EMMA ALPHA HOLDING LTD
Auditors’ report
and consolidated financial statements
for the year ended 31 December 2022

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	KPMG Limited Certified Public Accountants and Registered Auditors 14 Esperidon Street 1087 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 Alpha Bank Romania SA National Bank of Greece Eurobank Ltd Piraeus Bank Česká spořitelna a.s. Vista Bank Moneta Money Bank a.s. Citibank a.s. EBRD BC Eximbank S.A. Privedna banka Zagreb d.d. BC Moldova – Agroind bank S.A
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 2022.

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 2022 are set out on page 13 in the consolidated financial statements. The net profit for the year 2022 amounted to TEUR 473,579 (2021: net loss amounted to TEUR 21,943).

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 2022 amounted to TEUR 452,244 (2021: net loss amounted to TEUR 43,340).

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 2022 amounted to TEUR 1,563,972 (2021: TEUR 715,586).

DIVIDENDS

During 2022, the Group distributed interim dividends to EMMA CAPITAL LIMITED in the total amount of TEUR 20,000 (2021: TEUR 0). Interim dividends in the total amount of TEUR 15,908 (2021: TEUR 18,776) 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 2022, the Company redeemed 558 redeemable preference shares held by MEF HOLDINGS LIMITED (2021: 336 redeemable preference shares) for the total redemption value of TEUR 71,145 (2021: TEUR 29,524).

BRANCHES

During the year ended 31 December 2022 and 31 December 2021, the Group did not operate any branches.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2022 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 2022.

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.

ACCOUNTING RECORDS

The books of the Group for the year 2022 were maintained internally.

RECENT VOLATILITY IN GLOBAL FINANCIAL MARKETS

Any significant events that relate to the operating environment of the Group are described in Notes 4 and 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 36 of the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 33 of the consolidated financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Company, KPMG 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, 16 June 2023

KPMG

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Independent Auditors' report

to the Members of

EMMA ALPHA HOLDING LTD

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of EMMA ALPHA HOLDING LTD (the "Company") and its subsidiaries (the "Group"), which are presented on pages 10 to 107 and comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statements 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 a summary of significant accounting policies.

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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and the requirements of the Cyprus Companies Law, Cap. 113 ("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 "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics (Including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the financial statements, 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.

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Independent Auditors' report

to the Members of

EMMA ALPHA HOLDING LTD

Report on the audit of the consolidated financial statements *(continued)*

Other information

The Board of Directors is responsible for the other information. The other information comprises the consolidated Management report but does not include the consolidated financial statements and our auditors' 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, except as required by the Companies Law, Cap. 113.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

With regards to the management report, our report in this regard is presented in the *"Report on other legal requirements*" section.

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 IFRS-EU and the requirements of the 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 Company or to cease the Group’s operations, or there is no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditors' report

to the Members of

EMMA ALPHA HOLDING LTD

Report on the audit of the consolidated financial statements *(continued)*

Auditors' responsibilities for the audit of the consolidated financial statements *(continued)*

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

- Identify and assess the risks of material misstatement of the 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 auditors' 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 auditors' 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 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.

KPMG

Independent Auditors' report

to the Members of

EMMA ALPHA HOLDING LTD

Report on other legal requirements

Pursuant to the additional requirements of the Auditors Law 2017, L.53(I)/2017, as amended from time to time ("Law L.53(I)/2017"), and based on the work undertaken in the course of our audit, we report the following:

- In our opinion, the consolidated management report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In the light of the knowledge and understanding of the business and the Group's environment obtained in the course of the audit, we have not identified material misstatements in the consolidated management report.

Other matter

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 Law L.53(I)/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.

Haris A. Kakoullis, CPA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

16 June 2023

	Note	2022 TEUR	2021 TEUR
ASSETS			
Non-current assets			
Goodwill	7	166,110	521,842
Intangible assets	7	74,494	103,221
Property, plant and equipment	8	297,285	223,330
Investments in equity-accounted investees	16	431,614	314,485
Loans receivable	11	35,177	10,932
Trade receivables	12	326	516
Other assets	14	4,922	7,689
Green certificates	15	3,628	--
Restricted deposits	10	5,446	141
Financial assets at fair value through other comprehensive income	10	7,492	7,489
Financial assets at amortised cost – other deposits	10	--	1,122
Financial assets at fair value through profit or loss	10	957	1,011
Operating derivative instruments – commodity contracts	23	4,007	--
Deferred tax assets	22	5,181	2,996
Total non-current assets		**1,036,639**	**1,194,774**
Current assets			
Loans receivable	11	31,809	48,224
Current income tax assets		402	106
Trade receivables	12	168,563	119,489
Inventories	13	61,773	19,163
Contract assets	25	7,662	1,051
Other assets	14	240,285	23,663
Green certificates	15	2,050	--
Restricted deposits	10	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	3,765	6,341
Operating derivative instruments – commodity contracts	23	35,463	--
Restricted cash	10	677	--
Cash and cash equivalents	9	153,122	87,319
Total current assets		**718,238**	**307,606**
Total assets		**1,754,877**	**1,502,380**

The notes on pages 16 to 107 are an integral part of these consolidated financial statements.

	Note	2022 TEUR	2021 TEUR
EQUITY			
Share capital	24	10	10
Redeemable preference shares	24	204,923	204,923
Revaluation reserve	24	1,078	6,156
Translation reserve	24	11,822	(63,398)
Other reserves	24	(57,708)	(201,389)
Retained earnings		353,550	650,269
Profit/(loss) for the year		452,244	(43,340)
Equity attributable to owners of the Company		**965,919**	**553,231**
Non-controlling interests	24	**55,777**	**53,186**
Total equity		**1,021,696**	**606,417**
LIABILITIES			
Non-current liabilities			
Provisions		2,923	1,224
Due to non-banks	17	206,697	197,505
Due to banks and other financial institutions	17	156,348	164,681
Bonds issued	18	--	89,061
Financial liabilities at fair value through profit or loss	19	15,889	4,870
Trade payables	20	311	27
Lease liabilities	8	8,987	10,790
Other liabilities	21	14,729	19,326
Deferred tax liabilities	22	42,300	22,106
Total non-current liabilities		**448,184**	**509,590**
Current liabilities			
Provisions		2,126	576
Bank overdrafts	9	2,187	8,728
Due to non-banks	17	8,381	4,710
Due to banks and other financial institutions	17	60,418	72,109
Bonds issued	18	2,020	392
Financial liabilities at fair value through profit or loss	19	3,337	641
Operating derivative instruments – commodity contracts	23	4,666	--
Current income tax liabilities		4,255	10,296
Trade payables	20	62,772	51,833
Contract liabilities	25	11,198	6,501
Lease liabilities	8	3,136	4,134
Other liabilities	21	120,501	226,453
Total current liabilities		**284,997**	**386,373**
Total liabilities		**733,181**	**895,963**
Total liabilities and equity		**1,754,877**	**1,502,380**

On 16 June 2023, the Board of Directors of EMMA ALPHA HOLDING LTD authorised these consolidated financial statements for issue.

Radka Blažková
Director

Demetrios Aletraris
Director

The notes on pages 16 to 107 are an integral part of these consolidated financial statements.

	Note	2022 TEUR	2021 TEUR
Sales revenues from core operations	25	1,522,907	678,350
Cost of goods sold/cost of services provided	25	(982,056)	(466,242)
Other income related to core operations	25	1,248	23,358
Services and material expenses	26	(150,313)	(70,694)
Personnel expenses	27	(76,763)	(50,184)
(Impairment loss)/reversal of impairment on loans and receivables	28	(37,856)	1,451
Depreciation and amortisation	7,8	(26,542)	(18,520)
Gain on bargain purchase	1	12,780	1,205
Other operating income	29	35,995	6,345
Other operating expenses	30	(6,948)	(6,646)
Profit from operations		**292,452**	**98,423**
Finance income	31	3,822	6,082
Finance expense	31	(55,209)	(76,301)
Net finance expense		**(51,387)**	**(70,219)**
Dividends from financial instruments – FVTPL	10	218	370
Gain from sale and other disposals of investments in equity-accounted investees and subsidiaries	1,16	484,768	--
Equity-accounted investees - impairment loss	16	(27,402)	--
Equity-accounted investees – share of loss	16	(143,667)	(31,320)
Profit/(loss) before tax		**554,982**	**(2,746)**
Income tax expense	32	(81,403)	(19,197)
Profit/(loss) after tax		**473,579**	**(21,943)**
Other comprehensive income / (expense):			
Items reclassified from other comprehensive income to profit or loss - translation differences	1	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	49,995	--
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(985)	5,736
Equity-accounted investees – share of OCI	16	17,496	16,197
Items that will never be reclassified to profit or loss:			
Fair value change on equity instruments	10	(3,924)	--
Other comprehensive income for the year		**63,049**	**21,933**
Total comprehensive income/(expense) for the year		**536,628**	**(10)**
Total profit/(loss) attributable to:			
Owners of the Company		452,244	(43,340)
Non-controlling interests	24	21,335	21,397
		473,579	**(21,943)**
Total comprehensive income/(expense) attributable to:			
Owners of the Company		515,626	(22,186)
Non-controlling interests	24	21,002	22,176
		536,628	**(10)**

The notes on pages 16 to 107 are an integral part of these consolidated financial statements.

	Note	Share capital	Redeemable shares	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
Balance as at 1 January 2022		**10**	**204,923**	**6,156**	**(63,398)**	**(201,389)**	**606,929**	**553,231**	**53,186**	**606,417**
Comprehensive income										
Profit for the year		--	--	--	--	--	452,244	**452,244**	21,335	**473,579**
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**
Profit for the year		--	--	**89**	**50,373**	--	**452,244**	**502,706**	**21,335**	**524,041**
Fair value change of financial assets at fair value through OCI	10	--	--	(3,924)	--	--	--	**(3,924)**	--	**(3,924)**
Translation reserve change		--	--	--	(652)	--	--	**(652)**	(333)	**(985)**
Associates - share of OCI	16	--	--	(1,154)	18,384	266	--	**17,496**	--	**17,496**
Total other comprehensive income for the year		--	--	**(4,989)**	**68,105**	**266**	**452,244**	**515,626**	**21,002**	**536,628**
Transactions with owners recognised directly in equity										
Contributions by and distributions to owners										
Redemption of redeemable shares	24	--	--	--	--	--	(71,145)	**(71,145)**	--	**(71,145)**
Capital contributions and distributions	1	--	--	--	--	--	--	--	5,000	**5,000**
Dividends	24	--	--	--	--	--	(20,000)	**(20,000)**	(15,908)	**(35,908)**
Other distributions	24	--	--	--	--	--	(1,628)	**(1,628)**	--	**(1,628)**
Net contribution to legal reserve		--	--	--	--	642	(642)	--	--	--
Transactions with NCI without a change in control	21	--	--	--	(78)	182,111	(160,343)	**21,690**	(18,512)	**3,178**
Effect from acquisitions through business combinations	1	--	--	--	--	--	--	--	11,745	**11,745**
Total transactions with owners		--	--	--	**(78)**	**182,753**	**(253,758)**	**(71,083)**	**(17,675)**	**(88,758)**
Other movements		--	--	(89)	7,193	(39,338)	379	(31,855)	(736)	(32,591)
Balance as at 31 December 2022		**10**	**204,923**	**1,078**	**11,822**	**(57,708)**	**805,794**	**965,919**	**55,777**	**1,021,696**

The notes on pages 16 to 107 are an integral part of these consolidated financial statements.

	Note	Share capital	Redeemable shares	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
Balance as at 1 January 2021		**10**	**204,923**	**6,067**	**(85,125)**	**(20,863)**	**682,350**	**787,362**	**44,854**	**832,216**
Comprehensive income										
(Loss)/profit for the year		--	--	--	--	--	(43,340)	**(43,340)**	21,397	**(21,943)**
Translation reserve changes		--	--	--	4,957	--	--	**4,957**	779	**5,736**
Equity-accounted investees – share of OCI		--	--	89	16,375	(267)	--	**16,197**	--	**16,197**
Total comprehensive income for the year		--	--	**89**	**21,332**	**(267)**	**(43,340)**	**(22,186)**	**22,176**	**(10)**
Transactions with owners recognised directly in equity										
Contributions by and distributions to owners										
Redemption of redeemable shares	24	--	--	--	--	--	(29,524)	**(29,524)**	--	**(29,524)**
Capital contributions		--	--	--	--	--	--	--	1,915	**1,915**
Dividends	24	--	--	--	--	--	--	--	(18,776)	**(18,776)**
Non-proportional dividends	24	--	--	--	--	--	(391)	**(391)**	--	**(391)**
Net contribution to legal reserve		--	--	--	--	1,852	(1,852)	--	--	--
Transactions with NCI without a change in control	24	--	--	--	395	(182,111)	(122)	**(181,838)**	1,276	**(180,562)**
Effect from acquisitions through business combinations		--	--	--	--	--	--	--	1,740	**1,740**
Total transactions with owners		--	--	--	**395**	**(180,259)**	**(31,889)**	**(211,753)**	**(13,845)**	**(225,598)**
Other movements		--	--	--	--	--	(192)	(192)	1	(191)
Balance as at 31 December 2021		**10**	**204,923**	**6,156**	**(63,398)**	**(201,389)**	**606,929**	**553,231**	**53,186**	**606,417**

The notes on pages 16 to 107 are an integral part of these consolidated financial statements

Cash flows from operating activities	**Note**	**2022 TEUR**	**2021 TEUR**
Profit / (loss) for the year after tax		**473,579**	**(21,942)**
Adjustment for:			
Depreciation and amortisation	7,8	26,542	18,520
Impairment loss on property, plant and equipment	30	14	--
Impairment losses on GW	30	1,477	3,343
Impairment losses on equity-accounted investees	16	27,402	--
Impairment loss/(reversal of impairment losses) on trade, loans and other receivables	28,30	37,856	(1,451)
Net change in fair value of derivatives	23	(141,448)	--
Revaluation of assets/liabilities at FVTPL	10,19	162	270
Revaluation of assets FVTPL – equity instruments	10	172	--
Change in fair value of assets at FVTPL	10,31	--	1,297
Change in fair value of contingent consideration	19,31	--	145
Share of loss of equity-accounted investees, net of tax	16	143,667	31,320
Gain on the sales and other disposals of subsidiaries	1	(482,099)	--
Gain on disposal of investment	16	(2,669)	--
Gain on sale of PPE and intangibles assets	29,30	(1,890)	(578)
Loss on sale of financial instruments	31	--	45,172
Dividend income	10	(218)	(370)
Gain on bargain purchase	1	(12,780)	(1,205)
Net interest (income)/expense	31	39,968	22,237
Unrealised foreign exchange loss/(gains)		3,651	(6,879)
Income tax expense	32	81,403	19,197
Operating profit before changes in working capital and provisions		**194,789**	**109,076**
(Increase)/decrease in inventories		(42,770)	4,551
Increase in contract assets		(6,611)	(162)
Increase in trade and other receivables		(92,290)	(35,457)
Increase in restricted deposits related to operating activities		(11,950)	(813)
Increase in trade and other payables		60,027	28,351
Increase in contract liabilities		4,697	2,263
Increase /(decrease) in provisions and employee benefits		1,705	(201)
Increase in green certificates		702	--
Proceeds from operating derivatives		121,788	--
Cash from operating activities		**230,087**	**107,608**
Interest paid		(34,172)	(16,354)
Interest received		3,392	500
Income tax paid		(57,638)	(15,944)
Net cash generated from operating activities		**141,669**	**75,810**
Cash flows from investing activities			
Proceeds from the sale of assets FVTPL		2,697	7,569
Proceeds from deposits	10	854	262
Dividends received	10	218	370
Proceeds from loans assigned		--	3,258
Proceeds from sale of intangible assets		32	1
Proceeds from sale of property, plant and equipment		8,153	2,152
Proceeds from sale of equity-accounted investee	10	--	30,000
Proceeds from disposal of subsidiaries	1	598,333	--
Net cash outflow from acquisition of subsidiaries, net of cash acquired	1	(89,091)	(30,461)
Settlement of contingent consideration	19	(653)	--
Loans provided		(68,061)	(94,825)
Loans repaid		37,267	77,241
Acquisitions of investments in equity-accounted investees	16	(254,214)	(31,262)
Acquisitions of financial assets at amortised cost - deposits	10	(4,165)	--
Acquisition of financial assets at FVTPL	10	(170)	(6,043)
Acquisition of financial asset at FVOCI	10	(3)	(7,489)
Acquisitions of intangible assets	7	(17,308)	(10,055)
Acquisitions of property, plant and equipment	8	(35,704)	(19,778)
Net cash generated from/(used in) investing activities		**178,185**	**(79,060)**
Cash flows from financing activities			
Other changes in equity		(435)	1,357
Transactions with owners without change in control	1, 24	(178,855)	--
Repayment of interest-bearing loans and borrowings received	17	(444,216)	(26,881)
Proceeds from interest-bearing loans and borrowings received	17	580,801	79,046
Repayment of bonds		(90,000)	--
Proceeds from lease liabilities	17	(5,190)	(3,468)
Redemption of shares	24	(71,145)	(29,524)
Dividends paid	24	(37,536)	(19,167)
Change in cash held on restricted bank accounts		(677)	--
Change in cash held on restricted deposits related to financing activities		106	(106)
Net cash (used in)/generated from financing activities		**(247,147)**	**1,257**
Net movement in cash and cash equivalents		**72,707**	**(1,993)**
At the beginning of the year*	9	**78,591**	**80,300**
Effects of movements in exchange rates on cash held		(363)	284
At the end of the year*	9	**150,935**	**78,591**

The notes on pages 16 to 107 are an integral part of these consolidated financial statements
*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 2022 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 (%) 2022	2021
MEF HOLDINGS LIMITED	Cyprus	Redeemable preference shares	93.37	93.77
SPRINGROCK LIMITED	Cyprus	Redeemable preference shares	1.61	1.50
ALIMENTOR LIMITED	Cyprus	Redeemable preference shares	1.56	1.45
DOROMEA LIMITED	Cyprus	Redeemable preference shares	0.52	0.52
MENGENO LIMITED	Cyprus	Redeemable preference shares	0.35	0.32
ALEDENCO LIMITED	Cyprus	Redeemable preference shares	0.24	0.23
MERALOS LIMITED	Cyprus	Redeemable preference shares	0.07	0.06
DAVID HAVLÍN	--	Redeemable preference shares	0.04	0.03
JOSE MARTIN GARZA	--	Redeemable preference shares	2.24	2.12
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 and Bulgaria. 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 (%) 2022	2021
BELLVILLE SERVICES LIMITED (in liquidation) [1)]	Cyprus	100.00	100.00
TONALA LIMITED	Cyprus	100.00	100.00
MARJOLENDO LIMITED	Cyprus	100.00	100.00
EMMA EPSILON LTD [12)]	Cyprus	87.50	100.00
• BOX NOW S.A.	Greece	83.17	95.80
• BOX NOW d.o.o. [11)]	Croatia	86.19	--
• BOX NOW o.o.d. [11)]	Bulgaria	85.75	--
EMMA LAMBDA LIMITED [12)]	Cyprus	100.00	100.00
RIXO a.s.	Czech Republic	97.71	97.30
PREMIER ENERGY PLC (former CHAPALACO LIMITED) [2), 3)]	Cyprus	99.99	99.99
• LIGATNE LIMITED	Cyprus	99.99	99.99
• PREMIER ENERGY SRL	Romania	99.96	99.96
• PREMIER ENERGY TRADING S.R.L.	Romania	99.96	99.96
• LIGATNE GAS S.R.L.	Romania	99.95	99.95
• B.E.R.G. SISTEM GAZ S.R.L.	Romania	99.96	99.63
• 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
• ECOENERGIA S.R.L.	Romania	79.99	--
• HARGAZ HARGHITA GAZ S.A.	Romania	99.63	--
• ENERGIA MILENIULUI III S.A.	Romania	66.64	--
• PREMIER ENERGY HUNGARY Kft[11)]	Hungary	99.99	--
• TRUE ENERGY MANAGEMENT S.R.L.	Romania	59.99	--
• ALIVE CAPITAL S.A.	Romania	50.98	--
EMMA OMEGA LTD	Cyprus	100.00	100.00
• EMMA OMEGA FINANCE a.s. (in liquidation) [4)]	Czech Republic	100.00	100.00
EMMA GAMMA LIMITED	Cyprus	100.00	100.00
• SPORTICON DEVELOPMENT s.r.o. [11)]	Czech Republic	100.00	--
• ARESSU HOLDING LIMITED	Malta	60.00	--
• TORRO TEC LIMITED	Malta	60.00	--
• TORRO TEC GAMING LIMITED	Malta	60.00	--
• TORRO TEC SERVICES GmbH	Germany	60.00	--
• TORRO TEC (SWITZERLAND) GmbH	Switzerland	60.00	--
• EMMA GAMMA FINANCE a.s.	Slovakia	100.00	100.00
• SPORT 360 d.o.o. (former VOX-ZAGREB d.o.o.) [6)]	Croatia	45.00	45.00
• EMMA GAMMA ADRIATIC d.o.o. [7)]	Croatia	--	100.00
• SUPER SPORT d.o.o. [5), 7)]	Croatia	--	65.45
• MINUS5 d.o.o. [7)]	Croatia	--	51.00
• PUNI BROJ d.o.o. [5), 7)]	Croatia	--	65.45
• SUPERSPORT MARKETING d.o.o. [7) 11)]	Croatia	--	--
• GTB GLOBAL BUSINESS S.A.	Romania	67.00	--
• CLUB KING S.R.L.	Romania	67.00	--
• CEMARBET S.R.L.	Romania	67.00	--
• GET'S BET ONLINE LTD	Malta	67.00	--
• SAED ELECTRONIC LTD	Romania	67.00	--
• GTB LINE SOFTWARE S.R.L.	Romania	67.00	--
• NEOSOFT TECH SUPPORT S.R.L.	Romania	67.00	--
• NEOSOFT LTD	Malta	67.00	--
MAIL STEP a.s.	Czech Republic	70.00	70.00
• MAILSHIP S.R.L. [11)]	Italy	70.00	--

1. Description of the Group (continued)

Consolidated subsidiaries	Country of incorporation	Effective ownership interest (%)	
		2022	2021
EMMA KAPPA LIMITED	Cyprus	100.00	100.00
• PROFARM S.A.	Greece	59.92	60.00
• EL-PHARM A.E.	Greece	59.92	60.00
• PER SE PHARMACEUTICALS A.E. [8)]	Greece	32.96	33.00
• INTEGRIS PHARMA LTD [9)]	Greece	29.95	29.99
DANDELION HEALTHCARE, a.s.	Czech Republic	78.00	78.00
• EUROPE IVF INTERNATIONAL s.r.o.	Czech Republic	78.00	78.00
EMMA SIGMA LTD[12)]	Cyprus	100.00	100.00
• SIGMA POSLOVODSTVO d.o.o.	Croatia	100.00	100.00
• SERVISNI CENTAR TROGIR d.o.o.	Croatia	100.00	--
• NAUTICA POINT GmbH [10)]	Austria	--	100.00
FAVI ONLINE s.r.o.	Czech Republic	82.32	--
EMMA ZETA LIMITED[11)]	Cyprus	100.00	--

[1)] On 30 August 2021, BELLVILLE SERVICES LIMITED was put into voluntary liquidation.

[2)] CHAPALACO LIMITED was renamed to PREMIER ENERGY PLC in 2021

[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 28 June 2022, EMMA OMEGA FINANCE a.s. was put into voluntary liquidation.

[5)] From a legal perspective, the shareholding equalled to 65.45% as at 31 December 2021. For the reasons explained in Note 33, the Group consolidated an additional shareholding of 1.55% in SUPER SPORT d.o.o. and PUNI BROJ d.o.o.

[6)] On 1 June 2021, the Group acquired shares in VOX-ZAGREB d.o.o. (renamed to SPORT 360 d.o.o. in 2022) representing 60.00% of its share capital. Right after the acquisition, 15 % of the shares was sold, thus the shareholding decreased to 45.00%. The Group still holds the control, as it holds 60.00% of the voting rights in the entity. For further information refer to section "Acquisition and disposals in 2021" in Note 1.

[7)] As at 22 November 2022, the Group sold its ownership interest in EMMA GAMMA ADRIATIC d.o.o. (including its subsidiaries) to the new Group's associate, ENTAIN HOLDINGS (CEE) Ltd. As a result of this transaction, these entities have been consolidated as equity-accounted investees as at 31 December 2022. For further information, refer to section "Acquisition and disposals in 2022" in Note 1.

[8)] 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.

[9)] 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.

[10)] NAUTICA POINT GmbH was dissolved as at 13 August 2022.

[11)] entities newly incorporated in 2022

[12)] entities newly incorporated in 2021

Equity-accounted investees (associates)	Country of incorporation	Ownership interest (%)	
		2022	2021
HOME CREDIT GROUP B.V.	Netherlands	8.88	8.88
HOME FURNITURE GROUP GmbH [1)]	Germany	46.06	46.06
HUDDLE GAMING, INC. [2), 3)]	United States of America	--	23.33
PHARMANET A.E.	Greece	17.38	17.40
NIKAPATZO LTD [4)]	Cyprus	24.02	--
ENTAIN HOLDINGS (CEE) Ltd. [5)]	Malta	25.00	--

[1)] On 3 August 2021, the Group acquired 40.77% shareholding in Home Furniture Group GmbH by subscription of new shares for the total subscription amount of TEUR 27,531. On 23 August 2021, the Group increased its shareholding in Home Furniture Group GmbH to 46.06% by purchase of shares from group of original shareholders for the purchase price of TEUR 3,592. Home Furniture Group GmbH fully-owns three subsidiaries: Kiveda Holding GmbH, Island Labs GmbH and Küchen Quelle GmbH. All entities reside in Germany. The associated group is currently insolvent.

[2)] As a result of the transformation, the ownership interest 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. For further information, refer to Note 10 and Note 16.

[3)] In 2021, the ownership interest increased by the reduction of shares. For further information, refer to Note 16. Furthermore, HUDDLE GAMING, INC. founded its three fully-owned subsidiaries: HUDDLE GAMING d.o.o. (Croatia), Huddle Gaming Ltd (Great Britain) and Huddle Gaming IOM Ltd (Isle of Man) in 2021.

[4)] Including its subsidiary ERMIONIDA S.A. (direct ownership interest 95.87%) residing in Greece.[5)] 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 SUPER SPORT d.o.o., MINUS5 d.o.o., PUNI BROJ d.o.o. and SUPERSPORT MARKETING d.o.o.).

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 recognised 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	17	(29,858)
Trade and other payables	20	(1,435)
Provisions		(1,359)
Deferred tax liabilities	22	(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	22	60
Loans and borrowings - non-banks	17	(2,198)
Lease liabilities	8, 17	(221)
Trade and other payables	20	(353)
Other liabilities	21	(467)
Deferred tax liabilities	22	(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 6,994 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.:

	Note	TEUR
Intangible assets	7	96
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
Commodity derivatives – electricity	23	19,305
Inventories	13	5
Cash and cash equivalents	9	3,795
Deferred tax receivables	22	1,081
Interest-bearing loans and borrowings – non-banks	17	(7,117)
Trade and other payables	20	(9,850)
Bonds issued	18	(2,021)
Financial liabilities - other items	21	(10)
Other liabilities	21	(4,560)
Commodity derivatives – electricity	23	(4,161)
Deferred tax liabilities	22	(2,414)
Total identifiable net assets acquired		**4,687**
Non-controlling interest (on fair value of net assets)		(2,297)
Share on net identifiable assets and liabilities acquired		**2,390**
Consideration, paid in cash		(9,384)
Goodwill (-)	7	**(6,994)**

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 100,000.1. 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	17	(3,849)
Lease liabilities	8	(2,316)
Trade and other payables	20	(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	17	(10)
Trade and other payables	20	(1,699)
Provisions		(54)
Deferred tax liabilities	22	(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		(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	17	(23,347)
Lease liabilities	8,17	(1,448)
Trade and other payables	20	(1,733)
Provisions		(25)
Deferred tax liabilities	22	(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. Gain on bargain purchase in the total amount of TEUR 1,937 was recognized as a result of this transaction due to a well negotiated acquisition by the management of the Group. 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.:

	Note	**TEUR**
Intangible assets	7	3,832
Property, plant and equipment	8	1,053
Trade and other receivables *	12	131
Income tax receivable		16
Cash and cash equivalents	9	158
Trade and other payables	20	(169)
Provisions		(55)
Deferred tax liabilities	22	(263)
Total identifiable net assets acquired		**4,703**
Non-controlling interest (on fair value of net assets)		(16)
Share on net identifiable assets and liabilities acquired		**4,687**
Consideration, paid in cash		(2,750)
Gain on bargain purchase (+)		**1,937**

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	17	(2,463)
Trade and other payables	20	(3,703)
Other liabilities	21	(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 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	17	(4,693)
Other liabilities	21	(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)**

Subsequently, the Group sold its 2% shareholding in BOX NOW o.o.d. and its 1.5% shareholding in BOX NOW d.o.o. to non-controlling shareholders.

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	17	(190,374)
Lease liabilities	8, 17	(7,710)
Trade and other payables	20	(921)
Other liabilities	21	(22,093)
Current income tax liabilities		(5,016)
Deferred tax liability	22	(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.

1. Description of the Group (continued)

Acquisitions and disposals in 2021

On 15 May 2021, the consolidated subsidiary of the Group, PREMIER ENERGY S.R.L., acquired part of business (including certain intangible assets and property, plant and equipment), comprised of natural gas pipes and connections, and assumed the rights and obligations attributable to 2 natural gas infrastructure concession arrangements in Romania for the aggregate consideration of TEUR 283.

The following table summarises the recognised amounts of assets acquired under the business definition in accordance with IFRS 3 as of the date of acquisition:

	Note	TEUR
Intangible assets	7	1,416
Property, plant and equipment	8	72
Total identifiable net assets acquired		**1,488**
Consideration, paid in cash		(283)
Gain on bargain purchase		**1,205**

Cash effect on acquisition	
Consideration, paid in cash	(283)
Cash acquired	--
Net cash outflow	**(283)**

1. Description of the Group (continued)

Acquisitions and disposals in 2021 (continued)

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of VOX-ZAGREB d.o.o. (renamed to SPORT 360 d.o.o. in 2022):

	Note	TEUR
Property, plant and equipment	8	293
Current income tax assets		36
Loans receivable	11	468
Trade receivables	12	379
Other assets	14	16
Cash and cash equivalents	9	272
Trade payables	20	(386)
Lease liabilities	8, 17	(46)
Due to banks and other financial institutions	17	(37)
Total identifiable net assets acquired		**995**
Non-controlling interest (on fair value of net assets)		(398)
Consideration, paid in cash		(2,566)
Goodwill	**7**	**(1,969)**

Cash effect on acquisition	
Consideration, paid in cash	(2,566)
Cash (acquired)	272
Net cash outflow	**(2,294)**

On 1 June 2021, the consolidated subsidiary of the Group, EMMA GAMMA ADRIATIC d.o.o., entered into the share purchase agreement with key shareholders of VOX-ZAGREB d.o.o, a sport marketing company which is located in Zagreb, Croatia. According to the agreement, EMMA GAMMA ADRIATIC d.o.o. acquired 60.00% of shares in VOX-ZAGREB d.o.o. for the consideration of TEUR 2,566. The total amount of TEUR 2,566 was paid in cash.

Right after the acquisition, 15.00% of the shares was sold for the selling price of TEUR 527, thus the shareholding decreased to 45.00%. Under the terms of the agreement signed, the 15% shareholder is obliged to use its voting rights in the same manner as EMMA GAMMA ADRIATIC d.o.o. and therefore, EMMA GAMMA ADRIATIC d.o.o. still holds the majority of the voting rights and consequently the control over VOX-ZAGREB d.o.o.

1. Description of the Group (continued)

Acquisitions and disposals in 2021 (continued)

On 30 June 2021, the consolidated subsidiary of the Group, EMMA SIGMA LTD., acquired 100.00% shareholding in Croatian company SIGMA POSLOVODSTVO d.o.o. and Austrian company NAUTICA POINT GmbH for the aggregate consideration of TEUR 10,599. The Croatian entity operates a marina and a hotel in Croatia.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of SIGMA POSLOVODSTVO d.o.o. and NAUTICA POINT GmbH:

	Note	**TEUR**
Intangible assets	7	4,575
Property, plant and equipment	8	8,431
Loans receivable	11	1,116
Trade receivables	12	591
Other assets	14	26
Income tax receivable		20
Inventories	13	42
Cash and cash equivalents	9	254
Interest-bearing loans and borrowings due to related parties	17	(9,894)
Trade payables	20	(1,381)
Other liabilities	21	(29)
Lease liabilities	8,17	(880)
Current income tax liabilities		(1)
Deferred tax liabilities	22	(797)
Total identifiable net assets acquired		**2,073**
Consideration, paid in cash		(10,599)
Discount on assignment of receivables		2,680
Goodwill	**7**	**(5,846)**

Cash effect on acquisition	
Consideration, paid in cash	(10,599)
Cash (acquired)	254
Net cash outflow	**(10,345)**

1. Description of the Group (continued)

Acquisitions and disposals in 2021 (continued)

As at 31 August 2021, the consolidated subsidiary of the Group, PROFARM S.A., acquired 49.99 % shareholding in the Greek company, INTEGRIS PHARMA LTD, operating within the pharmaceutical business segment.

The capital contributions from subscriptions and resulting acquisition consideration could be summarized as follows:

	Total (TEUR)	Contributed cash attributable to the Group (TEUR)	Contributed cash attributable to former owners (NCI)= acquisition considerations (TEUR)
Contribution to share capital	600	300	300
Contribution to share premium	300	150	150
Total contribution in 2021	**900**	**450**	**450**

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of INTEGRIS PHARMA LTD.

	Note	TEUR
Property, plant and equipment	8	275
Trade receivables	12	2,911
Inventories	13	592
Cash and cash equivalents	9	1,350
Deferred tax assets	22	15
Trade payables	20	(4,983)
Lease liabilities	8,17	(271)
Current income tax liability		(243)
Total identifiable net assets		**(354)**
Non-controlling interest acquired		177
Total identifiable net assets acquired		**(177)**
Consideration through capital contribution attribution to non-controlling interest		(450)
Goodwill	**7**	**(627)**

Cash effect on acquisition	
Cash (acquired)	1,350
Net cash inflow	**1,350**

1. Description of the Group (continued)

Acquisitions and disposals in 2021 (continued)

On 5 November 2021, the Group acquired 70% shareholding in MAIL STEP a.s. The entity provides logistical services in the Czech Republic.

The acquisition consideration comprised:

1) Purchase price, satisfied in cash, for the shares acquired amounted to TEUR 18,675 (TCZK 472,000) plus deferred consideration of TEUR 133 (TCZK 3,349) and contingent consideration of TEUR 4,994 (TCZK 124,965).

2) Subscribing to new ordinary shares in total nominal value of TEUR 40 (TCZK 1,000) and share premium in total value of TEUR 1,227 (TCZK 31,000), for a total subscription price of TEUR 1,267 (TCZK 32,000); out of which TEUR 380 was attributable to non-controlling interest of MAIL STEP a.s.

The capital contributions from subscriptions and resulting acquisition consideration could be summarized as follows:

	Total (TEUR)	Contributed cash attributable to the Group (TEUR)	Contributed cash attributable to former owners (NCI) = acquisition considerations (TEUR)
Contribution to share capital	40	28	12
Contribution to share premium	1,227	859	368
Total contribution in 2021	**1,267**	**887**	**380**

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition MAIL STEP a.s.:

	Note	TEUR
Intangible assets	7	1,205
Property, plant and equipment	8	5,842
Trade and other receivables	12	2,535
Other assets	14	14
Inventories	13	357
Cash and cash equivalents	9	55
Bank overdrafts	9	(269)
Interest-bearing loans and borrowings – bank	17	(681)
Trade payables	20	(2,137)
Other liabilities	21	(459)
Lease liabilities	8, 17	(3,841)
Current income tax liabilities		(180)
Deferred tax liabilities	22	(144)
Total identifiable net assets		**2,297**
Non-controlling interest acquired		**(689)**
Total identifiable net assets acquired		**1,608**
Consideration, paid in cash		(18,675)
Consideration through capital contribution attributable to non-controlling interests		(380)
Deferred consideration		(133)
Contingent consideration		(5,233)
Total consideration		**(24,421)**
Goodwill	7	**(22,813)**

1. Description of the Group (continued)

Acquisitions and disposals in 2021 (continued)

The Group calculated the amount of contingent consideration as the present value of the expected future payments, discounted using a risk-adjusted discount rate of 6.22%.

	TEUR
Cash effect on acquisition	
Consideration, paid in cash	(18,675)
Cash (acquired)	(214)
Net cash outflow	**(18,889)**

On 15 January 2021, the Group sold its 7.39% shareholding in RIXO a.s. for the total purchase price of TEUR 759 (TCZK 19,685). Completion (transfer of shares) occurred on 25 January 2021. On 12 November 2021, the Group increased its shareholding in RIXO a.s. to 96.71% by subscription of new shares for total subscription amount of TEUR 779 (TCZK 19,893) and share premium in total value of TEUR 12,216 (TCZK 311,808), for a total subscription price of TEUR 12,995 (TCZK 331,701). On 1 December 2021, the Group increased its shareholding to 97.30% through purchase of shares from minority shareholder for a total purchase price of TEUR 143.

On 26 January 2021, the Group's shareholding in PREMIER ENERGY PLC decreased from 100% to 99.99% as a result of new shares issued and subscribed by minority shareholders. Even though, from a legal perspective, the current shareholding of the Group equals to 99.99%, there are contractual arrangements in place, which enables the Group to consolidate a total shareholding of 100.00% in PREMIER ENERGY PLC and its subsidiaries.

On 28 April 2021, the Group founded the new Greek company BOX NOW S.A. On 15 June 2021, EMMA ALPHA HOLDING LTD sold its 4.2% shareholding in BOX NOW S.A. to non-controlling shareholders for the total sales price of TEUR 4.

On 8 September 2021, EMMA ALPHA HOLDING LTD sold its 2% shareholding in DANDELION HEALTHCARE, a.s. to non-controlling shareholder for the total sales price of TEUR 273 (TCZK 6,942). Completion (transfer of shares) occurred on 14 September 2021.

On 3 August 2021, the Group acquired 40.77% shareholding in Home Furniture Group GmbH (including its fully owned subsidiaries Kiveda Holding GmbH, Island Labs GmbH and Küchen Quelle GmbH) by subscription of new shares for the total subscription amount of TEUR 27,531. On 23 August 2021, the Group increased its shareholding in Home Furniture Group GmbH to 46.06% by purchase of shares from group of original shareholders for the purchase price of TEUR 3,592. The Home Furniture Group GmbH group operates within the segment of production and sale of furniture in Germany.

The acquisition of Home Furniture Group GmbH 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)	2,741
Consideration, subscription of new shares	27,531
Consideration, shares purchased	3,592
Acquisition related cost	139
Total consideration	**31,262**
Goodwill included in the value of the equity-accounted investee	28,521
Net cash outflow	**(31,262)**

2. Basis of preparation

The consolidated financial statements for the year ended 31 December 2022 comprise of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

(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.

(b) Basis of measurement

These consolidated financial statements have been prepared under the historic cost convention basis, except in the case of 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 Croatian subsidiaries is the Croatian Kuna, for the Romanian subsidiaries is the Romanian Leu, for the Moldovan subsidiaries is the Moldovan Leu and for the Czech subsidiaries is the Czech Crown. Financial information presented in EUR has been rounded to the nearest thousand (TEUR).

(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 22 "Deferred tax liability and asset": recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used. - Note 32 "Income tax expense/credit": to determine any provision for income taxes. - Note 4 "Financial risk management": measurement of ECL allowance for trade receivables - key assumptions in determining the weighted average loss rate.

(e) Comparative financial information

The comparative financial information is prepared for the year ended 31 December 2021.

The structure of the consolidated statement of financial position has been changed in order to maintain a high value of reported financial information for users of financial statements. The Group decided to:

- present the escrow account (item presented previously separately on the face of the consolidated statement of financial position) within the item Cash and cash equivalents. This escrow account was opened at Romanian Commodities Exchange (BRM) for the settlement of gas transactions. It covers the next month's estimated gas purchases of the component via BRM. The contractual restriction relates only on the use of the funds, while the Group has access and can withdraw these funds at any time.

To ensure consistency with the presentation in the current period, the same reclassification was made in the comparative financial information as at 31 December 2021 (i.e. decrease of Restricted cash by TEUR 4,446 and increase of Cash and cash equivalents by TEUR 4,446).

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 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)

(f) Basis of consolidation (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. Significant 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 at exchange rates ruling at the reporting date. Income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to EUR at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on translation 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.

c) Financial assets and liabilities

(i) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; debt investments measured as fair value through other comprehensive income (FVOCI), equity investments measured as FVOCI; or financial assets measured as fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Significant accounting policies (continued)

c) Financial assets and liabilities (continued)

(i) Classification (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment´s fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised costs or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management´s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the asset;
- how the performance of the portfolio is evaluated and reported to the Group´s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for its purpose, consistent with the Group´s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ´principal´ is defined as the fair value of the financial asset on initial recognition. ´Interest´ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of the time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs) as well as profit margin.

In assessment whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing of amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group´s claim to cash flows from specified assets (e.g. non-recourse features).

3. Significant accounting policies (continued)

c) Financial assets and liabilities (continued)

(i) Classification (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent which this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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.

(ii) 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.

(iii) 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. 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. Significant accounting policies (continued)

c) Financial assets and liabilities (continued)

(iv) 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.

(v) 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.

(vi) 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.

(vii) Identification and measurement of impairment

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 impairment 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. Significant accounting policies (continued)

c) Financial assets and liabilities (continued)

(vii) Identification and measurement of impairment (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. Significant accounting policies (continued)

c) Financial assets and liabilities (continued)

(viii) 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.

(ix) 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.

(x) 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. Significant accounting policies (continued)

c) Financial assets and liabilities (continued)

(xi) 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).

However, a contract cannot be considered entered into in accordance with the entity's expected purchase, sale or usage requirements if the entity has a past practice of settling similar contracts net in cash or other financial instruments or by exchanging financial instruments or taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuations in price or dealer's margin. Such contracts are in the scope of IFRS 9.

The Group establishes a dual book structure for management of the commodity contracts – which can enable a number of contracts in the portfolio to be accounted under IFRS 9 at fair value through profit and loss and of the remainder of the contracts in the portfolio to be accounted for as executory contracts ("own use" exemption applied).

The fair values of individual contracts are determined using published exchange or market prices at the time of acquisition in the case of commodity contracts and are adjusted to current market prices as of the reporting dates.

d) Intangible assets

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.

Intangible asset in service concession arrangements (gas distribution networks)

Effective 1 January 2020, the Group accounts for the concession contracts for natural gas distribution services in accordance with IFRIC 12. The change in accounting policy was applied retrospectively from 1 January 2019. Distribution networks reflecting the concessions received by the governmental bodies to operate gas infrastructure for public services are recognized as intangible assets as they do not convey the right to control the use of the public service infrastructure to the operator (therefore, should not be recognized within property, plant and equipment), but they represent the access to operate the infrastructure to provide public service on behalf of the governmental bodies.

The consideration for the provision of construction of services are recognised in line with IFRS 15 (refer to Note 3 (l)). The consideration may represent the rights to:

- the intangible asset that is recognised to the extent that the Group receives a right (a licence) to charge users of the public service, a right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service;
- The financial assets that are recognized to the extent that the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the governmental bodies for the construction services, therefore, there is a little discretion to avoid payment.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, it is necessary to account them separately. A level of judgement may be required in the process.

3. Significant accounting policies (continued)

d) Intangible assets (continued)

Intangible asset in service concession arrangements (gas distribution networks) (continued)

The contractual obligations to maintain the infrastructure to a specified level of serviceability or to restore the infrastructure to a specified condition before it is handed over to the governmental bodies are recognised and measured in accordance with IAS 37, ie at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

The borrowing costs attributable to the arrangement are recognised as an expense in the period in which they are incurred unless the Group has a contractual right to receive an intangible asset (a right to charge users of the public service). In this case borrowing costs attributable to the arrangement are capitalised during the construction phase of the arrangement.

The distribution networks are reflected as intangible assets when the concession contract establishes a duration and a determined value for the concession. The amortization of the concession is to be recorded for the duration of its use, determined according to the contract.

Recognition and measurement

The Group recognizes an intangible asset arising from a service concession arrangement when it has a right to charge the users for use of the infrastructure. An intangible asset received as consideration for providing construction or upgrade services is measured at fair value on initial recognition with reference to the actual construction costs incurred by the Group plus a margin considered as industry average. Subsequent to initial recognition, the intangible asset is measured at cost, less accumulated amortization and accumulated impairment losses.

Amortization

The intangible asset is amortized from the date of its initial recognition until the end of the concession period using a straight-line method.

To the extent that a newly constructed distribution network are put into use in stages, or in cases where expenditures related to subsequent network asset construction are recognised as increases to the carrying value of the concession intangible at a later date (e.g. in case of network upgrades or extensions), each addition to the intangible asset is recognised as portion of the overall intangible asset with a different useful life, being the period from its initial recognition as an increase in the concession intangible asset until the end of the concession period.

In respect of network assets that are to be transferred to the grantor at the end of the concession in exchange for consideration, the Group determines the residual value of the intangible asset at the end of the concession, which is not amortized over the concession period.

e) Property, plant and equipment

The property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

The cost 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.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

3. Significant accounting policies (continued)

e) Property, plant and equipment (continued)

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
Electricity lines	35 – 45
Electro-energetic equipment	15 – 25
Meters	18
Other tangible assets	1 – 16
Vehicles	3 – 8
Land and buildings	5 – 50

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.

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

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. Significant 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 are 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. 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 and 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.

Adjustments are made for impairment when there is evidence that the Group will not be able to collect receivables originally agreed maturity.

Special financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, failure to pay on time or delays in payments (more than 60 days maturity) are considered indicators of impairment claims. Also, it is a provision for doubtful debts total values older than 180 days. The carrying amount of the asset is reduced through an allowance account and the amount of the loss is recognised in profit or loss.

Uncollectible accounts receivable are recorded as expenses when they are identified.

The impairment loss related to a receivable is reversed if the subsequent increase in recoverable amount can be related to an event occurring after the impairment loss was recognised.

3. Significant 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

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. 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.

iii. 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.

iv. 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.

v. Capital reserve

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

vi. Redeemable preference shares

The redeemable preference shares are classified as equity. Any dividends are discretionary only at the Company's option.

k) Other payables

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. Significant 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.

IFRS 15 also establishes the principles that an entity shall apply to provide qualitative and quantitative disclosures which provide useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

The Clarifications to IFRS 15 clarify some of the Standard's requirements and provide additional transitional relief for companies that are implementing the new Standard.

The amendments clarify how to:

- identify a performance obligation - the promise to transfer a good or a service to a customer in a contract;
- determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- determine whether the revenue from granting a license should be recognised at a point in time or over time.

The amendments also provide entities with two additional practical expedients:

- An entity need not restate contracts that are completed contracts at the beginning of the earliest period presented (for entities that using the full retrospective method only);
- For contracts that were modified before the beginning of the earliest period presented, an entity need not retrospectively restate the contract but shall instead reflect the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented (also for entities recognising the cumulative effect of initially applying the standard at the date of initial application).

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.

3. Significant accounting policies (continued)

l) Revenues (continued)

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 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.

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 revenues from the sale and distribution of natural gas also include construction-related revenue earned based on grid construction, upgrades and expansions.

The customer for the construction services and network upgrades and expansion is the grantor based on the service concession agreements.

The construction revenue is recognized into revenue over time during the construction phase.

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. Final invoices are due when construction works are completed.

The Group recognizes construction revenue (against receivable/cash from grantor) and construction costs (against cash/payables) and does not recognize any IFRIC 12 intangible asset.

The Group recognizes a contract asset during the construction period against construction revenue. When the grid, or part of the grid, is put into use (when the operator begins delivery of gas and is able to charge the user of the infrastructure for its delivery services), the contract asset, or the relevant part of the contract asset is reclassified to the intangible asset.

3. Significant accounting policies (continued)

l) Revenues (continued)

Revenues from renewable energy and green certificates

Production and sale of renewable energy in Romania and green certificates

According to the regulations in force, the producers of 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 Company, 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.

For each 1 MWh of wind power produced, Ecoenergia, who became part of the Group in January 2022, was entitled to receive 2 green certificates until the end of 2017. As of July 1, 2013, the Romanian Government changed the mechanism of assistance for renewable energy producers, therefore, for the wind power producer, the effect was that, despite being entitled, as before, to receive 2 green certificates for each 1 MWh that entered Romania's power grid, one of the 2 green certificates was suspended from trading as of July 1, 2013. The green certificates suspended from trading ("postponed green certificates") can be traded starting of January 1, 2018 over a period of 8 years (i.e up until 2025). The, starting of January 1, 2018, the Group is entitled to receive only 1 green certificate for each 1 MWh produced.

Revenues from betting activities and casino games

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").

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.

3. Significant accounting policies (continued)

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.

p) Adoption of new and revised IFRS and Interpretations as adopted by the EU

As from 1 January 2022, 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 2022. 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

- **IFRS 3 *Business Combinations* (Amendments)** (effective for annual periods beginning on or after 1 January 2022)

The amendments to IFRS 3 relate to an update of a reference to the Conceptual Framework of Financial Reporting without changing the accounting requirements for business combinations.

- **IAS 16 "Property, Plant and Equipment" (Amendments)** (effective for annual periods beginning on or after 1 January 2022)

The amendments to IAS 16 prohibit a company from deducting, from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds together with the costs of producing those items in profit or loss.

- **IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (Amendments)** (effective for annual periods beginning on or after 1 January 2022)

The amendments to IAS 37 specify what is included in the costs to fulfil a contract when assessing whether a contract is onerous.

3. Significant accounting policies (continued)

p) Adoption of new and revised IFRS and Interpretations as adopted by the EU (continued)

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

- **Annual Improvements to IFRS Standards 2018-2020 (Amendments)** (effective for annual reporting periods beginning on or after January 2022)
  - **IFRS 1 "First-time Adoption of International Financial Reporting Standards"**

  A subsidiary that adopts the IFRS standards for the first time later than its parent and applies IFRS 1.D16(a) may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.

  - **IFRS 9 "Financial Instruments"**

  When determining the fees paid net of fees received for the purpose of performing the "10 percent test" for derecognition of financial liabilities, a borrower includes only fees paid or received between the borrower and the lender (incl. those received on the other's behalf).

  - **IFRS 16 "Leases, Illustrative Example 13"**

  The amendment removes the illustration of payments from the lessor relating to leasehold improvements.

(ii) Standards issued but not yet effective

- **IAS 1 "Presentation of Financial Statements" (Amendments) and IFRS Practice Statement 2 Making Materiality Judgements: Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023)**
  The amendments to IAS 1 and the update to IFRS Practice Statement 2 aim to help companies on the application of materiality to the disclosure of accounting policies. The key amendments to IAS 1 include: (1) requiring companies to disclose their material accounting policies rather than their significant accounting policies, (2) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed, and (3) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The amendments to IFRS Practice Statement 2 are to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material i.e. "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements".

- **IAS 8** ***Accounting Policies, Changes in Accounting Estimates and Errors*** **(Amendments): Definition of Accounting Estimates** (effective for annual periods beginning on or after 1 January 2023)
  The amendments to IAS 8 are issued to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: (1) selecting a measurement technique (estimation or valuation technique), and (2) choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

3. Significant accounting policies (continued)

p) Adoption of new and revised IFRS and Interpretations as adopted by the EU (continued)

(iii) IFRSs, Amendments to IFRSs and Interpretations not adopted by the EU

- **IAS 1 *Presentation of Financial Statements* (Amendments): Classification of Liabilities as Current or Non-current** (effective for annual periods beginning on or after 1 January 2023)
  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.

- **IAS 12 *Income Taxes* (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction** (effective for annual periods beginning on or after 1 January 2023)
  Targeted amendments to IAS 12 clarify how companies should account for deferred tax on certain transactions (e.g. leases and decommissioning provisions). The amendments narrow the scope of the initial recognition.

- **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 recognized when a transaction involves a business (as defined in IFRS 3). A partial gain or loss is recognized 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.

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 pandemic COVID 19

During 2021 and 2022, there was continuing uncertainty about potential impact resulting from COVID 19 on the Group. In order to ensure its operations, the Group adopted a series of measures.

Since the Company's subsidiaries in Romania and Moldova operate in the regulated electricity and gas distribution and supply sector, it has not been significantly affected by the outbreak of COVID-19 and the Company's subsidiaries realized relatively stable sales and their operations, including supplies, were uninterrupted.

In addition, the Company’s associate, HOME CREDIT GROUP B.V. belongs to a group, which the largest component is based in China. China was also affected during pandemic, however, HOME CREDIT GROUP B.V. and HOME CREDIT CHINA took all the necessary steps to mitigate any short term impact from market situation and conditions.

Risks related to business operations, results and liquidity:

- Regarding potential Government preventive measures, such as complete lock-down of some of the premises in the countries where the Group operates, and general macroeconomic projections, there was a risk of a general decrease in the revenues from all sales channels what did not happened;
- The Group was facing limited number of sport events during pandemic of COVID 19. The risk of a decline in certain revenues, such as revenue from sport betting activities, continues to exist, however, after the first wave the sports environment become adapted to the new situation, which significantly limited this type of risk;
- The Group is prepared to apply certain measures in respect of operating expenses, should the government preventive measures are once again in enforced;
- The Group is also monitored the covenants related to the bonds issued by the Company and through effective cash management at the Group level, can ensure that the covenants are met.

4. Financial risk management (continued)

Risks related to pandemic COVID 19 (continued)

Risk related to operational activities:

- To manage operational risk, the Group followed the business continuity protocols. The Group continued to run the operations using remote access where applicable and took measures to protect the health of the employees working on-site;
- The Group regularly communicated with its business partners, who have also implemented the necessary measures while providing contractual services without currently identified limitations.

The Company and the Group have analyzed all the risks and severe but plausible scenarios and concluded that there was no material uncertainty related to going concern.

Risks related to Ukraine crisis

Russia invaded Ukraine on 24 February 2022. Based on currently available information and based on our analysis carried out, we do not expect significant direct impact of the war conflict on the Group, its business operations, its financial position, results and liquidity. However, it is extremely difficult to predict impact of the war conflict in the long-term perspective. Therefore, the Group monitors the situation carefully and is prepared to adopt the necessary measures for mitigation of potential risks.

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 and financial assets which is 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, financial assets available-for-sale and other 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 66,986 (2021: TEUR 59,156). The tables below provide a detailed analysis of the Group's exposure to credit risk.

Loans - Due from non-banks	2022	2021
	TEUR	TEUR
Stage I – Carrying amount	66,986	59,155
Stage III – Credit impaired	--	1
Total carrying amount	**66,986**	**59,156**

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:

	2022	2021
Cash at bank	**TEUR**	**TEUR**
A1	4	--
A2	84	182
Aa3	428	423
Ba1	6,376	3,230
Ba2	910	1,591
Ba3	--	1,947
Baa1	13,282	33
Baa2	3,460	1,906
Baa3	1,312	--
Non-rated	49,568	69,698
Total cash at bank	**75,424**	**79,010**
Cash on restricted accounts		
Non-rated	677	4,446
Total cash on restricted accounts	**677**	**4,446**
Demand deposits		
Non-rated	75,004	--
Total demand deposits	**75,004**	**--**
Deposits with restricted access		
Ba1	56	--
Ba3	--	813
Baa1	1,373	--
Non-rated	14,007	106
Total deposits with restricted access	**15,436**	**919**
Term bank deposits		
Non-rated	2,677	2,594
Total term bank deposit	**2,677**	**2,594**
Total cash at bank and term bank deposits	**169,218**	**86,969**

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.

	2022 TEUR	2021 TEUR
Austria	--	11
Virgin Islands	--	4
Bulgaria	267	--
Cyprus	94,861	18,506
Czech Republic	2,629	2,279
Greece	8,117	6,992
Croatia	3,033	48,524
Italy	6	--
Moldova	5,980	1,925
Malta	652	--
Romania	52,965	8,133
Slovakia	708	530
	169,218	**86,969**

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.

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

2021	**12-month ECL (Stage I) TEUR**	**Lifetime ECL not credit-impaired (Stage II) TEUR**	**Lifetime ECL credit-impaired (Stage III) TEUR**	**Total TEUR**
Gross provided loans – low risk grade	59,463	--	163	59,626
Loss allowances	(308)	--	(162)	(470)
Net provided loans	**59,155**	**--**	**1**	**59,156**

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.

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**

2021	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	2,594	--	--	2,594
Loss allowances	--	--	--	--
Net financial assets at amortised cost – deposits	**2,594**	**--**	**--**	**2,594**

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

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 trade receivables	169,626	--	17,332	186,958
Gross contract assets*	124	--	--	124
Gross other assets**	237,374	--	85	237,459
Loss allowances	(39,730)	--	(14,360)	(54,090)
Net trade receivables, contract assets	**367,394**	**--**	**3,057**	**370,451**

* Contract assets excluding Group's rights for network construction works not completed by the reporting date, refer to Note 25.

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

As at 31 December 2021, the ageing analysis of trade receivables, contract assets and other assets is detailed as follows:

2021	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	(Stage I)	(Stage II)	(Stage III)	
	TEUR	TEUR	TEUR	TEUR
Gross trade receivables	120,142	--	16,578	136,720
Gross contract assets	1,051	--	--	1,051
Gross other assets*	5,039	--	1,257	6,296
Loss allowances	(1,687)	--	(16,333)	(18,020)
Net trade receivables, contract assets	**124,545**	**--**	**1,502**	**126,047**

* 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 2022 and 31 December 2021, 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.

2022

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	197,487	3,348	277	61	201,438
Subtotal non-derivative instrument	**277,811**	**35,769**	**250,051**	**41,811**	**3,720**	**12,277**	**621,439**
Derivate financial assets							
Commodity derivatives - Electricity	4,430	8,179	19,731	4,007	--	--	36,347
Commodity derivatives - Gas	--	--	3,123	--	--	--	3,123
Subtotal derivative – instruments	**4,430**	**8,179**	**22,854**	**4,007**	**--**	**--**	**39,470**
Total financial assets	**282,241**	**43,948**	**272,905**	**45,818**	**3,720**	**12,277**	**660,909**

*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

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 – Electricity	115	260	514	--	--	--	889
Commodity derivatives - Gas	--	--	3,777	--	--	--	3,777
Total	**115**	**260**	**4,291**	**--**	**--**	**--**	**4,666**
Total financial liabilities	**69,612**	**29,131**	**143,531**	**370,911**	**18,596**	**2,031**	**633,812**
Net position	**212,629**	**14,817**	**129,374**	**(325,093)**	**(14,876)**	**10,246**	**27,097**

**Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 21.

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual maturity analysis (continued)

2021

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	82,873	--	--	--	--	--	82,873
Restricted cash	--	--	--	4,446	--	--	4,446
Restricted deposits	--	778	--	141	--	--	919
Financial assets at FVOCI	--	--	--	--	--	7,489	7,489
Financial assets – deposits	1,437	35	--	1,122	--	--	2,594
Financial assets at FVTPL	--	--	6,341	1,011	--	--	7,352
Loans - due from non-banks	1	7	48,216	2,208	8,721	3	59,156
Trade receivables	80,876	32,203	6,410	516	--	--	120,005
Other financial assets*	3,257	376	612	534	--	212	4,991
Total financial assets	**168,444**	**33,399**	**61,579**	**9,978**	**8,721**	**7,704**	**289,825**
Non-derivative financial liabilities							
Bank overdrafts	--	8,728	--	--	--	--	8,728
Due to non-banks	1	1	4,708	197,505	--	--	202,215
Due to banks and other financial institutions	8,300	1,427	62,382	161,180	3,501	--	236,790
Lease liabilities	359	705	3,070	10,182	608	--	14,924
Bonds issued	--	392	--	89,061	--	--	89,453
Financial liabilities at FVTPL	--	--	641	4,870	--	--	5,511
Trade payables	35,240	15,635	958	27	--	--	51,860
Other financial liabilities**	19,589	994	182,863	2,807	348	4,242	210,843
Total financial liabilities	**63 489**	**27,882**	**254,622**	**465,632**	**4,457**	**4,242**	**820,324**
Net position	**104,955**	**5,517**	**(193,043)**	**(455,654)**	**4,264**	**3,462**	**(530,499)**

*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 21.

The cumulative negative Net position with maturity shorter than 1 year relates mainly to bank loans from the Romanian entities. These loans are credit facilities for working capital purposes, which get renewed annually.

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.

2022	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 – Electricity	375	514	--	--	889	889
Commodity derivatives - Gas	--	3,777	--	--	3,777	3,777
Subtotal derivative instruments	**375**	**4,291**	**--**	**--**	**4,666**	**4,666**
Total financial liabilities	**108,412**	**167,779**	**407,981**	**19,489**	**703,661**	**633,812**

*Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 21.

2021	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	8,852	--	--	--	8,852	8,728
Due to non-banks	1,645	9,636	207,188	-	218,469	202,215
Due to banks and other financial institutions	13,597	73,488	187,896	5,175	280,156	236,790
Lease liabilities	1,112	3,202	10,435	612	15,361	14,924
Bonds issued	392	4,364	99,971	--	104,727	89,453
Financial liabilities at FVTPL	--	648	5,484	--	6,132	5,511
Trade payables	50,875	958	27	--	51,860	51,860
Other financial liabilities*	24,825	182,863	2,807	348	210,843	210,843
Total	**101,298**	**275,159**	**513,808**	**6,135**	**896,400**	**820,324**

*Other liabilities excluding non-financial liabilities (advances received, tax payables and deferred revenues). For more details, refer to Note 21.

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, HRK 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.

Interest rate gap position based on re-pricing dates

2022

TEUR		**Floating interest rate**				
	Effective 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**	**--**	**--**	**160,779**	**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**

4. Financial risk management (continued)

Market risk (continued)

2021

TEUR	**Effective interest rate**	**Floating interest rate** Less than 3 months	**Floating interest rate** 3 months to 1 year	**1 to 5 years**	**Fixed interest rate or Non specified**	**Total**
Interest-bearing financial assets						
Cash and cash equivalents	0.00%	82,873	--	--	--	82,873
Restricted cash	0.00%	--	--	--	4,446	4,446
Restricted deposits	0.00%	--	--	--	919	919
Financial assets - deposits	1.17%	--	--	--	2,594	2,594
Loans - Due from non-banks	3.70%				59,156	59,156
Total interest-bearing financial assets		**82,873**	**--**	**--**	**67,115**	**149,988**
Interest-bearing financial liabilities						
Bank overdraft	5.66%	7,607	--	--	1,121	8,728
Due to non-banks	6.22%	--	114,399	--	87,816	202,215
Due to banks and other financial institutions	4.00%	10,344	15,738	--	210,708	236,790
Lease liabilities	3.62%	--	--	--	14,924	14,924
Bonds issued	4.90%	--	--	--	89,453	89,453
Total interest-bearing financial liabilities		**17,951**	**130,137**	**--**	**404,022**	**552,110**

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 2022 and 31 December 2021 and a simplified scenario of a 100bp change in interest rates is shown:

	Total effect on equity 2022 TEUR	**Total effect on equity 2021 TEUR**
Effect of 100bp decrease in interest rate	2,868	2,069
Effect of 100bp increase in interest rate	(2,868)	(2,069)

4. Financial risk management (continued)

Market risk (continued)

Foreign currency position

2022

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	8,579	28	--	--	201,438
Subtotal non-derivative instruments	**421,620**	**1,005**	**13,786**	**120,483**	**4,205**	**56,077**	**4,263**	**621,439**
Derivative financial assets								
Commodity derivatives – Electricity	--	--	--	36,347	--	--	--	36,347
Commodity derivatives – Gas	--	--	--	3,123	--	--	--	3,123
Subtotal derivative instruments	**--**	**--**	**--**	**39,470**	**--**	**--**	**--**	**39,470**
Total financial assets	**421,620**	**1,005**	**13,786**	**159,953**	**4,205**	**56,077**	**4,263**	**660,909**

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 - Electricity	--	--	--	889	--	--	--	889
Commodity derivatives – Gas	--	--	--	3,777	--	--	--	3,777
Subtotal derivative instruments	**--**	**--**	**--**	**4,666**	**--**	**--**	**--**	**4,666**
Total financial liabilities	**463,699**	**58,364**	**15,922**	**39,118**	**3,269**	**52,936**	**504**	**633,812**
Net position	**(42,079)**	**(57,359)**	**(2,136)**	**120,835**	**936**	**3,141**	**3,759**	**27,097**

4. Financial risk management (continued)

Market risk (continued)

Foreign currency position (continued)

2021

TEUR	EUR	USD	CZK	RON	HRK	MDL	Other	Total
Non-derivative financial assets								
Cash and cash equivalents	28,309	7	379	3,724	48,659	1,691	104	82,873
Restricted cash	--	--	--	4,446	--	--	--	4,446
Restricted deposits	448	--	--	471	--	--	--	919
Financial assets at FVOCI	7,446	--	--	--	43	--	--	7,489
Financial assets – deposits	--	--	1,408	64	1,122	--	--	2,594
Financial assets at FVTPL	3,494	--	--	--	--	--	3,858	7,352
Loans - due from non-banks	42,055	--	16,492	1	327	281	--	59,156
Trade receivables	36,443	--	3,344	58,411	6,242	15,565	--	120,005
Other assets*	677	--	108	2,525	--	1,681	--	4,991
Total financial assets	**118,872**	**7**	**21,731**	**69,642**	**56,393**	**19,218**	**3,962**	**289,825**
Non-derivative financial liabilities								
Bank overdrafts	609	--	512	7,607	--	--	--	8,728
Due to non-banks	160,793	41,400	22	--	--	--	--	202,215
Due to banks and other financial institutions	126,657	11,868	347	24,340	68,293	5,285	--	236,790
Financial liabilities at FVTPL	--	--	5,511	--	--	--	--	5,511
Lease liabilities	9,467	--	3,824	324	1,309	--	--	14,924
Bonds issued	89,453	--	--	--	--	--	--	89,453
Trade payables	26,135	403	3,049	6,595	1,584	14,094	--	51,860
Other liabilities**	2,430	--	483	8,074	189,388	10,468	--	210,843
Total financial liabilities	**415,544**	**53,671**	**13,748**	**46,940**	**260,574**	**29,847**	**--**	**820,324**
Net position	**(296,672)**	**(53,664)**	**7,983**	**22,702**	**(204,181)**	**(10,629)**	**3,962**	**(530,499)**

*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 21.

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 2022 and 31 December 2021 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 2022 TEUR	Total effect on equity 2021 TEUR
Effect of 5% USD depreciation against EUR	2,868	2,683
Effect of 5% USD appreciation against EUR	(2,868)	(2,683)
Effect of 5% CZK depreciation against EUR	107	(399)
Effect of 5% CZK appreciation against EUR	(107)	399
Effect of 5% RON depreciation against EUR	(6,042)	(1,135)
Effect of 5% RON appreciation against EUR	6,042	1,135
Effect of 5% HRK depreciation against EUR	(47)	10,209
Effect of 5% HRK appreciation against EUR	47	(10,209)
Effect of 5% MDL depreciation against EUR	(157)	531
Effect of 5% MDL appreciation against EUR	157	(531)

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.

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 Company currently operates in Croatia, Romania, Moldavia, Greece, Slovakia, Bulgaria, 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 betting and casino games sector in Croatia, in the gas and electricity sector in Romania and Moldavia and in the consumer credit sector in emerging markets, including China.

Gambling industry in Croatia is fully regulated. The Croatian government has set clear and understandable rules and enacted relevant legislation. The gambling regulation allows both land-based gambling and online gambling and the individual operators are subject to strict regulatory limitations as well as taxation.

The supply and distribution of electricity and gas is a highly regulated activity by the National Energy Regulatory Authority (ANRE). Effective 1 July 2020, the natural gas market has been liberalized, which means that the prices in Romania for the supply of natural gas to household customers will no longer be regulated by ANRE. Thus, the supply of natural gas will be based on competition and on the contract concluded between the household customer and the supplier.

Moldova lacks domestic sources of fossil energy and must import substantial amounts of petroleum, coal, natural gas, and other energy resources. Renewable energy is used in the country, primarily for electricity generation or heating. Currently, the consumption of electrical energy in Moldova is greater than the production of local suppliers. Due to the inability to meet electricity demand through domestic production, Moldova is a significant net importer of electricity.

The operations in the consumer credit sector are through the Group's associate, which holds equity stakes in leading consumer finance companies in a number of countries. As a result, the group's business is subject to the general economic conditions in each of the countries it operates. The operating entities are regulated companies, fully licensed by a national government regulatory body and compliant with respective local laws.

Within the EU, and in spite of the significant steps towards economic recovery, a degree of uncertainty still exists, as certain issues in some or all EU countries remain to be resolved, such as the high index of non-performing loans, unemployment, implementation of privatisation and reforms in the public services sector. The above could affect, among others, the Group's ability to obtain new loans on favourable terms and conditions or/and its ability to achieve satisfactory turnover. The Group's management believes that it is taking all the necessary measures to maintain the viability of the Group and the development of its business in the current business and economic environment.

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

2021	Goodwill	Software	Trademark	Gas distribution networks (IFRIC 12)	Right-of-use-assets	Other intangible assets	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Acquisition cost							
Balance as at 1 January 2021	491,294	8,054	58,430	31,279	16	217	589,290
Acquisitions through business combinations	31,255	1,198	--	1,416	1,903	2,679	38,451
Additions	--	7,016	1	3,030	306	8	10,361
Disposals	--	(1,195)	--	(70)	--	--	(1,265)
Translation difference	2,636	338	166	(763)	(2)	--	2,375
Balance as at 31 December 2021	**525,185**	**15,411**	**58,597**	**34,892**	**2,223**	**2,904**	**639,212**
2022							
Balance as at 1 January 2022	525,185	15,411	58,597	34,892	2,223	2,904	639,212
Acquisitions through business combinations	96,722	285	6,125	3,832	1,665	12,981	121,610
Disposals out of the Group	(451,558)	(9,293)	(58,476)	--	--	(28)	(519,355)
Additions	--	7,439	--	9,866	1,942	3	19,250
Disposals	--	(31)	--	--	--	(1)	(32)
Translation difference	684	210	42	(845)	105	(3)	193
Balance as at 31 December 2022	**171,033**	**14,021**	**6,288**	**47,745**	**5,935**	**15,856**	**260,878**
2021							
Balance as at 1 January 2021	--	(1,416)	--	(6,754)	(3)	(2)	(8,175)
Charge for the year	--	(2,846)	--	(837)	(106)	(122)	(3,911)
Impairment loss	(3,343)	--	--	--	--	--	(3,343)
Disposals	--	1,194	--	70	--	--	1,264
Translation difference	--	(38)	--	54	3	(3)	16
Balance as at 31 December 2021	**(3,343)**	**(3,106)**	**--**	**(7,467)**	**(106)**	**(127)**	**(14,149)**
2022							
Balance as at 1 January 2022	(3,343)	(3,106)	--	(7,467)	(106)	(127)	(14,149)
Disposals out of the Group	--	1,648	--	--	--	--	1,648
Charge for the year	--	(3,635)	(310)	(1,353)	(264)	(533)	(6,095)
Impairment loss	(1,477)	--	--	--	--	--	(1,477)
Translation difference	(103)	(102)	(4)	111	(103)	--	(201)
Balance as at 31 December 2022	**(4,923)**	**(5,195)**	**(314)**	**(8,709)**	**(473)**	**(660)**	**(20,274)**

7. Intangible assets (continued)

2021	Goodwill	Software	Trademark	Gas distribution networks (IFRIC 12)	Right-of-use-assets	Other intangible assets	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Carrying amount							
As at 31 December 2021	**521,842**	**12,305**	**58,597**	**27,425**	**2,117**	**2,777**	**625,063**
As at 31 December 2022	**166,110**	**8,826**	**5,974**	**39,036**	**5,462**	**15,196**	**240,604**

The goodwill of TEUR 96,722 recognised as a result of business combinations in 2022 (refer to Note 1) consists of:

- Goodwill of TEUR 6,994 resulting from acquisition of ALIVE CAPITAL S.A.
- Goodwill of TEUR 1,986 resulting from acquisition of ENERGIA MILENIULUI III S.A.
- 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.

The goodwill of TEUR 31,255 recognised as a result of business combinations in 2021 (refer to Note 1) comprised:

- Goodwill of TEUR 1,969 resulting from acquisition of VOX-ZAGREB d.o.o. (renamed to SPORT 360 d.o.o. in 2022)
- Goodwill of TEUR 5,846 resulting from acquisition of SIGMA POSLOVODSTVO d.o.o. and NAUTICA POINT GmbH
- Goodwill of TEUR 22,813 resulting from acquisition of MAIL STEP a.s
- Goodwill of TEUR 627 resulting from acquisition of INTEGRIS PHARMA LTD

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 and brand amounting to TEUR 6,125.

In 2021, acquisition through business combination of gas distribution infrastructure networks amounting to TEUR 1,416 related to the acquisition of 2 natural gas infrastructure concession arrangements in Romania, 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 2022 and 31 December 2021 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 4,923 as at 31 December 2022 (2021: TEUR 3,343). In 2022, impairment loss recognised in profit or loss amounted to TEUR 1,477 (2021: TEUR 3,343). The value-in-use was calculated using a 9.20% pre-tax WACC (2021: 9.00% pre-tax WACC).

8. Property, plant and equipment

2021	Land and buildings	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
Acquisition cost							
Balance as at 1 January 2021	9,652	169,976	8,377	3,214	13,696	385	205,300
Acquisitions through business combinations	7,544	--	3,281	--	4,088	--	14,913
Additions	217	9,440	7,341	2,477	3,936	303	23,714
Disposals	(354)	(1,317)	(1,834)	(187)	(1,962)	(345)	(5,999)
Transfers	4,337	(1,514)	(997)	(1,849)	--	23	--
Translation differences	501	9,022	441	141	1,015	(3)	11,117
Balance as at 31 December 2021	**21,897**	**185,607**	**16,609**	**3,796**	**20,773**	**363**	**249,045**
2022							
Balance as at 1 January 2022	21,897	185,607	16,609	3,796	20,773	363	249,045
Acquisitions through business combinations and asset deals	18,082	--	44,484	9,576	2,527	--	74,669
Disposals out of the Group	--	--	(5,486)	(1,246)	(12,690)	11	(19,411)
Additions	1,573	11,839	14,350	6,779	4,399	1,163	40,103
Disposals	(1,883)	(1,398)	(2,177)	(2,785)	(2,322)	(93)	(10,658)
Change in lease contracts conditions	--	--	--	--	(652)	--	(652)
Transfers	212	1,179	11	(1,402)	--	--	--
Translation differences	(159)	(2,878)	(184)	(179)	83	(4)	(3,321)
Balance as at 31 December 2022	**39,722**	**194,349**	**67,607**	**14,539**	**12,118**	**1,440**	**329,775**
2021							
Accumulated depreciation							
Balance as at 1 January 2021	(432)	(7,138)	(2,984)	--	(3,598)	--	(14,152)
Charge for the year	(1,174)	(7,838)	(2,244)	--	(3,353)	--	(14,609)
Disposals	100	1,288	1,075	--	1,548	--	4,011
Transfers	--	(21)	829	(588)	(220)	--	--
Translation difference	(55)	(652)	73	(5)	(326)	--	(965)
Balance as at 31 December 2021	**(1,561)**	**(14,361)**	**(3,251)**	**(593)**	**(5,949)**	**--**	**(25,715)**
2022							
Balance as at 1 January 2022	(1,561)	(14,361)	(3,251)	(593)	(5,949)	--	(25,715)
Disposals out of the Group	--	--	3,024	--	5,058	--	8,082
Charge for the year	(1,485)	(8,590)	(6,416)	--	(3,956)	--	(20,447)
Impairment loss	--	--	--	(14)	--	--	(14)
Disposals	204	1,378	1,227	--	1,586	--	4,395
Transfers	(1)	1	--	489	--	--	489
Translation difference	29	374	315	2	--	--	720
Balance as at 31 December 2022	**(2,814)**	**(21,198)**	**(5,101)**	**(116)**	**(3,261)**	**--**	**(32,490)**
Carrying amount							
As at 31 December 2021	**20,336**	**171,246**	**13,358**	**3,203**	**14,824**	**363**	**223,330**
As at 31 December 2022	**36,908**	**173,151**	**62,506**	**14,423**	**8,857**	**1,440**	**297,285**

8. Property, plant and equipment (continued)

In 2022, acquisitions through business combinations and asset deals of TEUR 74,669 (2021: TEUR 14,913) relate to acquisitions as 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.

Distribution networks relate to construction of electricity networks (power stations, transformers etc.) and modernization of the distribution power lines in Moldova.

The Group carried out the assessment of estimated remaining useful lives and depreciation rates of property, plant and equipment as at 31 December 2022 and 31 December 2021 and no adjustment was required.

In 2022, transfer of impairment of tangible assets under construction in amount of TEUR 489 relates to transfer to contract assets to be transferred to intangible assets.

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

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 and by leased premises of Romanian offices. As at 31 December 2022, the Group disclosed lease liabilities related to right-of-use assets for the total amount of TEUR 12,123 (2021: TEUR 14,924). 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 17. For interest on lease liabilities, refer to Note 31.

These leases typically run for a period of 1 to 10 years, except for lease of land acquired in business combination in 2022 that runs for 49 years.

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 (HRK or 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 26, Services and material expenses.

9. Cash and cash equivalents

	2022 TEUR	**2021 TEUR**
Current accounts	75,424	83,456
Cash on hand	1,470	2,274
Other cash equivalents	1,224	1,589
Demand deposits	75,004	--
Cash and cash equivalents in the statement of financial position	**153,122**	**87,319**
Bank overdrafts	(2,187)	(8,728)
Cash and cash equivalents in the statement of cash flows	**150,935**	**78,591**

9. Cash and cash equivalents (continued)

The effective interest rate of bank deposits is 0.7% and 5.1% per annum and they have 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

	2022 TEUR	2021 TEUR
At 1st January	2,594	2,780
Disposals out of the Group	(3,254)	--
Additions	4,165	--
Withdrawals	(854)	(262)
Translation differences	26	76
Balance at 31st December	**2,677**	**2,594**
Non-current position	--	1,122
Current position	2,677	1,472
Balance at 31st December	**2,677**	**2,594**

In 2021, part of deposits is used as bank loan collateral (refer to Note 17).

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 1 January 2021, the Group held derivative instruments at fair value through profit or loss in amount of TEUR 257 (cross currency interest rate swaps and interest rate floor swaps). All outstanding exposure was settled on 31 March 2021 when the derivatives expired.

	2021 TEUR
At 1st January	257
Settlement of derivatives	13
Change in fair value of derivatives	(270)
Balance at 31st December	**--**

In 2022, the Group held only operating derivative instruments – commodity contracts disclosed in Note 23.

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

As at 31 December 2022, the Group held equity and debt instruments at fair value through profit or loss of TEUR 4,722 (2021: TEUR 7,352).

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 172 (2021: TEUR 2,807) and received total dividends of TEUR 218 (2021: TEUR 370) from its investment in equity securities.

10. Financial assets (continued)

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

	2022 TEUR	2021 TEUR
At 1st January	**7,352**	**9,031**
Additions	170	6,030
Disposals	(2,697)	(4,762)
Net change in fair value of financial instruments (Note 31)	(172)	(1,297)
Accrued interest (Note 31)	69	42
Derecognition	--	(1,681)
Translation differences	--	(11)
Balance at 31st December	**4,722**	**7,352**
Equity instruments	3,759	6,335
Debt instruments	963	1,017
Balance at 31st December	**4,722**	**7,352**
Current	3,765	6,341
Non-current	957	1,011
Balance at 31st December	**4,722**	**7,352**

In 2021, the Group derecognised an amount of TEUR 1,681 in respect to its investment in equity securities in ENERGBANK S.A. held by the subsidiary I.C.S. "PREMIER ENERGY DISTRIBUTION" S.A. after the decision of the National Bank of Moldova to cancel the shares.

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 2022 (for information see 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 2022, the fair value of the investment amounted to TEUR 7,492 (2021: TEUR 7,489) as presented below.

	2022 TEUR	2021 TEUR
At 1st January	**7,489**	**--**
Transfer from equity accounted investee	3,924	**--**
Acquisition	3	7,489
Change in fair value	(3,924)	--
Balance at 31st December	**7,492**	**7,489**

On 3 August 2021, EMMA ALPHA HOLDING LTD acquired 4.66% shareholding in PRATI ME d.o.o. (including its fully owned subsidiaries NAZOVI ME d.o.o. and BAZZAR MARKETPLACE RZ d.o.o.). On 6 August 2021, the Group increased its shareholding in PRATI ME d.o.o. to 16.18% by subscription of new shares. Total acquisition value including additional capital contribution paid in cash 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.

10. Financial assets (continued)

Financial assets at fair value through other comprehensive income (continued)

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).

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

Financial assets at amortised cost – promissory notes

In 2021, financial assets held-to-maturity were represented by promissory notes from KKCG AG related to the sale of SAZKA Group a.s., for the amount of TEUR 30,000. The promissory note was repaid on its maturity date, 14 March 2021.

In 2022, no promissory notes were recognised by the Group.

	2021 TEUR
At 1st January	29,693
Disposals	(30,000)
Unwinding discount on promissory notes (interest income)	303
Net remeasurement of loss allowance (IFRS 9)	4
Balance at 31st December	**--**

The promissory note was measured at amortised cost under IFRS 9. Loss allowance was calculated based on a 12-month expected credit loss (ECL).

The promissory note was pledged as a security for the Loan Facility agreement. On 11 March 2021, the pledge over the promissory note was released due to its repayment.

Restricted deposits and restricted cash

Restricted deposits

	2022 TEUR	2021 TEUR
Deposits with restricted access – current	9,990	778
Deposits with restricted access – non-current	5,446	141
Total	**15,436**	**919**

10. Financial assets (continued)

Restricted deposits and restricted cash (continued)

Restricted cash

	2022 TEUR	2021 TEUR
Cash on restricted bank accounts – current	677	--
Cash on restricted bank accounts – non-current	--	--
Total	**677**	**--**

Restricted deposits are used as bank loan collateral or as collateral for letters of guarantees.

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 22,921 (2021: TEUR 18,996) and third parties of TEUR 44,065 (2021: TEUR 40,160) which are repayable as follows:

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**

2021	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	3.70%	8	48,216	2,208	8,721	3	**59,156**

As at 31 December 2022 and 31 December 2021, 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 2022, loss allowances related to loans receivable amounted to TEUR 3,096 (31 December 2021: TEUR 475).

During 2021, the Group sold a loan receivable amount realising a loss on disposal of TEUR 47,979, which was recognised in profit or loss (Note 31).

As at 31 December 2022, loan receivable total balances from third parties of TEUR 20,810 (2021: TEUR 34,920) 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

	2022 TEUR	2021 TEUR
Current	168,563	119,489
Non-current	326	516
Total	**168,889**	**120,005**

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.

In 2022, the increase in the gross carrying amounts of trade receivables related mainly to the growth of the business in Moldavia resulted in increases in trade receivables of TEUR 34,131. This increase was due to increase of the prices (average supply price) as well as to the number of new clients by 0.71%.

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

As at 31 December 2022 and 2021, 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 61,773 (2021: TEUR 19,163) 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 41,479 (2021: TEUR 5,020) (refer to Note 17).

In 2022 and 2021, the operating activities of the Group in gas and electricity segments are performed according to license for distribution of energy. The Group fulfilled the ANRE obligations of gas stocked in underground storage in 2022 and 2021.

For details regarding expenses for raw materials and consumables, please refer to Note 26, information related to impairment loss is included in note 30, Other operating expenses.

14. Other assets

	2022 TEUR	2021 TEUR
Financial assets		
Other assets	201,438	4,991
Subtotal financial assets	**201,438**	**4,991**
Non-financial assets		
Advances to suppliers	4,577	1,218
Other tax receivables	3,996	2,468
Deferred expenses and prepayments	26,506	19,467
Other assets - non-financial	8,690	3,208
Subtotal non-financial assets	**43,769**	**26,361**
Total	**245,207**	**31,352**
Current	240,285	23,663
Non-current	4,922	7,689
Total	**245,207**	**31,352**

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 2022, other assets mainly include 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.

Other assets include also guarantees for payment retained by gas suppliers.

15. Green certificates

As at 31 December 2022, the increase in green certificates is attributable to the acquisition through business combinations of ECOENERGIA S.R.L. described in Note 1.

	31.12.2022 TEUR	31.12.2021 TEUR
Current	2,050	--
Non-current	3,628	--
Green certificates total	**5,678**	**--**

The Group acquired a 100% stake in the entity on 20 January 2022. At the acquisition date, 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	
			2022	2021	2022	2021
PHARMANET A.E.	Associate	Greece	17.40	17.40	50	50
HOME CREDIT GROUP B.V.	Associate	Netherlands	8.88	8.88	178,043	286,024
HUDDLE GAMING, INC. [1), 2)]	Associate	United States of America	--	23.88	--	1,009
HOME FURNITURE GROUP GmbH [3)]	Associate	Germany	46.06	46.06	--	27,402
NIKAPATZO LTD [4)]	Associate	Cyprus	24.02	--	2,649	--
ENTAIN HOLDINGS (CEE) Ltd. [5)]	Associate	Malta	25.00	--	250,872	--
					431,614	**314,485**

1) In 2021, including its three fully-owned subsidiaries (refer also to Note 1).
2) As a result of the transformation, the ownership interest decreased from 23.33% to 7.05%. 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) 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 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). (refer also to Note 1).

Gains and losses related to equity-accounted investees recognised in profit or loss 2022 and 2021 could be summarized as follows:

	2022 TEUR	2021 TEUR
Gain resulting from dilution of investment in associate [1)]	2,669	--
Equity-accounted investees – impairment loss [2)]	(27,402)	--
Equity-accounted investees – share of loss [3)]	(143,667)	(31,320)
	(168,400)	**(31,320)**

[1)] 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.

[2)] In 2022, the amount TEUR 27,402 arises from the impairment of associate HOME FURNITURE GROUP GmbH resulting from the insolvency process.

[3)] In 2021, the amount TEUR 31,320 consist of the share of loss in total amount of TEUR 31,344 and the effect of the increase of ownership interest in HUDDLE GAMING, INC. to 23.33 % in total amount of TEUR 24.

16. Investments in equity-accounted investees (continued)

Movements of equity-accounted investees in 2022 and 2021 could be summarized as follows:

	2022 TEUR	2021 TEUR
Balance as at 1st January	314,485	298,346
Additions (Note 1)	254,214	31,262
Derecognition of the equity-accounted investee HUDDLE GAMING, INC. resulting from the decrease in shares from 23.33 % to 6.87 %	(1,273)	--
Impairment loss on associates	(27,402)	--
The effect of decrease of total number of shares in HUDDLE GAMING, INC.	--	24
Group's share of loss	(143,667)	(31,344)
Group's share of Other comprehensive income – translation reserve	18,384	16,375
Group's share of Other comprehensive income – translation reserve reclassified to PL [1)]	49,906	--
Group's share of Other comprehensive income – other components of OCI	(888)	89
Group's share of Other comprehensive income – other components of OCI reclassified to PL [1)]	89	--
Group's share of other net assets changes (other)	(32,234)	(267)
At 31st December	**431,614**	**314,485**

[1)] 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.

16. Investments in equity-accounted investees (continued)

TEUR	HOME CREDIT GROUP B.V.		HUDDLE GAMING, INC.		PHARMANET A.E.		HOME FURNITURE GROUP GMBH	
	associate (8.88%) 2022	associate (8.88%) 2021	associate (23.33%)[1] 2022	associate (23.33%)[2] 2021	Associate (17.40%) 2022	associate (17.40%) 2021	associate (46.06%)[3] 2022	associate (46.06%) 2021
Summarised balance sheet								
Non-current assets	4,523,000	4,006,000	--	102	82	101	--	78,066
Current assets	5,546,000	12,256,000	--	783	5,369	4,847	--	16,687
Non-current liabilities	(552,000)	(2,107,000)	--	--	--	(2,139)	--	(11,970)
Current liabilities	(8,917,000)	(12,339,000)	--	(519)	(5,496)	(2,855)	--	(23,513)
Net assets (100%)	**600 000**	**1,816,000**	**--**	**366**	**(45)**	**(46)**	**--**	**59,270**
NCI on net assets	**10,000**	**10,000**	**--**	**--**	**--**	**--**	**--**	**--**
Net assets attributable to equity holders	**590,000**	**1,806,000**	**--**	**366**	**(45)**	**(46)**	**--**	**59,270**
Group's share on net assets	52,392	160,373	--	85	(8)	(8)	--	27,300
Goodwill	125,651	125,651	--	924	58	58	--	102
Carrying amount of investments in equity-accounted investees	**178,043**	**286,024**	**--**	**1,009**	**50**	**50**	**--**	**27,402**
Summarised income statement								
Revenues	1,868,000	2,763,000	--	--	9,674	9,840	--	91,050
Operating profit/(loss)	(46,000)	1,919,000	1,114	(2,119)	44	70	--	(9,079)
Profit/(loss) before tax	(982,000)	(423,000)	1,114	(2,119)	(39)	(54)	--	(9,526)
Income tax	(613,000)	42,000	--	--	--	(2)	--	--
Profit/(loss) for the year	**(1,595,000)**	**(381,000)**	**1,114**	**(2,119)**	**(39)**	**(56)**	**--**	**(9,526)**
Net profit/ (loss) for the period from discontinued operation, net of tax	(17,000)	78,000	--	--	--	--	--	--
Net profit/(loss) for the year	**(1,613,000)**	**(303,000)**	**1,114**	**(2,119)**	**(39)**	**(56)**	**--**	**(9,526)**
- *out of which profit attributable to equity holders*	**(1,613,000)**	**(304,000)**	**1,114**	**(2,119)**	**--**	**--**	**--**	**(9,526)**
Other comprehensive income	**197,000**	**195,000**	**29**	**154**	**--**	**--**	**--**	**--**
Total comprehensive income	***(1,415,000)***	***(108,000)***	***1,143***	***(1,965)***	***(39)***	***(56)***	**--**	***(9,526)***
Group's share on loss for the year	(143,234)	(26,995)	260	(489)	--	--	--	(3,860)
Group's share on other comprehensive income	67,487	16,161	4	36	--	--	--	--
Group's share on total comprehensive income	**(75,747)**	**(10,834)**	**264**	**(453)**	**--**	**--**	**--**	**(3,860)**

1) 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).
2) The Group's share in HUDDLE GAMING, INC. increased from 21.88% to 23.33% in April 2021. Group's share on loss for the year was calculated using the share of 21.88% for the period from January to March 2021 and share of 23.33% for the period from April to December 2021.
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 associate (24.02%) 2022	associate (--) 2021	ENTAIN HOLDINGSS (CEE) Ltd. associate (25.00%) 2022	associate (--) 2021
Summarised balance sheet				
Non-current assets	5,519	--	1,153,044	--
Current assets	1,717	--	232,991	--
Non-current liabilities	(296)	--	(171,765)	--
Current liabilities	(4,333)	--	(210,782)	--
Net assets (100%)	**2,607**	--	**1,003,488**	--
NCI on net assets	**87**	--	**--**	
Net assets attributable to equity holders	**2,520**	--	**1,003,488**	--
Group's share on net assets	605	--	250,872	--
Goodwill	2,044	--	--	--
Carrying amount of investments in equity-accounted investees	**2,649**	--	**250,872**	--
Summarised income statement				
Revenues	250	--	22,394	--
Operating profit/(loss)	(170)	--	(2,566)	--
Profit/(loss) before tax	(220)	--	(2,566)	--
Income tax	--	--	--	--
Profit/(loss) for the year	**(220)**	--	**(2,566)**	--
Net profit for the period from discontinued operation, net of tax	--	--		--
Net profit/(loss) for the year	**(220)**	--	**(2,566)**	--
- *out of which profit attributable to equity holders*	**(211)**	--	**(2,566)**	--
Other comprehensive income	**--**	--	**--**	--
Total comprehensive income	**(220)**	--	**(2,566)**	--
		--		--
Group's share on loss for the year	(51)	--	(642)	--
Group's share on other comprehensive income	--	--	--	--
Group's share on total comprehensive income	**(51)**	--	**(642)**	**--**

17. 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.

	2022 TEUR	2021 TEUR
Loans from associates and associated groups	47,750	46,197
Loans from other related parties	167,277	155,997
Loans from third parties	51	21
	215,078	**202,215**

Non-bank loans are payable as follows:

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**

TEUR	**Amount as at 31 December 2021**	**Payable in 1 year**	**Payable in more than 1 year**
Loans from related and third parties	202,215	4,710	197,505
Total	**202,215**	**4,710**	**197,505**

As at 31 December 2022 and 31 December 2021, 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 2022 amount to TEUR 216,766 (2021: TEUR 236,790). The details are described below.

	2022 TEUR	2021 TEUR
Non-current bank loans	156,348	164,681
Current bank loans	60,418	72,109
	216,766	**236,790**

17. Loans and borrowings (continued)

Liabilities due to banks and other financial institutions (continued)

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

2021	Currency	Maturity	Outstanding principal and interest TEUR
Secured bank loans	RON	2022	24,340
Secured bank loans	MDL	2022	5,485
Secured bank loans	HRK	2022	160
Secured bank loans	CZK	2022	8
Secured bank loans	EUR	2023-2025	87,143
Secured bank loans	USD	2025	11,668
Secured bank loans	HRK	2025	68,133
Secured bank loans	CZK	2025	338
Secured bank loans	EUR	2027-2031	39,515
			236,790

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 2022 and 2021 there were no breaches of covenants conditions.

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.

As at 31 December 2021, 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 SUPER SPORT d.o.o. and 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.

17. Loans and borrowings (continued)

Reconciliation of movements of liabilities

Reconciliation of movements of liabilities to cash flows arising from financing activities in 2022 and 2021 is described below.

	Loans and borrowings	Lease liabilities	Bonds issued	Equity	Total
Balance at 1 January 2022	**439,005**	**14,924**	**89,453**	**606,417**	**1,149,799**
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**	**11,745**	**(144,342)**
The effect of changes in foreign exchange rates	**2,719**	**--**	**--**	**(985)**	**1,734**
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	**--**	**--**	**--**	**621,345**	**621,345**
Balance at 31 December 2022	**431,844**	**12,123**	**2,020**	**1,021,696**	**1,467,683**

17. Loans and borrowings (continued)

Reconciliation of movements of liabilities (continued)

	Loans and borrowings	Lease liabilities	Bonds issued	Equity	Total
Balance at 1 January 2021	**367,483**	**9,526**	**89,065**	**832,216**	**1,298,290**
Changes from financing cash flows					
Other changes in equity	--	--	--	1,357	1,357
Dividends paid	--	--	--	(19,167)	(19,167)
Proceeds from interest-bearing loans and borrowings	79,046	--	--	--	79,046
Repayments of interest-bearing loans and borrowings	(26,881)	--	--	--	(26,881)
Payment of lease liabilities	--	(3,468)	--	--	(3,468)
Total changes from financing cash flows	**52,165**	**(3,468)**	**--**	**(17,810)**	**30,887**
Changes arising from obtaining or losing control of subsidiaries or other businesses	**10,612**	**5,038**	**--**	**1,740**	**17,390**
The effect of changes in foreign exchange rates	--	--	--	5,736	5,736
Other changes					
Interest expense	20,366	323	4,798	--	25,487
Interest paid	(11,621)	(323)	(4,410)	--	(16,354)
New lease agreements	--	4,242	--	--	4,242
Termination of lease agreements	--	(414)	--	--	(414)
Total liability-related other changes	**8,745**	**3,828**	**388**	--	**12,961**
Total equity-related other changes	--	--	--	**(215,465)**	**(215,465)**
Balance at 31 December 2021	**439,005**	**14,924**	**89,453**	**606,417**	**1,149,799**

18. Bonds issued

	2022 TEUR	2021 TEUR
Nominal value of bonds issued	2,020	90,000
Expenses related to the issue of bonds – amortized	--	(939)
Accrued interest	--	392
Total amount as at 31 December	**2,020**	**89,453**

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 will mature as at 23 December 2023. Bonds bear fixed interest rate of 8.00 % p.a.

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

18. Bonds issued (continued)

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 year end.

The interest expense related to bonds issued is TEUR 5,600 in 2022 (2021: TEUR 4,410) and the effective interest expense related to the issue of bonds is TEUR 939 in 2022 (2021: TEUR 388). For further information, refer to Note 31.

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.

19. Financial liabilities at fair value through profit or loss

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

	2022 TEUR	2021 TEUR
At 1st January	5,511	--
Settlement	(653)	--
Contingent and deferred consideration for business combinations (Note 1)	14,206	5,366
Change in fair value (Note 31)	162	145
Balance at 31st December	**19,226**	**5,511**

In 2021, the contingent and deferred consideration was recognized in connection with acquisition of MAIL STEP a.s. through business combination. For more information, refer to Note 1. 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, the remaining part of contingent consideration is payable in 2023 and 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 and is payable in 2023 and 2024.

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.

20. Trade payables

The Group's trade payables as of 31 December 2022 amounting TEUR 63,083 (2021: TEUR 51,860) consist mainly of payables related to trading in pharmaceuticals, payables of gas supply of Romanian companies and distribution of electricity of Moldovan companies.

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.

21. Other liabilities

	2022 TEUR	2021 TEUR
Financial liabilities		
Accrued expenses	45,019	18,399
Other liabilities	53,644	192,444
Subtotal financial liabilities	**98,663**	**210,843**
Non-financial liabilities		
Deferred income	17,707	14,338
Other tax payable	12,980	15,207
Advances received	1,115	497
Wages and salaries	3,203	3,598
Social security and health insurance	1,562	1,296
Subtotal non-financial liabilities	**36,567**	**34,936**
Total	**135,230**	**,245,779**
Current	120,501	226,453
Non-current	14,729	19,326
Total	**135,230**	**245,779**

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 Moldavian market and to newly acquired green 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).

As at 31 December 2021, the Group disclosed the financial liability resulting from transaction with non-controlling shareholder of SUPER SPORT d.o.o. in the total amount of TEUR 182,111 with the corresponding entry to other reserves in equity (refer also to Note 24, Equity). The Group has contractually agreed the future acquisition of 33% in SUPER SPORT d.o.o. from the non-controlling shareholder of SUPER SPORT d.o.o. The transaction was finalized in 2022 (refer also to Note 1, Description of the Group).

Accrued expenses are represented notably by liabilities related to gas purchases by Romanian subsidiaries.

As at 31 December 2022 and 31 December 2021, the balance of deferred income is notably represented by liabilities related to the electricity activity of Moldovan subsidiaries, and of gas by 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.

22. 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.

	2022 TEUR	2021 TEUR
Deferred tax assets	5,181	2,996
Deferred tax liabilities	(42,300)	(22,106)
Net deferred tax liabilities	**(37,119)**	**(19,110)**

The recognised deferred tax assets and liabilities are attributable mainly to operating derivative instruments for commodity contracts for renewable electricity and gas, to property, plant and equipment and to intangible assets (gas distribution networks accounted for based on IFRIC 12 and trademark). Deferred tax asset is attributable also to tax losses carried forward.

	2022 TEUR	2021 TEUR
Property, plant and equipment	(6,657)	(9,033)
Intangible assets	(9,030)	(13,076)
Tax losses carried-forward	1,360	1,989
Derivative financial instruments	(24,287)	--
Other items	1,495	1,010
Net deferred tax liabilities	**(37,119)**	**(19,110)**
Of which:		
Expected to reverse within 12 months	(21,470)	--
Expected to reverse after 12 months	(15,649)	(19,110)
Net deferred tax liabilities	**(37,119)**	**(19,110)**

Movements in temporary differences during the period were as follows:

2022	**Balance at 1 January**	**Recognized in profit or loss**	**Additions resulting from business combinations**	**Disposals resulting from business combinations**	**Effect of movements in foreign exchange rate**	**Balance at 31 December**
Property, plant and equipment	(9,033)	2,964	(689)	--	101	(6,657)
Intangible assets	(13,076)	(4,815)	(1,736)	10,526	71	(9,030)
Tax losses carried-forward	1,989	(616)	--	--	(13)	1,360
Derivative financial instruments	--	(23,044)	(1,333)	--	90	(24,287)
Other items	1,010	466	--	--	19	1,495
	(19,110)	**(25,045)**	**(3,758)**	**10,526**	**268**	**(37,119)**

2021	**Balance at 1 January**	**Recognized in profit or loss**	**Additions resulting from business combinations**	**Disposals resulting from business combinations**	**Effect of movements in foreign exchange rate**	**Balance at 31 December**
Property, plant and equipment	(7,336)	(379)	(941)	--	(377)	(9,033)
Intangible assets	(14,365)	1,258	--	--	31	(13,076)
Tax losses carried-forward	--	1,921	--	--	68	1,989
Other items	827	167	15	--	1	1,010
	(20,874)	**2,967**	**(926)**	**--**	**(277)**	**(19,110)**

23.Operating derivative instruments – commodity contracts

	2022 TEUR	2021 TEUR
Positive fair values of derivatives		
Commodity derivatives – electricity	36,347	--
Commodity derivatives – gas	3,123	--
Subtotal	**39,470**	**--**
Negative fair values of derivatives		
Commodity derivatives – electricity	(889)	--
Commodity derivatives – gas	(3,777)	--
Subtotal	**(4,666)**	**--**
Total net derivative instruments	**34,804**	**--**

As at 31/12/2022	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 – Electricity	RON	2023 / 2026	36,347	32,340	4,007
Commodity derivative – Gas	RON	01.04.2023	3,123	3,123	--
Total derivative financial assets			**39,470**	**35,463**	**4,007**

As at 31/12/2022	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 – Electricity	RON	31.12.2023	(889)	(889)	--
Commodity derivative – Gas	RON	01.04.2023	(3,777)	(3,777)	--
Total derivative financial liabilities			**(4,666)**	**(4,666)**	**--**
Total net derivative instruments			**34,804**	**30,797**	**4,007**

	2022
Balance at 1 January	--
Acquisitions through business combinations	15,144
Settlement of derivatives	(121,788)
Change in fair value of derivatives	141,448
Balance at 31 December 2022	**34,804**

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.

Commodity contracts within the scope of IFRS 9 are revaluated to fair value using valuation technique Level - 3, with changes in fair value recognized in profit or loss. The fair value of contacts for the purchase and sale of gas and electricity is derived from the market in Romania.

Fair value of derivative financial instruments was disclosed for commodity contracts for electricity (recognized by ALIVE CAPITAL S.A.) and gas (recognized by PREMIER ENERGY S.R.L.) that did not qualify for application of “own use” exemption as at 31 December 2022 (refer also to Note 25, Revenues and expenses related to core operations; operating derivatives). No contracts were designated as hedging derivatives.

24. 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 2022, 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

	2022 Number of shares	2022 TEUR	2021 Number of shares	2021 TEUR
Authorised				
Redeemable shares of EUR 1 each	10,225	10	10,225	10
Issued and fully paid (Total)				
Opening balance	8,008	204,923	8,344	204,923
Redemptions of shares	(558)	--	(336)	--
Balance as at 31 December	**7,450**	**204,923**	**8,008**	**204,923**

During 2022, the Company redeemed 558 redeemable preference shares held by MEF HOLDINGS LIMITED (2021: 336 redeemable preference shares) for total redemption value of TEUR 71,145 (2021: TEUR 29,524). The redemption value of TEUR 71,145 (2021: TEUR 29,524) was settled from retained earnings after transfer from redeemable preference shares reserve to retained earnings.

As at 31 December 2022, 6.892 (2021: 7.345) redeemable preference shares are pledged under the Deed of Pledge Agreement between MEF Holdings Limited and J&T Banka a.s.

24. Equity (continued)

Redeemable shares (continued)

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).

Translation reserve

The translation reserve balance as at 31 December 2022 of positive TEUR 11,822 (2021: negative TEUR 63,398) represents notably foreign exchange differences arising from translation of the financial statements of the companies forming a group in which the associate (HOME CREDIT GROUP B.V.) is the parent company.

Revaluation reserves

The revaluation reserve represents effects of revaluation gains/(losses) of the Group's share on revaluation gains/(losses) from associates.

	Note	TEUR
On 1st January 2021		6,067
Current year share on revaluation gain from associates	16	89
On 31st December 2021		**6,156**
On 1st January 2022		6,156
Items reclassified from OCI to profit / (loss) - associates	16	89
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		**1,078**

Other reserves

The balance of other reserves as at 31 December 2022 of TEUR negative 57,708 (2021: TEUR negative 201,389) represents notably 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).

The balance of other reserves as at 31 December 2021 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 31 December 2021, 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 31 December 2021 (refer also to Note 21, Other liabilities). The transaction was finalized in 2022 (refer also to Note 1, Description of the Group).

Dividends and other distributions paid

During 2022, the Group distributed dividends to EMMA CAPITAL LIMITED in total amount of TEUR 20,000 (2021: TEUR 0). Dividends and other distributions in the amount of TEUR 15,908 were distributed to minority shareholders of subsidiaries (2021: TEUR 19,167).

24. Equity (continued)

Non-controlling interests

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

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%.

24. Equity (continued)

Non-controlling interests (continued)

TEUR	JOSECO HOLDINGS Group	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	(38,799)	--	--	(1,135)	
Current liabilities	(58,595)	--	(4,016)	(2,611)	
Net assets	**159,764**	**--**	**160**	**7,279**	
Net assets attributable to NCI	**11,599**	**--**	**--**	**1,287**	**12,886**
Revenue	371,200	4,196	212	15,097	
Profit / (loss)	14,590	(42)	(369)	928	
OCI	(2,436)	89	(2)	207	
Total comprehensive income	**12,154**	**47**	**(371)**	**1,135**	
Profit / (loss) allocated to NCI	**1,059**	**--**	**--**	**164**	**1,223**
OCI allocated to NCI	**(177)**	**--**	**--**	**37**	**(140)**

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.	*Subtotal*
NCI percentage	**33.33%**	**0.33%**	**20%**	**49.0001%**	
Non-current assets	9,639	4,816	38,011	4,675	
Current assets	203	515	7,025	70,558	
Non-current liabilities	(1,788)	(344)	(17,479)	(2,817)	
Current liabilities	(5,052)	(198)	(9,563)	(40,654)	
Net assets	**3,002**	**4,789**	**17,994**	**31,762**	
Net assets attributable to NCI	**1,001**	**16**	**3,599**	**15,563**	**20,179**
Revenue	--	828	4,586	161,026	
Profit / (loss)	(280)	184	1,053	31,411	
OCI	(1)	--	(410)	(141)	
Total comprehensive income	**(281)**	**184**	**643**	**31,270**	
Profit / (loss) allocated to NCI	**(93)**	**1**	**211**	**15,391**	**15,510**
OCI allocated to NCI	**--**	**--**	**(82)**	**(69)**	**(151)**

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)**

24. 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 2021.

TEUR	RIXO A.S.	MAIL STEP A.S.	*Subtotal*	*TOTAL*
NCI percentage	**2.70%**	**30.00%**		
Non-current assets	1,991	7,701		
Current assets	2,126	4,336		
Non-current liabilities	(63)	(3,621)		
Current liabilities	(1,180)	(4,473)		
Net assets	**2,874**	**3,943**		
Net assets attributable to NCI	**78**	**1,183**	**1,261**	**53,186**
Revenue	2,028	4,169		
Profit / (loss)	(11,108)	313		
OCI	(37)	97		
Total comprehensive income	**(11,145)**	**410**		
Profit / (loss) allocated to NCI	**(700)**	**85**	**(615)**	**21,397**
OCI allocated to NCI	**(1)**	**29**	**28**	**779**

TEUR	EMMA GAMMA ADRIATIC Group[1)]	DANDELION HEALTH-CARE Group	PROFARM Group[2)]	BOX NOW S.A.	*Subtotal*
NCI percentage	**33%; 49%; 55%**	**22.00%**	**40.00%**	**4.20%**	
Non-current assets	75,140	24,189	2,536	4,443	
Current assets	58,619	781	66,031	1,267	
Non-current liabilities	(15,654)	(9,231)	(13,007)	(291)	
Current liabilities	(25,572)	(2,834)	(37,636)	(6,290)	
Net assets	**92,533**	**12,905**	**17,924**	**(871)**	
Net assets attributable to NCI	**30,884**	**2,840**	**7,510**	**(37)**	**41,197**
Revenue	130,090	4,445	155,590	--	
Profit / (loss)	65,320	(16)	2,324	1,124	
OCI	245	650	--	--	
Total comprehensive income	**65,565**	**634**	**2,324**	**1,124**	
Profit / (loss) allocated to NCI	**21,660**	**(3)**	**739**	**(41)**	**22,355**
OCI allocated to NCI	**81**	**143**	**--**	**--**	**224**

TEUR	JOSECO HOLDINGS Group	B.E.R.G SISTEM GAZ S.A.	LIGATNE GAS S.R.L.	*Subtotal*
NCI percentage	**7.26%**	**0.32%**	**0.04%**	
Non-current assets	192,303	2,410	1,325	
Current assets	26,922	1,858	141	
Non-current liabilities	(31,590)	--	(4,289)	
Current liabilities	(40,017)	(504)	(79)	
Net assets	**147,618**	**3,764**	**(2,902)**	
Net assets attributable to NCI	**10,717**	**11**	**--**	**10,728**
Revenue	191,747	3,579	207	
Profit / (loss)	(4,751)	2,592	435	
OCI	7,287	(313)	--	
Total comprehensive income	**2,536**	**2,279**	**435**	
Profit / (loss) allocated to NCI	**(345)**	**2**	**--**	**(343)**
OCI allocated to NCI	**529**	**(2)**	**--**	**527**

1) Only subsidiaries of EMMA GAMMA Adriatic d.o.o. included. NCI percentage of SUPER SPORT d.o.o. and PUNI BROJ d.o.o. is 33.00%, NCI percentage of MINUS5 d.o.o. is 49.00% and NCI percentage of VOX-ZAGREB d.o.o. is 55.00%.

2) NCI percentage of PROFARM S.A. and EL-PHARM A.E. is 40.00%, NCI percentage of PER SE PHARMACEUTICALS A.E. is 67.00%, NCI percentage of INTEGRIS PHARMA LTD is 70.04%.

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

Revenue streams and related expenses

	2022 TEUR	2021 TEUR
Revenue from electricity distribution and supply	392,037	191,747
Revenue from gas distribution and supply	565,969	212,575
Revenue from green energy	163,927	--
Revenue from betting activities	91,805	45,011
Revenue from casino games	69,888	60,411
Revenue from sale of pharmaceuticals	175,302	155,590
Logistic and relating services	25,624	4,171
Other revenues	38,355	8,845
Revenues from core operations	**1,522,907**	**678,350**
Other income related to marinas	132	368
Other income related to gaming	574	22,990
Other income related to logistics	286	--
Other income	256	--
Other income related to core operations	**1,248**	**23,358**
Cost of gas sold	(462,827)	(151,640)
Cost of electricity sold	(300,517)	(148,579)
Transportation of electricity	(33,882)	(20,389)
Cost of green energy sold	(149,323)	--
Operating derivatives – electricity	65,004	--
Operating derivatives – gas	76,444	--
Pharmaceuticals: cost of goods sold	(158,429)	(143,167)
Logistic and relating services: cost of services provided	(13,346)	(2,334)
Other cost	(5,180)	(133)
Costs of goods sold	**(982,056)**	**(466,242)**

In 2021 and 2022, the revenue from sale and distribution and supply of electricity is generated by the Moldovan companies.

In 2021 and 2022, the revenue from sales and distribution of 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 green energy and Revenues from sale of green certificates. In 2022, Revenues from sale of green certificates amount to TEUR 3,407 and are included within Other revenues.

Net gain on operating derivatives in amount of TEUR 141,448 resulted from commodity contracts for renewable electricity and gas in Romania that did not qualify for application of "own use" exemption as at 31 December 2022 (refer also to Note 23, 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 as well as via betting machines and online betting. Casino revenues are generated by providing physical (land based) and online casino services. Betting and casino activities are 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).

25. 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:

	2022 TEUR	2021 TEUR
Trade receivables	168,889	120,005
Contract assets	7,662	1,051
Contract liabilities	(11,198)	(6,501)

The contract assets primarily relate to the Group's rights to consideration for network construction works completed but not billed at the reporting date (2022: TEUR 7,538; 2021: TEUR 672). The contract assets are transferred to intangible asset – gas distribution network when the in-process construction works are put into use. In addition, an amount of TEUR 124 (2021: TEUR 379) relates to the Group's right to consideration from end users in relation to connection works in progress. The exposure of the Group to credit risk in relation to contract assets is described in Note 4. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers. The amount of TEUR 6,501 included in contract liabilities as at 31 December 2021 has been recognised as revenue in 2022 (2021: TEUR 4,238).

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.

26. Services and material expenses

	2022 TEUR	2021 TEUR
Professional services	(32,560)	(23,447)
Independent auditor's remuneration	(988)	(735)
Advertising and marketing	(25,783)	(9,994)
Taxes other than income tax	(5,691)	(3,557)
Rental, maintenance and repair expenses	(15,153)	(8,578)
Telecommunication and postage	(2,601)	(1,791)
Travel expenses	(1,128)	(679)
Information technologies	(4,590)	(1,385)
Distribution, transport and storage of goods	(11,840)	(2,343)
Material consumption	(22,967)	(6,919)
Energy consumption	(2,820)	(1,331)
Other	(24,192)	(9,935)
Services and material expenses	**(150,313)**	**(70,694)**

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

Amount paid for Audit services totals TEUR 869 (2021: TEUR 647) and other non-audit services provided by auditors TEUR 119 (2021: TEUR 88).

27. Personnel expenses

	2022 TEUR	2021 TEUR
Employee compensation	(64,637)	(43,095)
Payroll related taxes (including social and pension contribution)	(12,126)	(7,089)
Personnel expenses	**(76,763)**	**(50,184)**

The average number of employees in the Group for the year 2022 was 3,652 employees (2021: 2,847 employees).

28. Impairment losses on loans and receivables

	2022 TEUR	2021 TEUR
Impairment losses/ (net reversal of impairment loss) on loans and other financial assets	(37,856)	1,451
	(37,856)	**1,451**

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

In 2021, net reversal of impairment losses is mainly attributable to reversal of impairment of TEUR 1,391 to loans provided by EMMA ALPHA HOLDING LTD to third parties.

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

29. Other operating income

	2022 TEUR	2021 TEUR
Rental income (other than from Investment property)	810	700
Gain on disposal of property, plant, equipment, and intangible assets	2,008	590
Other income	33,177	5,055
	35,995	**6,345**

In 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.

In 2021, other operating income is mainly attributable to Croatian subsidiaries and relates mainly to compensation received in connection with Covid-19 lockdown and to recognition of internally developed assets.

30. Other operating expenses

	2022 TEUR	2021 TEUR
Net impairment losses on property, plant and equipment	(14)	--
Net impairment losses on goodwill recognized	(1,477)	(3,343)
Net impairment losses on other non-financial assets	(5)	1
Net impairment losses on inventories	(1,181)	(468)
Loss on disposal of property, plant, equipment and intangible assets	(118)	(12)
Net foreign currency losses	(4,153)	(2,824)
	(6,948)	**(6,646)**

31. Net finance income/expense

	2022 TEUR	2021 TEUR
Finance income		
Interest income	3,525	3,250
Fee and commission income	48	--
Net trading income from financial assets (Note 10)	172	2,807
Other finance income	77	25
Total finance income	**3,822**	**6,082**
Finance expense		
Interest expense	(43,493)	(25,487)
Fee and commission expense	(11,339)	(1,123)
Net realized losses from financial assets and liabilities	(43)	(47,979)
Net change in fair value of equity and debt financial instruments at fair value through profit or loss (Note 10)	(172)	(1,297)
Change in fair value of contingent consideration	(162)	(145)
Loss on derivative financial instruments at fair value through profit or loss	--	(270)
Total finance expense	**(55,209)**	**(76,301)**
Net finance expense	**(51,387)**	**(70,219)**

	2022 TEUR	2021 TEUR
Interest income		
Loans receivable	2,311	2,669
Due from banks, other financial institutions and holding companies	1,106	234
Financial instruments at amortised cost	--	303
Financial instruments at fair value through profit or loss held for trading	69	42
Other interest income	39	2
	3,525	**3,250**
Interest expense		
Due to non-banks	(20,230)	(12,785)
Due to banks and other financial institutions	(15,283)	(7,098)
Debt securities issued	(6,539)	(4,798)
Lease liabilities	(611)	(323)
Other interest expense	(830)	(483)
	(43,493)	**(25,487)**

32. Income tax expense

	2022 TEUR	2021 TEUR
Current tax expense	(56,358)	(22,164)
Deferred tax income / (expense) (Note 22)	(25,045)	2,967
Total income tax expense recognised in profit or loss	**(81,403)**	**(19,197)**

Reconciliation of effective tax rate	**2022 %**	**2022 TEUR**	**2021 %**	**2021 TEUR**
Profit / (loss) before tax		**554,982**		**(2,746)**
Income tax using the domestic tax rate (see below)	(12.5)	(69,373)	(12.5)	343
Effect of tax rates in foreign jurisdictions	(1.9)	(10,551)	30.8	(4,778)
Non-deductible costs	(10.7)	(59,236)	105.4	(16,341)
Non-taxable income	10.1	55,860	(26.4)	4,099
Items taxed at different tax rate	(0.3)	(1,861)	0.3	(52)
Adjustment to prior years	0.0	(70)	(0.3)	50
Tax loss carried forward not recognised	(0.5)	(2,792)	23.3	(3,609)
Utilised tax loss not previously recognised	1.3	7,047	0.0	(2)
Other	(0.1)	(427)	(7.0)	1,093
Total income tax expense	**(14.6)**	**(81,403)**	**113.6**	**(19,197)**

Corporate income tax rates for tax domiciles of entities in consolidated Group for fiscal years 2022 and 2021 can be summarized as follows:

	2022	**2021**
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%	24.00%
Austria	25.00%	25.00%
Bulgaria	10.00%	--
Malta	5.00%	--
Italy	28.24%	--
Switzerland	14.70%	--

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%.

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.

33. 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

	2022 TEUR	2021 TEUR
Loans provided (principal receivables)	19,598	11,103
Accrued interest (interest receivable)	44	3,111
Impairment allowance (IFRS 9)	(26)	(6)
Total balances	**19,616**	**14,208**
Interest income	67	518
Interest expense	(1,368)	(153)
Total transactions	**(1,301)**	**365**

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.

In 2021, the Group provided a loan to its parent at the amount of TEUR 14,104, which was repaid before the year end.

(b) Transactions with associated groups

	2022 TEUR	2021 TEUR
Loans received (principal payables)	(45,000)	(45,000)
Accrued interest (interest payable)	(1,431)	(1,197)
Loans provided (principal receivables)	2,713	--
Accrued interest (interest receivable)	37	--
Impairment allowance (IFRS 9)	(2,536)	--
Total balances	**(46,217)**	**(46,197)**
Interest income	128	--
Interest expense	(2,596)	(2,364)
Total transactions	**(2,468)**	**(2,364)**

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.

(c) Transactions with other related parties

	2022 TEUR	2021 TEUR
Loans received (principal payables)	(158,978)	(147,530)
Accrued interest (interest payable)	(9,580)	(8,467)
Loans provided (principal receivables)	3,055	4,771
Accrued interest (interest receivable)	45	29
Impairment allowance (IFRS 9)	(7)	(12)
Trade payable	(82)	--
Trade receivables	5	--
Total balances	**(165,542)**	**(151,209)**
Sales revenues from core business	181	--
Cost of goods sold / Cost of services provided	(584)	--
Services and material expenses	(87)	--
Interest income	85	58
Interest expense	(10,727)	(9,741)
Total transactions	**(11,132)**	**(9,683)**

33. Related party transactions (continued)

(c) Transactions with other related parties

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.

In 2021, the Group provided loans to related companies at the total amount of TEUR 5,220 and received loans of TEUR 21,823. Both loans receivable and payable were settled before the year end.

In 2021, the Group sold 15% of shares in VOX-ZAGREB d.o.o. (renamed to SPORT 360 d.o.o. in 2022) to a related party. For further information, refer to Note 1.

(d) Transactions with key management personnel

Amounts included in profit or loss in relation to transactions with members of key management are benefits of TEUR 7 comprising directors' fees (2021: TEUR 6). 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.

In 2021, EMMA GAMMA ADRIATIC d.o.o. ("EGA"), a subsidiary of the Company has entered into agreements with key management of SUPER SPORT d.o.o., whereby EGA gave loans to them in the amount of HRK 48,434 thousand, while the management simultaneously acquired 1.55% of shares in SUPER SPORT d.o.o. for the same amount. EGA was contractually obliged to re-acquire the shares from key management after certain period of time, while the loans given to them were non-recourse. The substance of this share purchase arrangement was that it represented an equivalent of employee benefit as shares were used as a legal mechanism to pay the benefits in return of the increase of the SUPER SPORT d.o.o. investment value. Some of the agreements had additional call and put options, which carried an irrecoverable and unconditional unilateral right to sell or buy the shares at the exercise price which depended on the operating performance of SUPER SPORT d.o.o. and the year in which the right was exercised. The difference between the estimated exercise price and price at which the shares were sold, discounted at appropriate rate, represented the employee benefits, which would be recognised over the contracted service period as staff costs, while interest received on the loans would be deducted from staff costs.

(e) Shareholder agreements

EGA has 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 depending 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).

34. 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 2022 and 2021, the Group was neither involved in major incidents related to environment pollution, nor sued for damages to the environment.

34. Contingencies (continued)

(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.

35. Commitments

(a) 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.

According to certain service concession contracts, the Group has investment commitments for gas network construction in Romania of approximately 420 km with an estimated value of EUR 32 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.

(b) Letters of guarantee

As at 31 December 2022, the Group has issued letters of guarantee for payment, good execution and tender participation in total amount of TEUR 22,562 (2021: TEUR 4,584).

36. Events after the reporting period

On 9 January 2023, the Group acquired an 80.0% stake in ENEX NALBANT RENEWABLE SRL, 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, for TEUR 3,280. In addition, loans in the amount of TRON 35,240 (approximately TEUR 7,120) were acquired 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 acquired. The acquisition was completed due to the Group's strategic growth initiative within the renewables electricity generation sector. The Group is currently assessing the effects and consequences of this acquisition.

On 2 March 2023, the Group's electricity distribution subsidiary in Moldova signed a TUSD 30,000 loan with the European Bank for Reconstruction and Development (EBRD) and a TUSD 30,000 loan with the European Investment Bank (EIB) to support the Group's investment plan in Moldova through 2026.

On 22 and 24 March 2023, ENTAIN HOLDINGS LTD (CEE) pays earn out consideration for the EMMA GAMMA ADRIATIC d.o.o. acquisition of TEUR 192,173 to EMMA GAMMA LIMITED. On 23 March 2023, EMMA GAMMA LIMITED LTD subscribes TEUR 48,043 of newly allotted additional share capital and share premium in ENTAIN HOLDINGS LTD (CEE).

On 18 April 2023, the Group acquired 49% share of KERMAS ISTRA d.o.o. for consideration TEUR 8,359.

On 13 June 2023, the associated group ENTAIN HOLDINGS (CEE) Ltd launched a tender offer to acquire 100% of STS Holding S.A. for a total consideration of approximately TEUR 870,000. STS Holding S.A. is the sports-betting market leader in Poland and is listed on the Warsaw Stock Exchange (WSE:STH). Following the Sellers' investment in Entain CEE, Entain CEE's shareholdings will be approximately 67.5% owned by Entain plc, 22.5% owned by the Group, and 10% owned by the Sellers. The Group investment can reach maximum amount TEUR 170,000.

On 16 June 2023, the Board of Directors of EMMA ALPHA HOLDING LTD authorized these consolidated financial statements for issue.