodwill must be presented as a new line item on the face of the balance sheet.

3. Material accounting policies (continued)

p) Adoption of new and revised IFRS and Interpretations (continued)

(iii) New IFRSs, Amendments to IFRSs and Interpretations not endorsed by EU – not effective yet (continued)

- **IFRS 19 *Subsidiaries without Public Accountability: Disclosures*** (effective for annual periods beginning on or after 1 January 2027; earlier adoption permitted).

  A subsidiary that does not have public accountability and has a parent that produces consolidated accounts under IFRS Accounting Standards, is permitted to apply IFRS 19. The new standard allows a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards. Subsidiaries that currently apply the IFRS for SMEs Accounting Standard or local GAAP in their statutory financial statements will no longer need to prepare two sets of accounts for group reporting purposes if IFRS 19 is applied.

  Companies applying IFRS 19 are not required to apply the disclosure requirements in other IFRS Standards (incl. IAS 1) except for the disclosure requirements in other IFRS Standards specified in IFRS 19.

  A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:
  - it does not have public accountability;
  - its parent produces consolidated financial statements under IFRS Accounting Standards.

  An entity that elects to apply IFRS 19 in one reporting period may later revoke that election. Comparative information must be amended in accordance with requirements of the new standard.

4. Financial risk management

The risk management function within the Group is carried out in respect of financial risks (credit, market and liquidity risk), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk
- legal risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and are responsible for developing and monitoring risk management policies in their specified areas.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

Risks related to Ukraine crisis

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome. The Group has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries. However, the Group monitors the situation carefully and is prepared to adopt the necessary measures for mitigation of potential risks.

4. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation to the Group. The majority of the Group's exposure to credit risk arises in connection with the provided loans, receivables and financial assets which relate to the Group's principal business. The remaining part of the Group's exposures to credit risk is related to due from banks and other financial institutions and other financial assets.

Credit risk results from business transactions (receivables from counterparties) and from the transactions in financial markets (money market, currency exchange, derivatives transactions, etc.). Several criteria are applied when assessing the level of credit risk.

Credit terms for individual transactions are assessed by the Group's specialists, including middle and top management of the Group. Experts from both law firms and financial institutions were also consulted on the risks related to the transactions. Publicly available information and information from external agencies were used for ongoing monitoring of the credit quality of the counterparties.

The receivables are divided by counterparties and are allocated to the responsible person overseeing each case. The counterparties are allocated to category classes based on allocation criteria such that the first class included low risk counterparties and the third class included higher risk counterparties.

The Group has a credit limit policy including new credit terms and credit limits. The Group has continued in a process of monitoring counterparties and their payment morale on regular basis.

The Group also continuously monitors the performance of individual credit exposures using a number of criteria. The Group has an active fraud prevention and detection program. Credit risk developments are reported by the Group Credit Risk Department to the Board of Directors on a regular basis.

As a result of recent negative development on financial markets, the credit environment in certain countries in which the Group operates has deteriorated. The Group has taken strict measures in its underwriting and collection policies in order to limit the negative impact of such market changes.

4. Financial risk management (continued)

Credit risk (continued)

Exposure to credit risk

The Group has provided loans in the amount of TEUR 50,117 (2022: TEUR 66,986). The tables below provide a detailed analysis of the Group's exposure to credit risk.

Loans - Due from non-banks	**2023**	**2022**
	TEUR	**TEUR**
Stage I – Carrying amount	50,117	66,986
Stage III – Credit impaired	--	--
Total carrying amount	**50,117**	**66,986**

Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings of Moody's (if applicable). Bank balances and bank deposits are measured at 12-month ECL:

	2023	**2022**
Cash at bank	**TEUR**	**TEUR**
A1	417	4
A2	--	84
Aa3	2,991	428
Ba1	--	6,376
Ba2	--	910
Ba3	--	--
Baa1	6,443	13,282
Baa2	9,113	3,460
Baa3	8,429	1,312
Non-rated	90,448	49,568
Total cash at bank	**117,841**	**75,424**
Cash on restricted accounts		
Non-rated	505	677
Total cash on restricted accounts	**505**	**677**
Demand deposits		
Non-rated	125,385	75,004
Total demand deposits	**125,385**	**75,004**
Deposits with restricted access		
Ba1	--	56
Ba3	--	--
Baa1	267	1,373
Non-rated	8,179	14,007
Total deposits with restricted access	**8,446**	**15,436**
Term bank deposits		
Non-rated	--	2,677
Total term bank deposit	**--**	**2,677**
Total cash at bank and term bank deposits	**252,177**	**169,218**

4. Financial risk management (continued)

Credit risk (continued)

The exposure to credit risk for the above financial assets at the reporting date by geographic region was as follows.

	2023	2022
	TEUR	TEUR
Bulgaria	1,390	267
Cyprus	143,654	94,861
Czech Republic	4,341	2,629
Greece	13,347	8,117
Croatia	5,395	3,033
Italy	69	6
Moldova	40,926	5,980
Malta	696	652
Romania	40,662	52,965
Hungary	266	--
Serbia	1,326	--
Slovakia	105	708
	252,177	**169,218**

Classification of financial assets by credit risk – provided loans

The following table presents an analysis of the credit quality of provided loans at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and if they were credit-impaired.

2023	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	(Stage I)	(Stage II)	(Stage III)	
	TEUR	TEUR	TEUR	TEUR
Gross provided loans – low risk grade	61,711	--	1,879	63,590
Loss allowances	(11,594)	--	(1,879)	(13,473)
Net provided loans	**50,117**	**--**	**--**	**50,117**

2022	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	(Stage I)	(Stage II)	(Stage III)	
	TEUR	TEUR	TEUR	TEUR
Gross provided loans – low risk grade	70,082	--	--	70,082
Loss allowances	(3,096)	--	--	(3,096)
Net provided loans	**66,986**	**--**	**--**	**66,986**

4. Financial risk management (continued)

Credit risk (continued)

Classification of financial assets by credit risk – financial assets at amortised costs

The following table presents an analysis of the credit quality of financial assets at amortised cost - deposits. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and if they were credit-impaired.

2023	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Total**
	(Stage I)	**(Stage II)**	**(Stage III)**	
	TEUR	**TEUR**	**TEUR**	**TEUR**
Gross financial assets at amortised cost – deposits	--	--	--	--
Loss allowances	--	--	--	--
Net financial assets at amortised cost – deposits	**--**	--	--	**--**

2022	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Total**
	(Stage I)	**(Stage II)**	**(Stage III)**	
	TEUR	**TEUR**	**TEUR**	**TEUR**
Gross financial assets at amortised cost – deposits	2,677	--	--	2,677
Loss allowances	--	--	--	--
Net financial assets at amortised cost – deposits	**2,677**	--	--	**2,677**

The Group recognizes allowances for ECLs for financial assets measured at amortized costs (other than trade receivables). The ECL calculation is based on external or internal credit ratings of the counterparty, associated probabilities of default and loss given default. External credit rating is based mainly on reports issued by well-known rating agencies. Due to the fact that there has not been a significant credit risk on the above-mentioned financial assets, since initial recognition, credit losses are measured at 12-month ECLs.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

4. Financial risk management (continued)

Credit risk (continued)

Classification of financial assets by credit risk – trade receivables and other assets

As at 31 December 2023, the ageing analysis of trade receivables, contract assets and other assets is detailed as follows:

2023	**Current (not past due)**	**1-30 days past due**	**31-60 days past due**	**61-90 days past due**	**91-180 days past due**	**181-360 days past due**	**360+ past due**	**Total**
Trade receivables	129,456	27,410	1,871	1,988	2,442	1,032	18,647	182,845
Contract assets**	779	--	--	--	--	--	--	779
Other financial assets*	62,273	21	--	--	--	--	798	63,092
Total balance	**192,508**	**27,431**	**1,871**	**1,988**	**2,442**	**1,032**	**19,445**	**246,716**
Loss allowance	(38,498)	(506)	(45)	(90)	(330)	(669)	(19,041)	(59,179)
Weighted average loss rate	**20.00%**	**1.84%**	**2.41%**	**4.53%**	**13.51%**	**64.83%**	**97.92%**	**23.99%**
Credit-impaired	No	No	No	No	No	Yes	Yes	

* Contract assets excluding Group's rights for network construction works not completed by the reporting date, refer to Note 26.

** Other receivables include only financial assets (for further details, refer to Note 14).

As at 31 December 2022, the ageing analysis of trade receivables, contract assets and other assets is detailed as follows:

2022 (restated)	**Current (not past due)**	**1-30 days past due**	**31-60 days past due**	**61-90 days past due**	**91-180 days past due**	**181-360 days past due**	**360+ past due**	**Total**
Trade receivables	121,377	41,585	4,063	1,060	1,541	3,423	13,909	186,958
Contract assets**	124	--	--	--	--	--	--	124
Other financial assets*	236,939	6	88	--	--	--	85	237,118
Total balance	**192,508**	**27,431**	**1,871**	**1,988**	**2,442**	**1,032**	**19,445**	**424,200**
Loss allowance	(37,686)	(824)	(192)	(110)	(918)	(1,321)	(13,039)	(54,090)
Weighted average loss rate	**10.51%**	**1.98%**	**4.63%**	**10.38%**	**59.57%**	**38.59%**	**93.18%**	**12.75%**
Credit-impaired	No	No	No	No	No	Yes	Yes	

* Contract assets excluding Group's rights for network construction works not completed by the reporting date, refer to Note 26.

** Other receivables include only financial assets (for further details, refer to Note 14).

4. Financial risk management (continued)

Credit risk (continued)

Classification of financial assets by credit risk (continued)

The Group measures loss allowance to financial assets at an amount equal to lifetime ECLs, as described in Note 3 (c) (vii). Rates are calculated separately for exposure in different segments based on the following common credit risk characteristics – geographic region and type of counterparty. As at 31 December 2023 and 31 December 2022, loss allowances were calculated based on a lifetime expected credit loss (ECL) corresponding to Stage 2 or 3. Loss allowances to trade receivables and other assets are calculated based on the following principles:

- 180-360 days after due date – 37-80% impairment loss allowance;
- more than 360 days after due date – 87-100% impairment loss allowance.

For additional information about the Group´s accounting policies relating to financial instruments in accordance with IFRS 9, refer to Note 3 (c).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk is managed by ensuring that there are sufficient financial resources to meet the obligations associated with financial liabilities. Cautious liquidity risk management assumes maintenance of a sufficient amount of cash and the availability of required external financing in terms of loans and borrowings.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's Treasury collects information regarding the liquidity profile of the financial assets and liabilities and details of other projected cash flows arising from projected future business. Portfolio of short-term liquid assets is maintained to ensure sufficient liquidity. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

In order to monitor the current trends in liquidity and to manage other associated risks (exchange rate risk, interest rate risk, foreign exchange risk, payment conditions, tax legislation, etc.), a meeting is held on a monthly basis in attendance with representatives of the Finance Department and with specialists and managers from other departments, if needed. In regular meetings, the Finance Director then reports to the Group management on the liquidity status and its developments. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing as at the reporting date. Foreign currency payments are translated using the spot exchange rate as at the balance sheet date.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual maturity analysis

The following table shows financial assets and liabilities by remaining maturity dates.

2023

TEUR	Less than 30 days	31-90 days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial Assets							
Cash and cash equivalents	246,678	--	--	--	--	--	246,678
Restricted cash	108	397	--	--	--	--	505
Restricted deposits	1,879	2,435	1,324	2,303	505	--	8,446
Financial assets at FVOCI	--	--	--	--	--	1	1
Financial assets – deposits	--	--	--	--	--	--	--
Financial assets at FVTPL	--	--	28,031	986	--	--	29,017
Loans - Due from non-banks	85	264	11,545	33,975	4,928	--	50,117
Trade receivables	115,073	37,328	7,813	704	95	1,326	162,339
Other assets*	1,165	550	8,240	337	782	13,345	24,419
Subtotal non-derivative instrument	**364,988**	**40,974**	**56,953**	**38,305**	**5,630**	**14,672**	**521,522**
Derivate financial assets							
Commodity derivatives - Electricity	--	--	--	--	--	--	--
Commodity derivatives - Gas	--	--	--	--	--	--	--
Subtotal derivative – instruments	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total financial assets	**364,988**	**40,974**	**56,953**	**38,305**	**5,630**	**14,672**	**521,522**

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 14.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual maturity analysis (continued)

2023

TEUR

	Less than 30 days	31-90 Days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial liabilities							
Bank overdrafts	5	--	11,137	269	--	--	11,411
Due to non-banks	20	794	239,975	24,987	--	--	265,775
Due to banks and other financial institutions	2,415	3,444	72,098	257,216	25,559	--	360,662
Lease liabilities	213	816	6,414	16,198	4,233	--	27,874
Bonds issued	--	--	--	-	6,680	--	6,680
Financial liabilities at FVTPL	117	187	--	8,250	--	--	8,554
Trade payables	64,557	21,299	15,459	7	--	56	101,378
Other financial liabilities**	10,261	8,156	2,837	2,831	48	3	24,136
Subtotal financial liabilities	**77,588**	**34,696**	**347,850**	**309,758**	**36,520**	**59**	**806,470**
Derivative financial liabilities							
Commodity derivatives – Electricity	--	--	--	--	--	--	--
Commodity derivatives - Gas	--	--	--	--	--	--	--
Total	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total financial liabilities	**77,588**	**34,696**	**347,850**	**309,758**	**36,520**	**59**	**806,470**
Net position	**287,400**	**6,278**	**(290,897)**	**(271,453)**	**(30,890)**	**14,613**	**(284,948)**

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 22.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual maturity analysis (continued)

2022 (restated)

TEUR	Less than 30 days	31-90 days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial Assets							
Cash and cash equivalents	153,122	--	--	--	--	--	153,122
Restricted cash	677	--	--	--	--	--	677
Restricted deposits	2,337	2,958	4,695	5,446	--	--	15,436
Financial assets at FVOCI	--	--	--	--	--	7,492	7,492
Financial assets – deposits	645	2,032	--	--	--	--	2,677
Financial assets at FVTPL	--	--	3,765	957	--	--	4,722
Loans - Due from non-banks	703	55	31,051	31,779	3,398	-	66,986
Trade receivables	120,074	30,712	13,053	281	45	4,724	168,889
Other assets*	253	12	197,146	3,348	277	61	201,097
Subtotal non-derivative instrument	**277,811**	**35,769**	**249,710**	**41,811**	**3,720**	**12,277**	**621,098**
Derivate financial assets							
Commodity derivatives - Gas	--	--	3,123	--	--	--	3,123
Subtotal derivative – instruments	**--**	**--**	**3,123**	**--**	**--**	**--**	**3,123**
Total financial assets	**277,811**	**35,769**	**252,833**	**41,811**	**3,720**	**12,277**	**624,221**

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 14.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual maturity analysis (continued)

2022 (restated)

TEUR

	Less than 30 days	31-90 Days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial liabilities							
Bank overdrafts	--	2,187	--	--	--	--	2,187
Due to non-banks	206	272	7,903	206,697	--	--	215,078
Due to banks and other financial institutions	273	1,196	58,949	140,451	15,897	--	216,766
Lease liabilities	119	396	2,621	6,546	2,441	--	12,123
Bonds issued	--	--	2,020	-	-	--	2,020
Financial liabilities at FVTPL	--	--	3,337	15,889	--	--	19,226
Trade payables	35,755	13,166	12,529	311	-	1,322	63,083
Other financial liabilities**	33,144	11,654	51,881	1,017	258	709	98,663
Subtotal financial liabilities	**69,497**	**28,871**	**139,240**	**370,911**	**18,596**	**2,031**	**629,146**
Derivative financial liabilities							
Commodity derivatives - Gas	--	--	3,777	--	--	--	3,777
Total	**--**	**--**	**3,777**	**--**	**--**	**--**	**3,777**
Total financial liabilities	**69,497**	**28,871**	**143,017**	**370,911**	**18,596**	**2,031**	**632,923**
Net position	**208,314**	**6,898**	**109,816**	**(329,100)**	**(14,876)**	**10,246**	**(8,702)**

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 22.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual cash flows of financial liabilities (gross undiscounted cash flows)
The following table shows gross undiscounted cash flows including estimated interest payments and therefore may not agree with the carrying amounts in the consolidated statement of financial position.

2023	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total contractual cash flows	Carrying amount
TEUR						
Non-derivative financial liabilities						
Bank overdrafts	210	11,137	269	--	11,616	**11,411**
Due to non-banks	4,817	244,998	25,263	--	275,077	**265,775**
Due to banks and other financial institutions	12,286	89,681	335,415	31,738	469,120	**360,662**
Lease liabilities	2,058	12,828	32,707	8,155	55,748	**27,874**
Bonds issued	--	--	--	8,156	8,156	**6,680**
Financial liabilities at FVTPL	304	--	8,250	--	8,554	**8,554**
Trade payables	85,912	15,459	7	--	101,378	**101,378**
Other financial liabilities*	18,420	2,837	2,831	48	24,136	**24,136**
Subtotal non-derivative instruments	**124,007**	**376,940**	**404,742**	**48,097**	**953,785**	**806,470**
Derivative financial liabilities						
Commodity derivatives – Electricity	--	--	--	--	--	--
Commodity derivatives - Gas	--	--	--	--	--	--
Subtotal derivative instruments	**--**	**--**	**--**	**--**	**--**	**--**
Total financial liabilities	**124,007**	**376,940**	**404,742**	**48,097**	**953,785**	**806,470**

*Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 22.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual cash flows of financial liabilities (gross undiscounted cash flows) (continued)

2022 (restated)	**Less than 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**Total contractual cash flows**	**Carrying amount**
TEUR						
Non-derivative financial liabilities						
Bank overdrafts	2,224	--	--	--	2 224	2,187
Due to non-banks	4,560	20,737	215,181	--	240,478	215,078
Due to banks and other financial institutions	4,958	70,134	168,887	16,743	260,722	216,766
Lease liabilities	545	2,688	6,696	2,488	12,417	12,123
Bonds issued	--	2,182	--	--	2,182	2,020
Financial liabilities at FVTPL	--	3,337	15,889	--	19,226	19,226
Trade payables	50,243	12,529	311	--	63,083	63,083
Other financial liabilities*	45,507	51,881	1,017	258	98,663	98,663
Subtotal non-derivative instruments	**108,037**	**163,488**	**407,981**	**19,489**	**698,995**	**629,146**
Derivative financial liabilities						
Commodity derivatives - Gas	--	3,777	--	--	3,777	3,777
Subtotal derivative instruments	**--**	**3,777**	**--**	**--**	**3,777**	**3,777**
Total financial liabilities	**108,037**	**167,265**	**407,981**	**19,489**	**702,772**	**632,923**

*Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 22.

4. Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The majority of the Group's exposure to market risk arises in connection with the funding of the Group's operations with liabilities denominated in foreign currencies and to the extent the term structure of interest bearing assets differs from that of liabilities.

Market risk includes currency risk and interest rate risk. Management's objectives are to use natural hedging only. The borrowings are secured by the majority of the Group's receivables.

Interest rate risk

The principal risk to which the Group is exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps. As part of its management of this position, the Group may use interest rate derivatives.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios.

Foreign currency risk

The Group has assets and liabilities denominated in several foreign currencies. It invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in EUR, USD, CZK, RON and MLD.

Foreign currency risk arises when the actual or forecast assets in a foreign currency are either greater or less than the liabilities in that currency. Foreign currency risk is managed principally through monitoring foreign currency mismatches in the structure of assets and liabilities in the individual Group's country operations.

Net investments in foreign operations are not hedged. As a result, the Group's financial position is adequately sensitive on movements of the relevant foreign exchange rates. Impact of such exchange rate changes on the Group's net investment in foreign operations is presented as currency translation in the consolidated statement of changes in equity.

4. Financial risk management (continued)

Market risk (continued)

Interest rate gap position based on re-pricing dates

2023

TEUR	Effective interest rate	Floating interest rate Less than 3 months	3 months to 1 year	1 to 5 years	Fixed interest rate or Non specified	Total
Interest bearing financial assets						
Cash and cash equivalents	2,22%	121,293	--	--	125,385	**246,678**
Restricted cash	0,00%	--	--	--	505	**505**
Restricted deposits	0,00%	--	--	--	8,446	**8,446**
Financial assets – deposits	0,00%	--	--	--	--	**--**
Due from non-banks	3,67%	--	--	--	50,117	**50,117**
Total interest bearing financial assets	**--**	**121,293**	**--**	**--**	**184,453**	**305,746**
Interest bearing financial liabilities						
Bank overdraft	7,19%	780	10,357	--	274	**11,411**
Due to non-banks	5,32%	--	91,150	--	174,625	**265,775**
Due to banks and other financial institutions	7,21%	31,804	287,954	--	40,904	**360,662**
Lease liabilities	5,40%	--	--	--	27,874	**27,874**
Bonds issued	8,00%	--	--	--	6,680	**6,680**
Total interest bearing financial liabilities	**--**	**32,584**	**389,461**	**--**	**250,357**	**672,402**
Total net position	**--**	**88,709**	**(389,461)**	**--**	**(65,904)**	**(366,656)**

4. Financial risk management (continued)

Market risk (continued)

Interest rate gap position based on re-pricing dates (continued)

2022

TEUR	Effective interest rate	Floating interest rate Less than 3 months	3 months to 1 year	1 to 5 years	Fixed interest rate or Non specified	Total
Interest bearing financial assets						
Cash and cash equivalents	1.86%	78,118	--	--	75,004	**153,122**
Restricted cash	0.00%	--	--	--	677	**677**
Restricted deposits	0.00%	--	--	--	15,436	**15,436**
Financial assets – deposits	5.24%	--	--	--	2,677	**2,677**
Due from non-banks	4.05%	--	--	--	66,986	**66,986**
Total interest bearing financial assets	**--**	**78,118**	**--**	**--**	**160,780**	**238,898**
Interest bearing financial liabilities						
Bank overdraft	6.68%	1,047	--	--	1,140	2,187
Due to non-banks	8.01%	--	115,181	--	99,897	215,078
Due to banks and other financial institutions	6.94%	29,475	141,118	--	46,173	216,766
Lease liabilities	4.35%	--	--	--	12,123	12,123
Bonds issued	8.00%	--	--	--	2,020	2,020
Total interest bearing financial liabilities	**--**	**30,522**	**256,299**	**--**	**161,353**	**448,174**
Total net position	**--**	**47,596**	**(256,299)**	**--**	**(573)**	**(209,276)**

Interest rate sensitivity analysis

An analysis of sensitivity of the Group's equity to changes in interest rates based on positions existing as at 31 December 2023 and 31 December 2022 and a simplified scenario of a 100bp change in interest rates is shown:

	Total effect on equity 2023 TEUR	**Total effect on equity 2022 TEUR**
Effect of 100bp decrease in interest rate	4,220	2,868
Effect of 100bp increase in interest rate	(4,220)	(2,868)

4. Financial risk management (continued)

Market risk (continued)

Foreign currency position

2023

TEUR	**EUR**	**USD**	**CZK**	**RON**	**HRK**	**MDL**	**Other**	**Total**
Non-derivative financial assets								
Cash and cash equivalents	172,087	3	3,196	30,455	--	40,111	826	246,678
Restricted cash	400	--	--	105	--	--	--	505
Restricted deposits	1,505	--	--	6,941	--	--	--	8,446
Financial assets at FVOCI	--	1	--	--	--	--	--	1
Financial assets – deposits	--	--	--	--	--	--	--	--
Financial assets at FVTPL	986	24,723	--	--	--	--	3,308	29,017
Loans - Due from non-banks	46,398	1,009	2,314	93	--	303	--	50,117
Trade receivables	70,433	--	6,402	59,401	--	25,626	477	162,339
Other assets*	2,018	--	87	21,722	--	500	92	24,419
Subtotal non-derivative instruments	**293,827**	**25,736**	**11,999**	**118,717**	**--**	**66,540**	**4,703**	**521,522**
Derivative financial assets								
Commodity derivatives – Electricity	--	--	--	--	--	--	--	--
Commodity derivatives – Gas	--	--	--	--	--	--	--	--
Subtotal derivative instruments	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total financial assets	**293,827**	**25,736**	**11,999**	**118,717**	**--**	**66,540**	**4,703**	**521,522**
Non-derivative financial liabilities								
Bank overdraft	11,137	--	274	--	--	--	--	11,411
Due to non-banks	202,736	62,158	211	670	--	--	--	265,775
Due to banks and other financial institutions	339,648	11,486	7,329	--	--	2,199	--	360,662
Lease liabilities	15,625	--	7,956	3,177	--	--	1,116	27,874
Bonds issued	6,680	--	--	--	--	--	--	6,680
Financial liabilities at FVTPL	8,250	--	187	117	--	--	--	8,554
Trade payables	47,645	1,745	5,020	13,542	--	32,816	610	101,378
Other liabilities**	3,465	--	572	17,780	--	2,210	109	24,136
Subtotal non-derivative instruments	**635,186**	**75,389**	**21,549**	**35,286**	**--**	**37,225**	**1,835**	**806,470**
Derivative financial liabilities								
Commodity derivatives - Electricity	--	--	--	--	--	--	--	--
Commodity derivatives – Gas	--	--	--	--	--	--	--	--
Subtotal derivative instruments	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total financial liabilities	**635,186**	**75,389**	**21,549**	**35,286**	**--**	**37,225**	**1,835**	**806,470**
Net position	**(341,359)**	**(49,653)**	**(9,550)**	**83,431**	**--**	**29,315**	**2,868**	**(284,948)**

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 14.
**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 22.

4. Financial risk management (continued)

Market risk (continued)

Foreign currency position (continued)

2022 (restated)

TEUR	EUR	USD	CZK	RON	HRK	MDL	Other	Total
Non-derivative financial assets								
Cash and cash equivalents	110,073	35	1,130	35,258	375	5,898	353	153,122
Restricted cash	368	--	--	309	--	--	--	677
Restricted deposits	1,882	--	--	13,554	--	--	--	15,436
Financial assets at FVOCI	7,492	--	--	--	--	--	--	7,492
Financial assets – deposits	--	--	2,613	64	--	--	--	2,677
Financial assets at FVTPL	963	--	--	--	--	--	3,759	4,722
Loans - Due from non-banks	62,065	970	2,570	382	693	306	--	66,986
Trade receivables	46,037	--	7,382	62,337	3,109	49,873	151	168,889
Other assets*	192,740	--	91	8,238	28	--	--	201,097
Subtotal non-derivative instruments	**421,620**	**1,005**	**13,786**	**120,142**	**4,205**	**56,077**	**4,263**	**621,098**
Derivative financial assets								
Commodity derivatives – Gas	--	--	--	3,123	--	--	--	3,123
Subtotal derivative instruments	**--**	**--**	**--**	**3,123**	**--**	**--**	**--**	**3,123**
Total financial assets	**421,620**	**1,005**	**13,786**	**123,265**	**4,205**	**56,077**	**4,263**	**624,221**

TEUR	EUR	USD	CZK	RON	HRK	MDL	Other	Total
Non-derivative financial liabilities								
Bank overdraft	837	--	1,350	--	--	--	--	2,187
Due to non-banks	166,266	47,260	340	1,149	63	--	--	215,078
Due to banks and other financial institutions	195,191	9,077	261	95	108	12,034	--	216,766
Lease liabilities	6,657	--	3,074	462	1,775	--	155	12,123
Bonds issued	--	--	--	2,020	--	--	--	2,020
Financial liabilities at FVTPL	14,206	--	5,020	--	--	--	--	19,226
Trade payables	30,258	2,027	5,117	17,065	1,159	7,126	331	63,083
Other liabilities**	50,284	--	760	13,661	164	33,776	18	98,663
Subtotal non-derivative instruments	**463,699**	**58,364**	**15,922**	**34,452**	**3,269**	**52,936**	**504**	**629,146**
Derivative financial liabilities								
Commodity derivatives – Gas	--	--	--	3,777	--	--	--	3,777
Subtotal derivative instruments	**--**	**--**	**--**	**3,777**	**--**	**--**	**--**	**3,777**
Total financial liabilities	**463,699**	**58,364**	**15,922**	**38,229**	**3,269**	**52,936**	**504**	**632,923**
Net position	**(42,079)**	**(57,359)**	**(2,136)**	**85,036**	**936**	**3,141**	**3,759**	**(8,702)**

*Other assets excluding non-financial assets (other tax receivables, prepaid expenses and advances paid). For more details, refer to Note 14.
**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 22.

4. Financial risk management (continued)

Market risk (continued)

Foreign currency risk sensitivity analysis

An analysis of sensitivity of the Group's equity to changes in currency exchange rates based on positions existing as at 31 December 2023 and 31 December 2022 and a simplified scenario of a 5% change in USD, CZK, RON, HRK and MDL to EUR exchange rates is shown below:

	Total effect on equity 2023 TEUR	Total effect on equity 2022 (restated) TEUR
Effect of 5% USD depreciation against EUR	2,483	2,868
Effect of 5% USD appreciation against EUR	(2,483)	(2,868)
Effect of 5% CZK depreciation against EUR	478	107
Effect of 5% CZK appreciation against EUR	(478)	(107)
Effect of 5% RON depreciation against EUR	(4,172)	(4,252)
Effect of 5% RON appreciation against EUR	4,172	4,252
Effect of 5% HRK depreciation against EUR	--	(47)
Effect of 5% HRK appreciation against EUR	--	47
Effect of 5% MDL depreciation against EUR	(1,466)	(157)
Effect of 5% MDL appreciation against EUR	(1,466)	157

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure supporting the activities with financial instruments, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the limiting of financial losses and damage to the Group's reputation with achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk is assigned to senior management of the Group. This responsibility is supported by the development of standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Legal risk

Legal risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations**.**

4. Financial risk management (continued)

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while increasing the return to owners through strive for improving the debt-to-equity ratio. The Group monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the consolidated statement of financial position) less cash and cash equivalents. Equity comprises all components of equity.

The Group's policy is to keep the ratio below 1.95.

5. Operating environment

Volatility in global financial markets

Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

Operating environment of the Group

The Group currently operates in Croatia, Romania, Moldavia, Greece, Slovakia, Bulgaria, Serbia, Malta and the Czech Republic and some other markets through its investments in subsidiaries and associates. Consequently, the Company is exposed to risks that originate from the operating and economic environments in these jurisdictions.

The Group's main source of revenue originates from its investments in the Romania and Moldova. More specifically revenue from the generation of renewable energy and supply of electricity in Romania and Moldova, the distribution of gas to users and the supply of gas to household and non-household customers in Romania and the distribution of electricity to users and the supply of electricity to household and non-household consumers in Moldova.

Generation, distribution and supply of electricity activities and distribution and supply of gas are regulated both in Romania and Moldova, with rules for, among others, limits for end-prices, regulated tariffs, fixed permitted return on investments, mandatory network investment requirements, regulated size of the distribution networks, public services obligation, and access to end-consumers.

In Romania, while the gas supply market operates on free market principles, allowing the Group to determine its end prices (subject to certain limits) and purchase its own gas from producers or intermediaries, throughout the SEE region, the Romanian gas distribution market is regulated, with Group returns depending on a regulated target for return on investment as applied to a regulated asset base ("RAB") comprising the Group's recognised permitted investments. Also, due to market volatility, the Romanian government has introduced price caps for final consumers up to 31 March 2025. In addition, as a measure to ensure the continuity and safety of gas supply, every licensed supplier which has final consumers in its own portfolio, as well as every thermal energy producer in cogeneration plants and in thermal plants for consumption intended for the population as direct customers of natural gas producers has the obligation to maintain a minimum stock of gas. Romanian ANRE will publish on a yearly basis the level of minimum stock that needs to be reached on a national level for the respective year.

In Moldova both the supply and distribution markets are currently fully regulated, with yearly regulated return on investment rates on the RAB covered by regulated tariffs for distribution services and yearly regulated tariffs for supply services. Moldova's economic outlook indicates robust growth, with a pro-European government driving integration with the EU, as evidenced by the commencement of accession negotiations. Inflation rates have seen volatility, with a sharp increase in recent times, reflecting global economic pressures. The EU's support remains steadfast, particularly in light of challenges posed by the conflict involving Russia and Ukraine, with Moldova receiving significant aid to bolster its economic stability and structural reforms, including energy security. Since 2022 the Moldovan electricity system has been synchronised with the European Network of Transmission System Operators for Electricity ("ENTSO-E") system, allowing for imports both from Ukraine and Romania. The interconnection capacity of the Moldovan system with its neighbours has been increased since 2022.

6. Fair values of financial instruments

Fair values of financial instruments

The Group has performed an assessment of fair values of its financial instruments to determine whether it is practicable within the constraints of timeliness and cost to determine their fair values with sufficient reliability.

The fair value of financial instruments traded in active markets, such as publicly traded trading and equity investments at FVOCI, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

Financial instruments recorded at fair value are valued as follows: Financial instruments whose fair value is based on quoted market prices (Level 1) or calculated using valuation techniques where all the model inputs are observable in the market, typically interest rates and foreign exchange rates (Level 2), or calculated using valuation techniques where significant model inputs are not observable in the market (Level 3).

7. Intangible assets

	Goodwill	Software	Trademark	Right-of-use-assets	Other intangible assets	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Acquisition cost						
2022						
Balance as at 1 January 2022 (restated)	525,185	15,411	58,597	2,223	2,904	604,320
Acquisitions through business combinations	97,540	285	6,125	1,665	26,586	132,201
Disposals out of the Group	(451,558)	(9,293)	(58,476)	--	(28)	(519,355)
Additions	--	8,593	--	1,942	3	10,538
Disposals	--	(31)	--	--	(1)	(32)
Translation difference	684	205	42	105	(2)	1,034
Balance as at 31 December 2022 (restated)	**171,851**	**15,170**	**6,288**	**5,935**	**29,462**	**228,706**
2023						
Balance as at 1 January 2023 (restated)	171,851	15,170	6,288	5,935	29,462	228,706
Acquisitions through business combinations	2,120	262	--	217	4,616	7,215
Disposals out of the Group	--	(394)	--	--	--	(394)
Additions	--	6,405	2	222	766	7,395
Disposals	--	(30)	--	--	--	(30)
Transfer from/to other categories	--	6	--	(2,265)	11	(2,248)
Additions from internal development	--	--	--	--	1	1
Translation difference	(811)	(291)	(155)	(107)	(121)	(1,485)
Balance as at 31 December 2023	**173,160**	**21,128**	**6,135**	**4,002**	**34,735**	**239,160**
Accumulated amortization and impairment						
2022						
Balance as at 1 January 2022 (restated)	(3,343)	(3,106)	--	(106)	(127)	(6,682)
Disposals out of the Group	--	1,648	--	--	--	1,648
Charge for the year	--	(3,667)	(310)	(264)	(1,671)	(5,912)
Impairment loss	(1,477)	--	--	--	--	(1,477)
Translation difference	(103)	(102)	(4)	(103)	--	(312)
Balance as at 31 December 2022 (restated)	**(4,923)**	**(5,227)**	**(314)**	**(473)**	**(1,798)**	**(12,735)**
2023						
Balance as at 1 January 2023	(4,923)	(5,227)	(314)	(473)	(1,798)	(12,735)
Disposals out of the Group	--	--	--	--	--	--
Charge for the year	--	(3,989)	(632)	(358)	(2,129)	(7,108)
Impairment loss	(8,079)	--	--	--	--	(8,079)
Transfer from/to other categories	--	--	--	48	(13)	35
Translation difference	120	233	26	102	20	501
Balance as at 31 December 2023	**(12,882)**	**(8,983)**	**(920)**	**(681)**	**(3,920)**	**(27,386)**
As at 31 December 2022 (restated)	**166,928**	**9,943**	**5,974**	**5,462**	**27,664**	**215,971**
As at 31 December 2023	**160,278**	**12,145**	**5,215**	**3,321**	**30,815**	**211,774**

7. Intangible assets (continued)

The goodwill of TEUR 2,120 recognised as a result of business combinations in 2023 (refer to Note 1) comprised:
- Goodwill of TEUR 560 resulting from acquisition of DA VINCI NEW PROJECT S.R.L.
- Goodwill of TEUR 1,333 resulting from acquisition of PROGAZ P&D S.A.
- Goodwill of TEUR 227 resulting from acquisition of EASYBET SOLUTIONS S.R.L.

The goodwill of TEUR 97,540 recognised as a result of business combinations in 2022 (refer to Note 1) consists of:
- Goodwill of TEUR 7,562 resulting from acquisition of ALIVE CAPITAL S.A. (restated)
- Goodwill of TEUR 1,986 resulting from acquisition of ENERGIA MILENIULUI III S.A.
- Goodwill of TEUR 250 resulting from acquisition of HARGAZ HARGHITA GAZ S.A. (restated)
- Goodwill of TEUR 50,887 resulting from acquisition of FAVI ONLINE s.r.o.
- Goodwill of TEUR 8,162 resulting from acquisition of SERVISNI CENTAR TROGIR d.o.o.
- Goodwill of TEUR 7,115 resulting from acquisition of ARESSU HOLDING LIMITED.
- Goodwill of TEUR 21,578 resulting from acquisition of GTB GLOBAL BUSINESS S.A.

In 2023, acquisition of intangible assets through business combination relates to the acquisitions in Romania described in Note 1. The acquired intangible assets are comprised mainly of project rights of TEUR 4,533 with finite useful life of 25 years (the amortization is expected in the second half of 2024), right-of-use assets in total amount of TEUR 217 and software in total amount of TEUR 262.

In 2022, acquisition of intangible assets through business combination relates to the acquisitions in Romania, Croatia, the Czech Republic and Malta described in Note 1. The acquired intangible assets comprised mainly of project rights of TEUR 7,486 with finite useful life of 25 years (the amortization is expected to commence in 2024), franchise contracts amounting to TEUR 5,148, brand amounting to TEUR 6,125 and other intangibles in total amount of TEUR 13,701.

In 2023, disposal out of the Group relate to the disposal SPORTICON DEVELOPMENT s.r.o., described in Note 1.

In 2022, disposal out of the Group relate to the disposal of EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries), described in Note 1.

The trademark owned by EMMA GAMMA ADRIATIC d.o.o. was treated as having an indefinite useful life because it was expected to contribute to net cash inflows indefinitely.

The Group carried out the assessment of estimated remaining useful lives and amortization rates of intangible assets with finite useful life as at 31 December 2023 and 31 December 2022 and no adjustment is required.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash generating units of the Group on which the goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value. The key assumptions in determining value in use are the free cash flows of the CGU and the pre-tax discount rate (WACC). The values used are generally based on past experience and 5-year business plans of relevant Group entities.

The Group carried out the impairment indicators analysis and recognised an impairment to goodwill resulted from acquisition of EUROPE IVF INTERNATIONAL s.r.o. in total value of TEUR 4,803 and an impairment to goodwill resulted from acquisition of GTB GLOBAL BUSINESS S.A. in total value of TEUR 8,079 as at 31 December 2023 (2022: TEUR 4,923). In 2023, impairment loss recognised in profit or loss amounted to TEUR 8,079 (2022: TEUR 1,477). The value-in-use was calculated using a 9.1% and 15.8% pre-tax WACC (2022: 9.20% pre-tax WACC).

8. Property, plant and equipment

2022	Land and buildings	Electricity distribution network	Gas distribution networks	Vehicles and Other tangible assets and equipment	Tangible assets under construction	Right-of-use assets	Advance payments	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Acquisition cost/revaluation								
Balance as at 1 January 2022 (restated)	21,897	185,607	64,050	19,685	5,683	20,773	363	318,058
Acquisitions through business combinations	16,725	--	2,210	44,484	1,671	2,527	--	67,617
Acquisitions through asset deal	1,357	--	--	--	7,069	--	--	8,426
Disposals out of the Group	--	--	--	(5,486)	(1,246)	(12,690)	11	(19,411)
Additions	1,573	11,839	8,712	14,350	14,528	4,399	1,163	56,564
Disposals	(1,883)	(1,398)	--	(2,177)	(3,103)	(2,322)	(93)	(10,976)
Revaluation	--	--	(213)	--	--	--	--	(213)
Change in lease contracts conditions	--	--	--	--	--	(652)	--	(652)
Transfers	212	1,179	--	11	(1,402)	--	--	--
Translation differences	(159)	(2,878)	743	(199)	(179)	83	(4)	(2,593)
Balance as at 31 December 2022 (restated)	**39,722**	**194,349**	**75,502**	**70,668**	**23,021**	**12,118**	**1,440**	**416,820**
2023								
Balance as at 1 January 2023 (restated)	39,722	194,349	75,502	70,668	23,021	12,118	1,440	416,820
Acquisitions through business combinations and asset deals	7,527	--	2,033	13,073	1,550	422	--	24,605
Acquisitions through asset deals	1,616	--	--	1,215	--	--	--	2,831
Disposals out of the Group	--	--	--	(7)	--	--	--	(7)
Additions	3,140	12,870	4,700	18,707	29,856	21,935	8,541	99,749
Disposals	(292)	(1,855)	---	(4,414)	(1,683)	(14)	(232)	(8,490)
Revaluation	--	--	10,295	--	--	--	---	10,295
Transfers	1,520	5,666	9,502	1,058	(17,066)	2,248	(680)	2,248
Translation differences	84	10,794	(1,586)	(105)	(35)	(338)	37	8,851
Balance as at 31 December 2023	**53,317**	**221,824**	**100,446**	**100,195**	**35,643**	**36,371**	**9,106**	**556,902**

8. Property, plant and equipment (continued)

2022	**Land and buildings**	**Electricity distribution network**	**Gas distribution networks**	**Vehicles and Other tangible assets and equipment**	**Tangible assets under construction**	**Right-of-use assets**	**Advance payments**	**Total**
Accumulated depreciation and impairment								
Balance as at 1 January 2022 (restated)	(1,561)	(14,361)	(3,903)	(5,877)	(1,651)	(5,949)	--	(33,302)
Disposals out of the Group	--	--	--	3,024	--	5,058	--	8,082
Charge for the year	(1,485)	(8,590)	(3,909)	(6,416)	--	(3,956)	--	(24,356)
Impairment loss	--	--	(350)	--	(173)	--	--	(523)
Revaluation	--	--	350	--	--	--	--	350
Disposals	204	1,378	--	1,227	--	1,586	--	4,395
Transfers	(1)	1	--	--	--	--	--	--
Translation difference	29	374	10	322	4	--	--	740
Balance as at 31 December 2022 (restated)	**(2,814)**	**(21,198)**	**(7,802)**	**(7,720)**	**(1,820)**	**(3,261)**	**--**	**(44,615)**
2023								
Balance as at 1 January 2023 (restated)	(2,814)	(21,198)	(7,802)	(7,720)	(1,820)	(3,261)	--	(44,616)
Disposals out of the Group	--	--	--	(3)	--	--	--	(3)
Charge for the year	(1,986)	(9,051)	(3,894)	(8,880)	--	(4,584)	--	(28,395)
Impairment loss	--	--	--	--	(409)	--	--	(409)
Reversal of impairment losses	--		--	---	555	--	--	555
Disposals	86	1,832	--	3,066	--	--	--	4,984
Revaluation	--	--	309	--	--	--	--	309
Transfers	--	--	--	--	--	(35)	--	(35)
Translation difference	285	(1,514)	198	(839)	110	90	--	(1,670)
Balance as at 31 December 2023	**(4,429)**	**(29,931)**	**(11,190)**	**(14,370)**	**(1,564)**	**(7,790)**	**--**	**(69,274)**
Carrying amount								
As at 31 December 2022 (restated)	**36,908**	**173,151**	**67,700**	**62,948**	**21,201**	**8,857**	**1,440**	**372,205**
As at 31 December 2023	**48,888**	**191,893**	**89,256**	**85,825**	**34,079**	**28,581**	**9,106**	**487,628**

8. Property, plant and equipment (continued)

In 2023, acquisitions through business combinations and asset deals of TEUR 27,436 (2022: TEUR 76,043) relate to acquisitions as described in Note 1.

In 2023, disposal out of the Group relate to the disposal of SPORTICON DEVELOPMENT s.r.o.,, described in Note 1.

In 2022, disposal out of the Group relate to the disposal of EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries.), described in Note 1.

Electricity distribution networks relate to construction of electricity networks (power stations, transformers etc.) and modernization of the distribution power lines in Moldova. Gas distribution networks relate to natural gas distribution infrastructure network in Romania.

The Group carried out the assessment of estimated remaining useful lives and depreciation rates of property, plant and equipment as at 31 December 2023 and 31 December 2022 and no adjustment was required.

For pledges on property, refer to Note 17, Loans and borrowings.

Fair value hierarchy

Due to the specialized nature of the gas distribution sector (regulated sector), the assets subject to valuation can only produce economic value associated with the natural gas distribution license held by the operator and with the concession contract related to the location where they are located. These conditions lead to the conclusion that these assets are specialised assets and can only produce economic value associated with certain economic entities that meet certain regulatory requirements. The assets were valued taking into account the existing regulatory framework.

The valued assets are used in a regulated sector, where operating tariffs are set and implicitly determine a certain profitability of the activity and a certain return on assets. Changes in specific regulatory legislation may occur periodically in accordance with government strategy. These changes in specific legislation may have an important impact on the estimated value of assets**.** The fair value measurement for all the gas distribution network has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The key unobservable inputs included in the revaluation report are the inflation rate at 6% used for the growth and the WACC at 9.64% used as discount rate. The estimated fair value would increase (decrease) if a) the inflation rate was higher (lower) and b) the WACC was higher (lower).

The fair value of the gas distribution network was determined by external, independent property values, having appropriate recognised professional qualifications and experience in the location and category of assets being valued. It was considered that the most appropriate approach for the intended purpose is the cost approach, especially due to the fact the assets subject to valuation are assets that cannot move to other locations, represent specialised assets and a relevant trading market could not be identified.

The vast majority of assets are gas distribution networks grouped in approximately 28 locations. The asset valuation involved the Replacement Cost, Net technique. For this purpose, the gross replacement cost was first estimated using one of the following techniques:

- multiplication of the physical dimensions of these assets with the estimated unit values specific to each fixed asset (value/cubic meter, value/sqm, value/length, etc.) for the Reference Date. For example, for buildings the estimated unit cost (lei/sqm) was multiplied by the built area and for pipes and connections the estimated unit cost (lei/meter) was multiplied by its length.
- multiplication of the indexation base (consisting of the acquisition value or replacement value resulted from the last revaluation), with industrial sector specific price indexes related to the period elapsed from the moment of determining the indexation base to the Reference Date (applicable especially in the case of special constructions).

8. Property, plant and equipment (continued)

The net replacement cost (and thus the estimate of fair value) was determined by applying a degree of physical, functional and/or economic impairment to gross replacement value.

As regards economic impairment, the estimation process takes into account the ability of these assets to recover value by generating sufficient future economic benefits. In this respect, for fixed assets such as pipes and connections, a depreciation test was carried out on the initially estimated value (net replacement cost) by reference to potential future cash flows. This analysis was carried out starting from the regulatory basis in force, the operating costs accepted by ANRE, the regulated assets base (RAB) existing at the Reference Date.

Leases

The right-of-use assets are recognised in accordance with IFRS 16 and are mainly represented by leased premises for betting shops in Croatia, by leased premises of Romanian offices and leased land for renewable production assets. As at 31 December 2023, the Group disclosed lease liabilities related to right-of-use assets for the total amount of TEUR 27,874 (2022: TEUR 12,123). Interest expense in respect to lease liabilities for the year 2023 amounted to TEUR 1,255 (2022: TEUR 611), refer also to Note 32. For more information, refer to Note 3 (f). For effective interest rate used and undiscounted cash flows, refer to Note 4. For reconciliation of movements of lease liabilities to cash flows arising from financing activities, refer to Note 18.

The leases typically run for a period of 1 to 20 years, except for lease of land acquired in business combination in 2022 that runs for 49 years in Romania.

Some leases provide for additional rent payments that are based on a development of inflation rate in the following years and some of them are defined in EUR, although payable in functional currencies of the entities (RON).

Some leases contain extension options exercisable by a lessee, typically up to 10 years before the end of lease term. The Group assesses at lease commencement whether it is reasonably certain to exercise the options and subsequently if there is a significant event or significant change in circumstances related to the shop performance.

Short term leases and low value leases recognised as expenses in profit or loss for the year and disclosed in Note 27, Services and material expenses.

9. Cash and cash equivalents

	2023 TEUR	**2022 TEUR**
Current accounts	117,841	75,424
Cash on hand	1,742	1,470
Other cash equivalents	1,710	1,224
Demand deposits	125,385	75,004
Cash and cash equivalents in the statement of financial position	**246,678**	**153,122**
Bank overdrafts	(11,411)	(2,187)
Cash and cash equivalents in the statement of cash flows	**235,267**	**150,935**

As at 31 December 2023, the effective interest rate of bank deposits is 2.1%, 2.23% and 2.25% per annum and they have a maturity date less than a month.

As at 31 December 2022, the effective interest rate of bank deposits was 0.7% and 5.1% per annum and they had a maturity date less than a month.

The exposure of the Group to credit risk, interest rate risk and foreign exchange risk in relation to cash and cash equivalents is described in Note 4.

10. Financial assets

Financial assets at amortised cost – deposits

	2023 TEUR	2022 TEUR
At 1st January	2,677	2,594
Disposals out of the Group	--	(3,254)
Additions	--	4,165
Withdrawals	(2,662)	(854)
Translation differences	(15)	26
Balance at 31st December	**--**	**2,677**
Non-current position	--	--
Current position	--	2,677
Balance at 31st December	**--**	**2,677**

The exposure of the Group to credit risk, interest rate risk and foreign exchange risk in relation to financial assets at amortised cost – deposits is described in Note 4. The fair value of deposits approximates to their carrying amounts as presented above.

Financial assets at fair value through profit or loss - derivatives

As at 31 December 2023, the Group disclosed only financial liabilities from derivative instruments – interest rate swaps (refer to Note 20).

In 2022, the Group held only operating derivative instruments – commodity contracts disclosed in Note 24.

Financial assets at fair value through profit or loss – equity and debt instruments

As at 31 December 2023, the Group held equity and debt instruments at fair value through profit or loss of TEUR 29,017 (2022: TEUR 4,722).

	2023 TEUR	2022 TEUR
At 1st January	**4,722**	**7,352**
Additions	23,468	170
Disposals	(112)	(2,697)
Net change in fair value of financial instruments (Note 32)	1,639	(172)
Accrued interest (Note 32)	57	69
Derecognition	--	--
Translation differences	(757)	--
Balance at 31st December	**29,017**	**4,722**
Equity instruments	28,031	3,759
Debt instruments	986	963
Balance at 31st December	**29,017**	**4,722**
Current	28,031	3,765
Non-current	986	957
Balance at 31st December	**29,017**	**4,722**

10. Financial assets (continued)

Financial assets at fair value through profit or loss – equity and debt instruments (continued)

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Equity securities measured at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date. During the year, the Group made a profit from trading of equity securities at the total amount of TEUR 1,639 (2022: TEUR 172) and received total dividends of TEUR 183 (2022: TEUR 218) from its investment in equity securities.

Financial assets at fair value through other comprehensive income

The Group designated the investment shown below as equity securities at FVOCI because the Group intends to hold this investment for strategic purposes for more than twelve months and therefore does not include it in the trading portfolio of equity and debt instruments.

The fair value of this investment was categorised as Level 3 at 31 December 2023 and 31 December 2022 (for further information refer to 3 (c) (iv)). This was because the shares were not listed on an exchange and there were no recent observable arm's length transactions in the shares. As at 31 December 2023, the fair value of the investment amounted to TEUR 1 (2022: TEUR 7,492) as presented below.

	2023 TEUR	**2022 TEUR**
At 1st January	**7,492**	**7,489**
Transfer to equity accounted investee	(7,492)	--
Transfer from equity accounted investee	--	3,924
Acquisition	--	3
Change in fair value	--	(3,924)
Effects of movements in foreign exchange rate	1	--
Balance at 31st December	**1**	**7,492**

As at 1 January 2022, EMMA ALPHA HOLDING LTD disclosed 16.18% shareholding in PRATI ME d.o.o. (including its fully owned subsidiaries NAZOVI ME d.o.o. and BAZZAR MARKETPLACE RZ d.o.o.). Total acquisition value amounted to TEUR 7,489. As subsequent adjustment and based on 2021 results on 3 May 2022, EMMA ALPHA HOLDING LTD increased its share in PRATI ME d.o.o. to 17.10% by subscription at nominal value.

On 13 November 2023, the Company increased its ownership interest in PRATI ME d.o.o. from 17.10% to 21.58% by additional capital contribution to share capital and share premium of TEUR 2,500. As a result of this transaction, the Group derecognized financial asset at fair value through other comprehensive income and recognized an investment in associated group (refer also to Note 1, Description of the Group and to Note 16, Investment in equity-accounted investees).

On 2 June 2022, as a result of transformation of HUDDLE GAMING, INC. into HUDDLE TECH Inc., the Group's direct share in this subgroup was diluted and decreased from 23.33% to 7.05%. Therefore, the Group derecognized investment in associate and recognized financial asset at fair value through other comprehensive income (refer also to Note 1, Description of the Group and to Note 16, Investment in equity-accounted investees).

On 11 August 2023, the Group decreased its ownership interest in HUDLE TECH Inc. from 7.05% to 4.99% through sale of 2.06% ownership interest. The income resulting from this transaction amounted to TEUR 510. In connection with the disposal, the Group transferred the corresponding amount of revaluation loss of TEUR 1,147 from Revaluation reserves to Retained earnings.

During the year 2022, there were no disposal of the investments and there were no transfers of any cumulative gain or loss within equity relating to this investment.

10. Financial assets (continued)

Restricted deposits and restricted cash

Restricted deposits

	2023 TEUR	2022 TEUR
Deposits with restricted access – current	5,638	9,990
Deposits with restricted access – non-current	2,808	5,446
Total	**8,446**	**15,436**

Restricted cash

	2023 TEUR	2022 TEUR
Cash on restricted bank accounts – current	505	677
Cash on restricted bank accounts – non-current	--	--
Total	**505**	**677**

Restricted deposits are used as cash collateral for guarantees for electricity supply contracts with customers, as collateral for letters of guarantees, or as bank loan collateral.

The exposure of the Group to financial risks in relation to restricted cash and restricted deposits is described in Note 4. The fair value of restricted cash and restricted deposits approximates to their carrying amounts.

11. Loans receivable

The Group has provided loans receivable to its related parties of TEUR 23,798 (2022: TEUR 22,921) (refer also to Note 34) and third parties of TEUR 26,319 (2022: TEUR 44,065) which are repayable as follows:

2023	**Average interest rate**	**Less than 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5**	**Non-specified**	**Total TEUR**
Loans receivable	3,67%	349	11,545	33,975	4,248	--	**50,117**

2022	**Average interest rate**	**Less than 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5**	**Non-specified**	**Total TEUR**
Loans receivable	4.06%	758	31,051	31,779	3,398	--	**66,986**

As at 31 December 2023 and 31 December 2022, loans receivables are measured at amortised cost under IFRS 9. Loss allowances were calculated based on a 12-month or a lifetime expected credit loss (ECL). As at 31 December 2023, loss allowances related to loans receivable amounted to TEUR 13,473 (31 December 2022: TEUR 3,096).

As at 31 December 2023, loan receivable total balances from third parties of TEUR 16,299 (2022: TEUR 20,810) were secured over shares, receivables, debenture notes, real estate and maritime structures (vessels).

The exposure of the Group to credit risk, interest rate risk and foreign exchange risk in relation to loan receivables is described in Note 4. The fair value of loan receivables approximates to their carrying amounts as presented above.

12. Trade receivables

	2023	2022
	TEUR	TEUR
Current	160,214	168,563
Non-current	2,125	326
Total	**162,339**	**168,889**

The trade receivables refer mainly to distribution and sale of electricity and gas and works, and services performed (user installations) by the Moldovan and Romanian companies. In addition, trade receivables include also receivables from credit card transactions performed by the Croatian companies, receivables resulting from trading in pharmaceuticals carried out by the Greek companies and receivables from logistic services provided by the Czech entity.

The contractual maturity analysis of trade receivables is included in Note 4.

As at 31 December 2023 and 2022, all trade and other receivables are measured at amortised cost under IFRS 9. Loss allowances were calculated based on a lifetime expected credit loss (ECL), for detailed classification of financial assets by credit risk see Note 4.

The exposure of the Group to credit risk, interest rate risk and foreign exchange risk in relation to trade receivables is described in Note 4. The fair value of trade and other receivables approximates to their carrying amounts as presented above.

13. Inventories

Inventories of TEUR 53,148 (2022: TEUR 61,773) are mainly represented by goods and materials related to gas distribution of Romanian companies (including gas stored at third parties) and to pharmaceutical goods inventory of Greek entities.

The Romanian entities pledged gas in storage as security for liabilities in amount TEUR 25,099 (2022: TEUR 41,479) (refer to Note 18).

In 2023 and 2022, the operating activities of the Group in gas and electricity segments are performed according to licenses for distribution of energy. The Group fulfilled all the legal obligations of gas stocked in underground storage in 2023 and 2022.

For details regarding expenses for raw materials and consumables, please refer to Note 27, information related to impairment loss is included in Note 31, Other operating expenses.

14. Other assets

	2023	2022 (restated)
	TEUR	**TEUR**
Financial assets		
Other assets	24,419	201,097
Subtotal financial assets	**24,419**	**201,097**
Non-financial assets		
Advances to suppliers	8,525	4,577
Other tax receivables	7,200	3,996
Deferred expenses and prepayments	26,284	26,506
Other assets - non-financial	12,955	8,690
Subtotal non-financial assets	**54,964**	**43,769**
Total	**79,383**	**244,866**
Current	56,783	239,944
Non-current	22,600	4,922
Total	**79,383**	**244,866**

The exposure of the Group to credit risk and foreign exchange risk in relation to other financial assets is described in Note 4. The fair value of other financial assets approximates to their carrying amounts as presented above.

Deferred expenses and prepayments represent mainly advances paid to suppliers.

In 2023, other assets mainly include gas delivery prepayments and guarantees for payment retained by the gas suppliers.

In 2022, other assets mainly included deferred consideration of TEUR 192,173 related to disposal of EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries) out of the Group, described in Note 1.

15. Green certificates

	2023	2022
	TEUR	**TEUR**
Current	3,895	2,050
Non-current	1,090	3,628
Green certificates total	**4,985**	**5,678**

As at December 2023, the decrease in green certificates is attributable to a higher number of green certificates being sold during 2023 than obtained. On 30 June 2023, the Group acquired a Romanian entity ALIVE SUN POWER TWO S.R.L. (for further detail refer to Note 1). At the acquisition date, the Group recognised green certificates in the amount of TEUR 534.

As at 31 December 2022, the increase in green certificates (TEUR 5,678) is attributable to the acquisition through business combinations of the Romanian subsidiary ECOENERGIA S.R.L. described in Note 1. At the acquisition date (20 January 2022), the Group recognised green certificates in the amount of TEUR 6,380.

16. Investments in equity-accounted investees

The Group has the following investments which were accounted for using the equity method:

	Type of equity method investment	Country of incorporation	Ownership interest (%)		Carrying amount TEUR	
			2023	**2022**	**2023**	**2022**
HOME CREDIT N.V. (HOME CREDIT GROUP B.V.) [1)]	Associate	Netherlands	8.88	8.88	--	178,043
ENTAIN HOLDINGS (CEE) Ltd. [2)]	Associate	Malta	22.50	25.00	412,379	250,872
HOME FURNITURE GROUP GmbH [3)]	Associate	Germany	46.06	46.06	--	--
PHARMANET A.E.	Associate	Greece	17.38	17.38	50	50
NIKAPATZO LTD [4)]	Associate	Cyprus	24.02	24.02	5,349	2,649
KERMAS ISTRA d.o.o. [5)]	Associate	Croatia	49.00	--	10,007	--
BRASOV RENEWABLES S.R.L.	Associate	Romania	20.39	--	199	--
PRATI ME d.o.o. [6)]	Associate	Croatia	21.58	--	9,935	--
CUBE TOPCO s.r o. [7)]	Associate	Czech Republic	35.00	--	1	--
					437,920	**431,614**

1) As at 29 November 2023, HOME CREDIT GROUP B.V. was merged into HOME CREDIT N.V. As at 31 December 2023, the whole investment in this associated group was disclosed as Asset held for sale (refer also to Note 1 and Note 17).
2) Including its five direct or indirect fully-owned subsidiaries (refer also to Note 1). As at 22 November 2022, the newly founded associate of the Group, ENTAIN HOLDINGS (CEE) Ltd., acquired from the Group 100% ownership interest in EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries); as at As at 27 September 2023, ENTAIN HOLDINGS (CEE) Ltd., acquired from the Group 100% ownership interest in SPORTICON DEVELOPMENT s.r.o. (refer also to Note 1).
3) Including its three fully-owned subsidiaries (refer also to Note 1). The associated group is currently insolvent.
4) Including its subsidiary (refer also to Note 1). The associated group was acquired in 2022 (refer also to Note 1).
5) Including its three fully-owned subsidiaries (refer also to Note 1). The associated group was acquired in 2023 (refer also to Note 1).
6) Including its three fully-owned subsidiaries (refer also to Note 1). The associated group was acquired in 2023 (refer also to Note 1).
7) Including its subsidiary (refer also to Note 1). The associated group was acquired in 2023 (refer also to Note 1).

Gains and losses related to equity-accounted investees recognised in profit or loss 2023 and 2022 could be summarized as follows:

	2023 TEUR	2022 TEUR
Loss resulting from capital contribution in associate [1)]	(2,040)	--
Gain resulting from dilution of investment without change in status of associate [2)]	768	--
Gain resulting from dilution of investment in associate – change in status of FI [3)]	--	2,669
Equity-accounted investees – impairment loss [4)]	--	(27,402)
Equity-accounted investees – share of profit / (loss)	24,929	(143,667)
	23,657	**(168,400)**

1) In 2023, the Group contributed to associated group KERMAS ISTRA d.o.o. additional capital contributions in total amount of TEUR 4,000 (refer to Note 1), out of which TEUR 2,040 is attributable to the majority shareholder of this associated group and therefore was recognised as a loss from disposal within profit or loss.
2) As a result of new shares issued by ENTAIN HOLDINGS (CEE) Ltd. in 2023, the ownership interest of the Group in this associated group was diluted and decreased from 25.00% to 22.50% (refer also to Note 1) and relevant amount of TEUR 768 was disclosed as a gain from disposal within profit or loss.
3) Gain of TEUR 2,669 resulting from dilution of investment in associate consists of value of newly recognized financial asset at FVOCI of TEUR 3,924 (also refer to note 10), value of equity-accounted investee derecognized of TEUR (1,273) and related translation reserve of TEUR 18 reclassified from other comprehensive income to profit or loss as a result of derecognition of the equity-accounted investee.
4) In 2022, the amount TEUR 27,402 arises from the impairment of associate HOME FURNITURE GROUP GmbH resulting from the insolvency process.

16. Investments in equity-accounted investees (continued)

Movements of equity-accounted investees in 2023 and 2022 could be summarized as follows:

	2023 TEUR	2022 TEUR
Balance as at 1st January	431,614	314,485
Additions (Note 1)	196,766	254,214
Part of capital contribution attributable to majority shareholder 1)	(2,040)	--
Derecognition of the equity-accounted investee HUDDLE GAMING, INC. resulting from the decrease in shares from 23.33 % to 6.87 % 2)	--	(1,273)
Impairment loss on associates	--	(27,402)
Decrease in ownership interest in ENTAIN HOLDINGS (CEE) Ltd. while continuing to apply equity accounting (Note 1)	768	--
Dividends received from associates 3)	(42,745)	--
Group's share of profit / (loss)	24,929	(143,667)
Group's share of Other comprehensive income – translation reserve	4,808	18,384
Group's share of Other comprehensive income – translation reserve reclassified to PL 4)	1,331	49,906
Group's share of Other comprehensive income – other components of OCI	(887)	(888)
Group's share of Other comprehensive income – other components of OCI reclassified to PL 4)	--	89
Group's share of other net assets changes (other)	266	(32,234)
Derecognition of the equity-accounted investee - reclassification to assets-held-for-sale (Note 17) 5)	(176,890)	--
At 31st December	**437,920**	**431,614**

1) In 2023, the Group contributed to associated group KERMAS ISTRA d.o.o. additional capital contributions in total amount of TEUR 4,000 (refer to Note 1), out of which TEUR 2,040 is attributable to the majority shareholder of this associated group.
2) As a result of the transformation of HUDDLE GAMING, INC. into HUDDLE TECH Inc., the ownership interest decreased from 23.33% to 7.05% in 2022. The equity-accounted investee of TEUR 1,273 was derecognized and the remaining ownership interest was recognized as financial asset at fair value through other comprehensive income of TEUR 3,924. For further information, refer to Note 1 and Note 10.
3) In 2023, the Group received dividends of TEUR 8,129 from ENTAIN HOLDINGS (CEE) Ltd. and dividends of TEUR 34,616 from HOME
4) CREDIT GROUP B.V.
5) In the first half of 2022, the associated group HOME CREDIT GROUP B.V. disposed of its Russian assets and subsidiaries. As a result of this transaction, associated group reclassified relevant amount of translation reserve and other components of other comprehensive income to profit or loss.
6) As a result of existing contractual arrangement leading to disposal of the investment, the financial investment in associated group HOME CREDIT N.V. was classified as Held for sale as at 31 December 2023 (refer also to Note 17).

16. Investments in equity-accounted investees (continued)

TEUR	HOME CREDIT N.V. (HOME CREDIT GROUP B.V.)		HUDDLE GAMING, INC.		PHARMANET A.E.		HOME FURNITURE GROUP GMBH	
	associate (8.88%)[1)] 2023	associate (8.88%) 2022	2) 2023	associate (23.33%)[1)] 2022	associate (17.38%) 2023	associate (17.38%) 2022	associate (46.06%)[3)] 2023	associate (46.06%)[3)] 2022
Summarised balance sheet								
Non-current assets	4,861,000	4,523,000	--	--	62	82	--	--
Current assets	3,448,000	5,546,000	--	--	5,496	5,369	--	--
Non-current liabilities	(581,000)	(552,000)	--	--	--	--	--	--
Current liabilities	(7,151,000)	(8,917,000)	--	--	(5,603)	(5,496)	--	--
Net assets (100%)	**577,000**	**600 000**	**--**	**--**	**(45)**	**(45)**	**--**	**--**
NCI on net assets	**--**	**10,000**	**--**	**--**	**--**	**--**	**--**	**--**
Net assets attributable to equity holders	**577,000**	**590,000**	**--**	**--**	**(45)**	**(45)**	**--**	**--**
Group's share on net assets	51,238	52,392	--	--	(8)	(8)	--	--
Goodwill	**1)**	125,651	--	--	58	58	--	--
Carrying amount of investments in equity-accounted investees	**1)**	**178,043**	**--**	**--**	**50**	**50**	**--**	**--**
Summarised income statement								
Revenues	1,436,000	1,868,000	--	--	9,268	9,674	--	--
Operating profit/(loss)	62,000	(46,000)	--	1,114	104	44	--	--
Profit/(loss) before tax	457,000	(982,000)	--	1,114	--	(39)	--	--
Income tax	(76,000)	(613,000)	--	--	--	--	--	--
Profit/(loss) for the year	**381,000**	**(1,595,000)**	**--**	**1,114**	**--**	**(39)**	**--**	**--**
Net profit/ (loss) for the period from discontinued operation, net of tax	--	(17,000)	--	--	**--**	--	--	--
Net profit/(loss) for the year	**381,000**	**(1,613,000)**	**--**	**1,114**	**--**	**(39)**	**--**	**--**
- *out of which profit attributable to equity holders*	**381,000**	**(1,613,000)**	**--**	**1,114**	**--**	**--**	**--**	**--**
Other comprehensive income	**(22,000)**	**197,000**	**--**	**29**	**--**	**--**	**--**	**--**
Total comprehensive income	**359,000**	***(1,415,000)***	**--**	***1,143***	**--**	***(39)***	**--**	**--**
Group's share on loss for the year	33,818	(143,234)	--	260	--	--	--	--
Group's share on other comprehensive income	(621)	67,487	--	4	--	--	--	--
Group's share on total comprehensive income	**33,197**	**(75,747)**	**--**	**264**	**--**	**--**	**--**	**--**

1) As at 31 December 2023, the whole investment in this associated group was disclosed as current asset held for sale (refer also to Note 1 and Note 17).
2) As a result of the dilution of shares in Huddle Gaming, Inc. from 23.33% to 7.05% and derecognition of equity-accounted investee (refer to Note 1), the financial information summarised in the table comprise only income statement data for the period before the dilution (i.e. from 1 January to 2 June 2022).
3) Financial information for the associated group are not currently available due to its insolvency.

16. Investments in equity-accounted investees (continued)

The financial information relating to investments in equity-accounted investees is summarised below:

TEUR	NIKAPATZO LTD		ENTAIN HOLDINGSS (CEE) Ltd.	
	associate (24.02%)[4)] 2023	**associate** (24.02%) 2022	**associate** (22.50%) 2023	**associate** (25.00%) 2022
Summarised balance sheet				
Non-current assets	--	5,519	2,251,650	1,153,044
Current assets	--	1,717	53,498	232,991
Non-current liabilities	--	(296)	(336,204)	(171,765)
Current liabilities	--	(4,333)	(132,945)	(210,782)
Net assets (100%)	**--**	**2,607**	**1,835,999**	**1,003,488**
NCI on net assets	**--**	**87**	**3,203**	**--**
Net assets attributable to equity holders	**--**	**2,520**	**1,832,796**	**1,003,488**
Group's share on net assets	--	605	412,379	250,872
Goodwill	--	2,044	--	--
Carrying amount of investments in equity-accounted investees	**--**	**2,649**	**412,379**	**250,872**
Summarised income statement				
Revenues	--	250	368,768	22,394
Operating profit/(loss)	--	(170)	(38,574)	(2,566)
Profit/(loss) before tax	--	(220)	(38,297)	(2,566)
Income tax	--	--	1,820	--
Profit/(loss) for the year	**--**	**(220)**	**(36,477)**	**(2,566)**
Net profit for the period from discontinued operation, net of tax	--	--	--	--
Net profit/(loss) for the year	**--**	**(220)**	**(36,477)**	**(2,566)**
- *out of which profit attributable to equity holders*	**--**	**(211)**	**(37,877)**	**(2,566)**
Other comprehensive income	**--**	**--**	**26,100**	**--**
Total comprehensive income	**--**	**(220)**	**(10,377)**	**(2,566)**
Group's share on loss for the year	--	(51)	(8,520)	(642)
Group's share on other comprehensive income	--	--	5,873	--
Group's share on total comprehensive income	**--**	**(51)**	**(2,647)**	**(642)**

4) Financial information for the associated group are not currently available.

16. Investments in equity-accounted investees (continued)

The financial information relating to investments in equity-accounted investees is summarised below:

TEUR	KERMAS ISTRA d.o.o.		PRATI ME d.o.o.	
	associate (49.00%)	–	**associate** (21.58%)	–
	2023	2022	2023	2022
Summarised balance sheet				
Non-current assets	39,442	--	736	--
Current assets	3,011	--	5,636	--
Non-current liabilities	(42,413)	--	(1)	--
Current liabilities	(1,780)	--	(3,541)	--
Net assets (100%)	**(1,740)**	**--**	**2,830**	**--**
NCI on net assets	**--**	**--**	**--**	**--**
Net assets attributable to equity holders	**(1,740)**	**--**	**2,830**	**--**
Group's share on net assets	(852)	--	610	--
Goodwill	10,859	--	9,325	--
Carrying amount of investments in equity-accounted investees	**10,007**	**--**	**9,935**	**--**
Summarised income statement				
Revenues	971	--	3,637	--
Operating profit/(loss)	(636)	--	(264)	--
Profit/(loss) before tax	(637)	--	(264)	--
Income tax	--	--	--	--
Profit/(loss) for the year	**(637)**	**--**	**(264)**	**--**
Net profit for the period from discontinued operation, net of tax	**--**	--	**--**	--
Net profit/(loss) for the year	**(637)**	**--**	**(264)**	**--**
- *out of which profit attributable to equity holders*	**(637)**	**--**	**(264)**	**--**
Other comprehensive income	**--**	**--**	**--**	**--**
Total comprehensive income	**(637)**	**--**	**(264)**	**--**
Group's share on loss for the year	(312)	--	(57)	--
Group's share on other comprehensive income	--	--	--	--
Group's share on total comprehensive income	**(312)**	**--**	**(57)**	**--**

Summarised information for income statement and other comprehensive income of associated groups KERMAS ISTRA d.o.o. and PRATI ME d.o.o. relate to the period from the acquisition date till 31 December 2023.

16. Investments in equity-accounted investees (continued)

The financial information relating to investments in equity-accounted investees is summarised below:

TEUR	BRASOV RENEWABLES S.R.L.		CUBE TOPCO s.r.o.	
	associate (20.39%)	–	**associate** (35.00%)	–
	2023	2022	2023	2022
Summarised balance sheet				
Non-current assets	469	--	--	--
Current assets	28	--	3	--
Non-current liabilities	--	--	--	--
Current liabilities	1	--	--	--
Net assets (100%)	**498**	**--**	**3**	**--**
NCI on net assets	**--**	**--**	**--**	**--**
Net assets attributable to equity holders	**498**	**--**	**3**	**--**
Group's share on net assets	199	--	1	--
Goodwill	--	--	--	--
Carrying amount of investments in equity-accounted investees	**199**	**--**	**1**	**--**
Summarised income statement				
Revenues	--	--	--	--
Operating profit/(loss)	--	--	--	--
Profit/(loss) before tax	--	--	--	--
Income tax	--	--	--	--
Profit/(loss) for the year	**--**	**--**	**--**	**--**
Net profit for the period from discontinued operation, net of tax	--	--	--	--
Net profit/(loss) for the year	**--**	**--**	**--**	**--**
- *out of which profit attributable to equity holders*	**--**	**--**	**--**	**--**
Other comprehensive income	**--**	**--**	**--**	**--**
Total comprehensive income	**--**	**--**	**--**	**--**
Group's share on loss for the year	--	--	--	--
Group's share on other comprehensive income	--	--	--	--
Group's share on total comprehensive income	**--**	**--**	**--**	**--**

17. Assets held for sale

As a result existing contractual arrangement leading to disposal of the investment, the financial investment in associated group HOME CREDIT N.V. was classified as Held for sale as at 31 December 2023 (refer also to Note 16). The expected selling price is higher than the carrying value of equity-accounted investee before the change in classification (TEUR 176,890), therefore no further adjustment were recorded to the value of assets held for sale.

18. Loans and borrowings

Liabilities due to non-banks

The contractual terms of the Group's non-bank loans are summarised below. For more information about the Group's exposure to liquidity risk, interest rate and foreign currency risk, please refer to Note 4.

	2023 TEUR	**2022 TEUR**
Loans from associates and associated groups	34,367	47,750
Loans from other related parties	147,663	167,277
Loans from third parties	83,745	51
	265,775	**215,078**

Non-bank loans are payable as follows:

TEUR	**Amount as at 31 December 2023**	**Payable in 1 year**	**Payable in more than 1 year**
Loans from related and third parties	265,775	259,207	6,568
Total	**265,775**	**259,207**	**6,568**

TEUR	**Amount as at 31 December 2022**	**Payable in 1 year**	**Payable in more than 1 year**
Loans from related and third parties	215,078	8,381	206,697
Total	**215,078**	**8,381**	**206,697**

As at 31 December 2023 the Group's non-bank loans were secured as follows:

- 323.751.307 shares of HOME CREDIT N.V. in favour of AIR BANK a.s.
- 534.979.294 shares of HOME CREDIT N.V. in favour of PPF Banka a.s.

As at 31 December 2022, the Group's non-bank loans were secured as follows:

- 3.679.958.130 shares of HOME CREDIT GROUP B.V. in favour of AIR BANK a.s.
- 5.432.750.597 shares of HOME CREDIT GROUP B.V. in favour of PPF Banka a.s.

The fair value of liabilities due to non-banks approximates to their carrying amounts as presented above. The exposure of the Group to liquidity risk, interest rate risk and foreign exchange risk in relation to non-bank loans is described in Note 4.

Liabilities due to banks and other financial institutions

The Group's liabilities due to banks and other financial institutions as of 31 December 2023 amount to TEUR 360,662 (2022: TEUR 216,766). The details are described below.

	2023 TEUR	**2022 TEUR**
Non-current bank loans	283,044	156,348
Current bank loans	77,618	60,418
	360,662	**216,766**

18. Loans and borrowings (continued)

Liabilities due to banks and other financial institutions (continued)

2023	Currency	Maturity	Outstanding principal and interest TEUR
Secured bank loans	EUR	2023-2026	65,078
Secured bank loans	EUR	2027-2031	257,373
Secured bank loans	MDL	2024-2028	2,198
Secured bank loans	RON	2029	16,293
Secured bank loans	USD	2031	11,487
Secured bank loans	CZK	2025-2030	7,329
Unsecured bank loans	EUR	2025	904
			360,662

2022	Currency	Maturity	Outstanding principal and interest TEUR
Secured bank loans	RON	2025	95
Secured bank loans	MDL	2024	12,033
Secured bank loans	HRK	2023	108
Secured bank loans	CZK	2025	261
Secured bank loans	EUR	2023-2026	132,053
Secured bank loans	USD	2025	9,077
Secured bank loans	EUR	2027-2031	63,139
			216,766

The interest rates on bank loans are variable or fixed, all interest rates are market based. The exposure of the Group to liquidity risk, to interest rate risk and to foreign exchange risk in relation to bank loans is described in Note 4.

There are covenants to be fulfilled related to secured bank loans. As at 31 December 2023 and 2022 there were no breaches of covenants conditions.

As at 31 December 2023, the Group's bank loans were secured by pledge on receivables, bank accounts and deposits, pledge on defined movable and immovable assets, pledge on part of shares of PREMIER ENERGY S.R.L., pledge of shares in PREMIER ENERGY PLC, pledge on gas in storage (refer to Note 13, Inventories), by blank promissory note, by pledge on receivables due from defined customers and by corporate guarantees provided by the parent company.

As at 31 December 2022, the Group's bank loans were secured by pledge on receivables, bank accounts and deposits, pledge on defined movable and immovable assets, pledge on part of shares of PREMIER ENERGY S.R.L., pledge of shares in PREMIER ENERGY PLC, pledge on gas in storage (refer to Note 13, Inventories), by blank promissory note, by pledge on receivables due from defined customers and by corporate guarantees provided by the parent company.

The fair value of liabilities due to banks and other financial institutions approximates to their carrying amounts as presented above.

18. Loans and borrowings (continued)

Reconciliation of movements of liabilities

Reconciliation of movements of liabilities to cash flows arising from financing activities in 2023 and 2022 is described below.

	Loans and borrowings	Lease liabilities	Bonds issued	Equity	Total
Balance at 1 January 2023 (restated)	**431,844**	**12,123**	**2,020**	**1,036,295**	**1,482,282**
Changes from financing cash flows					
Other changes in equity	--	--	--	1,203	**1,203**
Dividends paid	--	--	--	(40,521)	**(40,521)**
Transactions with NCI without change in control	--	--	--	(12,336)	**(12,336)**
Proceeds from interest-bearing loans and borrowings	314,410	--	--	--	**314,410**
Repayments of interest-bearing loans and borrowings	(132,250)	--	--	--	**(132,250)**
Bonds repaid	--	--	(2,022)	--	**(2,022)**
Bonds issued	--	--	6,680	--	**6,680**
Payment of lease liabilities	--	(6,822)	--	--	**(6,822)**
Total changes from financing cash flows	**182,160**	**(6,822)**	**4,658**	**(51,564)**	**128,342**
Changes arising from obtaining or losing control of subsidiaries or other businesses	**(123)**	**639**	**--**	**1,647**	**2,163**
The effect of changes in foreign exchange rates	**(2,851)**	**(231)**	**2**	**8,303**	**5,223**
Other changes					
Interest expense	31,160	1,255	278	--	**32,693**
Interest paid	(20,108)	(1,247)	(278)	--	**(21,633)**
Assignment to trade and other receivables	4,355	--	--	--	**4,355**
New of lease agreements	--	22,157	--	--	**22,157**
Change in lease contract condition	--	--	--	--	**--**
Total liability-related other changes	**15,407**	**22,165**	**--**	--	**37,572**
Total equity-related other changes	**--**	**--**	**--**	**37,022**	**37,022**
Balance at 31 December 2023	**626,437**	**27,874**	**6,680**	**1,031,613**	**1,692,604**

18. Loans and borrowings (continued)

Reconciliation of movements of liabilities (continued)

	Loans and borrowings	Lease liabilities	Bonds issued	Equity	Total
Balance at 1 January 2022 (restated)	**439,005**	**14,924**	**89,453**	**621,338**	**1,164,720**
Changes from financing cash flows					
Other changes in equity	--	--	--	(435)	(435)
Dividends paid	--	--	--	(37,536)	(37,536)
Transactions with NCI without change in control	--	--	--	(178,855)	(178,855)
Proceeds from interest-bearing loans and borrowings	580,801	--	--	--	580,801
Repayments of interest-bearing loans and borrowings	(444,216)	--	--	--	(444,216)
Bonds repaid	--	--	(90,000)	--	(90,000)
Payment of lease liabilities	--	(5,190)	--	--	(5,190)
Total changes from financing cash flows	**136,585**	**(5,190)**	**(90,000)**	**(216,826)**	**(175,431)**
Changes arising from obtaining or losing control of subsidiaries or other businesses	**(154,383)**	**(3,725)**	**2,021**	**11,191**	**(144,896)**
The effect of changes in foreign exchange rates	**2,719**	**--**	**--**	**(972)**	**1,747**
Other changes					
Interest expense	35,513	611	6,539	--	42,663
Interest paid	(27,993)	(186)	(5,993)	--	(34,172)
Assignment to trade and other receivables	398	--	--	--	398
New of lease agreements	--	6,341	--	--	6,341
Change in lease contract condition	--	(652)	--	--	(652)
Total liability-related other changes	**7,918**	**6,114**	**546**	**--**	**14,578**
Total equity-related other changes	**--**	**--**	**--**	**621,564**	**621,564**
Balance at 31 December 2022 (restated)	**431,844**	**12,123**	**2,020**	**1,036,295**	**1,482,282**

19. Bonds issued

	2023 TEUR	2022 TEUR
Nominal value of bonds issued	6,680	2,020
Expenses related to the issue of bonds – amortized	--	--
Accrued interest	--	--
Total amount as at 31 December	**6,680**	**2,020**

During the year, the Group issued bonds at the value of TEUR 6,680. The bonds held by private investors and have maturity date on 12 June 2030. The Bonds are secured by a corporate guarantee provided by the parent company.

As a result of the acquisition of 51% stake in entity ALIVE CAPITAL S.A. on 24 February 2022, the Group recognized bonds issued in amount of TEUR 2,021. As at 31 December 2022, the bonds issued amount to TEUR 2,020. ALIVE CAPITAL S.A. issued bonds MTS ALV23 (ISIN RO5HFLV9R1X2) on 31 December 2020, at a total nominal value of TRON 10,000, which were accepted for trading on the Bucharest Stock Exchange. The bonds matured and were repaid as at 23 December 2023. Bonds bear fixed interest rate of 8.00 % p.a.

On 29 May 2019, the Group issued bonds EMG 4.90/2024 (ISIN SK4000015210) at a total nominal value of TEUR 90,000. The bonds bore fixed interest rate of 4.90% p.a. Bonds were accepted for trading on the Bratislava Stock Exchange. The Bonds were secured by a corporate guarantee provided by the consolidated entity EMMA GAMMA LIMITED, for the maximum amount of TEUR 115,000. The bonds had a maturity date on 29 May 2024, however, they were repaid before the 31 December 2022.

There are covenants to be fulfilled related to the issued bonds. As at 31 December 2023 and 2022, there were no breaches of covenants conditions.

19. Bond issued (continued)

The interest expense related to bonds issued is TEUR 278 in 2023 (2022: TEUR 5,600) and the effective interest expense related to the issue of bonds is TEUR 0 in 2023 (2022: TEUR 939). For further information, refer to Note 32.

The fair value of bonds issued approximates to their carrying amounts as presented above. The exposure of the Group to liquidity risk, interest rate risk and foreign exchange risk in relation to bonds issued is described in Note 4.

20. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss – contingent consideration

	2023	2022
	TEUR	TEUR
At 1st January	19,226	5,511
Settlement	(3,782)	(652)
Contingent and deferred consideration for business combinations (Note 1)	177	14,205
Change in fair value (Note 32)	(7,254)	162
Balance at 31st December	**8,367**	**19,226**

In 2021, the contingent and deferred consideration was recognized in connection with acquisition of MAIL STEP a.s. through business combination. The amount depended on business performance of MAIL STEP a.s. in 2021, 2022 and 2023. Part of contingent and deferred consideration was settled in 2022 and 2023, the remaining part of contingent consideration is payable in 2024.

In 2022, the contingent consideration was recognized in connection with acquisition of FAVI ONLINE s.r.o through business combination. For more information, refer to Note 1. The amount depends on business performance of FAVI ONLINE s.r.o. in 2022 and 2023. Part of contingent consideration was settled in 2023, the remaining part of contingent consideration is payable in 2024.

In 2023, the contingent consideration was recognized in connection with acquisition of EASYBET SOLUTION S.R.L. through business combination and is payable in 2024. For more information, refer to Note 1.

The exposure of the Group to liquidity risk, Interest rate risk and foreign exchange risk in relation to contingent consideration is described in Note 4.

Financial liabilities at fair value through profit or loss – Interest rate swaps

	2023	2022
	TEUR	TEUR
At 1st January	--	--
Settlement	36	--
Change in fair value (Note 32)	155	--
Effects of movements in foreign	(4)	--
Balance at 31st December	**187**	**--**

21. Trade payables

The Group's trade payables as of 31 December 2023 amounting TEUR 101,378 (2022: TEUR 63,083) consist mainly of payables related to trading in pharmaceuticals, payables of gas supply of Romanian companies and distribution of electricity of Moldovan companies.

The movement in trade payables from 2022 is attributable mainly to the increase in Moldova region due to energy imbalances (refer also to Note 22). Trade payables are non-interest bearing and are normally settled between 30 days and 60 days.

The fair value of trade payables approximates to their carrying amounts as presented above. Information about the Group's exposure to currency and liquidity risks is included in Note 4.

22. Other liabilities

	2023 TEUR	2022 (restated) TEUR
Financial liabilities		
Accrued expenses	13,343	45,019
Other liabilities	10,793	53,644
Subtotal financial liabilities	**24,136**	**98,663**
Non-financial liabilities		
Deferred income	37,845	29,965
Other tax payable	12,522	12,980
Advances received	1,295	1,115
Wages and salaries	3,135	3,203
Social security and health insurance	1,811	1,562
Subtotal non-financial liabilities	**56,608**	**48,825**
Total	**80,744**	**147,488**
Current	41,450	132,759
Non-current	39,294	14,729
Total	**80,744**	**147,488**

As at 31 December 2023, the decrease in accrued expenses is mainly attributable to the Moldovan electricity supply subsidiary. During the prior year, the entity booked an accrual for the energy imbalances for the period from September 2022 to December 2022, however during the current year, invoices were obtained and the balances were included in the trade payables account (refer also to Note 21).

As at 31 December 2022, the increase in accrued expenses is mainly attributable to increased prices for purchased electricity at the year-end for the Moldovan market and to newly acquired renewable energy subsidiary for electricity consumed and not invoiced by the suppliers, (refer also to Note 1); the increase in deferred income is mainly attributable to Romanian supply company and total decrease in other tax payable comprises effect of decrease in other tax payables related to betting activities disposed out of the Group (refer also to Note 1) and effect of increase resulted mainly from newly acquired entity representing VAT payable and Solidarity tax (refer also to Note 1).

Accrued expenses are represented notably by liabilities related to the electricity purchases by the Moldovan subsidiaries and to natural gas purchases by the Romanian subsidiaries.

As at 31 December 2023 and 31 December 2022, the balance of deferred income is notably represented by liabilities related to the electricity activity of the Moldovan subsidiaries, and of natural gas by the Romanian subsidiaries.

The fair value of other liabilities approximates to their carrying amounts as presented above. For more information about the Group’s exposure to liquidity and foreign currency risk refer to Note 4.

23. Deferred tax liability and asset

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2023 TEUR	2022 (restated) TEUR
Deferred tax assets	3,221	5,181
Deferred tax liabilities	(24,867)	(22,423)
Net deferred tax liabilities	**(21,646)**	**(17,242)**

The recognised deferred tax assets and liabilities are attributable to property, plant and equipment and to intangible assets. Deferred tax asset is attributable also to tax losses carried forward.

	2023 TEUR	2022 (restated) TEUR
Property, plant and equipment	(20,604)	(11,900)
Intangible assets	(4,496)	(8,847)
Tax losses carried-forward	2,482	1,360
Derivative financial instruments	--	641
Other items	972	1,504
Net deferred tax liabilities	**(21,646)**	**(17,242)**
Of which:		
Expected to reverse within 12 months	--	641
Expected to reverse after 12 months	(21,646)	(17,883)
Net deferred tax liabilities	**(21,646)**	**(17,242)**

Unrecognised deferred tax assets of TEUR 12,512 resulting from tax losses carried-forward in total amount of TEUR 71,417 are attributable mainly to Czech and Cypriot entities (refer also to Note 33).

Deferred tax assets and liabilities are generally expected to be reversed after 12 months as they result mainly from non-current assets and their reversal or settlement within the next 12 months are not certain.

Movements in temporary differences during the period were as follows:

2023	**Balance at 1 January (restated)**	**Recognized in profit or loss**	**Additions resulting from business combinations**	**Disposals resulting from business combinations**	**Recognized directly in OCI**	**Effect of movements in foreign exchange rate**	**Balance at 31 December**
Property, plant and equipment	(11,900)	(4,573)	(1,954)	--	(1,697)	(480)	(20,604)
Intangible assets	(8,847)	5,003	(690)	--	--	38	(4,496)
Tax losses carried-forward	1,360	1,079	--	--	--	43	2,482
Derivative financial instruments	641	(641)	--	--	--	--	--
Other items	1,504	(499)	--	--	--	(33)	972
	(17,242)	**369**	**(2,644)**	**--**	**(1,697)**	**(432)**	**(21,646)**

23. Deferred tax liability and asset (continued)

2022	Balance at 1 January (restated)	Recognized in profit or loss	Additions resulting from business combinations	Disposals resulting from business combinations	Recognized directly in OCI	Effect of movements in foreign exchange rate	Balance at 31 December (restated)
Property, plant and equipment	(16,712)	5,391	(689)	--	(22)	132	(11,900)
Intangible assets	(11,313)	(5,529)	(2,381)	10,526	--	(150)	(8,847)
Tax losses carried-forward	1,989	(616)	--	--	--	(13)	1,360
Derivative financial instruments	--	643	--	--	--	(2)	641
Other items	1,010	466	--	--	--	28	1,504
	(25,026)	**355**	**(3,070)**	**10,526**	**(22)**	**(5)**	**(17,242)**

24.Operating derivative instruments – commodity contracts

	2023 TEUR	2022 (restated) TEUR
Positive fair values of derivatives		
Commodity derivatives – electricity	--	--
Commodity derivatives – gas	--	3,123
Subtotal	**--**	**3,123**
Negative fair values of derivatives		
Commodity derivatives – electricity	--	--
Commodity derivatives – gas	--	(3,777)
Subtotal	**--**	**(3,777)**
Total net derivative instruments	**--**	**(654)**

As at 31/12/2023	Currency	Maturity	Fair value at 31/12/2023 (TEUR)	Due within 1 year (TEUR)	Due in 1–5 years (TEUR)
Derivative financial assets					
Commodity derivative – Electricity	--	--	--	--	--
Commodity derivative – Gas	--	--	--	--	--
Total derivative financial assets			**--**	**--**	**--**

As at 31/12/2023	Currency	Maturity	Fair value at 31/12/2023 (TEUR)	Due within 1 year (TEUR)	Due in 1–5 years (TEUR)
Derivative financial liabilities					
Commodity derivative – Electricity	--	--	--	--	--
Commodity derivative – Gas	--	--	--	--	--
Total derivative financial liabilities			**--**	**--**	**--**
Total net derivative instruments			**--**	**--**	**--**

24. Operating derivative instruments – commodity contracts (continued)

As at 31/12/2022 (restated)	**Currency**	**Maturity**	**Fair value at 31/12/2022 (TEUR)**	**Due within 1 year (TEUR)**	**Due in 1–5 years (TEUR)**
Derivative financial assets					
Commodity derivative – Gas	RON	01.04.2023	3,123	3,123	--
Total derivative financial assets			**3,123**	**3,123**	**--**

As at 31/12/2022 (restated)	**Currency**	**Maturity**	**Fair value at 31/12/2022 (TEUR)**	**Due within 1 year (TEUR)**	**Due in 1–5 years (TEUR)**
Derivative financial liabilities					
Commodity derivative – Gas	RON	01.04.2023	(3,777)	(3,777)	--
Total derivative financial liabilities			**(3,777)**	**(3,777)**	**--**
Total net derivative instruments			**(654)**	**(654)**	**--**

	2023	**2022 (restated)**
Balance at 1 January 2022	(654)	--
Acquisitions through business combinations	--	--
Settlement of derivatives	654	(77,098)
Change in fair value of derivatives	--	76,444
Balance at 31 December 2022	**--**	**(654)**

According to IFRS 9, certain commodity contracts are considered to be financial instruments and accounted for in accordance with the standard. Most commodity purchase and sales carried out by the Group assume physical delivery of the commodity in amounts intended for use or sale in the course of the Groups ordinary activities. Therefore, such contracts (so-called “own use” contracts) are not within the scope of IFRS 9.

Fair value of derivative financial instruments was disclosed for commodity contracts for gas in Romania that did not qualify for application of “own-use” exemption as at 31 December 2022 (refer also to Note 26, Revenues and expenses related to core operations; operating derivatives). No contracts were designated as hedging derivatives. Fair value is determined on the basis of market data, available from external contributors and are classified at Level 2 for gas. Income approach was used as valuation model. Values were determined based on the future cash flows using a risk-free rate considering the maturity of the contracts, energy prices obtained gas prices from Romania Commodity Exchange and estimated quantities.

For more information about the Group’s exposure to liquidity risk and foreign currency risk, refer to Note 4.

25. Equity

Share capital

Upon incorporation on 12 October 2012, the Company issued to the subscribers of its Memorandum of Association 10,000 ordinary shares of EUR 1 each at par.

At 31 December 2023, the share capital of the Group comprised 10,000 ordinary shares with nominal value of EUR 1 each, all of which were issued and fully paid.

The Company's ordinary shares are pledged by EMMA CAPITAL LIMITED, in favour of J&T Banka a.s.

The Ordinary Shares shall confer on their holders the following rights:

a) The right to receive notice, attend and vote at any proposed General Meeting and/or proposed resolution of the General Meeting and/or any proposed unanimous written resolution of the General Meeting.

b) The right to receive dividends in accordance with Regulations 112-114A.

c) On a return of assets on liquidation of the Company, reduction of capital or otherwise, the right to receive assets corresponding to (i) the nominal value of the Ordinary Shares and (ii) to the amount remaining payable as provided for in Regulation 114A (c).

Redeemable shares

	2023 Number of shares	2023 TEUR	2022 Number of shares	2022 TEUR
Authorised				
Redeemable shares of EUR 1 each	10,225	10	10,225	10
Issued and fully paid				
Opening balance	7,450	7	8,008	8
Redemptions of shares	(438)	--	(558)	(1)
Balance as at 31 December	**7,012**	**7**	**7,450**	**7**
Share premium		204,914		204,914
Balance as at 31 December		**204,921**		**204,921**

During 2023, the Company redeemed 438 redeemable preference shares held by MEF HOLDINGS LIMITED (2022: 558 redeemable preference shares) for total redemption value of TEUR 61,758 (2022: TEUR 71,145). The redemption value of TEUR 61,758 (2022: TEUR 71,145) was settled from retained earnings.

As at 31 December 2023, 6.311 (2022: 6.892) redeemable preference shares are pledged under the Deed of Pledge Agreement between MEF Holdings Limited and J&T Banka a.s.

The Redeemable Preference Shares shall confer on their holders the following rights:

a. The right to redeem such shares in accordance with the procedure set out in the present Regulations.
b. The right to receive dividends in accordance with Regulations 112 - 114A.
c. On a return of assets on liquidation of the Company, reduction of capital or otherwise, the right to receive any surplus assets remaining after the distribution to the holders of Ordinary Shares as provided for in Regulation 5A (c).

The Redeemable Preference Shares meet the definition of puttable instrument as defined in IAS 32.

Translation reserve

The translation reserve balance as at 31 December 2023 of positive TEUR 25,517 (2022: positive TEUR 11,454) represents notably foreign exchange differences arising from the translation of the financial statements of the subsidiaries with a functional currency other than EUR as well as the Group's share on foreign exchange differences arising from translation of the financial statements of the companies forming an associated group HOME CREDIT N.V.

25. Equity (continued)

Revaluation reserves

The revaluation reserves comprise effects of the revaluation of Gas distribution networks to fair value, effect of revaluation of equity instruments designated at FVOCI and effect of revaluation gains/(losses) of the Group's share on revaluation gains/(losses) from associates.

TEUR	Note	Revaluation of Gas distribution networks	Revaluation of equity instruments designated at FVOCI	Share on revaluation gains / (losses) from associates
On 1st January 2022 (restated)		37,768	--	6,156
Items reclassified from OCI to profit / (loss) - associates	16	--	--	89
Revaluation of Gas distribution networks	8	115	--	--
Revaluation of financial assets at fair value through other comprehensive income	10	--	(3,924)	--
Associates - share of OCI	16	--	--	(1,154)
Other movements		--	--	(89)
On 31st December 2022 (restated)		**37,883**	**(3,924)**	**5,002**
On 1st January 2023 (restated)		37,883	(3,924)	5,002
Revaluation of Gas distribution networks	8	8,907	--	--
Transfer of revaluation reserve of equity instruments designated at FVOCI	10	--	1,147	--
Associates - share of OCI	16	--	--	(976)
On 31st December 2023		**46,790**	**(2,777)**	**4,026**

The balance of revaluation reserve resulting from the revaluation of Gas distribution networks to fair value as at 31 December 2023 of TEUR 46,790 (2022: TEUR 37,883) represents total revaluation of TEUR 55,703 (2022: TEUR 45,099) and tax effect of TEUR (8,913) (2022: TEUR (7,216)).

Other reserves

The balance of other reserves as at 31 December 2023 of TEUR negative (58,683) (2022: TEUR negative (57,706)) represents notably the Group's share on associate's HOME CREDIT N.V. changes in net assets other than associates' profit or loss or associates' other comprehensive income (refer to Note 16).

The balance of other reserves as at 1 January 2022 of TEUR negative (201,389) represented notably the effect of the transaction with non-controlling shareholder of SUPER SPORT d.o.o. (described in the separate paragraph below) and the Group's share on associate's HOME CREDIT GROUP B.V. changes in net assets other than associates' profit or loss or associates' other comprehensive income (refer to Note 16).

In the past, the Group had contractually agreed (refer also to Note 1) the future acquisition of 33% in SUPER SPORT d.o.o. from the non-controlling shareholder of SUPER SPORT d.o.o. in 2022. As it was agreed before 1 January 2022, the transaction was accounted for in accordance with the present-access method and the financial liability in total amount of TEUR 182,111 was recognised with the corresponding entry to other reserves in equity as at 1 January 2022. The transaction was finalized in 2022 (refer also to Note 1, Description of the Group).

The Group has contractually agreed (refer also to Note 1, Description of the Group and Note 34, Related party transactions) the future acquisition of 10% in ARESSU HOLDING LIMITED from the non-controlling shareholder of ARESSU HOLDING LIMITED in 2027. As it was agreed before 31 December 2023, the transaction was accounted for in accordance with present-access method and the advance paid in total amount of TEUR 2,000 corresponding with the future transaction price was recognised with the corresponding entry to other reserves within equity attributable to the owners of the Company whereas the non-controlling interest remained unchanged within total equity. After the completion of the transaction, the particular non-controlling interest will be derecognized with corresponding entry (increase) in other reserves within equity attributable to the owners of the Company. The transaction is supposed to be finalized in 2027.

25. Equity (continued)

Dividends and other distributions paid

During 2023, the Company distributed dividends to EMMA CAPITAL LIMITED in total amount of TEUR 28,600 (2022: TEUR 20,000). Dividends and other distributions in the amount of TEUR 11,921 were distributed to minority shareholders of subsidiaries (2022: TEUR 15,908).

Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI in 2023.

TEUR	RIXO A.S.	MAIL STEP A.S.	TRUE ENERGY MANAGEMENT S.R.L.	*Subtotal*	TOTAL
NCI percentage	**2.11%**	**10.00%**	**40.00%**		
Non-current assets	1,886	21,565	11.245		
Current assets	1,681	6,935	1.512		
Non-current liabilities	(3)	(15,422)	--		
Current liabilities	(5,583)	(9,755)	(7,433)		
Net assets	**(2,019)**	**3,323**	**5,324**		
Net assets attributable to NCI	**(43)**	**331**	**2,130**	**2,148**	**60,409**
Revenue	10,168	33,348	--		
Profit / (loss)	(6,609)	(1,388)	(645)		
OCI	(47)	40	(30)		
Total comprehensive income	**(6,656)**	**(1,348)**	**(675)**		
Profit / (loss) allocated to NCI	**(142)**	**(265)**	**(258)**	**(665)**	**12,078**
OCI allocated to NCI	**(1)**	**4**	**(12)**	**(9)**	**375**

TEUR	DANDELION HEALTH-CARE Group	PROFARM Group[1)]	EMMA EPSILON Group	ALIVE CAPITAL S.A.	*Subtotal*
NCI percentage	**20.00%**	**40.08%**	**12.50%**	**49.0001%**	
Non-current assets	20,198	16,652	27,742	24,852	
Current assets	737	88,959	10,679	36,251	
Non-current liabilities	(6,679)	(24,767)	(12,038)	(7,836)	
Current liabilities	(3,479)	(58,154)	(5,183)	(24,750)	
Net assets	**10,777**	**22,690**	**21,200**	**28,517**	
Net assets attributable to NCI	**2,156**	**10,872**	**3,106**	**13,973**	**30,107**
Revenue	6,245	195,073	2,936	180,496	
Profit / (loss)	(1,654)	2,056	(13,685)	16,558	
OCI	(385)	--	--	(188)	
Total comprehensive income	**(2,039)**	**2,056**	**(13,685)**	**16,370**	
Profit / (loss) allocated to NCI	**(347)**	**2,210**	**(2,114)**	**8,112**	**7,861**
OCI allocated to NCI	**(77)**	**--**	**--**	**(92)**	**(169)**

1) NCI percentage of PROFARM S.A. and EL-PHARM A.E. is 40.08%, NCI percentage of PER SE PHARMACEUTICALS A.E. is 67.04%, NCI percentage of INTEGRIS PHARMA LTD is 70.05%.

25. Equity (continued)

Non-controlling interests (continued)

TEUR	JOSECO HOLDINGS Group	LIGATNE GAS S.R.L.	FAVI ONLINE s.r.o.	ENEX NALBANT RENEWABLE S.R.L	*Subtotal*
NCI percentage	**7.26%**	**0.04%**	**8.84%**	**20.00%**	
Non-current assets	217,923	2,623	5,845	18,500	
Current assets	71,717	4,269	6,414	913	
Non-current liabilities	(35,856)	(544)	(1,109)	(6,964)	
Current liabilities	(47,043)	(4,003)	(3,491)	(3,312)	
Net assets	**206,741**	**2,345**	**7,659**	**9,137**	
Net assets attributable to NCI	**15,009**	**--**	**677**	**1,827**	**17,513**
Revenue	532,013	7,221	33,259	232	
Profit / (loss)	54,263	151	3,037	1,008	
OCI	8,967	--	(407)	(85)	
Total comprehensive income	**62,230**	**151**	**2,630**	**923**	
Profit / (loss) allocated to NCI	**3,940**	**--**	**537**	**202**	**4,679**
OCI allocated to NCI	**650**	**--**	**(36)**	**(17)**	**597**

TEUR	ENERGIA MILENIULUI III S.A.	HARGAZ HARGHITA GAZ S.A.	ECOENERGIA S.R.L.	ALIVE CAPITAL D.O.O. Beograd	*Subtotal*
NCI percentage	**33.33%**	**--%**	**20.00%**	**49.01%**	
Non-current assets	10,083	--	33,033	2	
Current assets	277	--	9,509	1,326	
Non-current liabilities	(1,738)	--	(14,074)	--	
Current liabilities	(3,847)	--	(4,884)	(1,331)	
Net assets	**4,775**	**--**	**23,584**	**(3)**	
Net assets attributable to NCI	**1,592**	**--**	**4,717**	**(1)**	**6,308**
Revenue	--	--	(8,017)	--	
Profit / (loss)	(126)	--	5,714	(13)	
OCI	(27)	--	(125)	--	
Total comprehensive income	**(153)**	**--**	**5,589**	**(13)**	
Profit / (loss) allocated to NCI	**(42)**	**--**	**1,143**	**(6)**	**1,095**
OCI allocated to NCI	**(9)**	**--**	**(25)**	**--**	**(34)**

TEUR	GTB GLOBAL BUSINESS S.A.	ARESSU HOLDING LIMITED	SPORT 360 d.o.o.	**Subtotal**
NCI percentage	**33.00%**	**40.00%**	**62.50%**	
Non-current assets	8,078	6,915	163	
Current assets	12,913	3,164	1,458	
Non-current liabilities	(7,739)	(4,181)	--	
Current liabilities	(7,386)	(2,156)	(612)	
Net assets	**5,866**	**3,742**	**1,009**	
Net assets attributable to NCI	**1,936**	**1,496**	**631**	**4,063**
Revenue	52,299	28,074	2,756	
Profit / (loss)	350	(3,149)	474	
OCI	(21)	--	(5)	
Total comprehensive income	**329**	**(3,179)**	**469**	
Profit / (loss) allocated to NCI	**116**	**(1,272)**	**264**	**(892)**
OCI allocated to NCI	**(7)**	**--**	**(3)**	**(10)**

25. Equity (continued)

Non-controlling interests (continued)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI in 2022 (restated).

TEUR	RIXO A.S.	MAIL STEP A.S.	TRUE ENERGY MANAGEMENT S.R.L.	*Subtotal*	*TOTAL*
NCI percentage	**2.29%**	**30.00%**	**40.00%**		
Non-current assets	1,872	13,778	8,407		
Current assets	1,471	6,898	755		
Non-current liabilities	(63)	(6,931)	--		
Current liabilities	(1,545)	(8,958)	(4,779)		
Net assets	**1,735**	**4,787**	**4,383**		
Net assets attributable to NCI	**40**	**1,436**	**1,753**	**3,229**	**55,777**
Revenue	4,944	25,624	--		
Profit / (loss)	(10,161)	714	(107)		
OCI	142	130	(10)		
Total comprehensive income	**(10,019)**	**844**	**(117)**		
Profit / (loss) allocated to NCI	**(237)**	**213**	**(43)**	**(67)**	**21,335**
OCI allocated to NCI	**2**	**40**	**(4)**	**38**	**(333)**

TEUR	EMMA GAMMA ADRIATIC Group[1)]	DANDELION HEALTH-CARE Group	PROFARM Group[2)]	EMMA EPSILON Group	*Subtotal*
NCI percentage	**33%; 49%**	**22.00%**	**40.08%**	**12.50%**	
Non-current assets	--	21,100	12,957	12,136	
Current assets	--	1,338	65,435	9,576	
Non-current liabilities	--	(7,909)	(23,267)	(1,513)	
Current liabilities	--	(2,916)	(34,788)	(1,523)	
Net assets	**--**	**11,613**	**20,337**	**18,676**	
Net assets attributable to NCI	**--**	**2,555**	**9,092**	**2,637**	**14, 284**
Revenue	25,350	5,485	175,302	348	
Profit / (loss)	12,493	(2,682)	2,639	(5,393)	
OCI	(434)	357	--	--	
Total comprehensive income	**12,059**	**(2,325)**	**2,639**	**(5,393)**	
Profit / (loss) allocated to NCI	**4,129**	**(590)**	**1,709**	**(239)**	**5,009**
OCI allocated to NCI	**(143)**	**79**	**--**	**--**	**(64)**

1) Only subsidiaries of EMMA GAMMA Adriatic d.o.o. included. During the first half of 2022, the Group acquired non-controlling ownership interests of 33.00% in SUPER SPORT d.o.o. and PUNI BROJ d.o.o. and of 49.00% in MINUS5 d.o.o. For further information refer to Note 1, Description of the Group. Therefore, statement of comprehensive income figures in the table above comprise data relevant for the respective period before the acquisition of non-controlling interests.

2) NCI percentage of PROFARM S.A. and EL-PHARM A.E. is 40.08%, NCI percentage of PER SE PHARMACEUTICALS A.E. is 67.04%, NCI percentage of INTEGRIS PHARMA LTD is 70.05%.

25. Equity (continued)

Non-controlling interests (continued)

TEUR	JOSECO HOLDINGS Group (restated)	B.E.R.G SISTEM GAZ S.A. [3)]	LIGATNE GAS S.R.L.	FAVI ONLINE s.r.o.	*Subtotal*
NCI percentage	**7.26%**	**0.32%**	**0.04%**	**17.68%**	
Non-current assets	194,729	--	4,018	6,428	
Current assets	62,429	--	158	4,597	
Non-current liabilities	(39,042)	--	--	(1,135)	
Current liabilities	(58,595)	--	(4,016)	(2,611)	
Net assets	**159,521**	**--**	**160**	**7,279**	
Net assets attributable to NCI	**11,581**	**--**	**--**	**1,287**	**12,868**
Revenue	371,200	4,196	212	15,097	
Profit / (loss)	17,071	(42)	(369)	928	
OCI	(2,457)	89	(2)	207	
Total comprehensive income	**14,614**	**47**	**(371)**	**1,135**	
Profit / (loss) allocated to NCI	**1,239**	**--**	**--**	**164**	**1,403**
OCI allocated to NCI	**(178)**	**--**	**--**	**37**	**(141)**

3) As at 5 September 2022, the Group acquired non-controlling ownership interest of 0.32% in B.E.R.G. SISTEM GAZ S.A. For further information refer to Note 1, Description of the Group. Therefore, statement of comprehensive income figures in the table above comprise data relevant for the respective period before the acquisition of non-controlling interest.

TEUR	ENERGIA MILENIULUI III S.A.	HARGAZ HARGHITA GAZ S.A.	ECOENERGIA S.R.L.	ALIVE CAPITAL S.A. (restated)	*Subtotal*
NCI percentage	**33.33%**	**0.33%**	**20%**	**49.0001%**	
Non-current assets	9,639	4,816	38,011	13,136	
Current assets	203	515	7,025	38,218	
Non-current liabilities	(1,788)	(344)	(17,479)	20,125	
Current liabilities	(5,052)	(198)	(9,563)	(39,785)	
Net assets	**3,002**	**4,789**	**17,994**	**31,694**	
Net assets attributable to NCI	**1,001**	**16**	**3,599**	**15,530**	**20,146**
Revenue	--	828	4,586	143,979	
Profit / (loss)	(280)	184	1,053	32,474	
OCI	(1)	--	(410)	(138)	
Total comprehensive income	**(281)**	**184**	**643**	32,336	
Profit / (loss) allocated to NCI	**(93)**	**1**	**211**	**15,911**	**16,030**
OCI allocated to NCI	**--**	**--**	**(82)**	**(68)**	**(150)**

TEUR	GTB GLOBAL BUSINESS S.A.	ARESSU HOLDING LIMITED	SPORT 360 d.o.o.		Subtotal
NCI percentage	**33%**	**40%**	**55%**		
Non-current assets	2,613	6,464	377		
Current assets	9,990	1,701	1,407		
Non-current liabilities	(460)	(393)	--		
Current liabilities	(6,606)	(853)	(685)		
Net assets	**5,537**	**6,919**	**1,099**		
Net assets attributable to NCI	**1,827**	**2,768**	**604**		**5,199**
Revenue	4,506	11,860	2,927		
Profit / (loss)	202	(1,196)	129		
OCI	(11)	(26)	(4)		
Total comprehensive income	**191**	**(1,222)**	**125**		
Profit / (loss) allocated to NCI	**67**	**(478)**	**71**		**(340)**
OCI allocated to NCI	**(4)**	**(10)**	**(2)**		**(16)**

26. Revenues and expenses related to core operations, operating derivatives

Revenue streams and related expenses	**2023 TEUR**	**2022 (restated) TEUR**
Revenue from electricity distribution and supply	425,788	392,037
Revenue from gas distribution and supply	299,950	553,844
Revenue from renewable energy	181,405	146,880
Revenue from betting activities	80,373	91,805
Revenue from casino games	--	69,888
Revenue from sale of pharmaceuticals	195,073	175,302
Logistic and relating services	33,469	25,624
Other revenues	69,627	38,355
Revenues from core operations	**1,285,685**	**1,493,735**
Other income related to marinas	--	132
Other income related to gaming	--	574
Other income related to logistics	2,426	286
Other income	331	256
Other income related to core operations	**2,757**	**1,248**
Cost of gas sold	(290,734)	(462,827)
Cost of electricity sold	(280,045)	(300,517)
Transportation of electricity	(36,295)	(33,882)
Cost of renewable energy sold	(127,427)	(87,675)
Operating derivatives – gas	--	76,444
Pharmaceuticals: cost of goods sold	(172,297)	(158,429)
Logistic and relating services: cost of services provided	(16,497)	(13,346)
Other cost	(8,316)	(5,180)
Costs of goods sold	**(931,611)**	**(985,412)**

In 2023 and 2022, the revenue from sale and distribution and supply of electricity is generated mainly by the Moldovan companies.

In 2023 and 2022, the revenue from sales and distribution of natural gas is generated by the Romanian companies. The selling price of gas sold on the regulated market as well as the distribution tariff are controlled by ANRE.

The costs of gas sold comprise the acquisition price of the gas sold and the transportation tariffs charged by Transgaz.

As a result of new acquisition in 2022 (refer also to Note 1), the Group disclosed new revenue streams: Revenues from renewable energy and Revenues from sale of green certificates. In 2023, Revenues from sale of green certificates amount to TEUR 4,832 (2022: TEUR 3,407) and are included within Other revenues.

In 2022, net gain on operating derivatives in amount of TEUR 76,444 resulted from commodity contracts for gas in Romania that did not qualify for application of "own use" exemption as at 31 December 2022 (refer also to Note 24, Operating derivative instruments – commodity contracts). No contracts were designated as hedging derivatives.

Revenue from betting activities is generated by providing betting services via betting shops throughout Croatia and Romania as well as via betting machines and online betting. Betting activities are provided by Croatian and Romanian entities. In 2022, casino revenues were generated by providing physical (land based) and online casino services. Casino activities were provided by Croatian entities.

Revenue from sale of pharmaceuticals is generated by entities operating in trading of pharmaceuticals in Greece.

Other revenue comprises revenue generated from medical services, insurance related consultancy services, logistic services (all of them provided in the Czech Republic), marketing services (provided in Croatia and Czech Republic) and operating of marinas (provided in Croatia).

26. Revenues and expenses related to core operations (continued)

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	2023 TEUR	2022 (restated) TEUR
Trade receivables	162,339	168,889
Contract assets	779	154
Contract liabilities	(17,628)	(11,198)

The total amount of contract assets of TEUR 779 (2022: TEUR 154) relates to the Group's right to consideration from end users in relation to connection works in progress. There was no impact on contract asset as a result of an acquisition of subsidiary nor any impairment charge.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time. The amount of TEUR 11,169 included in contract liabilities as at 31 December 2022 has been recognised as revenue in 2023 (2022: TEUR 6,501).

In 2022, an increase in contract liabilities is attributable to ALIVE CAPITAL S.A acquired through business combination in 2022 (refer to Note 1). Increase in contract assets is mainly attributable to PREMIER ENERGY S.R.L.

27. Services and material expenses

	2023 TEUR	2022 (restated) TEUR
Professional services	(21,540)	(32,560)
Independent auditor's remuneration	(1,839)	(988)
Advertising and marketing	(39,010)	(25,783)
Taxes other than income tax	(15,495)	(5,691)
Rental, maintenance and repair expenses	(16,552)	(15,153)
Telecommunication and postage	(3,624)	(2,601)
Travel expenses	(1,273)	(1,128)
Information technologies	(7,432)	(4,590)
Distribution, transport and storage of goods	(7,970)	(11,840)
Material consumption	(10,697)	(9,665)
Energy consumption	(2,091)	(2,820)
Other	(41,539)	(24,192)
Services and material expenses	**(169,062)**	**(137,011)**

Professional services expenses represent administration expense, accounting services expense, advisory expense, betting concession charge, professional and management fees and incorporation expenses.

Amount paid for Audit services totals TEUR 1,760 (2022: TEUR 869) and other non-audit services provided by auditors TEUR 79 (2022: TEUR 119).

28. Personnel expenses

	2023 TEUR	2022 TEUR
Employee compensation	(54,520)	(64,637)
Payroll related taxes (including social and pension contribution)	(19,168)	(12,126)
Personnel expenses	**(73,688)**	**(76,763)**

The average number of employees in the Group for the year 2023 was 2,908 employees (2022: 3,652 employees).

29. Impairment losses on loans and receivables

	2023 TEUR	2022 TEUR
Impairment losses/ (net reversal of impairment loss) on loans and other financial assets	(14,403)	(37,856)
	(14,403)	**(37,856)**

In 2023, net impairment losses are mainly attributable to the impairment of TEUR 10,950 to loans and other receivables due from the associated group HOME FURNITURE GROUP GmbH.

In 2022, net impairment losses are mainly attributable to the impairment of TEUR 33,475 to loan provided by EMMA ALPHA HOLDING LTD to its associate HOME FURNITURE GROUP GmbH.

Based on IFRS 9 requirements, net impairment losses on loans and receivables have been disclosed in separate line item in profit or loss.

30. Other operating income

	2023 TEUR	2022 (restated) TEUR
Rental income (other than from Investment property)	1,491	810
Gain on disposal of property, plant, equipment, and intangible assets	374	2,008
Other income	37,060	33,439
	38,925	**36,257**

In 2023 and 2022, other income is notably represented by income from grants and subsidies of subsidiaries in Romania and by other operating income of the subsidiaries in Moldova.

31. Other operating expenses

	2023 TEUR	2022 (restated) TEUR
Net reversal of impairment / (net impairment losses) on property, plant and equipment	146	(523)
Net impairment losses on goodwill recognized (Note 7)	(8,079)	(1,477)
Net impairment losses on other non-financial assets	(1)	(5)
Net reversal of impairment / (net impairment losses) on inventories	1,407	(1,181)
Loss on disposal of property, plant, equipment and intangible assets	(222)	(118)
Net foreign currency losses	(1,401)	(4,153)
	(8,150)	**(7,457)**

32. Net finance income/expense

	2023 TEUR	2022 TEUR
Gain/loss on derivatives related to finance income/expense		
Gain/loss from interest rate derivatives – interest rate swaps	(155)	--
Total gain/loss on derivatives related to finance income/expense	**(155)**	**--**
Finance income		
Interest income	5,918	3,525
Fee and commission income	--	48
Change in fair value of contingent consideration	7,254	--
Net trading income from financial assets (Note 10)	510	172
Net change in fair value of equity and debt financial instruments at fair value through profit or loss	1,639	--
Other finance income	--	77
Total finance income	**15,321**	**3,822**
Finance expense		
Interest expense	(33,342)	(43,493)
Fee and commission expense	(24,993)	(11,339)
Net realized losses from financial assets and liabilities	--	(43)
Net change in fair value of equity and debt financial instruments at fair value through profit or loss (Note 10)	--	(172)
Change in fair value of contingent consideration	--	(162)
Other finance expense	(23)	--
Total finance expense	**(58,358)**	**(55,209)**
Net finance expense	**(43,192)**	**(51,387)**

	2023 TEUR	2022 TEUR
Interest income		
Loans receivable	2,281	2,311
Due from banks, other financial institutions and holding companies	3,532	1,106
Financial instruments at fair value through profit or loss held for trading	57	69
Other interest income	48	39
	5,918	**3,525**
Interest expense		
Due to non-banks	(15,336)	(20,230)
Due to banks and other financial institutions	(15,824)	(15,283)
Debt securities issued	(278)	(6,539)
Lease liabilities	(1,255)	(611)
Other interest expense	(649)	(830)
	(33,342)	**(43,493)**

33. Income tax expense

	2023 TEUR	2022 (restated) TEUR
Current tax expense	(26,689)	(56,358)
Deferred tax income / (expense) (Note 23)	369	355
Total income tax expense recognised in profit or loss	**(26,320)**	**(56,003)**

Reconciliation of effective tax rate	2023 %	2023 TEUR	2022 %	2022 (restated) TEUR
Profit / (loss) before tax		**108,127**		**529,846**
Income tax using the domestic tax rate (see below)	(12.5)	(13,515)	(12.5)	(66,231)
Effect of tax rates in foreign jurisdictions	2.1	2,298	(1.8)	(9,671)
Effect of changes in tax rates	0.0	20	--	--
Non-deductible costs	(8.8)	(9,487)	(7.2)	(38,046)
Non-taxable income	7.6	8,208	10.6	56,048
Items taxed at different tax rate	(10.2)	(11,060)	(0.4)	(1,861)
Adjustment to prior years	(0.1)	(112)	0.0	(70)
Tax loss carried forward not recognised	(3.5)	(3,777)	(0.5)	(2,792)
Utilised tax loss not previously recognised	(0.4)	431	1.3	7,047
Other	(0.6)	674	(0.1)	(427)
Total income tax expense	**(24.4)**	**(26,320)**	**(10.6)**	**(56,003)**

The following table represents deferred tax recognized in other comprehensive income in years 2023 and 2022:

	Before tax	Tax (expense) / benefit	Net of tax
	2023 TEUR	2023 TEUR	2023 TEUR
Revaluation of Gas distribution networks	10,604	(1,697)	8,907
Revaluation of financial assets at fair value through other comprehensive income	--	--	--
Translation reserve	8,303	--	8,303
Associates – share of OCI	3,921	--	3,921
Items reclassified from OCI to profit /(loss) – disposal of subsidiaries	(2)	--	(2)
Items reclassified from OCI to profit /(loss) - associates	1,331	--	1,331
Total	**24,157**	**(1,697)**	**22,460**
	2022 TEUR	**2022 (restated) TEUR**	**2022 (restated) TEUR**
Revaluation of Gas distribution networks	137	(22)	115
Revaluation of financial assets at fair value through other comprehensive income	(3,924)	--	(3,924)
Translation reserve	(972)	--	(972)
Associates – share of OCI	17,496	--	17,496
Items reclassified from OCI to profit /(loss)	467	--	467
Items reclassified from OCI to profit /(loss) - associates	49,995	--	49,995
Total	**63,199**	**(22)**	**63,177**

33. Income tax expense (continued)

Corporate income tax rates for tax domiciles of entities in consolidated Group for fiscal years 2023 and 2022 can be summarized as follows:

	2023	2022
Cyprus	12.50%	12.50%
Slovakia	21.00%	21.00%
Croatia	18.00%	18.00%
Czech Republic	19.00%	19.00%
Romania	16.00%	16.00%
Moldova	12.00%	12.00%
Greece	22.00%	22.00%
Austria	24.00%	25.00%
Bulgaria	10.00%	10.00%
Hungary	9.00%	9.00%
Serbia	15.00%	--
Malta	35.00%	5.00%
Italy	27.80%	28.24%
Switzerland	14.60%	14.70%

Tax losses may be carried forward for five years. Group companies may deduct losses against profits arising during the same tax year. The balance of tax losses which is available for offset against future taxable profits amounts to 71,417 for which no deferred tax asset is recognized in the consolidated statement of financial position because it is not probable that future taxable profit will arise. Out of that amount, the tax losses of TEUR 39,162 are attributable to the Czech entities and will be expiring in the years 2024-2028.

Under certain conditions, interest income in Cyprus may be subject to defence contribution at the rate of 30%. In such cases, this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

In Cyprus, the draft legislation to implement the global minimum top-up tax has not been enacted, thus there is no impact for current tax or for additional disclosures for Cyprus. The Group expects to be subject to the top-up tax mainly in relation to its operations in Moldova and it has been estimated that the effective tax rate is below 15%. There is no current tax impact for the year ended 31 December 2023. The impact for further periods is being estimated.

There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

34. Related party transactions

The Group's parent company is MEF HOLDINGS LIMITED and the ultimate controlling party is Mr. Šmejc.

(a) Transactions with the parent company and the ultimate owner

	2023 TEUR	2022 TEUR
Loans received (principal payables)	(56,818)	--
Accrued interest (interest payable)	(111)	--
Loans provided (principal receivables)	--	19,598
Accrued interest (interest receivable)	--	44
Impairment allowance (IFRS 9)	--	(26)
Total balances	**(56,929)**	**19,616**
Interest income	481	67
Interest expense	(111)	(1,368)
Total transactions	**370**	**(1,301)**

In 2023, the Group received loan from its parent in total amount of TEUR 56,843. Interest expense of TEUR 111 was recognised in profit or loss. The Company repaid an amount of TEUR 25 during the year. Additionally, the Group provided loans to the parent company at the total amount of TEUR 52,450, which were repaid before the year end. Interest income of TEUR 481 was recognised in profit or loss.

In 2022, the Group received loans from its parent in total amount of TEUR 137,114, which was repaid before the year end. Interest expense of TEUR 1,368 was recognised in profit or loss.

(b) Transactions with associated groups

	2023 TEUR	2022 TEUR
Loans received (principal payables)	(32,800)	(45,000)
Accrued interest (interest payable)	(1,567)	(1,431)
Advances received	(3)	--
Other liabilities	(3)	--
Loans provided (principal receivables)	32,828	2,713
Accrued interest (interest receivable)	1,552	37
Impairment allowance (IFRS 9)	(10,582)	(2,536)
Advance payments	5	--
Total balances	**(10,570)**	**(46,217)**
Interest income	690	128
Interest expense	(2,959)	(2,596)
Total transactions	**(2,269)**	**(2,468)**

In 2023, provided loans of TEUR 32,828 consists of loans to associate companies, KERMAS ISTRA d.o.o., NIKAPATZO LTD and HOME FURNITURE GROUP GmbH. Interest income at the total amount of TEUR 690 was recognised in profit or loss for the year. The movement in the impairment loss above relates to impairment recognised in profit or loss on NIKAPATZO LTD and HOME FURNITURE GROUP GmbH loans.

In 2022, EMMA ALPHA HOLDING LTD provided a loan of TEUR 33,475 to its associate HOME FURNITURE GROUP GmbH that was fully impaired and written off in 2022, as a result of the insolvency proceedings of the associated group.

34. Related party transactions (continued)

(c) Transactions with other related parties

	2023 TEUR	2022 TEUR
Loans received (principal payables)	(131,159)	(158,978)
Accrued interest (interest payable)	(16,504)	(9,580)
Loans provided (principal receivables)	2,061	3,055
Accrued interest (interest receivable)	79	45
Impairment allowance (IFRS 9)	--	(7)
Trade payable	(7)	(82)
Trade receivables	10	5
Total balances	**(145,520)**	**(165,542)**
Sales revenues from core business	21	181
Cost of goods sold / Cost of services provided	--	(584)
Services and material expenses	(1,091)	(87)
Interest income	141	85
Interest expense	(11,392)	(10,727)
Total transactions	**(12,321)**	**(11,132)**

In 2023, the Company provided a loan to EMMA CAPITAL LIMITED at the amount of TEUR 8,187, which was repaid before the year end.

In 2022, the Group received a loan from a related company in the total amount of TEUR 12,600. Loan payable was settled before the year end.

(c) Transactions with key management personnel

Amounts included in profit or loss in relation to transactions with members of key management are benefits of TEUR 8,358 comprising directors' fees (2022: TEUR 611). The members of the Board of Directors of the Company and key management of its subsidiaries are considered as the key management of the Group.

(d) Shareholder agreements

The Group has contractually agreed the future acquisition of 10% in ARESSU HOLDING LIMITED from the non-controlling shareholder of ARESSU HOLDING LIMITED in 2027 (refer also to Note 1, Description of the Group). As it was agreed before 31 December 2023, the transaction was accounted for in accordance with present-access method and the advance paid in total amount of TEUR 2,000 corresponding with the future transaction price was recognised with the corresponding entry to other reserves within equity attributable to the owners of the Company (refer also to Note 25, Equity) whereas the non-controlling interest remained unchanged within total equity.

EMMA GAMMA ADRIATIC d.o.o. had contractually agreed the future acquisition of 33% in SUPER SPORT d.o.o. from its non-controlling shareholder in 2022. The total purchase price for such acquisition was partially depended on SUPER SPORT d.o.o. performance in 2021 and finally amounted to TEUR 182,111. The non-controlling shareholder had the unilateral right to partially cancel the sale which expired in 2021. The transaction was finalized in March 2022 (refer also to Note 1, Description of the Group).

35. Contingencies

(a) Litigation and claims

The Group is the subject of a number of court actions resulting from the normal course of business, in which it has the position of plaintiff or defendant. The list of litigations is analysed on a timely basis and based on the results of such analysis the Group recognises provisions for potential losses from litigations and claims. The Group considers that litigation and claims will not have a significant impact on the Group's operations and financial position, except for the amounts recorded in these financial statements.

(b) Environmental protection

The Group pays particular attention on the environmental protection and compliance with relevant environmental legislation. The purpose of the environmental legislation is to prevent pollution and deterioration of the environment, to apply the proper measures in this respect, to protect the population's health, to put to good use in a reasonable manner the renewable and non-renewable resources, and to preserve the natural ecological balance. In the years 2023 and 2022, the Group was neither involved in major incidents related to environment pollution, nor sued for damages to the environment.

(c) Tax investigations

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded.

The Group considers that all taxes due were fully paid and on time. Adequate tax liabilities were recognized in the financial statements. The Group's management is not aware of any circumstances which may give rise to a potential material tax liability to the Group in this respect.

36. Commitments

(b) Capital commitments

According to ANRE decision No. 64 dated 22 February 2018 regarding the approval of methodology for electricity distribution tariff calculation, the Group carries out capital investments within the energy sector in order to improve or extend the infrastructure network in Moldova.

According to certain service concession contracts, the Group has investment commitments for gas network construction in Romania of approximately 186 km with an estimated value of EUR 14 million to be developed over the next few years. The Group has analysed the fulfilment of the obligations assumed by the concession contracts as at the date of these financial statements and considers that it has fulfilled its assumed obligations to date and there is no risk of penalties or termination of contracts.

(c) Letters of guarantee

As at 31 December 2023, the Group has issued letters of guarantee for payment, good execution and tender participation in total amount of TEUR 14,285 (2022: TEUR 22,562).

37. Events after the reporting period

On 9 November 2023, MPFH d.o.o. Beograd – Novi Beograd as buyer and Ms Jasna Stanivuk as seller entered into a share purchase agreement under which MPFH d.o.o. Beograd – Novi Beograd acquired (directly and indirectly) 100% of shares in Magna Pharmacia d.o.o. Beograd (Novi Beograd) for the purchase price of TEUR 110,000 plus earnout depending on 2024 performance. Ms Jasna Stanivuk used part of the proceeds for the subsequent acquisition of 35% in parent company of MPFH d.o.o. Beograd at corresponding price. The transaction was completed on 31 January 2024.

On 7 December 2023, the Group entered into a business transfer agreement in exchange for TEUR 18,700 for the acquisition of an existing wind power plant of 18 MW power installed, with the possibility to extend the capacity with another 8 MW. The transaction was closed on 16 April 2024.

On 21 December 2023, Premier Energy Plc entered into a sale and purchase agreement for the acquisition of the entire share capital of the Romanian company CEZ Vanzare S.A. for the consideration of TEUR 20,404. The transaction was closed on 15 April 2024.

On 20 February 2024, the Company as buyer and Mr. Jan Rozlivka as seller entered into a share purchase agreement whereby the Company acquired 10% shares in Mail Step a.s. and become a sole shareholder of Mail Step a.s.

On 13 March 2024, MEF HOLDINGS LIMITED subscribed for 523 redeemable preference shares in the Company for the total subscription price of TEUR 86,160.

On 21 March 2024, the shares of the subsidiary Premier Energy Plc were irrevocably and unconditionally released and discharged from the security pledge under a bank loan agreement

On 22 March 2024, Cube BidCo s.r.o. completed acquisition of 100% shares in Packeta s.r.o. The Group simultaneously contributed into Cube TopCo s.r.o. TEUR 102,944 as a part of completion steps.

With effect from 1 July 2019, PPF Financial Holdings B.V. and Emma Omega Ltd as the direct shareholders of Home Credit Group B.V. (subsequently Home Credit N.V.) entered into an agreement concerning certain transactions with Home Credit Group shares. As of 31 December 2023, the agreement ended with the expiration of the period for which it was concluded. On 19 April 2024, the transfer of 8.88% stake in Home Credit N.V. owned by Emma Omega Ltd was completed, simultaneously with the payment of the base purchase price. The estimate of the total financial impact of the transaction is being finalised. The Group also entered into an agreement to purchase 8.88% stake in the Kazakhstani bank Home Credit Bank JSC. The closing of the transaction is subject to various conditions precedent (incl. regulatory approvals).

On 25 April 2024, the Group’s Premier Renewable Invest Co S.R.L. entity entered into a sale and purchase agreement for the acquisition of the entire share capital of the Romanian company Eolica Dobrogea One S.R.L., a company which owns an 80 MW wind power plant with over 500,000 of green certificates near the town of Mihai Viteazu, Romania with a locked-box arrangement dating to 1 January 2024. The acquisition is subject to Romanian Competition Council approval and Foreign Direct Investment approval.

37. Events after the reporting period (continued)

On 26 April 2024, the Company as seller and Cube TopCo s.r.o. as buyer entered into a share purchase agreement whereby 100% shares in Mail Step a.s. were sold by the Company to Cube TopCo s.r.o. for the purchase price depending on the 2024 performance. The transaction was completed on 14 May 2024.

During first half of 2024, the Company subscribed in several tranches, new shares in Emma Epsilon Ltd for the total amount TEUR 12,251. All the subscriptions were pro rata with minority shareholder and thus did not impact the ownership percentage.

On 28 May 2024, Premier Energy PLC completed an IPO on the Bucharest Stock Exchange by raising both primary and secondary proceeds. As a result of the IPO and subsequent listing, EMMA Alpha's ownership stake in Premier Energy PLC was reduced to 71.25%.

On 24 June 2024, the Board of Directors of EMMA ALPHA HOLDING LTD authorized these consolidated financial statements for issue.