EMMA ALPHA HOLDING LTD
Auditors' report
and consolidated financial statements
for the year ended 31 December 2024

Contents

Board of Directors and Other Corporate Information

Board of Directors	Radka Blažková Demetrios Aletraris Andri Pangalou
Secretary	Cyproman Services Limited 5 Esperidon Street 4th floor 2001 Nicosia, Cyprus
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors 10 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) J&T Banka a.s. Zagrebačka Banka D.D. Erste&Steiermarkische Bank D.D. Unicredit Bank SA European Bank for Reconstruction and Development (EBRD) European Investment Bank (EIB) Alpha Bank Romania SA Vista Bank (Romania) SA Vista Leasing IFN (Romania) S.A. Credit Agricole Bank Romania S.A. National Bank of Greece Eurobank Ltd Piraeus Bank Česká spořitelna a.s. Alpha Bank Moneta Money Bank a.s. Citibank a.s. BC Eximbank S.A. BC Moldova Agroindbank SA Privedna banka Zagreb d.d. ING Bank N.V. CEC Bank S.A. Libra Internet Bank S.A ING Bank N.V. CEC Bank S.A. Libra Internet Bank S.A Banca Intesa
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 Consolidated Management 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 2024.

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, exploration and production of hydrocarbons, the provision of betting activities and casino games, the provision of medical services, sales of medical pharmaceutical and equipment and related 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 2024 are set out on page 11 in the consolidated financial statements. The net profit for the year 2024 amounted to TEUR 14,495 (2023: net profit amounted to TEUR 81,807).

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 2024 amounted to TEUR 3,790 (2023: net profit amounted to TEUR 69,729).

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 2024 amounted to TEUR 2,128,833 (2023: TEUR 1,342,688).

DIVIDENDS

During 2024, the Company distributed interim dividends to EMMA CAPITAL LIMITED in the total amount of TEUR 24,387 (2023: TEUR 28,600) and TEUR 16,009 to MEF HOLDINGS LIMITED. The remaining redeemable preference shareholders waived their right to receive the dividend at the total amount of TEUR 1,241.

In 2024, dividends and other distributions in the amount of TEUR 6,250 were distributed to minority shareholders of subsidiaries (2023: TEUR 11,921).

The Board of Directors proposes to distribute dividends to EMMA CAPITAL LIMITED in the total amount of TEUR 22,460 as a part of the 2024 profit distribution. The proposal has to be approved by the General Meeting of the Company.

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)

On 13 March 2024, EMMA ALPHA HOLDING LTD issued an additional 523 redeemable preference shares of nominal value EUR1 per share for the total aggregate amount of TEUR 86,159. The new redeemable preference shares were fully subscribed by MEF HOLDINGS LIMITED. In addition, Mr. Jose Martin Garza sold 5 redeemable preference shares to MEF HOLDINGS LIMITED and ALEDENCO LIMITED sold 3 redeemable preference shares to SPRINGROCK LIMITED.

In 2023, the Company redeemed 438 redeemable preference shares held by MEF HOLDINGS LIMITED for the total redemption value of TEUR 61,758.

BRANCHES

During the year ended 31 December 2024, the Company did not operate any branches.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2024 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 2024.

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

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

RECENT VOLATILITY IN GLOBAL FINANCIAL MARKETS

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

EVENTS AFTER THE REPORTING PERIOD

Any significant events that occurred after the end of the reporting period are described in Note 38 of the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 35 of the consolidated financial statements.

INDEPENDENT AUDITORS

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

By order of the Board of Directors,

Demetrios Aletraris
Director
Nicosia, 26 May 2025

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Independent Auditor's Report

To the Members of Emma Alpha Holding LTD

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emma Alpha Holding LTD (the "Company"), and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Other Information

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

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

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

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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 Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal Requirements

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

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

Other 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 the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
26 May 2025

		2024	2023
		TEUR	**TEUR**
ASSETS	**Note**		
Non-current assets			
Intangible assets and goodwill	7	311,979	211,774
Property, plant and equipment	8	679,630	487,628
Investment property		752	--
Investments in equity-accounted investees	16	536,468	437,920
Loans receivable	11	37,594	38,223
Trade and other receivables	12	2,461	2,125
Other assets	14	2,730	22,600
Green certificates	15	9,988	1,090
Restricted deposits	10	1,346	2,808
Financial assets at fair value through other comprehensive income	10	--	1
Financial assets at fair value through profit or loss	10	--	986
Deferred tax assets	23	14,935	3,221
Total non-current assets		**1,597,883**	**1,208,376**
Current assets			
Loans receivable	11	37,535	11,894
Current income tax assets	34	713	438
Trade and other receivables	12	297,305	160,214
Inventories	13	63,915	53,148
Contract assets	26	--	779
Other assets	14	232,016	56,783
Green certificates	15	4,490	3,895
Restricted deposits	10	11,864	5,638
Financial assets at fair value through profit or loss	10	22,909	28,031
Restricted cash	10	217	505
Cash and cash equivalents	9	184,515	246,678
Assets held for sale	17	--	176,890
Total current assets		**855,479**	**744,893**
Total assets		**2,453,362**	**1,953,269**

The notes on pages 15 to 130 are an integral part of these consolidated financial statements.

	Note	2024 TEUR	2023 TEUR
EQUITY			
Share capital	25	10	10
Redeemable preference shares	25	8	7
Share premium	25	291,073	204,914
Revaluation reserve	25	44,013	48,039
Translation reserve	25	10,401	25,517
Other reserves	25	1,777	(58,683)
Retained earnings		696,695	681,671
Profit for the year		3,790	69,729
Equity attributable to owners of the Company		**1,047,767**	**971,204**
Non-controlling interests	25	**212,018**	**60,409**
Total equity		**1,259,785**	**1,031,613**
LIABILITIES			
Non-current liabilities			
Provisions	26	13,072	6,580
Due to non-banks	18	28,128	6,568
Due to banks and other financial institutions	18	383,325	283,044
Bonds issued	19	6,680	6,680
Financial liabilities at fair value through profit or loss	20	26,898	8,250
Trade and other payables	21	895	63
Contract liabilities	27	11,718	--
Lease liabilities	8	28,059	20,431
Other liabilities	22	52,052	39,294
Deferred tax liabilities	23	30,901	24,867
Total non-current liabilities		**581,728**	**395,777**
Current liabilities			
Provisions	26	4,087	4,021
Bank overdrafts	9	80,419	11,411
Due to non-banks	18	20,506	259,207
Due to banks and other financial institutions	18	90,855	77,618
Financial liabilities at fair value through profit or loss	20	155	304
Current income tax liabilities	34	8,054	5,482
Trade and other payables	21	179,584	101,315
Contract liabilities	27	37,424	17,628
Lease liabilities	8	8,475	7,443
Other liabilities	22	182,290	41,450
Total current liabilities		**611,849**	**525,879**
Total liabilities		**1,193,577**	**921,656**
Total liabilities and equity		**2,453,362**	**1,953,269**

On 26 May 2025, 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 15 to 130 are an integral part of these consolidated financial statements.

	Note	2024 TEUR	2023 TEUR
Sales revenues from core operations	27	1,951,547	1,285,685
Other operating income	31	161,807	38,925
Other income related to core operations	27	6,828	2,757
Gain on bargain purchase	1	30,786	4,037
Cost of goods sold/cost of services provided	27	(1,654,643)	(953,712)
Services and material expenses	28	(235,647)	(169,062)
Personnel expenses	29	(115,751)	(73,688)
Expected credit losses on loans and receivables	30	(8,887)	(14,403)
Depreciation and amortisation	7,8	(58,870)	(35,503)
Other operating expenses	32	(7,533)	(8,150)
Profit from operations		**69,637**	**98,987**
Gain/ (loss) on derivatives related to finance income/expense	33	55	(155)
Finance income	33	8,596	15,321
Finance expense	33	(60,344)	(36,257)
Net finance expense		**(51,693)**	**(43,192)**
Dividends from financial instruments – FVTPL	10	--	183
Gain from sale of investments in subsidiaries, equity-accounted investees and held for sale	1,16,17	46,841	27,220
Equity-accounted investees – share of (loss)/profit	16	(34,136)	24,929
Profit before tax		**30,649**	**108,127**
Income tax expense	34	**(16,154)**	**(26,320)**
Profit after tax		**14,495**	**81,807**
Other comprehensive income / (expense):			
Items reclassified from other comprehensive income to profit or loss – disposal of subsidiaries	1	24	(2)
Items reclassified from other comprehensive income to profit or loss – assets held for sale and equity-accounted investees	17, 16	38,524	1,331
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		357	8,303
Equity-accounted investees – share of OCI	16	1,970	3,921
Items that will never be reclassified to profit or loss:			
Revaluation of property, plant and equipment	25	--	8,907
Other comprehensive income for the year		**40,875**	**22,460**
Total comprehensive income for the year		**55,370**	**104,267**
Total profit attributable to:			
Owners of the Company		3,790	69,729
Non-controlling interests	25	10,705	12,078
		14,495	**81,807**
Total comprehensive income attributable to:			
Owners of the Company		44,867	91,812
Non-controlling interests	25	10,503	12,455
		55,370	**104,267**

The notes on pages 15 to 130 are an integral part of these consolidated financial statements.

	Note	Share capital	Redeemable preference shares	Share premium	Revaluation reserve	Translation reserve	Other reserves	Retained earnings	Total – Owners of the Company	Non-controlling interest	Total
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balance as at 1 January 2024		**10**	**7**	**204,914**	**48,039**	**25,517**	**(58,683)**	**751,400**	**971,204**	**60,409**	**1,031,613**
Comprehensive income											
Profit for the year		--	--	--	--	--	--	*3,790*	*3,790*	*10,705*	*14,495*
Items reclassified from other comprehensive income to profit or loss – disposal of subsidiaries	1	--	--	--	--	24	--	--	**24**	--	**24**
Items reclassified from OCI to profit / (loss) – associates	17	--	--	--	(4,026)	(17,642)	60,192	--	**38,524**	--	**38,524**
Items reclassified from other comprehensive income to profit or loss		--	--	--	*(4,026)*	*(17,618)*	*60,192*	--	*38,548*	--	*38,548*
Translation reserve change		--	--	--	--	559	--	--	**559**	(202)	**357**
Associates - share of OCI	16	--	--	--	--	1,970	--	--	**1,970**	--	**1,970**
Total other comprehensive income for the year		--	--	--	--	*2,529*	--	--	*2,529*	*(202)*	*2,327*
Total comprehensive income for the year		--	--	--	**(4,026)**	**(15,089)**	**60,192**	**3,790**	**44,867**	**10,503**	**55,370**
Transactions with owners recognised directly in equity											
Contributions by and distributions to owners											
Issue of new shares (inc. share premium)	25	--	1	86,159	--	--	--	--	**86,160**	--	**86,160**
Capital contributions and distributions	1	--	--	--	--	--	--	--	--	3,927	**3,927**
Dividends	25	--	--	--	--	--	--	(40,396)	**(40,396)**	(6,250)	**(46,646)**
Net contribution to legal reserve		--	--	--	--	--	268	(268)	--	--	--
Transactions with NCI without a change in control	1	--	--	--	--	--	--	(11,513)	**(11,513)**	141,882	**130,369**
Effect from acquisitions and disposals through business combinations	1	--	--	--	--	--	--	--	--	2,938	**2,938**
Total transactions with owners		--	*1*	*86,159*	--	--	*268*	*(52,177)*	*34,251*	*142,497*	*176,748*
Other movements		--	--	--	--	(27)	--	(2,528)	**(2,555)**	(1,391)	(3,946)
Balance as at 31 December 2024		**10**	**8**	**291,073**	**44,013**	**10,401**	**1,777**	**700,485**	**1,047,767**	**212,018**	**1,259,785**

The notes on pages 15 to 130 are an integral part of these consolidated financial statements.

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

The notes on pages 15 to 130 are an integral part of these consolidated financial statements.

	Note	2024 TEUR	2023 TEUR
Cash flows from operating activities			
Profit for the year before tax		**30,649**	**108,127**
Adjustment for:			
Depreciation and amortisation	7,8	58,870	35,503
Impairment loss on property, plant and equipment	32	109	(146)
Impairment losses on goodwill	32	--	8,079
Expected credit losses on trade and other receivables	30	2,999	4,026
Expected credit losses on loans and other financial assets	30	5,888	10,377
Revaluation of assets/liabilities at FVTPL	33	7,722	(7,099)
Net trading income from financial assets and liabilities	10	(254)	--
Revaluation of assets FVTPL – equity instruments	10	(2,084)	(1,639)
Share of loss/(profit) of equity-accounted investees, net of tax	16	34,136	(24,929)
Gain from sale of investments in subsidiaries, equity-accounted investees and held for sale	1,16,17	(46,841)	(27,220)
Gain on sale of PPE and intangibles assets	31,32	(52)	(152)
Dividend income	10	--	(183)
Gain on bargain purchase	1	(30,786)	(4,037)
Net interest (income)/expense	33	40,586	27,424
Unrealised foreign exchange loss		3,599	1,430
Operating profit before changes in working capital and provisions		**104,541**	**129,561**
Decrease in inventories		12,387	8,647
Decrease/ (increase) in contract assets		779	(625)
(Increase)/decrease in trade and other receivables		(76,826)	179,601
(Increase)/decrease in restricted deposits related to operating activities		(4,764)	6,990
Increase/(decrease) in trade and other liabilities		64,662	(46,081)
Increase in contract liabilities		22,998	6,430
(Decrease)/increase in provisions and employee benefits		(1,681)	5,233
Increase in green certificates		3,212	1,227
Proceeds from operating derivatives		--	(654)
Cash from operating activities		**125,308**	**290,329**
Interest paid		(50,184)	(21,633)
Interest received		251	853
Income tax paid		(8,090)	(25,493)
Net cash generated from operating activities		**67,285**	**244,056**
Cash flows from investing activities			
Proceeds from the sale of assets FVTPL		43,312	112
Proceeds from deposits	10	411	2,662
Dividends received	10,16	13,783	42,928
Proceeds from sale of intangible assets		42	30
Proceeds from sale of property, plant and equipment		43,822	3,658
Proceeds from sale of investment property		861	--
Proceeds from sale of asset held for sale	17	221,548	--
Proceeds from disposal of subsidiaries		60,985	28,301
Net cash outflow from acquisition of subsidiaries, net of cash acquired	1	(262,469)	(9,412)
Settlement of contingent consideration	20	(15,054)	(3,782)
Settlement of interest rate SWAP		--	36
Change in cash held on restricted bank accounts		288	172
Loans provided		(55,313)	(69,592)
Loans repaid		26,142	77,380
Acquisitions of investments in equity-accounted investees	16	(124,402)	(189,274)
Acquisition of financial assets at FVTPL	10	(34,278)	(23,468)
Acquisitions of intangible assets	7	(8,331)	(7,173)
Acquisitions of property, plant and equipment	8	(120,704)	(77,814)
Net cash used in investing activities		**(209,357)**	**(225,236)**
Cash flows from financing activities			
Other changes in equity		(5,127)	1,203
Transactions with owners without change in control	1	130,369	(12,336)
Repayment of interest-bearing loans and borrowings received	18	(476,705)	(132,250)
Proceeds from interest-bearing loans and borrowings received	18	330,915	314,410
Repayment of bonds		--	(2,022)
Issue of bonds	19	--	6,680
Repayment of lease liabilities	18	(7,897)	(6,822)
Proceeds from redeemable shares issued		86,160	--
Redemption of shares	25	--	(61,758)
Dividends paid	25	(46,646)	(40,521)
Net cash generated from financing activities	18	**11,069**	**66,584**
Net movement in cash and cash equivalents		**(131,003)**	**85,404**
At the beginning of the year*	9	**235,267**	**150,935**
Effects of movements in exchange rates on cash held		(168)	(1,072)
At the end of the year*	9	**104,096**	**235,267**

The notes on pages 15 to 130 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 2024 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 (%) 2024	2023
MEF HOLDINGS LIMITED	Cyprus	Redeemable preference shares	93.32	92.20
SPRINGROCK LIMITED	Cyprus	Redeemable preference shares	1.33	1.94
ALIMENTOR LIMITED	Cyprus	Redeemable preference shares	1.75	1.88
DOROMEA LIMITED	Cyprus	Redeemable preference shares	0.58	0.63
MENGENO LIMITED	Cyprus	Redeemable preference shares	0.48	0.51
ALEDENCO LIMITED	Cyprus	Redeemable preference shares	0.27	0.33
DAVID HAVLÍN	--	Redeemable preference shares	0.04	0.04
JOSE MARTIN GARZA	--	Redeemable preference shares	2.23	2.47
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, exploration and production of hydrocarbons,the provision of betting activities and casino games, the provision of medical services, sales of medical pharmaceutical and equipment and related services, trading in pharmaceuticals, the provision of insurance related consultancy services, logistic services and operating of marinas.

Description of the Ownership Structure

The Company controls, directly or indirectly, other companies in Cyprus, the Czech Republic, Slovakia, Romania, Croatia, Moldova, Greece, Italy, Hungary, Malta, Bulgaria, Serbia and Germany. 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 (%)	
		2024	2023
TONALA LIMITED	Cyprus	100.00	100.00
MARJOLENDO LIMITED	Cyprus	100.00	100.00
EMMA EPSILON LTD	Cyprus	87.50	87.50
• BOX NOW S.A.	Greece	83.65	83.65
• BOX CYPRUS LTD	Cyprus	83.65	83.65
• BOX NOW d.o.o.	Croatia	86.19	86.19
• BOX NOW o.o.d.	Bulgaria	85.75	85.75
EMMA LAMBDA LIMITED	Cyprus	100.00	100.00
• STRATUM ENERGY ROMANIA LLC [1)]	United States of America	100.00	--
• STRATUM PRODUCTION ROMANIA LLC [2)]	United States of America	100.00	--
• STRATUM CONSTRUCT ROMANIA SRL	Romania	100.00	--
RIXO a.s.	Czech Republic	97.89	97.89
PREMIER ENERGY PLC [3)]	Cyprus	71.25	99.99
• LIGATNE LIMITED	Cyprus	71.25	99.99
• NEOGAS GRID S.A. (formery PREMIER ENERGY S.R.L. [4)]	Romania	71.22	99.95
• PREMIER ENERGY S.A. [4)]	Romania	71.22	--
• PREMIER ENERGY TRADING S.R.L.	Romania	71.22	99.95
• LIGATNE GAS S.R.L.	Romania	71.22	99.95
• B.E.R.G Instalatii Gaz S.R.L.	Romania	71.22	99.96
• JOSECO HOLDINGS CO. LIMITED	Cyprus	66.08	92.73
• NAVITAS ENERGY S.R.L.	Moldova	66.08	92.73
• ICS PREMIER ENERGY S.R.L.	Moldova	66.08	92.73
• ICS PREMIER ENERGY DISTRIBUTION S.A.	Moldova	66.08	92.73
• ELECTRA LOGISTICS S.R.L.	Moldova	66.08	92.73
• ELTEPROD WIND S.R.L.	Moldova	66.08	--
• ECOENERGIA S.R.L.	Romania	57.00	79.99
• ENERGIA MILENIULUI III S.A. [5)]	Romania	47.48	66.64
• PROGAZ P&D S.A. [6)]	Romania	--	99.94
• PREMIER ENERGY HUNGARY Kft	Hungary	71.25	99.99
• TRUE ENERGY MANAGEMENT S.R.L.	Romania	53.44	59.99
• ALIVE CAPITAL S.A. [7)]	Romania	36.33	50.98
• ALIVE SUN POWER ONE S.R.L. [7)]	Romania	36.33	50.98
• ALIVE SUN POWER TWO S.R.L. [7)]	Romania	36.33	50.98
• DA VINCI NEW PROJECT S.R.L. [7)]	Romania	36.33	50.98
• PREMIER RENEWABLE INVEST CO S.R.L.	Romania	71.25	99.99
• ENEX NALBANT RENEWABLE S.R.O.	Romania	57.00	79.99
• ALIVE CAPITAL D.O.O. Beograd [8)]	Serbia	36.33	50.98
• PREMIER ENERGY FURNIZARE S.A. (formerly CEZ VANZARE S.A.)	Romania	71.25	--
• ALIVE RENEWABLE HOLDING LIMITED [9)]	Cyprus	36.34	--
• ALIVE CAPITAL Kft. [9)]	Romania	36.33	--
• ALIVE WIND POWER ONE S.R.L. [9)]	Romania	46.31	--
• PREMIER WIND 80 S.R.L. (formerly EOLICA DOBROGEA ONE S.R.L.)	Romania	71.25	--
• DEVELOPMENT POWER SOLAR ENERGY [10)] S.R.L	Romania	32.70	--
EMMA OMEGA LTD	Cyprus	100.00	100.00
EMMA GAMMA LIMITED	Cyprus	100.00	100.00
• ARESSU HOLDING LIMITED	Malta	60.00	60.00
• TORRO TEC LIMITED	Malta	60.00	60.00
• TORRO TEC GAMING LIMITED	Malta	60.00	60.00
• TORRO TEC SERVICES GmbH	Germany	60.00	60.00
• TORRO TEC (SWITZERLAND) GmbH	Switzerland	60.00	60.00
• LAOLA GmbH	Germany	60.00	--
• EMMA GAMMA FINANCE a.s. [11)]	Slovakia	--	100.00
• SPORT 360 d.o.o. [12)]	Croatia	37.50	37.50
• GTB GLOBAL BUSINESS S.A. [13)]	Romania	--	67.00
• CLUB KING S.R.L. [13)]	Romania	--	67.00
• CEMARBET S.R.L. [13)]	Romania	--	67.00
• GTB HOLDINGS (Malta) LIMITED[13)]	Malta	--	--
• GET’S BET ONLINE LTD[13)]	Malta	--	67.00

1. Description of the Group (continued)

Consolidated subsidiaries	Country of incorporation	Effective ownership interest (%)	
		2024	2023
• NEOSOFT TECH SUPPORT S.R.L. [13)]	Romania	--	67.00
• NEOSOFT LTD[13)]	Malta	--	67.00
• EASYBET SOLUTIONS S.R.L. [13)]	Romania	--	67.00
• EGEH LIMITED	Cyprus	100.00	100.00
MAIL STEP a.s. [14)]	Czech Republic	100.00	90.00
• MAILSHIP S.R.L.	Italy	100.00	90.00
• MAILSHIP SINGLE MEMBER P.C.	Greece	100.00	90.00
DELAMOS LIMITED [15)]	Cyprus	100.00	100.00
EMMA KAPPA LIMITED	Cyprus	100.00	100.00
• PROFARM S.A. [16)]	Greece	55.77	59.92
• EL-PHARM A.E.	Greece	55.77	59.92
• PER SE PHARMACEUTICALS A.E. [17)]	Greece	30.67	32.96
• INTEGRIS PHARMA LTD [18)]	Greece	27.88	29.95
• PHARMA GROUP MESSENIA A.E. [17)]	Greece	30.67	--
• PHARMA GROUP ACHAIA A.E. [17)]	Greece	30.67	--
• PHARMA GROUP ARGOLIDA A.E. [17)]	Greece	30.67	--
DANDELION HEALTHCARE, a.s. [19)]	Czech Republic	41.00	80.00
• EUROPE IVF INTERNATIONAL s.r.o.	Czech Republic	41.00	80.00
EMMA SIGMA LTD	Cyprus	100.00	100.00
• SIGMA POSLOVODSTVO d.o.o.	Croatia	100.00	100.00
• SERVISNI CENTAR TROGIR d.o.o.	Croatia	100.00	100.00
• OVALIS NOVA d.o.o.	Croatia	100.00	--
EMMA HETA LIMITED	Cyprus	100.00	100.00
EMMA ZETA LIMITED	Cyprus	65.00	100.00
• MPFH d.o.o. Beograd - Novi Beograd [20)]	Serbia	--	100.00
• MAGNA PHARMACIA d.o.o. BEOGRAD - NOVI BEOGRAD	Serbia	65.00	--
• MAGNA PHARMACIA d.o.o. PODGORICA [21)]	Montenegro	65.00	--
ECFH a.s.	Czech Republic	100.00	100.00
• FAVI a.s (formerly FAVI ONLINE s.r.o.)	Czech Republic	91.16	91.16

[1)] Operates a branch under the name Stratum Energy Romania LLC Wilmington, Bucharest Branch.
[2)] During the year 2024, the company was put into voluntary liquidation. On 3 January 2025, the entity was dissolved.
[3)] On 28 May 2024, Premier Energy PLC (PEPLC) completed an IPO on the Bucharest Stock Exchange (BVB). The Offering represented a total offer of 35,937,859 offer shares, amounting to 28.75% of Premier Energy's total issued share capital. The Offering comprised of 25,000,250 New Shares offered for subscription by the Company, 6,250,063 Existing Shares offered for sale by its main shareholder EMMA Alpha Holding Ltd, and 4,687,546 Over-Allotment Shares provided by EMMA Alpha Holding Ltd. As a result, the ownership share of EMMA Alpha Holding Ltd derceased to 71,25%.
[4)] PREMIER ENERGY S.R.L. changed its name in 2024 to NEOGAS GRID S.A. In addition, in 2024, PREMIER ENERGY S.R.L. initiated a spin off procedure which became effective on 1.01.2025. For this reason, a new entity, PREMIER ENERGY S.A. was set up. As at the year end, the assets were not transferred to the new entity.
[5)] The direct ownership interest of NEOGAS GRID S.A. (formerly PREMIER ENERGY S.R.L.) in ENERGIA MILENIULUI III S.A. equals 66.67% and NEOGAS GRID S.A. exercises control over this entity, therefore, ENERGIA MILENIULUI III S.A is controlled by the Group and consolidated as a subsidiary.
[6)] PROGAZ P&D S.A. was merged to NEOGAS GRID S.A. (formerly PREMIER ENERGY S.R.L.) with effective date 30 June 2024.
[7)] The direct ownership of PEPLC in ALIVE CAPITAL S.A. equals 50.99% and ALIVE CAPITAL S.A. has 100% direct interest in ALIVE SUN POWER ONE S.R.L., ALIVE SUN POWER TWO S.R.L. and DA VINCI NEW PROJECT S.R.L. Therefore, the Group exercise control over these entities.
[8)] The direct ownership interest of PEPLC in ALIVE CAPITAL D.O.O. Beograd equals 50.99%, therefore, ALIVE CAPITAL D.O.O. is controlled by the Group and consolidated as a subsidiary.
[9)] The direct ownership of PEPLC in these companies are above 50%. Therefore, entities are controlled by the Group and consolidated as subsidiaries. In addition, these entities were established in 2024.
[10)] PREMIER RENEWABLE INVEST CO S.R.L., the 51% subsidiary of PEPLC has a direct ownership in DEVELOPMENT POWER SOLAR ENERGY S.R.L of 90% and therefore the Group exercises control over this entity.
[11)] The company was liquidated on 30 June 2024.
[12)] The Group still holds the control, as it holds 50.00% of the voting rights in the entity.
[13)] On 21 October 2024, GTB HOLDINGS (Malta) LIMITED was incorporated. On 31 December 2024, EMMA GAMMA LIMITED disposed 17.5% of its shareholding in GTB GLOBAL BUSINESS SA GROUP, reducing its direct ownership to 49.5%. The Group lost control and classified GTB GLOBAL BUSINESS SA GROUP as an equity-accounted investee.
[14)] On 1 January 2024, part of its activities of MAIL STEP A.S. were demerged into the new entity of MAILFINISH A.S. On 30 April 2024, the Company sold 45% shareholding in MAILFINISH A.S and has been classified as an equity-accounted investee as at year end. On 20 February 2024, the Company acquired an additional 10% in MAIL STEP A.S.increasing its holding to 100%
[15)] On 27 May 2024, the entity was put into voluntary liquidation.
[16)] On January 2024, PROFARM S.A. increased its share capital by issuing 51,205 shares and the ownership interest of EMMA KAPPA LIMITED was reduced to 52.73%. On February 2024, EMMA KAPPA LIMITED acquired 12,988 shares in PROFARM S.A. from the other shareholders and the ownership interest was increased to 55.77%.
[17)] Direct ownership interest of PROFARM S.A. in these entities equals 55.00%, therefore the entities are controlled by the Group and consolidated as subsidiaries.
[18)] 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.
[19)] On 25 October, the Company disposed 39% shareholding in DANDELION HEALTHCARE, a.s.. The Group still holds the control of the entity.
[20)] On 31 December 2024, the entity was merged with MAGNA PHARMACIA d.o.o. BEOGRAD - NOVI BEOGRAD.
[21)] Entity incorporated in 2024.

1. Description of the Group (continued)

Equity-accounted investees	Country of incorporation	Effective Ownership interest (%) 2024	Effective Ownership interest (%) 2023
HOME CREDIT N.V. [1)]	Netherlands	--	8.88
HOME FURNITURE GROUP GmbH [2)]	Germany	46.06	46.06
KERMAS ISTRA d.o.o. [3)]	Croatia	49.00	49.00
PRATI ME d.o.o. [4)]	Croatia	21.58	21.58
PHARMANET A.E. [5)]	Greece	16.17	17.38
NIKAPATZO LTD [6)]	Cyprus	24.02	24.02
ENTAIN HOLDINGS (CEE) Ltd. [7)]	Malta	22.50	22.50
BRASOV RENEWABLES S.R.L. [8)]	Romania	14.53	20.39
SOLAR ENERGY PRODUCTION S.R.L. [9)]	Romania	7.27	--
PACKETA GROUP s.r.o. (Formerly CUBE TOPCO s.r.o.) [10)]	Czech Republic	35.00	35.00
MAILFINISH a.s[11)]	Czech Republic	45.00	--
GTB GLOBAL BUSINESS S.A. [12)]	Romania	49.50	--

[1)] As at 31 December 2023, the whole investment in this associated group was disclosed as asset held for sale. During 2024, the Group disposed its shareholding interest.

[2)] Home Furniture Group GmbH fully-owned three subsidiaries: Küchen Quelle Holding GmbH, Island Labs GmbH and Küchen Quelle GmbH. All entities reside in Germany. The associated group is currently in insolvency proceeding.

[3)] In 2023, the Group acquired 49% in KERMAS ISTRA d.o.o. (including its fully owned subsidiaries KERMAS ISTRA HOTELI d.o.o., KERMAS ISTRA NAUTIKA d.o.o., KERMAS ISTRA SERVICE d.o.o.).

[4)] PRATI ME d.o.o. includes the fully owned subsidiaries NAZOVI ME d.o.o., BAZZAR MARKETPLACE RS d.o.o., "Bazzar" d.o.o.

[5)] Direct ownership interest of PROFARM S.A. in PHARMANET A.E. equals 29% and PROFARM S.A. exercises significant influence over this entity, therefore, PHARMANET A.E. is treated as associate and consolidated as equity-accounted investee.

[6)] Including its subsidiary ERMIONIDA S.A. (direct ownership interest 95.87%) residing in Greece.

[7)] Including its fully owned subsidiaries. ENTAIN HOLDINGS (CEE) Ltd acquired in 2023, 100% ownership interest in STS Holdings S.A. (including its fully owned subsidiaries STS S.A., STS Gaming Group Limited, STS BET Limited, Betsys s.r.o. and Betsys Poland Sp. z.o.o.). On August 2024, STS Holdings S.A merged with STS S.A. In addition, ENTAIN HOLDINGS (CEE) Ltd acquired in 2023 from the Group 100% ownership interest in SPORTICON DEVELOPMENT s.r.o. and also , ENTAIN HOLDINGS (CEE) Ltd has 100% ownership in EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries SUPERSPORT d.o.o., MINUS5 d.o.o., PUNI BROJ d.o.o. and SUPERSPORT MARKETING d.o.o.).

[8)] Direct ownership interest of ALIVE CAPITAL S.A. equals 40% and ALIVE CAPITAL S.A exercises significant influence over this entity, therefore, BRASOV RENEWABLES S.R.L. is treated as associate and consolidated as equity-accounted investee.

[9)] In 2024, ALIVE RENEWALBE HOLDING LIMITED acquired 20% oownership interest in SOLAR ENERGY PRODUCTION S.R.L. ALIVE RENEWALBE HOLDING LIMITED exercises significant influence over this entity, therefore, SOLAR ENERGY PRODUCTION S.R.L. is treated as associate and consolidated as equity-accounted investee.

[10)] In 2024, CUBE TOPCO s.r.o. was renamed to PACKETA GROUP s.r.o. In March 2023, CUBE MIDCO a.s. was established and PACKETA holds a direct ownership of 95.48% via ordinary shares and 99.59% via preference shares. CUBE MIDCO a.s acquired 100% in CUBE BIDCO s.r.o. which acquired 100% of PACKETA s.r.o. (including Packeta International s.r.o., Packeta Fintech s..r.o., Packeta Innovations, s.r.o, Zasikonva s.r.o.,trayto a.s., Packeta eCommerce GhbH, Packeta Romania S.r.l., Packeta Hungary Kft., Packeta Slovakia s.r.o., Packeta Poland sp. z.o.o.,Packeta Adriatic d.o.o.). In June 2024, CUBE BIDCO s.r.o acquired 100% of CUBE HUNGARY BIDCO kft and subsequently 100% of FOXPOST Zrt which became a wholly owned subsidiary of CUBE HUNGARY BIDCO kft. On 1 December 2024, PACKETA s.r.o was merged with CUBE BIDCO s.r.o. and renamed to PACKETA s.r.o.

[11)] The entity was created on 1 January 2024 as a result of the demerger of MAIL STEP a.s. EMMA ALPHA HOLDING LIMITED had at this date 90% ownership interest. On 30 April 2024, EMMA ALPHA HOLDING LIMITED disposed of 45% of this entity and consolidated as equity-accounted investee.

[12)] On 30 December 2024, EMMA ALPHA GAMMA LIMITED disposed of 17.50% of issued capital of this entity and consolidated as equity-accounted investee.

1. Description of the Group (continued)

Acquisitions in 2024

On 4 January 2024, a new entity called ALIVE WIND POWER ONE S.R.L. ("AWPO") was incorporated, being 65% owned by Premier Energy PLC and 35% by OMNIA Capital BV, with the aim of acquiring an already built 18 MW wind plant with an additional 8 MW of a wind plant development. The closing of the asset deal acquisition occurred on 15th of April 2024. The wind power plant assets acquired are composed of the following:

- Wind power plants in operation:

CEE SERV 1 comprised of 4 wind turbines, with a total installed power capacity of 8 MW
CEE SERV 2 comprised of 3 wind turbines, with a total installed power capacity of 6 MW
CEE EXACTECH comprised of 2 wind turbines, with a total installed power capacity of 4 MW

- Additional wind power plants in development:

1 wind turbine (foundation stage) with a total approved power capacity of 2 MW
3 wind turbines (foundations stage) with a total approved power capacity of 6 MW

and all are located near the town of Dranceni, Vaslui County, Romania with a normalized annual production of the assets in operation of approximately 45,000 MWh/year. The fair value of the net assets in the total amount of TEUR 19,214 were acquired.

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

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of the asset:

	Note	TEUR
Property, plant and equipment	8	19,639
Decommissioning provision		(425)
Total identifiable net assets acquired		**19,214**
Consideration, paid in cash		(19,214)
Gain on bargain purchase (+)		**--**
Cash effect on acquisition		
Consideration, paid in cash		(19,214)
Cash acquired		--
Net cash outflow		**(19,214)**

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 31 January 2024, the Group's subsidiary MPFH D.O.O. BEOGRAD – NOVI BEOGRAD acquired a 100% stake in MAGNA PHARMACIA D.O.O. BEOGRAD - NOVI BEOGRAD, a company incorporated under the laws of the Republic of Serbian.

The total consideration for the acquisition of the company amounted to TEUR 130,000. The fair value of the net assets acquired amounted to TEUR 113,208. As a result of this transaction, goodwill at the amount of TEUR 16,792 was recognised. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss.

The total consideration of TEUR 130,000 for the acquisition of MAGNA PHARMACIA D.O.O. BEOGRAD – NOVI BEOGRAD was financed through a combination of bank loans and shareholder loans (provided by EMMA ALPHA HOLDING LTD and the former shareholder of MAGNA PHARMACIA D.O.O. BEOGRAD – NOVI BEOGRAD).

MAGNA PHARMACIA D.O.O. BEOGRAD - NOVI BEOGRAD is one of the largest distributors of medical equipment and technology not only in Serbia, but also in the whole of Southeastern Europe. The Group's effective ownership is 65% and the acquisition was completed to ensure increased strategic diversity of investment portfolio.

For the period between the acquisition date and 31 December 2024, the entity contributed revenue of TEUR 139,077 and profit before tax of TEUR 27,004 to the Group's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been higher by TEUR 10,099 and consolidated profit before tax would have been higher by TEUR 2,718.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of MAGNA PHARMACIA D.O.O. BEOGRAD - NOVI BEOGRAD:

	Note	TEUR
Intangible assets	7	92,653
Property, plant and equipment	8	14,072
Trade and other receivables	12	40,284
Other assets (financial and non-financial)	14	1,145
Inventories	13	11,801
Deferred tax asset	23	25
Cash and cash equivalents	9	18,997
Trade and other payables	21	(46,069)
Lease liabilities	8	(5,753)
Deferred tax liabilities	23	(13,947)
Total identifiable net assets acquired		**113,208**
Consideration, paid in cash		(130,000)
Goodwill (-)		**(16,792)**

Cash effect on acquisition	
Consideration, paid in cash	(130,000)
Cash acquired	18,997
Net cash outflow	**(111,003)**

Following the above acquisition, EMMA ALPHA HOLDING LTD as seller disposed of 35% of the shares in EMMA ZETA LTD (shareholder of MPFH D.O.O. BEOGRAD – NOVI BEOGRAD) to the former shareholder of MAGNA PHARMACIA D.O.O. BEOGRAD - NOVI BEOGRAD, for the consideration of TEUR 105. As a result of the transaction EMMA ALPHA HOLDING LTD's indirect holding decreased its ownership interest from 100% to 65% without any change in control, as follows:

	TEUR
Non-controlling interests disposed of	(102)
Consideration received	105
Disposal effect recognised in equity (+)	**3**

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 15 April, the Group acquired a 100% stake in PREMIER ENERGY FURNIZARE S.A. (formerly CEZ VANZARE S.A.), an electricity and natural gas supply business providing approximately 3.2 GWh of annual electricity and natural gas to its primarily household and small business clients.

The consideration for the business amounted to TEUR 20,404. Total net assets with the fair value of TEUR 34,547 were acquired. Gain on bargain purchase in the amount of TEUR 14,143 was recognised as a result of this transaction due to a well negotiated acquisition by the management of the Group.

For the period between the acquisition date and 31 December 2024, the entity PREMIER ENERGY FURNIZARE S.A. (formerly CEZ VANZARE S.A.) contributed revenue of TEUR 296,654 and profit before tax of TEUR 28,719 to the Group's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been higher by TEUR 103,941 and consolidated profit before tax would have been higher by TEUR 1,044.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of PREMIER ENERGY FURNIZARE S.A.:

	Note	TEUR
Intangible assets	7	271
Property, plant and equipment	8	390
Trade and other receivables	12	139,368
Other assets (financial and non-financial)	14	2,364
Inventories	13	1,968
Deferred tax asset	23	3,011
Cash and cash equivalents	9	10,356
Trade and other payables	21	(30,316)
Other liabilities	22	(59,312)
Lease liabilities	8	(398)
Bank overdrafts	9	(30,981)
Provisions	26	(1,722)
Current income tax liabilities		(452)
Total identifiable net assets acquired		**34,547**
Consideration, paid in cash		(20,404)
Gain on bargain purchase (+)		**14,143**

Cash effect on acquisition	
Consideration, paid in cash	(20,404)
Cash acquired	10,356
Bank overdrafts	(30,981)
Net cash outflow	**(41,029)**

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 30 July 2024, the Group acquired a 100% stake in PREMIER WIND 80 S.R.L. (formerly EOLICA DOBROGEA ONE S.R.L.), a wind power plant with an installed capacity of 80 MW comprised of 40 wind turbines, built on several plots of land, with a total surface of 2,896,505 sqm and 4,995 sqm related to the electric substation, located in Mihai Viteazu village, Romania. The total estimated annual electricity production from the plant is approximately 170 GWh. The company owns production license no. 1117 from 31 October 2012, with 25 years validity and an accreditation for the renewable scheme support no. 2800, issued on 31 December 2012 and valid until 31 December 2026.

The consideration for the acquisition of the company amounted to TEUR 96,816, including TEUR 8,516 as deferred consideration should the company receive any refund compensation from the Romanian state for the cancellation or suspension of the Romanian windfall tax legislation which was paid up until 31 December 2023.

Total net assets with a fair value of TEUR 102,817 were acquired, comprised mainly of the wind park assets, grid connection assets and related green certificates. The total net assets acquired also include the value of TEUR 8,516 as part of income tax receivable related to the aforementioned potential refund for windfall tax payments made up to 31 December 2023. Gain on bargain purchase in the amount of TEUR 6,001 was recognised as a result of this transaction due to a well negotiated acquisition by the management of the Group.

For the period between the acquisition date and 31 December 2024, the entity PREMIER WIND 80 S.R.L. (formerly EOLICA DOBROGEA ONE S.R.L.) contributed revenue of TEUR 2,444 and profit before tax of TEUR 599 to the Group's results.

The acquisition was completed due to the Group's strategic growth initiative within the renewables electricity generation sector. Total acquisition-related costs were TEUR 1,400 and are recognised within the line Services and material expenses.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of PREMIER WIND 80 S.R.L.:

	Note	**TEUR**
Intangible assets	7	2,991
Property, plant and equipment	8	80,675
Trade and other receivables	12	768
Income tax receivable		10,911
Other assets (financial and non-financial)	14	786
Green certificates	15	12,705
Inventories	13	721
Cash and cash equivalents	9	9,553
Trade and other payables	21	(519)
Lease liabilities	8	(2,991)
Other liabilities	22	(3,391)
Provisions	26	(3,362)
Deferred tax liabilities	23	(6,030)
Total identifiable net assets acquired		**102,817**
Consideration, paid in cash		(88,300)
Deferred consideration		(8,516)
Gain on bargain purchase (+)		**6,001**

Cash effect on acquisition	
Consideration, paid in cash	(88,300)
Cash acquired	9,553
Net cash outflow	**(78,747)**

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 29 August 2024, the entity TORRO TEC LIMITED acquired a 100% direct stake (corresponding with an effective Group ownership of 60%) in the entity LAOLA GMBH, registered in Siegburg, for the total purchase price of TEUR 1,135. Goodwill in the amount of TEUR 948 was recognized as a result of this transaction.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of LAOLA GMBH:

	Note	TEUR
Property, plant and equipment	8	2
Trade and other receivables	12	76
Cash and cash equivalents	9	187
Trade and other payables	21	(24)
Other liabilities	22	(62)
Provisions	26	(56)
Total identifiable net assets acquired		**123**
Consideration, paid in cash		(1,135)
Goodwill (-)		**(1,012)**
Cash effect on acquisition		
Consideration, paid in cash		(1,135)
Cash acquired		187
Net cash outflow		**(948)**

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 15 November 2024, the entity EMMA SIGMA LIMITED acquired a 100% direct stake in the Croatian entity OVALIS NOVA D.O.O. for the total purchase price of TEUR 2,262. Goodwill in the amount of TEUR 3,922 was recognized as a result of this transaction.

For the period between the acquisition date and 31 December 2024, the entity contributed revenue of TEUR 1 and loss before tax of TEUR 64 to the Group's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been higher by TEUR 772 and consolidated profit before tax would have been lower by TEUR 208.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of OVALIS NOVA D.O.O.:

	Note	TEUR
Property, plant and equipment	8	5,662
Trade and other receivables	12	659
Cash and cash equivalents	9	94
Interest-bearing loans and borrowings	18	(7,741)
Trade and other payables	21	(334)
Total identifiable net assets acquired		**(1,660)**
Consideration, paid in cash		(2,262)
Goodwill (-)		**(3,922)**

Cash effect on acquisition	
Consideration, paid in cash	(2,262)
Cash acquired	94
Net cash outflow	**(2,168)**

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 16 September 2024, the Group's subsidiary EMMA LAMBDA LIMITED acquired a 100% stake in STRATUM ENERGY ROMANIA, LLC (acting by its branch in Romania, Stratum Energy Romania LLC, Wilmington Sucursala Bucuresti), a Delaware limited liability company for USD 1 consideration. As part of the transaction EMMA LAMBDA LIMITED acquired TEUR 116 919 of face value loans for a total consideration of TEUR 23 576 and simultaneously capitalized TEUR 93 343 into the registered capital and share premium of STRATUM ENERGY ROMANIA, LLC. STRATUM ENERGY ROMANIA, LLC owns direct ownership interest of 100% in its subsidiaries STRATUM PRODUCTION ROMANIA, LLC and STRATUM CONSTRUCT ROMANIA S.R.L.The fair value of the net assets acquired amounted to TEUR 10,642. Gain on bargain purchase in the amount of TEUR 10,642 was recognised as a result of this transaction. Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss.

For the period between the acquisition date and 31 December 2024, the entity contributed revenue of TEUR 5,524 and profit before tax of TEUR 705 to the Group's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been higher by TEUR 13,168 and consolidated profit before tax would have been lower by TEUR 13,934.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed, at the date of acquisition of STRATUM ENERGY ROMANIA, LLC:

	Note	**TEUR**
Intangible assets	7	10,339
Property, plant and equipment	8	31,558
Trade and other receivables	12	442
Other assets (financial and non-financial)	14	592
Inventories	13	452
Deferred tax asset	23	3,314
Cash and cash equivalents	9	2,874
Trade and other payables	21	(1,718)
Due to non-banks	18	(32,631)
Current income tax liability		(1,194)
Lease liabilities	8	(313)
Other liabilities	22	(393)
Provisions	26	(2,680)
Total identifiable net assets acquired		**10,642**
Consideration, paid in cash		(--)
Gain on bargain purchase (+)		**10,642**

Cash effect on acquisition	
Consideration, paid in cash	(--)
Cash acquired	2,874
Net cash inflow	**2,874**

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On January 2024, PROFARM S.A. acquired (directly) 55% of shares in PHARMA GROUP MESSENIA S.A., PHARMA GROUP ACHAIA S.A. and PHARMA GROUP ARGOLIDA S.A., operating within the pharmaceutical business segment, for the purchase price of TEUR 4,500, TEUR 5,500 and TEUR 500, respectively. Based on the agreement, PROFARM S.A. increased its share capital by issuing additional 51.205 new shares which were subscribed by the shareholders of the companies PHARMA GROUP MESSENIA S.A. and PHARMA GROUP ACHAIA S.A. and were paid for through contributions of the shares they currently hold in these companies.

Goodwill in the amount of TEUR 4,506 was recognized as a result of this transaction. The fair value of the total net assets acquired was TEUR 10,901 were acquired, and the fair value of the total non-controlling interest was TEUR 4,906 as at acquisition date.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition of PHARMA GROUP MESSENIA S.A., PHARMA GROUP ACHAIA S.A. and PHARMA GROUP ARGOLIDA S.A.:

	Note	PHARMA GROUP MESSENIA S.A.	PHARMA GROUP ACHAIA S.A.	PHARMA GROUP ARGOLIDA S.A.	Total
		TEUR	TEUR	TEUR	TEUR
Intangible assets	7	40	1	--	41
Property, plant and equipment	8	384	495	132	1,011
Investment property		381	--	1,231	1,612
Trade and other receivables	12	13,385	9,579	4,036	27,000
Inventories	13	3,851	3,813	1,282	8,946
Deferred tax asset	23	555	55	419	1,029
Cash and cash equivalents	9	1,825	1,283	40	3,148
Interest-bearing loans and borrowings	18	(4,206)	(3,600)	(2,018)	(9,824)
Lease liabilities	8	(140)	(13)	(46)	(199)
Trade and other payables	21	(8,095)	(8,490)	(4,835)	(21,420)
Other liabilities	22	(55)	(76)	(5)	(136)
Current income tax liabilities		(117)	(169)	(21)	(307)
Total identifiable net assets acquired		**7,808**	**2,878**	**215**	**10,901**
Non-controlling interest (on fair value of net assets)		(3,514)	(1,295)	(97)	(4,906)
Consideration, paid in cash		(4,500)	(5,500)	(500)	(10,500)
Goodwill (-)		**(206)**	**(3,917)**	**(382)**	**(4,505)**
Cash effect on acquisition					
Consideration, paid in cash		(4,500)	(5,500)	(500)	(10,500)
Cash acquired		1,825	1,283	40	3,148
Net cash outflow		**(2,675)**	**(4,217)**	**(460)**	**(7,352)**

1. Description of the Group (continued)

Acquisitions 2024 (continued)

On 29 November 2024, the Group acquired 100% share in the entity ELTEPROD WIND S.R.L., a company owning 16,238 sq. meters of land near the town of Stefan Voda, Republic of Moldova, for a total purchase price of TEUR 227. The Group is currently analyzing whether to develop an 8 MW wind plant on the owned land. The acquisition was completed due to the Group's strategic growth initiative within the renewable energy generation sector. The transaction was treated as an asset deal and therefore no goodwill or gain on bargain purchase was recognised.

Total acquisition-related costs were immaterial and are recognised within the line Services and material expenses, in the profit or loss. For the one month ended 31 December 2024, the entity ELTEPROD WIND S.R.L. did not contribute any revenue or profit before tax to the Group's results.

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

	Note	TEUR
Property, plant and equipment	8	227
Total identifiable net assets acquired		**227**
Consideration, paid in cash		(227)
Goodwill (-)/Gain on bargain purchase (+)		**-**
Cash effect on acquisition		
Consideration, paid in cash		(227)
Cash acquired		-
Net cash outflow		**(227)**

During 2024, ALIVE CAPITAL D.O.O BEOGRAD received capital contributions from its shareholders and as a results non-controlling interest at the amount of TEUR 638 was recognised. ALIVE CAPITAL KFT and ALIVE RENEWABLE HOLDING LIMITED increased their share capitals and as a results non-controlling interest was recognised at the amounts of TEUR 188 and TEUR 417, respectively. Finally, non-controlling interest at the amount of TEUR 12 was recognised from the Moldovan subsidiary NAVITAS ENERGY S.R.L.

1. Description of the Group (continued)

Acquisitions in 2024 (continued)

On 20 December 2024, the Group's ALIVE RENEWABLE HOLDING LIMITED subsidiary acquired 90% stake in the entity DEVELOPMENT POWER SOLAR ENERGY S.R.L., a Company which is preparing the development of a photovoltaic park in the area of Stalpu village, Buzau County, Romania, designed to have installed capacity of 38MWp + 8 MWh storage.

The purchase price consists of the amount of TEUR 4,718 plus an additional deferred consideration of TEUR 2,890. The fair value of the net assets acquired was TEUR 8,087 and the fair value of the non-controlling interest was TEUR 479 as at acquisition date. The acquisition was completed due to the Group's strategic growth initiative within the renewable energy 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 DEVELOPMENT POWER SOLAR ENERGY S.R.L.:

	Note	**TEUR**
Intangible assets	7	9,002
Property, plant and equipment	8	1,676
Other assets (financial and non-financial)	14	10,228
Cash and cash equivalents	9	65
Trade and other payables	21	(97)
Other liabilities	22	(10,360)
Lease liabilities	8	(1,172)
Interest-bearing loans and borrowings – non-banks	18	(343)
Deferred tax liabilities	23	(912)
Total identifiable net assets acquired		**8,087**
Non-controlling interest (on fair value of net assets)		**(479)**
Consideration, paid in cash		(4,718)
Deferred consideration		(2,890)
Goodwill (-)/Gain on bargain purchase (+)		**--**
Cash effect on acquisition		
Consideration, paid in cash		(4,718)
Cash acquired		65
Net cash outflow		**(4,653)**

1. Description of the Group (continued)

Disposals in 2024 (continued)

On 1 January 2024, MAIL FINISH A.S. was established as a result of the division (spin-off) of the company MAIL STEP A.S., by splitting off part of the assets of the company MAIL STEP A.S., as a divided company, with the creation of the new company MAIL FINISH A.S. After the completion of the spin-off EMMA ALPHA HOLDING LTD owned 90% of MAIL FINISH A.S.'s share capital.

On 30 April 2024, EMMA ALPHA HOLDING LTD sold its 50% shareholding interest in MAIL FINISH A.S. (representing 45% of issued share capital) for a consideration of TEUR 1,591 (TCZK 40,500). Following the completion of the disposal, EMMA ALPHA HOLDING LTD's shareholding interest decreased from 90% to 45%. The remaining interest is accounted for as an investment in an equity-accounted investee using the equity method.

The following table summarises the effect of disposal of the MAIL FINISH A.S.:

	Note	TEUR
Intangible assets	7	(85)
Property, plant and equipment	8	(3,515)
Trade and other receivables	12	(1,206)
Inventories	13	(287)
Cash and cash equivalents	9	(60)
Interest-bearing loans and borrowings	18	199
Trade and other payables	21	1,059
Lease liabilities	8	3,297
Provisions	26	6
Identifiable net assets disposed of		**(592)**
Translation reserve reclassified to profit or loss		(9)
Goodwill derecognised		(4,425)
Non-controlling interest derecognised		59
Recognition of equity accounted investee (Note16)		2,213
Total identifiable net assets disposed of		**(2,754)**
Consideration, received in cash		1,591
Consideration total		**1,591**
Loss resulting from disposal of subsidiaries (-)		(1,163)
Cash effect on disposal		
Consideration, received in cash		1,591
Cash (disposed of)		(60)
Net cash (inflow)		**1,531**

1. Description of the Group (continued)

Disposals in 2024

On 30 December 2024, EMMA GAMMA LIMITED entered into a Share Purchase Agreement for the disposal of 175,000 shares held in the GTB GLOBAL BUSINESS S.A. group, representing 17.5% of the issued share capital, for a consideration of TEUR 6,572. Completion of the transaction is subject to certain conditions precedent. Although regulatory approval was still pending as of year-end, all material aspects of the transaction (resolutions, signed agreement, payments) had been effectively completed, with only administrative formalities remaining. As a result, EMMA GAMMA LIMITED lost control over GTB GLOBAL BUSINESS S.A. group, and its shareholding decreased from 67% to 49.5%. The remaining interest is accounted for as an investment in an equity-accounted investee using the equity method.

The following table summarises the effect of disposal of the GTB GLOBAL BUSINESS S.A Group.:

	Note	TEUR
Intangible assets	7	(315)
Property, plant and equipment	8	(8,308)
Trade and other receivables	12	(3,135)
Inventories	13	(447)
Loans receivables	11	(39)
Deferred expenses and prepayments		(3,017)
Cash and cash equivalents	9	(9,812)
Interest-bearing loans and borrowings	18	5,356
Trade and other payables	21	5,814
Current income tax liability		990
Lease liabilities	8	5,587
Deferred tax liabilities	23	91
Identifiable net assets disposed of		**(7,235)**
Translation reserve reclassified to profit or loss		(15)
Goodwill derecognised		(13,499)
Non-controlling interest derecognised		2,387
Recognition of equity accounted investee (Note16)		18,588
Total identifiable net liabilities disposed of		**226**
Consideration, received in cash		6,572
Consideration total		**6,572**
Gain resulting from disposal of subsidiaries (+)		**6,798**
Cash effect on disposal		
Consideration, received in cash		6,572
Cash (disposed of)		(9,812)
Net cash (outflow)		**(3,240)**

1. Description of the Group (continued)

Other Acquisitions and Disposals in 2024

On 11 January 2024, the Group's indirect subsidiary company PROFARM S.A. increased its share capital by issuing an additional 51.205 new shares at the total price of TEUR 5,000 (including premium). As a result, the ownership interest of EMMA KAPPA LIMITED held in PROFARM S.A. was diluted from 59.92% to 52.73%. On 21 February 2024, EMMA KAPPA LIMITED acquired from PROFARM'S minority shareholders 12.988 shares at the total consideration price of TEUR 1,127. As a result, the ownership interest of EMMA KAPPA LIMITED was increased to 55.77%. The transactions with non-controlling interest described above resulted in a net increase of the non-controlling interest TEUR 3,031.

On 20 February 2024, the Company as buyer and non-controlling shareholder as seller entered into a share purchase agreement whereby the Company acquired 10% shares in MAIL STEP A.S. for a consideration of TEUR 4,168 (TCZK 106,000) and become a sole shareholder of MAIL STEP A.S. without any change in control as follows:

	TEUR
Non-controlling interests acquired	276
Consideration transferred	(4,168)
Acquisition effect recognised in equity (-)	**(3,892)**

On 23 February 2024, EMMA ZETA LIMITED subscribed to the entire share capital of a newly formed entity MAGNA PHARMACIA D.O.O. PODGORICA for an amount of EUR 1. On 6 June 2024, MAGNA PHARMACIA D.O.O. PODGORICA increased its shared capital by TEUR 100. The capital contribution was subscribed to by EMMA ZETA LIMITED.

On 28 May 2024, PREMIER ENERGY PLC completed an IPO on the Bucharest Stock Exchange (BVB) by raising both primary and secondary proceeds. The offering was carried out between 8 and 15 May and it was the first mixed IPO on the BVB, meaning that out of the 35.9 million shares sold, 25 million were newly issued shares, 6.25 million shares were sold by the sole shareholder, EMMA ALPHA HOLDING LTD, while 4.7 million shares were overallocated and sold by the sole shareholder. As a result, EMMA ALPHA HOLDING LTD's ownership interest in PREMIER ENERGY PLC decreased from 99.99% to 71.25% without any change in control as follows:

	TEUR
Non-controlling interests disposed of	(135,509)
Consideration received	131,267
Disposal effect recognised in equity (-)	**(4,242)**

On 26 August 2024, the Group increased its shareholding in TRUE ENERGY MANAGEMENT S.R.L. from 60% to 75% by purchase of 15% ownership interest from non-controlling shareholder for the total purchase price of TEUR 1,667, as follows:

	TEUR
Non-controlling interests acquired	784
Consideration transferred	(1,667)
Acquisition effect recognised in equity (-)	**(883)**

1. Description of the Group (continued)

Other Acquisitions and Disposals in 2024 (continued)

On 25 October 2024, EMMA ALPHA HOLDING LTD decreased its shareholding in DANDELION HEALTHCARE, a.s. without any change in control, from 80% to 41% by dispose of 39% ownership interest for the total purchase price of TEUR 20 (TCZK 500), as follows:

	TEUR
Non-controlling interests disposed of	(4,481)
Consideration received	20
Disposal effect recognised in equity (-)	**(4,461)**

During 2024, following the satisfaction of all relevant conditions the associate company CUBE BIDCO S.R.O. completed the acquisition of 100% shares in PACKETA S.R.O., a company that operates as a global digital e-commerce platform. The Czech entity PACKETA s.r.o. owns 100% in its subsidiaries PACKETA INTERNATIONAL S.R.O., PACKETA FINTECH S.R.O., PACKETA INNOVATIONS S.R.O, ZASIKONVA S.R.O.,Trayto A.S., PACKETA ECOMMERCE GHBH, PACKETA ROMANIA S.R.L., PACKETA HUNGARY KFT., PACKETA SLOVAKIA S.R.O., PACKETA POLAND SP. Z.O.O.,PACKETA ADRIATIC D.O.O., CUBE HUNGARY BIDCO KFT and FOXPOST ZRT. Following the acquisition, CUBE BIDCO S.R.O. and PACKETA S.R.O. have been merged. On 22 March 2024, the Company and the other shareholder of PACKETA GROUP S.R.O. (formerly CUBE TOPCO S.R.O.) entered into a joint venture agreement pursuant to which all decisions about the relevant activities require the unanimous consent of the parties sharing control. For the acquisition, EMMA ALPHA HOLDING LTD contributed PACKETA GROUP S.R.O. (formerly CUBE TOPCO S.R.O.) the total amount of TEUR 118,187.

On 26 April 2024, EMMA ALPHA HOLDING LTD entered into a Sale and Purchase Agreement for the disposal of 100% of MAIL STEP A.S. (together with its subsidiary companies MAILSHIP S.R.L. and MAILSHIP SINGLE MEMBER P.C.) to PACKETA GROUP S.R.O. However, on 14 February 2025, the two parties agreed to terminate the transaction, and EMMA ALPHA HOLDING LTD returned the advance payment received in respect of the sale. As of year-end 2024, the consideration for the disposal had not been determined, and EMMA ALPHA HOLDING LTD retained control and voting rights over MAIL STEP A.S. and its subsidiaries throughout the entire year.

In 2024, the Group received an additional consideration of TEUR 62,695 in connection with a share purchase agreement, entered into in 2022, under which EMMA GAMMA LIMITED sold its 100% shareholding in EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries SUPER SPORT d.o.o., MINUS5 d.o.o., PUNI BROJ d.o.o. and SUPERSPORT MARKETING d.o.o.) to its associate ENTAIN HOLDINGS (CEE) Ltd. As at 31 December 2024, an amount of TEUR 17,421 is still receivable and included within the financial assets at fair value through profit or loss in Note 10.

1. Description of the Group (continued)

Acquisitions in 2023

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

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

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

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

	Note	**TEUR**
Intangible assets	7	218
Property, plant and equipment	8	19,044
Trade and other receivables	12	96
Other assets (financial and non-financial)	14	34
Deferred tax asset	23	35
Cash and cash equivalents	9	4
Interest-bearing loans and borrowings – non-banks	18	(41)
Lease liabilities	8	(217)
Other liabilities	22	(9,044)
Provisions	26	(319)
Deferred tax liabilities	23	(1,600)
Total identifiable net assets acquired		**8,210**
Non-controlling interest (on fair value of net assets)		**(1,642)**
Consideration, paid in cash		(3,280)
Gain on bargain purchase (+)		**3,288**

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

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

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

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

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

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

Cash effect on acquisition	
Consideration, paid in cash	(1,710)
Cash acquired	4
Net cash outflow	**(1,706)**

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

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

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

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

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

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

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

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

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

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

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

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

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

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

Cash effect on acquisition	
Consideration, paid in cash	(1,911)
Cash acquired	78
Net cash outflow	**(1,833)**

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

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

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

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

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

Cash effect on acquisition	
Consideration, paid in cash	(2,397)
Cash acquired	1
Net cash outflow	**(2,396)**

1. Description of the Group (continued)

Disposal in 2023 (continued)

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

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

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

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

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

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

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

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

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

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

The Group has contractually agreed (refer also to Note 35, Related party transactions) the future acquisition of 10% in ARESSU HOLDING LIMITED from the non-controlling shareholder of ARESSU HOLDING LIMITED in 2027. As it was agreed before 31 December 2023, the transaction was accounted for in accordance with present-access method and the advance paid in total amount of TEUR 2,000 corresponding with the future transaction price was recognised with the corresponding entry to other reserves within equity attributable to the owners of the Company (refer also to Note 25, Equity) whereas the non-controlling interest remained unchanged within total equity.

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

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

1. Description of the Group (continued)

Acquisitions in 2023 (continued)

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

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

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

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

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

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

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

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

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

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

(b) Basis of measurement

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

(c) Presentation and functional currency

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

The following exchange rates were used during translations:

Date	Closing exchange rate MDL/EUR	Average exchange rate MDL/EUR for the 12-month period
31 December 2024	19.3106	19.2533
31 December 2023	19.3574	19.6431

Date	Closing exchange rate RON/EUR	Average exchange rate RON/EUR for the 12-month period
31 December 2024	4.9743	4.9746
31 December 2023	4.9756	4.9467

Date	Closing exchange rate HUF/EUR	Average exchange rate HUF/EUR for the 12-month period
31 December 2024	411.35	395.30
31 December 2023	382.80	381.85

Date	Closing exchange rate RSD/EUR	Average exchange rate RSD/EUR for the 12-month period
31 December 2024	117.015	117.087
31 December 2023	117.174	117.245

Date	Closing exchange rate CZK/EUR	Average exchange rate CZK/EUR for the 12-month period
31 December 2024	25.185	25.120
31 December 2023	24.724	24.004

Date	Closing exchange rate BGN/EUR	Average exchange rate BGN/EUR for the 12-month period
31 December 2024	1.9558	1.9558
31 December 2023	1.9558	1.9558

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

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 1: acquisition of subsidiary- FV of net assets acquired, gain on bargain;
- Note 1: consolidation – whether the Group has control over an investee;
- Note 7: impairment test of goodwill and fixed assets;
- Note 8: determining the fair value of gas distribution network on the basis of significant unobservable inputs;
- Note 27: own use exemption application for forward contracts;
- Note 27: unbilled electricity consumption.

Information about climate-related matters in estimates and assumptions, please refer to Material accounting policy 3u of the consolidated financial statements.

Assumption and estimation uncertainties

- The Group concludes Purchase Power Agreements with renewable energy producers, covering all type of renewable energy from solar, wind, mycrohidro and biomass. These contracts typically cover the whole production capacity of the assets for a predetermined period (1 to 3 years), with the electricity being paid as produced, in exchange for a price either fixed, as the majority of the contracts, or pre-determined % of market price;
- The Group is facing the risk of imbalances from these contracts, resulting from the inherent nature of the green energy production, which cannot be exactly predicted due to variable weather conditions and other external factors. As a result of these imbalances the Group needs to sell the excess of energy supplied on a Day Ahead Market ("DAM") at the moment of the delivery, for the market price prevailing at the moment of the sale. As such, the timing and price of these sales is not under control of the Group and does not represent an intentional trading to benefit from short term market price fluctuations. In these situations the market price is typically lower in comparison to price obtained from end customer since also other market participants are hit by the same external factors leading to sales of excess supply. In addition, to achieve balance between portfolio of bilateral contracts, consumption forecast and availability of generation units at hourly level for the delivery day, the Group can also be in a position to buy the energy, usually, at a higher price per MWh, as these purchases occur in the moment when the market is short on energy;
- The Group constantly monitors, on monthly averages, the volume of these sales in comparison to total sales in order to reassess that these are not significant and are still consistent with the own use exemptions. In addition to this the Group monitors the impact of these sales on the profit or loss. In 2024 and 2023 both volume of sales and impact on the profit or loss were assessed as not significant and consistent with own use intention. The Group is actively managing the risk of imbalances mainly by structure of contracts concluded with renewable energy producers and continuous improvement of predictive capacity based on data collected from the suppliers;
- The Group considers transactions entered into with the aim of balancing electricity amounts purchased and sold to be part of an integrated energy group's ordinary activities; therefore, such contracts are not within the scope of IFRS 9;
- The Group is facing a risk of potential future more significant sales of excess supplies due to unpredictable external factors linked mainly to weather conditions and will continuously assess the appropriate classification of these contracts to identify cases where own use intention can no longer be sustained.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Fair values of financial instruments

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

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

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

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For the information on fair value determination of gas distribution networks refer to Note 8 Property, plant and equipment and for the information on the financial assets at FVTPL refer to Note 10, Financial assets.

Fair values of non-financial assets and liabilities

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

(e) Basis of consolidation

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

2. Basis of preparation (continued)

(e) Basis of consolidation (continued)

(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) Interest in equity-accounted investees and joint ventures

Equity-accounted investees are enterprises in which the Group has significant influence, but not control, over the financial and operating policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The consolidated financial statements include the Group’s share of the total recognised gains and losses of associates and joint ventures on an equity accounted basis, from the date on which significant influence and joint control effectively commences until the date on which significant influence and joint control effectively ceases. Under equity method, an investment in an associate and a joint venture 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 and joint venture. When the Group’s share of losses exceeds the Group’s interest in the associate and the joint venture, 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 associates and joint ventures.

(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)

(e) 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.

(f) Comparative financial information

The Group has amended presentation of commissions paid to the franchise partners as a direct cost (Cost of goods sold / Cost of services provided) rather than as finance expenses as previously reported. Consequently, the comparative financial information has been amended.

3. Material accounting policies

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

a) Foreign currency

(i) Foreign currency transactions

A foreign currency transaction is a transaction that is denominated in or requires settlement in a currency other than the functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. Transactions in foreign currencies are translated into the respective currencies of Group companies at the exchange rates at the dates of the transactions.

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). Foreign currency differences arising on translation of non-monetary items measured at fair value are treated in line with the recognition of the gain or loss on the change in fair value of the item.

(ii) Financial information of foreign operations

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

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

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

b) Cash and cash equivalents

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

The Group has classified cash with contractual restrictions on its use under cash and cash equivalents because the Group has access and can withdraw these funds at any time without penalty.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

3. Material accounting policies (continued)

c) Financial assets and liabilities

(i) Classification

Financial assets

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

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

Financial liabilities

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

(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 the 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.

3. Material accounting policies (continued)

c) Financial assets and liabilities (continued)

(iii) Measurement

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.

(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 market observable prices) or indirectly (i.e. derived from market observable 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.

3. Material accounting policies (continued)

(vii) Identification and measurement of expected credit losses

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

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

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

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

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

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 180 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.

3. Material accounting policies (continued)

c) Financial assets and liabilities (continued)

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

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.

(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. Material 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).

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

Gas forward contracts that do not meet the definition of own use exemptions are accounted for as financial derivatives.

d) Intangible assets

Goodwill and gain on bargain purchase

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is stated at cost less accumulated impairment losses (refer to Note 7).

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

Software and other intangible assets

Software and other intangible assets such as trademarks, licences, projects rights etc that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

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

3. Material accounting policies (continued)

e) Property, plant and equipment

Property, plant and equipment comprise the electricity distribution network, the gas distribution network, other constructions for materials storage purposes, technical equipment and cars, furniture and office equipment as well as assets in the course of construction.

Recognition and measurement

The property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, except for gas distribution networks. The cost of a property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use.

The Group classifies developed well and production assets for which the production has started into "Oil and gas assets" in Property, plant and equipment. Production costs, including those costs incurred to operate and maintain wells and related equipment and other costs of operating and maintaining those wells and related equipment and facilities, are expensed as incurred.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

Depreciation

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

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

Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Oil and gas assets are depreciated using the unit of production method as management considers that the depreciation of

3. Material accounting policies (continued)

e) Property, plant and equipment (continued)

Depreciation (continued)

the operating assets should be allocated on a systematic basis which reflects the pattern in which the asset is used in production.

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

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

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

Disposal

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

f) Leases – the entity acting as a lessee

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

The Group acting as a lessee recognizes a right-of-use asset and the related lease liability in the statement of financial position with the following exceptions:

- 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, Depreciation and amortization.

Lease liability

At the commencement date, a lease liability is initially measured at the present value of the lease payments, which 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 a change in its future lease payments (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 included in line, Lease liabilities.

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

3. Material accounting policies (continued)

g) Impairment for non-financial assets

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

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

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Trade and other receivables

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

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

i) Inventories

Inventories consist mainly of: gas pipes, gas meters, regulators, fittings and other materials and consumables used for constructing connections, utility installations and gas network extensions. These materials are recorded in inventories when purchased and then expensed as appropriate, when consumed.

Inventories are measured at the lower of cost and net realizable value. The valuation method of inventories is the weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Where necessary, an allowance is made for slow moving and obsolete inventories in order to arrive at the net realizable value. Obsolete or defective inventories are provided for in full or written-off.

The value of the gas inventories (gas stored in underground facilities operated by third parties) includes only the gas molecule, as provided on the invoice.

3. Material accounting policies (continued)

j) Green certificates

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. The deferred green certificates existing in the opening balance at the acquisition date were measured at fair value at the business combination date. The cost of green certificates is based on the first-in-first-out acquisition cost principle.

Producers of green energy

Green certificates are received by the Group based on the production levels of certain of its renewable electricity generation assets in Romania. Green certificates are recognized at fair value, in accordance with IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance," when the energy producer is entitled to receive them. The related income is recognized in the profit or loss in line “Other income”. The Group sells received green certificates on the spot market and in the combined market. The buyers obtain control over the green certificates when the transaction is recorded by the market operator in its electronic register. In case of the spot market, the invoices are issued on the transaction date, and the payment term is within 3 financial days. In case of the combined market, the green certificate invoices are issued in 20 days and have a payment term of 5 financial days. Income is recognized at a specific point in time, when the control over the green certificates is transferred as a difference between value at recognition and the final selling price in the profit or loss in line “Other income.

Suppliers of electricity

Electricity suppliers are required by law to purchase a number of green certificates each year, which they bill to consumers based on the amount of energy supplied to such customers. The equivalent value of the green certificates invoiced to the final customers is registered in “Revenue”. The derecognition of the green certificates is included in the profit or loss in “Cost of electricity, gas and transportation”, if the Group has not acquired the necessary number of green certificates to reach the provisional quota or the final annual one, the Group recognizes the amount necessary to acquire the green certificates for fulfilling the quota in “Other liabilities”.

k) 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. Share premium

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

iii. Dividends

Dividends on share capital are recognised as a liability provided, they are approved by the shareholders. Dividends distributions to the Company's shareholders are recognised in the Group’s financial statements in the year in which they are approved. Dividends declared after the end of the reporting period are not recognised as a liability but are disclosed in the notes.

iv. Non-controlling interests

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

v. Translation reserve

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

3. Material accounting policies (continued)

k) Equity (continued)

vi. *Other reserves*

Other reserves include legal reserves and capital reserves as described below:

Legal reserve

The legal reserve represents the amount required by the states in which the Company´s subsidiaries operate to protect companies themselves against future financial losses.

Capital reserve

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

vii. *Redeemable preference shares*

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

viii. *IPO expenses*

Costs directly attributable to the issuance of new shares are recognised directly in equity, while costs related to the listing of existing shares are expensed as incurred. When the Company simultaneously lists existing equity and issues new shares, the total IPO costs are allocated between the newly issued and existing shares on a rational basis (e.g., by reference to the ratio of the number of new shares to the number of total shares), with only the proportion relating to the issue of new shares being deducted from equity.

l) Other financial liabilities

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

m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

n) Deferred income

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

o) Related parties

Parties are considered related when one party, either through ownership, contractual rights, family relationship or otherwise, has the ability to directly or indirectly control, significantly influence or jointly control the other party. Related parties include both other entities and natural persons, such as shareholders that have control or a significant influence, members of the Group's key personnel and close members of their families.

p) Revenues

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

- 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.

3. Material accounting policies (continued)

p) 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 certain electricity from renewable sources benefit from green certificates for each MWh produced and delivered to the national energy system.

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

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

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

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

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

Revenues from the sale and distribution of natural gas

Supply and distribution of natural gas

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

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

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

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

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

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

3. Material accounting policies (continued)

p) Revenues (continued)

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

Supply and distribution of natural gas (continued)

Construction revenue

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

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

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

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

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

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

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

Gas sale-purchase contracts

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

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

Contracts to buy or sell gas that are entered into and continue to be held for receipt or delivery in accordance with the Group's normal expected purchase, sale or usage requirements - meaning that the gas is intended to be delivered to final consumers or for balancing activities with delivery within 1-2 days ("own use exemption"), are accounted as executory contracts. Revenues are recognised over time as the customer receives and consumes simultaneously the benefits resulting from the performance of the obligation by the entity.

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

3. Material accounting policies (continued)

p) Revenues (continued)

Revenues from the sale and distribution of electricity

Supply and distribution of electricity

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

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

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

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

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

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

Revenues from betting activities

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

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

Revenue from pharmaceutical products

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

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

Revenue from medical/pharmaceutical equipment and related services

Revenues are reported at invoice value, less any given discounts, returns, taxes and other duties. Revenues are recognized at the moment when the goods are delivered to the customer, that is, when all risks based on the delivered goods are transferred to the customer. Revenues from services are recognized when the service is performed. For services performed over a longer period, revenues are recognized in proportion to the degree of completion.

Revenue from sale of gas and condensate to third parties

Revenue from gas sales 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. The invoicing of gas sales is performed at the end of each month. Monthly gas invoices are based on meter readings.

Revenue from condensate is recognised at a point in time when the goods are delivered and have been accepted by customers at their premises. Customers obtain control of condensate when the goods are accepted at their premises. Invoices are issued withing 5 business days after the end of the delivery month. The payment term is 15 days after the end of the delivery month.

3. Material accounting policies (continued)

q) Finance 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.

r) 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.

s) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in 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.

The Group has determined that the Global minimum top-up tax which is required to pay under Pillar Two legislation is an income tax in the scope of IAS 12. Refer to Note 34 for further details.

3. Material accounting policies (continued)

t) Common control transactions

Where the entities of the Group are involved in transactions, including business combinations, with other entities under common control (i.e. entities under common control of the same parent or the same controlling party or parties), the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, have been considered and the following accounting policy has been developed.

The acquirer in a common control transaction should use either of the following in its consolidated financial statements:

• book value (carry-over basis) accounting on the basis that the investment has simply been moved from one part of the group to another; or

•IFRS 3 accounting on the basis that the acquirer is a separate entity in its own right and should not be confused with the economic group as a whole.

The chosen accounting policy should be applied consistently to all similar common control transactions. The Group made the election to apply the pooling of interests method. The assets and liabilities acquired are recognised at the carrying amounts of the acquiree (i.e. value at cost as at the date of acquisition less accumulated depreciation and/or potential impairment). The difference between fair value of consideration transferred in the acquisition and net assets acquired is recognised directly in equity.

In the consolidated financial statements, the acquirer is permitted to re-present its comparatives and adjust its current reporting period before the date of the transaction as if the combination had occurred before the start of the earliest period presented. However, this restatement should not extend to periods during which the entities were not under common control. The Group have opted to restate the comparative information, since all entities were always under the common control of parent entity.

In case of transactions which do not qualify as business combinations, if a standard requires the transaction to be recognised initially at fair value, it must be measured at that fair value regardless of the actual consideration. In all other cases, where there is a difference between the fair value and the consideration after having taken account of all goods or services being provided, the entities of the Group opted to recognise the transaction at the actual consideration stated in any agreement related to the transaction.

Acquisition under common control which is a combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the acquisition, and that control is not transitory. Such acquisitions are excluded from the scope of IFRS 3.

u) Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures. Currently, the Group concluded that the useful life of property, plant and equipment has not impacted from climate-related matters.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. The Group has concluded that no single climate-related assumption is a key assumption for the 2024 test of goodwill, however the Group monitors and considers the future expectations in assessing value-in-use amounts.
- Decommissioning liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning.

3. Material accounting policies (continued)

v) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

w) Subsidies

Subsidies related to revenue are recognized on a systematic basis, during the period in which the expenses corresponding to these subsidies have been recognized. Subsidies that compensate the Company for the expenses incurred are recognized in the profit or loss account systematically in the same periods in which the expenses are recognized and are presented in the profit account under other operating income. The revenues from operating subsidies that compensate the Company for the reduction in turnover are presented in the profit and loss account as part of the other operating income.

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

As from 1 January 2024, 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 financial statements.

y) New accounting pronouncements- Standards issued but not yet effective

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 2024. 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) Standards issued but not yet effective, adopted by EU

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

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

(ii) Standards issued but not yet effective, not adopted by EU

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments have not yet been endorsed by the EU. However, management estimates that it will not have a material effect on the financial statements.

3. Material accounting policies (continued)

y) New accounting pronouncements- Standards issued but not yet effective (continued)

(ii) Standards issued but not yet effective, not adopted by EU (continued)

- **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. The standard has not yet been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date. The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The standard has not yet been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

- **Annual Improvements to IFRS Accounting Standards – Volume 11**

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. The standard has not been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

3. Material accounting policies (continued)

y) New accounting pronouncements- Standards issued but not yet effective (continued)

(ii) Standards issued but not yet effective, not adopted by EU (continued)

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

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 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. The amendments have not yet been endorsed by the EU. Management will analyse the requirements of this newly issued standard and assess its impact.

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 is 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.

4. Financial risk management (continued)

Other risks related to operational activities

(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 (refer to Note 17, Provisions).

(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 resource, and to preserve the natural ecological balance. During the 1st half of 2021, the Group implemented full scale of Environmental, Social and Governance (ESG) policies and guidelines throughout the organization. In the years 2024 and 2023, the Group was neither involved in major incidents related to environment pollution, nor sued for damages to the environment.

(c) Tax investigations

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

The Romanian tax system is undergoing a consolidation process and is being harmonized with the European legislation. Different interpretations may exist at the level of the tax authorities in relation to the tax legislation that may result in additional taxes and penalties payable. Where the Romanian State authorities have findings from reviews relating to breaches of the tax legislation and related regulations, these may result in: confiscation of the amounts in case; additional tax liabilities being payable; fines and penalties. As a result, the fiscal penalties resulting from breaches of the legal provisions may result in a significant amount payable to the State.

Tax audits in Moldova consist of detailed verifications of the accounting records of the tax payers. Such audits sometimes take place after months, even years, from the dates liabilities are established. Consequently, companies may be found liable for significant taxes and fines. Moreover, tax legislation is subject to frequent changes and the authorities demonstrate inconsistency in the interpretation of the law. Income tax returns may be subject to revisions and corrections by tax authorities, generally for the 4-year period after they are completed.

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.

4. Financial risk management (continued)

Credit risk

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

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

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

The receivables are divided by counterparties and are allocated to the responsible person overseeing each case. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, trading history with the Group and existence of previous financial difficulties.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period between 30 and 60 days.

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 developments 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 75,129 (2023: TEUR 50,117). The tables below provide a detailed analysis of the Group's exposure to credit risk.

Loans - Due from non-banks	2024	2023
	TEUR	TEUR
Stage I – Carrying amount	75,129	50,117
Stage III – Credit impaired	--	--
Total carrying amount	**75,129**	**50,117**

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). The non-rated category includes well-known bank institutions with reliable creditworthiness, assessed based on internal evaluations of their financial health, capital adequacy, and other key factors. Bank balances and bank deposits are measured at 12-month ECL:

	2024	2023
Cash at bank	TEUR	TEUR
A1	3	417
Aa3	49,138	2,991
Ba3	3	--
Baa1	25,848	6,443
Baa2	1,842	9,113
Baa3	--	8,429
Non-rated	49,748	90,448
Total cash at bank	**126,582**	**117,841**
Cash on restricted accounts		
Baa3	130	--
Non-rated	87	505
Total cash on restricted accounts	**217**	**505**
Demand deposits		
Non-rated	53,159	125,385
Total demand deposits	**53,159**	**125,385**
Deposits with restricted access		
Baa1	--	267
Baa3	32	--
Non-rated	13,178	8,179
Total deposits with restricted access	**13,210**	**8,446**
Total cash at bank, demand deposits and deposits with restricted access	**193,168**	**252,177**

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.

	2024	2023
	TEUR	TEUR
Bulgaria	289	1,390
Cyprus	62,581	143,654
Czech Republic	3,940	4,341
Greece	19,009	13,347
Croatia	3,076	5,395
Italy	183	69
Moldova	1,455	40,926
Malta	1,378	696
Romania	55,945	40,662
Hungary	906	266
Serbia	44,319	1,326
Slovakia	--	105
Montenegro	87	--
	193,168	**252,177**

The significant decrease in Cyprus is due to the reduction of the demand deposits of EMMA ALPHA HOLDING LTD. The decrease in Moldova is attributable to a reduction in the bank balances of the Moldovan entity, I.C.S. Premier Energy S.R.L. In Serbia, the increase is due to acquisition of the subsidiary, MAGNA PHARMACIA D.O.O. - NOVI BEOGRAD.

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.

2024	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Total**
	(Stage I)	**(Stage II)**	**(Stage III)**	
	TEUR	**TEUR**	**TEUR**	**TEUR**
Gross provided loans – low risk grade	92,598	--	1,880	94,478
Loss allowances	(17,469)	--	(1,880)	(19,349)
Net provided loans	**75,129**	**--**	**--**	**75,129**

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

4. Financial risk management (continued)

Credit risk (continued)

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 2024, the ageing analysis of trade receivables, contract assets and other assets is detailed as follows:

2024	Current (not past due)	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-360 days past due	360+ past due	Total
Trade receivables	262,644	31,702	3,208	1,420	1,596	2,261	25,823	**328,654**
Contract assets*	--	--	--	--	--	--	--	**--**
Other financial assets**	63,462	24,575	9,811	11,289	41,577	30,664	774	**182,152**
Total balance	**326,106**	**56,277**	**13,019**	**12,709**	**43,173**	**32,925**	**26,597**	**510,806**
Loss allowance	(3,328)	(472)	(60)	(44)	(2,609)	(3,576)	(21,814)	**(31,903)**
Weighted average loss rate	**1.02%**	**0.84%**	**0.46%**	**0.35%**	**6.04%**	**10.86%**	**82.02%**	**6.25%**
Credit-impaired	No	No	No	No	No	Yes	Yes	

* Contract assets excluding Group's rights for network construction works not completed by the reporting date, refer to Note 27.

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

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

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

* Contract assets excluding Group's rights for network construction works not completed by the reporting date, refer to Note 27.

** 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 2024 and 31 December 2023, 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.

2024

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	181,655	2,860	--	--	--	--	184,515
Restricted cash	75	142	--	--	--	--	217
Restricted deposits	3,320	2,893	5,651	877	469	--	13,210
Financial assets at FVTPL	--	--	22,909	--	--	--	22,909
Loans - Due from non-banks	103	3,314	34,118	33,426	4,168	--	75,129
Trade and other receivables	242,969	39,953	14,383	1,681	780	--	299,766
Other assets*	1,711	51,877	122,902	779	1,868	--	179,137
Subtotal non-derivative instrument	**429,833**	**101,039**	**199,963**	**36,763**	**7,285**	**--**	**774,883**
Total financial assets	**429,833**	**101,039**	**199,963**	**36,763**	**7,285**	**--**	**774,883**

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

2024

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	2,515	15,092	62,812	--	--	--	80,419
Due to non-banks	68	34	20,404	9,825	18,303	--	48,634
Due to banks and other financial institutions	646	13,250	79,459	301,826	78,999	--	474,180
Lease liabilities	1,493	1,011	5,971	19,578	8,481	--	36,534
Bonds issued	--	--	--	--	6,680	--	6,680
Financial liabilities at FVTPL	--	--	155	26,898	--	--	27,053
Trade payables	98,343	50,493	30,748	807	88	--	180,479
Other financial liabilities**	60,039	48,296	13,369	3,162	5	--	124,871
Subtotal financial liabilities	**163,104**	**128,176**	**212,918**	**362,096**	**112,556**	**--**	**978,850**
Total financial liabilities	**163,104**	**128,176**	**212,918**	**362,096**	**112,556**	**--**	**978,850**
Net position	**266,729**	**(27,137)**	**(12,955)**	**(325,333)**	**(105,271)**	**--**	**(203,967)**

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

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual maturity analysis (continued)

2023

TEUR	Less than 30 days	31-90 days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial Assets							
Cash and cash equivalents	246,678	--	--	--	--	--	246,678
Restricted cash	108	397	--	--	--	--	505
Restricted deposits	1,879	2,435	1,324	2,303	505	--	8,446
Financial assets at FVOCI	--	--	--	--	--	1	1
Financial assets at FVTPL	--	--	28,031	986	--	--	29,017
Loans - Due from non-banks	85	264	11,545	33,975	4,248	--	50,117
Trade and other receivables	115,073	37,328	7,813	704	95	1,326	162,339
Other assets*	1,165	550	8,240	337	782	13,345	24,419
Subtotal non-derivative instrument	**364,988**	**40,974**	**56,953**	**38,305**	**5,630**	**14,672**	**521,522**
Total financial assets	**364,988**	**40,974**	**56,953**	**38,305**	**5,630**	**14,672**	**521,522**

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

2023

TEUR	Less than 30 days	31-90 Days	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Carrying amount
Non-derivative financial liabilities							
Bank overdrafts	5	--	11,137	269	--	--	11,411
Due to non-banks	20	794	239,975	24,987	--	--	265,775
Due to banks and other financial institutions	2,415	3,444	72,028	257,216	25,559	--	360,662
Lease liabilities	213	816	6,414	16,198	4,233	--	27,874
Bonds issued	--	--	--	-	6,680	--	6,680
Financial liabilities at FVTPL	117	187	--	8,250	--	--	8,554
Trade payables	64,557	21,299	15,459	7	--	56	101,378
Other financial liabilities**	10,261	8,156	2,837	2,831	48	3	24,136
Subtotal financial liabilities	**77,588**	**34,696**	**347,850**	**309,758**	**36,520**	**59**	**806,470**
Total financial liabilities	**77,588**	**34,696**	**347,850**	**309,758**	**36,520**	**59**	**806,470**
Net position	**287,400**	**6,278**	**(290,897)**	**(271,453)**	**(30,890)**	**14,613**	**(284,948)**

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

4. Financial risk management (continued)

Liquidity risk (continued)

Contractual 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.

2024	**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	19,051	65,532	--	--	84,583	**80,419**
Due to non-banks	704	22,143	14,965	19,827	57,639	**48,634**
Due to banks and other financial institutions	21,107	101,056	391,199	110,542	623,904	**474,180**
Lease liabilities	2,927	7,241	25,137	22,456	57,761	**36,534**
Bonds issued	--	--	--	7,910	7,910	**6,680**
Financial liabilities at FVTPL	--	155	26,898	--	27,053	**27,053**
Trade and other payables	148,836	30,748	807	88	180,479	**180,479**
Other financial liabilities*	108,335	13,369	3,162	6	124,872	**124,871**
Subtotal non-derivative instruments	**300,960**	**240,244**	**462,168**	**160,829**	**1,164,201**	**978,850**
Total financial liabilities	**300,960**	**240,244**	**462,168**	**160,829**	**1,164,201**	**978,850**

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

4. Financial risk management (continued)

Liquidity risk (continued)

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

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

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

4. Financial risk management (continued)

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, RSD and MLD.

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

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

4. Financial risk management (continued)

Market risk (continued)

Interest rate gap position based on re-pricing dates

2024

TEUR	**Effective interest rate**	**Floating interest rate** **Less than 3 months**	**3 months to 1 year**	**1 to 5 years**	**Fixed interest rate or Non specified**	**Total**
Interest-bearing financial assets						
Cash and cash equivalents	2.22%	59,130	--	--	125,385	**184,515**
Restricted cash	0.00%	--	--	--	217	**217**
Restricted deposits	0.00%	--	--	--	13,210	**13,210**
Due from non-banks	3.82%	--	3,113	--	72,016	**75,129**
Total interest-bearing financial assets	**--**	**59,130**	**3,113**	**--**	**210,828**	**273,071**
Interest-bearing financial liabilities						
Bank overdraft	7.72%	11,898	65,797	--	2,724	**80,419**
Due to non-banks	4.97%	--	--	--	48,634	**48,634**
Due to banks and other financial institutions	6.10%	33,695	405,085	--	35,400	**474,180**
Lease liabilities	5.69%	--	--	--	36,534	**36,534**
Bonds issued	8.00%	--	--	--	6,680	**6,680**
Total interest-bearing financial liabilities	--	**45,593**	**470,882**	**--**	**129,972**	**646,447**
Total net position		**13,537**	**(467,769)**	**--**	**80,856**	**(373,376)**

4. Financial risk management (continued)

Market risk (continued)

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

2023

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	2.22%	121,293	--	--	125,385	**246,678**
Restricted cash	0.00%	--	--	--	505	**505**
Restricted deposits	0.00%	--	--	--	8,446	**8,446**
Due from non-banks	3.67%	--	--	--	50,117	**50,117**
Total interest-bearing financial assets	**--**	**121,293**	**--**	**--**	**184,453**	**305,746**
Interest-bearing financial liabilities						
Bank overdraft	7.19%	780	10,357	--	274	**11,411**
Due to non-banks	5.32%	--	91,150	--	174,625	**265,775**
Due to banks and other financial institutions	7.21%	31,804	287,954	--	40,904	**360,662**
Lease liabilities	5.40%	--	--	--	27,874	**27,874**
Bonds issued	8.00%	--	--	--	6,680	**6,680**
Total interest-bearing financial liabilities	**--**	**32,584**	**389,461**	**--**	**250,357**	**672,402**
Total net position	**--**	**88,709**	**(389,461)**	**--**	**(65,904)**	**(366,656)**

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 2024 and 31 December 2023 and a simplified scenario of a 100bp change in interest rates is shown:

	Total effect on equity 2024 TEUR	Total effect on equity 2023 TEUR
Effect of 100bp decrease in interest rate	5,165	4,220
Effect of 100bp increase in interest rate	(5,165)	(4,220)

4. Financial risk management (continued)

Market risk (continued)

Foreign currency position

2024

TEUR	EUR	USD	CZK	RON	RSD	MDL	Other	Total
Non-derivative financial assets								
Cash and cash equivalents	61,209	106	1,483	74,910	44,565	1,278	964	**184,515**
Restricted cash	142	--	--	75	--	--	--	**217**
Restricted deposits	1,469	--	--	11,104	637	--	--	**13,210**
Financial assets at FVTPL	22,909	--	--	--	--	--	--	**22,909**
Loans - Due from non-banks	72,950	7	1,758	107	5	302	--	**75,129**
Trade and other receivables	81,556	--	6,393	160,594	27,052	22,972	1,199	**299,766**
Other assets*	15,132	--	85	161,736	--	1,703	481	**179,137**
Subtotal non-derivative instruments	**255,367**	**113**	**9,719**	**408,526**	**72,259**	**26,255**	**2,644**	**774,883**
Derivative financial assets	--	--	--	--	--	--	--	**--**
Total financial assets	**255,367**	**113**	**9,719**	**408,526**	**72,259**	**26,255**	**2,644**	**774,883**

	EUR	USD	CZK	RON	RSD	MDL	Other	Total
Non-derivative financial liabilities								
Bank overdraft	9,667	--	223	70,529	--	--	--	**80,419**
Due to non-banks	38,648	9,659	167	160	--	--	--	**48,634**
Due to banks and other financial institutions	419,462	27,143	6,269	1,610	--	19,696	--	**474,180**
Lease liabilities	26,896	--	157	--	--	--	--	**27,053**
Bonds issued	22,433	--	7,180	5,433	--	--	1,488	**36,534**
Financial liabilities at FVTPL	6,680	--	--	--	--	--	--	**6,680**
Trade and other payables	89,742	64	6,413	55,689	12,831	15,485	255	**180,479**
Other liabilities**	38,280	2,705	413	79,539	990	2,698	246	**124,871**
Subtotal non-derivative instruments	**651,808**	**39,571**	**20,822**	**212,960**	**13,821**	**37,879**	**1,989**	**978,850**
Total financial liabilities	**651,808**	**39,571**	**20,822**	**212,960**	**13,821**	**37,879**	**1,989**	**978,850**
Net position	**(396,441)**	**(39,458)**	**(11,103)**	**195,566**	**58,438**	**(11,624)**	**655**	**(203,967)**

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

4. Financial risk management (continued)

Market risk (continued)

Foreign currency position (continued)

2023

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

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

4. Financial risk management (continued)

Market risk (continued)

Foreign currency 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 2024 and 31 December 2023 and a simplified scenario of a 5% change in USD, CZK, RON, RSD and MDL to EUR exchange rates is shown below:

	Total effect on equity and profits and loss 2024 TEUR	Total effect on equity and profits and loss 2023 TEUR
Effect of 5% USD depreciation against EUR	1,973	2,483
Effect of 5% USD appreciation against EUR	(1,973)	(2,483)
Effect of 5% CZK depreciation against EUR	555	478
Effect of 5% CZK appreciation against EUR	(555)	(478)
Effect of 5% RON depreciation against EUR	(9,778)	(4,172)
Effect of 5% RON appreciation against EUR	9,778	4,172
Effect of 5% RSD depreciation against EUR	(2,922)	--
Effect of 5% RSD appreciation against EUR	2,922	--
Effect of 5% MDL depreciation against EUR	581	(1,466)
Effect of 5% MDL appreciation against EUR	(581)	(1,466)

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 balancing the reasonable ratio between its capital and external acquisition and/or holding financing. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholder.

5. Operating environment

Volatility in global financial markets

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

Operating environment of the Group

The Group currently operates in Croatia, Romania, Moldavia, Greece, Slovakia, Bulgaria, Serbia, Malta and the Czech Republic and some other markets through its investments in subsidiaries and associates. Consequently, the Company is exposed to risks that originate from the operating and economic environments in these jurisdictions. Generation, distribution and supply of electricity activities and distribution and supply of gas are regulated both in Romania and Moldova, with rules for, among others, limits for end-prices, regulated tariffs, fixed permitted return on investments, mandatory network investment requirements, regulated size of the distribution networks, public services obligation, and access to end-consumers.

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

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

6. Fair values of financial instruments

Fair values of financial instruments

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

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

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

7. Intangible assets and Goodwill

	Goodwill	Software	Trademark	Right-of-use-assets	Other intangible assets	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Acquisition cost						
2023						
Balance as at 1 January 2023	171,851	15,170	6,288	5,935	29,462	228,706
Acquisitions through business combinations	2,120	262	--	217	4,616	7,215
Disposals out of the Group	--	(394)	--	--	--	(394)
Additions	--	6,405	2	222	766	7,395
Disposals	--	(30)	--	--	--	(30)
Transfer from/to other categories	--	6	--	(2,265)	11	(2,248)
Additions from internal development	--	--	--	--	1	1
Translation difference	(811)	(291)	(155)	(107)	(121)	(1,485)
Balance as at 31 December 2023	**173,160**	**21,128**	**6,135**	**4,002**	**34,735**	**239,160**
2024						
Balance as at 1 January 2024	173,160	21,128	6,135	4,002	34,735	239,160
Acquisitions through business combinations	26,231	317	4,191	2,991	107,798	141,528
Disposals out of the Group	(26,003)	(411)	--	--	(319)	(26,733)
Other adjustments	--	1,547	--	--	--	1,547
Additions	--	6,230	--	30	719	6,979
Disposals	--	(215)	--	--	(36)	(251)
Transfer from/to other categories	--	(252)	--	--	223	(29)
Effect from merger during the year	(13,947)	--	--	--	--	(13,947)
Additions from internal development	--	1,381	--	--	--	1,381
Translation difference	(445)	(244)	(106)	--	135	(660)
Balance as at 31 December 2024	**158,996**	**29,481**	**10,220**	**7,023**	**143,255**	**348,975**
Accumulated amortization and impairment						
2023						
Balance as at 1 January 2023	(4,923)	(5,227)	(314)	(473)	(1,798)	(12,735)
Charge for the year	--	(3,989)	(632)	(358)	(2,129)	(7,108)
Impairment loss	(8,079)	--	--	--	--	(8,079)
Transfer from/to other categories	--	--	--	48	(13)	35
Translation difference	120	233	26	102	20	501
Balance as at 31 December 2023	**(12,882)**	**(8,983)**	**(920)**	**(681)**	**(3,920)**	**(27,386)**
2024						
Balance as at 1 January 2024	(12,882)	(8,983)	(920)	(681)	(3,920)	(27,386)
Disposals out of the Group	8,079	325	--	--	5	8,409
Other adjustments	--	(1,547)	--	--	--	(1,547)
Charge for the year	--	(5,193)	(954)	(461)	(10,316)	(16,924)
Disposals	--	213	--	--	(4)	209
Transfer from/to other categories	--	6	--	--	(6)	--
Translation difference	88	133	19	6	(3)	243
Balance as at 31 December 2024	**(4,715)**	**(15,046)**	**(1,855)**	**(1,136)**	**(14,244)**	**(36,996)**
As at 31 December 2023	**160,278**	**12,145**	**5,215**	**3,321**	**30,815**	**211,774**
As at 31 December 2024	**154,281**	**14,435**	**8,365**	**5,887**	**129,011**	**311,979**

7. Intangible assets and Goodwill (continued)

In 2024, the goodwill of TEUR 26,231 was recognised as a result of the business combinations (refer to Note 1) and is comprised of:

Goodwill recognised

- Goodwill of TEUR 16,792 resulting from acquisition of MAGNA PHARMACIA D.O.O. - NOVI BEOGRAD as of 31 January 2024. Following the merger with MPFH D.O.O – NOVI BEOGRAD on 31 December 2024, an amount of TEUR 13,947 was derecognized.
- Goodwill of TEUR 4,505 resulting from acquisition of PHARMA GROUP MESSENIA S.A., PHARMA GROUP ACHAIA S.A. and PHARMA GROUP ARGOLIDA S.A.
- Goodwill of TEUR 3,922 resulting from acquisition of OVALIS NOVA D.O.O.
- Goodwill of TEUR 1,012 resulting from acquisition of LAOLA GMBH.

Goodwill of TEUR 17,924 was derecognised as a result of business combinations in 2024 (refer to Note 1) and is comprised of:

Goodwill derecognised

- Goodwill of TEUR 13,499 resulting from disposal of GTB GLOBAL BUSINESS S.A.
- Goodwill of TEUR 4,425 resulting from disposal of MAIL FINISH A.S.

The goodwill of TEUR 2,120 recognised as a result of business combinations in 2023 (refer to Note 1) and is comprised of:

- Goodwill of TEUR 560 resulting from acquisition of DA VINCI NEW PROJECT S.R.L.
- Goodwill of TEUR 1,333 resulting from acquisition of PROGAZ P&D S.A.
- Goodwill of TEUR 227 resulting from acquisition of EASYBET SOLUTIONS S.R.L.

In 2024, acquisition of intangible assets through business combination and assets deal relates mainly to the acquisition of the Romanian subsidiaries DEVELOPMENT POWER SOLAR ENERGY S.R.L and STRATUM ENERGY ROMANIA LLC as well as the Serbian subsidiary MAGNA PHARMACIA D.O.O. -NOVI BEOGRAD, as described in Note 1. The acquired intangible assets are comprised mainly of project rights related to DEVELOPMENT POWER SOLAR ENERGY S.R.L., supplier relationship - exclusive contracts related to the acquisition of MAGNA PHARMACIA D.O.O. -NOVI BEOGRAD and concession agreements from the acquisition of STRATUM ENERGY ROMANIA LLC. Right-of-use assets related to PREMIER WIND 80 S.R.L. of TEUR 2,991.

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

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

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 2024 and 31 December 2023 and no adjustment is required.

7. Intangible assets and Goodwill (continued)

Determining whether goodwill is impaired requires an estimation of its recoverable amount. While the Group constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount, it believes that the Group's operations are not currently significantly exposed to physical risk and no single climate-related assumption has been considered as a key assumption for the year 2024 test of goodwill. The recoverable amount is based on the value in use calculations of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group and management to estimate the post-tax future cash flows expected to arise from the cash-generating units over the remaining life of the concession, primarily over the next 29 years, including both natural gas distribution and supply revenues and operating profits based on expectations of future outcomes taking into account past experience while adjusting for anticipated inflation-related revenue and cost growth and using a suitable pre-tax discount rate of 7.0% (2023: 9.6%) for the analysis performed as of 31 December 2024 and 31 December 2023 in order to calculate the present value. The average annual revenue growth rate over the 29-year period was flat. The discount rate was based on the 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specified cash generating unit of the Group.

For the renewable energy, the assessments require the use of different estimates and assumptions such as energy prices, discount rates, renewable energy production of our own or managed assets, growth rates as well as gross margins. The key estimates and assumptions used bear the risk of change due to the inherent volatile nature of various macro-economic factors and the uncertainty in asset or CGU specific factors like volume of the electricity sold correlated with the renewable energy production profiles, which can impact the recoverable amount of assets and/or CGUs. The margin assumptions used in impairment testing are based on management's best estimate and were consistent with prior year's results as well as with the external sources. Besides discount rates, the main valuation assumptions for the calculation of the recoverable amounts are the gross margin of the sale of electricity (being the differences between the electricity prices, the cost of electricity as well as imbalances) and the renewable energy production of the assets owned or managed by the Group. The assumptions used for the electricity prices are based on long term forecasting report prepared by ALEA Soft Energy Forecasting, considering specifics of local market as well as the correlation between the local and regional markets.

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

The Group carried out the impairment analysis and concluded that there were no impairments that should be recorded as at 31 December 2024.

8. Property, plant and equipment

2023	**Land and buildings**	**Electricity distribution network**	**Gas distribution networks**	**Vehicles and Other tangible assets and equipment**	**Tangible assets under construction**	**Right-of-use assets**	**Oil and gas asset (exploration and/or production)**	**Advance payments**	**Total**
	TEUR	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**	**TEUR**
Acquisition cost/revaluation									
Balance as at 1 January 2023	39,722	194,349	75,502	70,668	23,021	12,118	--	1,440	416,820
Acquisitions through business combinations	7,527	--	2,033	13,073	1,550	422	--	--	24,605
Acquisitions through asset deals	1,616	--	--	1,215	--	--	--	--	2,831
Disposals out of the Group	--	--	--	(7)	--	--	--	--	(7)
Additions	3,140	12,870	4,700	18,707	29,856	21,935	--	8,541	99,749
Disposals	(292)	(1,855)	---	(4,414)	(1,683)	(14)	--	(232)	(8,490)
Revaluation	--	--	10,295	--	--	--	--	---	10,295
Transfers	1,520	5,666	9,502	1,058	(17,066)	2,248	--	(680)	2,248
Translation differences	84	10,794	(1,586)	(105)	(35)	(338)	--	37	8,851
Balance as at 31 December 2023	**53,317**	**221,824**	**100,446**	**100,195**	**35,643**	**36,371**	**--**	**9,106**	**556,902**
2024									
Balance as at 1 January 2024	53,317	221,824	100,446	100,195	35,643	36,371	--	9,106	556,902
Acquisitions through business combinations	20,528	--	--	72,773	9,443	6,643	22,650	3,007	135,044
Acquisitions through asset deals	297	--	--	16,942	2,503	94	--	30	19,866
Disposals out of the Group	(16)	--	--	(13,184)	(43)	(8,131)	--	--	(21,374)
Additions	1,146	2,304	41	20,536	60,170	13,194	53	37,034	134,478
Disposals	(201)	(1,941)	--	(2,154)	(261)	(2,469)	--	(41,880)	(48,906)
Change in lease contracts conditions	(7,421)	11,699	23,672	33,818	(67,120)	68	5,313	--	29
Other adjustments	288	6,702	--	1,227	--	--	--	--	8,217
Translation differences	(1)	488	27	(189)	(7)	(160)	2	26	186
Balance as at 31 December 2024	**67,937**	**241,076**	**124,186**	**229,964**	**40,328**	**45,610**	**28,018**	**7,323**	**784,442**

8. Property, plant and equipment (continued)

2023	**Land and buildings**	**Electricity distribution network**	**Gas distribution networks**	**Vehicles and Other tangible assets and equipment**	**Tangible assets under construction**	**Right-of-use assets**	**Oil and gas asset (exploration and/or production)**	**Advance payments**	**Total**
Accumulated depreciation and impairment									
Balance as at 1 January 2023	(2,814)	(21,198)	(7,802)	(7,720)	(1,820)	(3,261)	--	--	(44,616)
Disposals out of the Group	--	--	--	(3)	--	--	--	--	(3)
Charge for the year	(1,986)	(9,051)	(3,894)	(8,880)	--	(4,584)	--	--	(28,395)
Impairment loss	--	--	--	--	(409)	--	--	--	(409)
Reversal of impairment losses	--		--	---	555	--	--	--	555
Disposals	86	1,832	--	3,066	--	--	--	--	4,984
Revaluation	--	--	309	--	--	--	--	--	309
Transfers	--	--	--	--	--	(35)	--	--	(35)
Translation difference	285	(1,514)	198	(839)	110	90	--	--	(1,670)
Balance as at 31 December 2023	**(4,429)**	**(29,931)**	**(11,190)**	**(14,370)**	**(1,564)**	**(7,790)**	**--**	**--**	**(69,274)**
2024									
Balance as at 1 January 2024	(4,429)	(29,931)	(11,190)	(14,370)	(1,564)	(7,790)	--	--	(69,274)
Disposals out of the Group	11	--	--	6,760	--	2,780	--	--	9,551
Charge for the year	(2,167)	(9,695)	(5,189)	(15,840)	--	(8,301)	(754)	--	(41,946)
Impairment loss	--	--	(74)	--	(35)	--	--	--	(109)
Disposals	128	1,904	--	1,327	--	1,777	--	--	5,136
Other adjustments	(288)	(6,702)	--	(1,227)	--	--	--	--	(8,217)
Transfers	349	27	--	(356)	--	(20)	--	--	--
Translation difference	2	(35)	(1)	43	--	38	--	--	47
Balance as at 31 December 2024	**(6,394)**	**(44,432)**	**(16,454)**	**(23,663)**	**(1,599)**	**(11,516)**	**(754)**	**--**	**(104,812)**
Carrying amount									
As at 31 December 2023	**48,888**	**191,893**	**89,256**	**85,825**	**34,079**	**28,581**	**--**	**9,106**	**487,628**
As at 31 December 2024	**61,543**	**196,644**	**107,732**	**206,301**	**38,729**	**34,094**	**27,264**	**7,323**	**679,630**

8. Property, plant and equipment (continued)

In 2024, acquisitions through business combinations and asset deals of TEUR 154,910 (2023: TEUR 27,436) relate mainly to the acquisition of the Romanian subsidiaries PREMIER ENERGY FURNIZARE S.A. (former CEZ Vanzare S.A.), PREMIER WIND 80 S.R.L., DEVELOPMENT POWER SOLAR ENERGY S.R.L., STRATUM ENERGY ROMANIA LLC and the Serbian subsidiary MAGNA PHARMACIA D.O.O. – NOVI BEOGRAD. Refer to note 1 for further details.

In 2024, disposal out of the Group relate to the disposal of GTB GLOBAL BUSINESS S.A. and MAIL FINISH A.S., as described in Note 1.

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

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

The Group carried out the assessment of estimated remaining useful lives and depreciation rates of property, plant and equipment as at 31 December 2024 and 31 December 2023 and no adjustment is required. Furthermore, the Group considers climate-related matters, including physical and transition risks in its assessment. The Group concluded that the useful lives of property, plant and equipment has not impacted from climate-related matters. For the useful life, refer to Note 3 (e).

The Group carried out the impairment indicators analysis and concluded that there were no impairment indicators as at 31 December 2024 and 31 December 2023.

For pledges on property, refer to Note 18, Loans and borrowings.

Fair value hierarchy

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

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

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

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

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

8. Property, plant and equipment (continued)

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

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

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

Leases

The right-of-use assets are recognised in accordance with IFRS 16 and are mainly represented by leased premises for betting shops in Croatia, by leased premises of Romanian offices and leased land for renewable production assets. As at 31 December 2024, the Group disclosed lease liabilities related to right-of-use assets for the total amount of TEUR 36,534 (2023: TEUR 27,874). Interest expense in respect to lease liabilities for the year 2024 amounted to TEUR 2,874 (2023: TEUR 1,255), refer also to Note 33. For more information, refer to Note 3 (f). For effective interest rate used and undiscounted cash flows, refer to Note 4. For reconciliation of movements of lease liabilities to cash flows arising from financing activities, refer to Note 18.

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

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

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

Short term leases and low value leases recognised as expenses in profit or loss for the year and disclosed in Note 28, Services and material expenses.

9. Cash and cash equivalents

	2024 TEUR	**2023 TEUR**
Current accounts	126,582	117,841
Cash on hand	580	1,742
Other cash equivalents	4,194	1,710
Demand deposits	53,159	125,385
Cash and cash equivalents in the statement of financial position	**184,515**	**246,678**
Bank overdrafts	(80,419)	(11,411)
Cash and cash equivalents in the statement of cash flows	**104,096**	**235,267**

Bank overdrafts are mainly attributable to the acquisition of PREMIER ENERGY FURNIZARE S.A. Bank overdrafts are pledged on bank current accounts.

As at 31 December 2024, the effective interest rate of bank deposits is 1.55% and 4% per annum and they have a maturity date less than a month.

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

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

10. Financial assets

Financial assets at amortised cost – deposits

	2024 TEUR	2023 TEUR
At 1st January	--	2,677
Acquisitions through business combinations	411	--
Additions	--	--
Withdrawals	(411)	(2,662)
Translation differences	--	(15)
Balance at 31st December	**--**	**--**

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

As at 31 December 2024, the Group held equity and debt instruments at fair value through profit or loss of TEUR 22,909 (2023: TEUR 29,017).

	2024 TEUR	2023 TEUR
At 1st January	**29,017**	**4,722**
Additions	34,278	23,468
Disposals	(43,312)	(112)
Gain/loss from the trading of equity and debt instruments (Note 33)	254	--
Net change in fair value of financial instruments (Note 33)	2,084	1,639
Accrued interest (Note 33)	224	57
Derecognition	--	--
Translation differences	364	(757)
Balance at 31st December	**22,909**	**29,017**
Equity instruments	--	28,031
Debt instruments	22,909	986
Balance at 31st December	**22,909**	**29,017**
Current	**22,909**	28,031
Non-current	**--**	986
Balance at 31st December	**22,909**	**29,017**

10. Financial assets (continued)

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

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Equity securities measured at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date. During the year, the Group made a profit from trading of equity securities at the total amount of TEUR 2,084 (2023: TEUR 1,639). No dividends were received from the investment in equity securities (2023 dividend: TEUR 183).

In addition, on 21 November 2024 and 2 December 2024, the Group acquired 2,660 and 3,775 units of JTSEC Financing III a.s. for a trade value of TEUR 1,996 and TEUR 2,837, respectively. As at 31 December 2024, the fair value of the acquired bonds amounted to TEUR 5,087. The Group designated these bonds as financial assets through profit or loss with the aim to maximize profits.

As of 31 December 2024, the Group recognised at fair value through profit or loss the dividend to be received at the amount of TEUR 17,421, under the agreement with ENTAIN HOLDINGS (CEE) Ltd regarding the sale of the shareholding in EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries) in 2022. The respective dividend was recognised in profit or loss in line "Gain from sale of investments in subsidiaries".

Financial assets at fair value through other comprehensive income

As at 31 December 2024, the Group did not have any equity securities at FVOCI.

	2024 TEUR	2023 TEUR
At 1st January	**1**	**7,492**
Transfer to equity accounted investee	--	(7,492)
Transfer from equity accounted investee	--	--
Acquisition	--	--
Change in fair value	--	--
Effects of movements in foreign exchange rate	(1)	1
Balance at 31st December	**--**	**1**

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

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

10. Financial assets (continued)

Restricted deposits and restricted cash

Restricted deposits

	2024 TEUR	2023 TEUR
Deposits with restricted access – current	11,864	5,638
Deposits with restricted access – non-current	1,346	2,808
Total	**13,210**	**8,446**

Restricted cash

	2024 TEUR	2023 TEUR
Cash on restricted bank accounts – current	217	505
Cash on restricted bank accounts – non-current	--	--
Total	**217**	**505**

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

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

11. Loans receivable

The Group has provided loans receivable to its related parties of TEUR 67,459 (2023: TEUR 23,798) (refer also to Note 35) and third parties of TEUR 7,670 (2023: TEUR 26,319) which are repayable as follows:

2024	**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	3.82%	3,417	34,118	33,426	4,168	--	**75,129**

2023	**Average interest rate**	**Less than 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5**	**Non-specified**	**Total TEUR**
Loans receivable	3.67%	349	11,545	33,975	4,248	--	**50,117**

As at 31 December 2024 and 31 December 2023, 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 2024, loss allowances related to loans receivable amounted to TEUR 19,349 (31 December 2023: TEUR 13,473).

As at 31 December 2024, loan receivable total balances from third parties of TEUR 6,077 (2023: TEUR 16,299) 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

	2024	2023
	TEUR	**TEUR**
Current	297,305	160,214
Non-current	2,461	2,125
Total	**299,766**	**162,339**

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

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

As at 31 December 2024 and 2023, 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

	2024	2023
	TEUR	**TEUR**
Goods/ merchandise for resale	41,949	16,746
Raw materials and consumables	733	751
Auxiliary materials	432	338
Gas stored held at third parties	17,348	25,098
Other	3,453	10,215
Total	**63,915**	**53,148**

Inventories are mainly represented by goods and materials related to gas distribution of Romanian companies (including gas stored at third parties), pharmaceutical goods inventory of Greek entities and medical and pharmaceutical equipment of the newly acquired company MAGNA PHARMACIA D.O.O. BEOGRAD – NOVI BEOGRAD.

The increase in good/merchandise is mainly attributable to the acquisition of MAGNA PHARMACIA D.O.O. BEOGRAD - NOVI BEOGRAD, which the Group recognised inventories in the amount of TEUR 11,801 as at acquisition date. The remaining amount relates to the increase in pharmaceutical goods inventory of Greek entities.

The Romanian entities pledged gas in storage as security for liabilities in amount TEUR 17,348 (2023: TEUR 25,099) (refer to Note 18).

In 2024 and 2023, the operating activities of the Group in gas and electricity segments are performed according to licenses for distribution of energy. The Group fulfilled all the legal obligations of gas stocked in underground storage in 2024 and 2023.

For details regarding expenses for raw materials and consumables, please refer to Note 28, information related to impairment loss is included in Note 32, Other operating expenses.

14. Other assets

	2024	2023
	TEUR	**TEUR**
Financial assets		
Other assets	179,137	24,419
Subtotal financial assets	**179,137**	**24,419**
Non-financial assets		
Advances to suppliers	4,695	8,525
Other tax receivables	19,857	7,200
Deferred expenses and prepayments	25,827	26,284
Other assets - non-financial	5,230	12,955
Subtotal non-financial assets	**55,609**	**54,964**
Total	**234,746**	**79,383**
Current	232,016	56,783
Non-current	2,730	22,600
Total	**234,746**	**79,383**

The significant increase in financial assets in 2024 is mainly attributable to the acquisition of PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.) related to government support schemes. As at 31 December 2024, the Group was owed over EUR 130 million in government support scheme receivables within the electricity supply business. The amounts from the Ministry of Energy and Ministry of Labor are expected to be received within a 12 months period and therefore the amount has been classified as current assets. In addition, the Group recognises financial assets due to the acquisition of DEVELOPMENT POWER SOLAR ENERGY S.R.L. in the amount of TEUR 10,228 as at acquisition date (see Note 1).

In 2024, the Group also entered into an agreement to purchase 8.88% stake in the Kazakhstani bank HOME CREDIT BANK JSC. As of 31 December 2024, the Group made an advance payment of TEUR 14,230, which is included within the financial assets. Refer to Note 17 for further details.

Deferred expenses and prepayments represent mainly advances paid to suppliers.

For the years 2024 and 2023, other non-financial assets mainly include gas delivery prepayments and guarantees for payment retained by the gas suppliers.

The increase in other tax receivables is mainly attributable to the acquisition of PREMIER WIND 80 S.R.L.as described in Note 1. As at acquisition date, the Group recognised other tax receivables in the amount of TEUR 10,911.

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.

15. Green certificates

	2024	2023
	TEUR	**TEUR**
Current	4,490	3,895
Non-current	9,988	1,090
Green certificates total	**14,478**	**4,985**

As at 31 December 2024, the increase in the value of green certificates is primarily attributable to the acquisition of PREMIER WIND 80 S.R.L. as described in Note 1. At the acquisition date, the Group recognised green certificates at the amount of TEUR 12,705.

16. Investments in equity-accounted investees and Joint ventures

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

	Type of equity method investment	Country of incorporation	Effective Ownership interest (%)		Carrying amount TEUR	
			2024	2023	2024	2023
HOME CREDIT N.V. (HOME CREDIT GROUP B.V.) [1)]	Associate	Netherlands	--	8.88		--
ENTAIN HOLDINGS (CEE) Ltd. [2)]	Associate	Malta	22.50	22.50	376,167	412,379
HOME FURNITURE GROUP GmbH [3)]	Associate	Germany	46.06	46.06	--	--
PHARMANET A.E.	Associate	Greece	16.17	17.38	50	50
NIKAPATZO LTD [4)]	Associate	Cyprus	24.02	24.02	6,144	5,349
KERMAS ISTRA d.o.o. [5)]	Associate	Croatia	49.00	49.00	11,260	10,007
BRASOV RENEWABLES S.R.L.	Associate	Romania	14.53	20.39	199	199
PRATI ME d.o.o. [6)]	Associate	Croatia	21.58	21.58	9,744	9,935
PACKETA GROUP S.R.O. (formerly CUBE TOPCO s.r.o) [7)]	Joint venture	Czech Republic	35.00	35.00	110,259	1
MAIL FINISH A.S.	Associate	Czech Republic	45.00	--	1,942	--
GTB GLOBAL BUSINESS S.A.	Associate	Romania	49.50	--	18,588	--
SOLAR ENERGY PRODUCTION S.R.L. [8)]	Associate	Romania	7.27	--	2,115	--
					536,468	**437,920**

1) As at 29 November 2023, HOME CREDIT GROUP B.V. was merged into HOME CREDIT N.V. As at 31 December 2023, the whole investment in this associated group was disclosed as Asset held for sale (refer also to Note 1 and Note 17). During 2024, the investment in HOME CREDIT N.V. disposed of.
2) Including its five direct or indirect fully-owned subsidiaries (refer also to Note 1). As at 22 November 2022, the newly founded associate of the Group, ENTAIN HOLDINGS (CEE) Ltd., acquired from the Group 100% ownership interest in EMMA GAMMA ADRIATIC d.o.o. (including its fully owned subsidiaries); as at As at 27 September 2023, ENTAIN HOLDINGS (CEE) Ltd., acquired from the Group 100% ownership interest in SPORTICON DEVELOPMENT s.r.o. (refer also to Note 1). The Group has put option towards Entain Plc for its 22.5% stake in ENTAIN HOLDINGS (CEE) Ltd, exercisable at fair value from 22 November 2025. Entain Plc has call option towards the Group for its 22.5% stake in ENTAIN HOLDINGS (CEE) Ltd, exercisable at fair value from 24 August 2027.
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.
5) Including its three fully-owned subsidiaries (refer also to Note 1). The associated group was acquired in 2023 (refer also to Note 1).
6) Including its three fully-owned subsidiaries (refer also to Note 1). The associated group was acquired in 2023 (refer also to Note 1).
7) Including its subsidiary (refer also to Note 1). The associated group was acquired in 2023 (refer also to Note 1).
8) On 19 December 2024, the ownership interest of 20% in SOLAR ENERGY PRODUCTION S.R.L was purchased by the entity ALIVE RENEWABLE HOLDING LIMITED. The Company holds a 36.34% indirect interest in ALIVE RENEWABLE HOLDING LIMITED.

Gains and losses related to equity-accounted investees recognised in profit or loss 2024 and 2023 could be summarized as follows:

	2024 TEUR	2023 TEUR
Loss resulting from capital contribution in associate [1)]	(1,887)	(2,040)
Gain resulting from dilution of investment without change in status of associate [2)]	--	768
Equity-accounted investees – share of profit / (loss)	(34,136)	24,929
	(36,023)	**23,657**

1) In 2024, the Group contributed to associated group KERMAS ISTRA d.o.o. additional capital contributions in total amount of TEUR 3,700 (2023: TEUR 4,000, out of which TEUR 1,887 (2023: TEUR 2,040) is attributable to the majority shareholder of this associated group and therefore was recognised as a loss from disposal within profit or loss.
2) As a result of new shares issued by ENTAIN HOLDINGS (CEE) Ltd. in 2023, the ownership interest of the Group in this associated group was diluted and decreased from 25.00% to 22.50% (refer also to Note 1) and relevant amount of TEUR 768 was disclosed as a gain from disposal within profit or loss.

16. Investments in equity-accounted investees and Joint ventures (continued)

Movements of equity-accounted investees in 2024 and 2023 could be summarized as follows:

	2024 TEUR	2023 TEUR
Balance as at 1st January	437,920	431,614
Acquisitions through business combinations	2,115	
Additions (Note 1)	122,287	196,766
Part of capital contribution attributable to majority shareholder [1)]	(1,887)	(2,040)
Derecognition of ownership resulting in losing control and recognition as equity-accounted investee - GTB GLOBAL BUSINESS S.A. and MAIL FINISH A.S. (Note 1)	20,801	
Decrease in ownership interest in ENTAIN HOLDINGS (CEE) Ltd. while continuing to apply equity accounting (Note 1)	--	768
Dividends received from associates [2)]	(13,783)	(42,745)
Group's share of (loss)/profit	(34,136)	24,929
Group's share of Other comprehensive income – translation reserve	1,970	4,808
Group's share of Other comprehensive income – translation reserve reclassified to PL [3)]	--	1,331
Group's share of Other comprehensive income – other components of OCI	--	(887)
Group's share of other net assets changes (other)	1,181	266
Derecognition of the equity-accounted investee - reclassification to assets-held-for-sale (Note 17) [4)]	--	(176,890)
At 31st December	**536,468**	**437,920**

1) In 2024, the Group contributed to associated group KERMAS ISTRA d.o.o. additional capital contributions in total amount of TEUR 3,700 (2023: TEUR 4,000, out of which TEUR 1,887 (2023: TEUR 2,040) is attributable to the majority shareholder of this associated group and therefore was recognised as a loss from disposal within profit or loss.
2) In 2024, the Group received dividends of TEUR 13,783 from ENTAIN HOLDINGS (CEE) Ltd. In 2023, the Group received dividends of TEUR 8,129 from ENTAIN HOLDINGS (CEE) Ltd. and dividends of TEUR 34,616 from HOME CREDIT GROUP B.V.
3) 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.
4) As a result of existing contractual arrangement leading to disposal of the investment, the financial investment in associated group HOME CREDIT N.V. was classified as Held for sale as at 31 December 2023 (refer also to Note 17).

16. Investments in equity-accounted investees and Joint ventures (continued)

TEUR	HOME CREDIT N.V. (HOME CREDIT GROUP B.V.)		PHARMANET A.E.		HOME FURNITURE GROUP GMBH	
	associate 2024	associate (8.88%)[1)] 2023	associate (16.17%) 2024	associate (17.38%) 2023	associate (46.06%)[2)] 2024	associate (46.06%)[2)] 2023
Summarised balance sheet						
Non-current assets	--	4,861,000	49	62	--	--
Current assets	--	3,448,000	4,800	5,496	--	--
Non-current liabilities	--	(581,000)	--	--	--	--
Current liabilities	--	(7,151,000)	(4,603)	(5,603)	--	--
Net assets (100%)	**--**	**577,000**	**246**	**(45)**	**--**	**--**
NCI on net assets	**--**	**--**	**--**	**--**	**--**	**--**
Net assets attributable to equity holders	**--**	**577,000**	**246**	**(45)**	**--**	**--**
Group's share on net assets	--	51,238	43	(8)	--	--
Goodwill	--	1	8	58	--	--
Carrying amount of investments in equity-accounted investees	**--**	**1**	**50**	**50**	**--**	**--**
Summarised income statement						
Revenues	--	1,436,000	9,934	9,268	--	--
Operating profit/(loss)	--	62,000	42	104	--	--
Profit/(loss) before tax	--	457,000	--	--	--	--
Income tax	--	(76,000)	--	--	--	--
Profit/(loss) for the year	**--**	**381,000**	**--**	**--**	**--**	**--**
Net profit/ (loss) for the period from discontinued operation, net of tax	--	--	--	--	--	--
Net profit/(loss) for the year	**--**	**381,000**	**--**	**--**	**--**	**--**
- *out of which profit attributable to equity holders*	**--**	**381,000**	**--**	**--**	**--**	**--**
Other comprehensive income	**--**	**(22,000)**	**--**	**--**	**--**	**--**
Total comprehensive income	**--**	**359,000**	**--**	**--**	**--**	**--**
Group's share on loss for the year	--	33,818	--	--	--	--
Group's share on other comprehensive income	--	(621)	--	--	--	--
Group's share on total comprehensive income	**--**	**33,197**	**--**	**--**	**--**	**--**

1) As at 31 December 2023, the whole investment in this associated group was disclosed as current asset held for sale (refer also to Note 1 and Note 17).
2) Financial information for the associated group are not currently available due to its insolvency.

16. Investments in equity-accounted investees and Joint ventures (continued)

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

TEUR	NIKAPATZO LTD		ENTAIN HOLDINGSS (CEE) Ltd.	
	associate (24.02%) 2024	**associate** (24.02%)[3] 2023	**associate** (22.50%) 2024	**associate** (22.50%) 2023
Summarised balance sheet				
Non-current assets	6,952	--	1,706,463	2,251,650
Current assets	3,575	--	208,940	53,498
Non-current liabilities	(1,698)	--	(139,495)	(336,204)
Current liabilities	(4,425)	--	(104,058)	(132,945)
Net assets (100%)	**4,404**	**--**	**1,671,850**	**1,835,999**
NCI on net assets	**245**	**--**	**--**	**3,203**
Net assets attributable to equity holders	**4,159**	**--**	**1,671,850**	**1,832,796**
Group's share on net assets	1,000	--	376,167	412,379
Goodwill	5,144	--	--	--
Carrying amount of investments in equity-accounted investees	**6,144**	**--**	**376,167**	**412,379**
Summarised income statement				
Revenues	3,123	--	576,413	368,768
Operating profit/(loss)	625	--	(19,797)	(38,574)
Profit/(loss) before tax	1,639	--	(125,039)	(38,297)
Income tax	--	--	9,497	1,820
Profit/(loss) for the year	**1,639**	**--**	**(115,542)**	**(36,477)**
Net profit for the period from discontinued operation, net of tax	--	--	--	**--**
Net profit/(loss) for the year	**1,639**	**--**	**(115,542)**	**(36,477)**
- *out of which profit attributable to NCI*	**--**	**--**	**853**	**--**
- *out of which profit attributable to equity holders*	**1,639**	**--**	**(116,395)**	**(37,877)**
Other comprehensive income	**--**	**--**	**11,457**	**26,100**
Total comprehensive income	**1,639**	**--**	**(104,085)**	**(10,377)**
Group's share on loss for the year	395	--	(26,188)	(8,520)
Group's share on other comprehensive income	--	--	2,578	5,873
Group's share on total comprehensive income	**395**	**--**	**(23,610)**	**(2,647)**

3) Financial information for the associated group was not available.

16. Investments in equity-accounted investees and Joint ventures (continued)

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

TEUR	KERMAS ISTRA d.o.o.			PRATI ME d.o.o.
	associate (49.00%) 2024	associate (49.00%) 2023	associate (21.58%) 2024	associate (21.58%) 2023
Summarised balance sheet				
Non-current assets	62,908	39,442	872	736
Current assets	1,761	3,011	5,450	5,636
Non-current liabilities	(61,317)	(42,413)	--	(1)
Current liabilities	(2,537)	(1,780)	(4,383)	(3,541)
Net assets (100%)	**815**	**(1,740)**	**1,939**	**2,830**
NCI on net assets	**--**	**--**	**--**	**--**
Net assets attributable to equity holders	**815**	**(1,740)**	**1,939**	**2,830**
Group's share on net assets	401	(852)	419	610
Goodwill	10,859	10,859	9,325	9,325
Carrying amount of investments in equity-accounted investees	**11,260**	**10,007**	**9,744**	**9,935**
Summarised income statement				
Revenues	1,991	971	22,577	3,637
Operating profit/(loss)	(1,143)	(636)	(885)	(264)
Profit/(loss) before tax	(1,143)	(637)	(887)	(264)
Income tax	--	--	--	--
Profit/(loss) for the year	**(1,143)**	**(637)**	**(887)**	**(264)**
Net profit for the period from discontinued operation, net of tax	--	--		--
Net profit/(loss) for the year	**(1,143)**	**(637)**	**(887)**	**(264)**
- *out of which profit attributable to equity holders*	**(1,143)**	**(637)**	**(887)**	**(264)**
Other comprehensive income	**--**	**--**	**--**	**--**
Total comprehensive income	**(1,143)**	**(637)**	**(887)**	**(264)**
Group's share on loss for the year	(560)	(312)	(191)	(57)
Group's share on other comprehensive income	--	--	--	--
Group's share on total comprehensive income	**(560)**	**(312)**	**(191)**	**(57)**

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

16. Investments in equity-accounted investees and Joint ventures (continued)

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

TEUR	BRASOV RENEWABLES S.R.L.		PACKETA GROUP S.R.O. (formerly CUBE TOPCO s.r.o)	
	associate (14.53%) 2024	associate (20.39%) 2023	joint venture (35.00%) 2024	joint venture (35.00%) 2023
Summarised balance sheet				
Non-current assets	161	469	534,845	--
Current assets	340	28	108,655	3
Non-current liabilities	--	--	(215,532)	--
Current liabilities	--	1	(111,439)	--
Net assets (100%)	**501**	**498**	**316,529**	**3**
NCI on net assets	**--**	**--**	**1,504**	**--**
Net assets attributable to equity holders	**501**	**498**	**315,025**	**3**
Group's share on net assets	199	199	110,259	1
Goodwill	--	--	--	--
Carrying amount of investments in equity-accounted investees	**199**	**199**	**110,259**	**1**
Summarised income statement				
Revenues	--	--	271,060	--
Operating profit/(loss)	--	--	(12,367)	--
Profit/(loss) before tax	--	--	(20,231)	--
Income tax	--	--	(659)	--
Profit/(loss) for the year	**--**	**--**	**(20,890)**	**--**
Net profit for the period from discontinued operation, net of tax	--	--	--	--
Net profit/(loss) for the year	**--**	**--**	**(20,890)**	**--**
- *out of which profit attributable to equity holders*	**--**	**--**	**(20,890)**	**--**
Other comprehensive income	**--**	**--**	**(1,825)**	**--**
Total comprehensive income	**--**	**--**	**(22,715)**	**--**
Group's share on loss for the year	--	--	(7,290)	--
Group's share on other comprehensive income	--	--	(639)	--
Group's share on total comprehensive income	**--**	**--**	**(7,929)**	**--**

16. Investments in equity-accounted investees and Joint ventures (continued)

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

TEUR	SOLAR ENERGY PRODUCTION S.R.L. associate (7.27%) 2024	2023	MAIL FINISH A.S. associate (45.00%) 2024	2023	GTB GLOBAL BUSINESS S.A. associate (49.50%) 2024	2023
Summarised balance sheet						
Non-current assets	2,029	--	9,739	--	30,424	--
Current assets	12,500	--	1,387	--	16,493	--
Non-current liabilities	(317)	--	--	--	(441)	--
Current liabilities	(14,132)	--	(7,749)	--	(16,019)	--
Net assets (100%)	**80**	**--**	**3,377**	**--**	**30,457**	**--**
NCI on net assets	**--**	**--**	**--**	**--**	**--**	**--**
Net assets attributable to equity holders	**80**	**--**	**3,377**	**--**	**30,457**	**--**
Group's share on net assets	16	--	1,519	--	15,076	--
Goodwill	2,099	--	423	--	3,512	--
Carrying amount of investments in equity-accounted investees	**2,115**	**--**	**1,942**	**--**	**18,588**	**--**
Summarised income statement						
Revenues	--	--	2,606	--	--	--
Operating profit/(loss)	--	--	(465)	--	--	--
Profit/(loss) before tax	--	--	(670)	--	--	--
Income tax	--	--	--	--	--	--
Profit/(loss) for the year	**--**	**--**	**(670)**	**--**	**--**	**--**
Net profit for the period from discontinued operation, net of tax	--	--	--	--	--	--
Net profit/(loss) for the year	**--**	**--**	**(670)**	**--**	**--**	**--**
- *out of which profit attributable to equity holders*	**--**	**--**	**(670)**	**--**	**--**	**--**
Other comprehensive income	**--**	**--**	**69**	**--**	**--**	**--**
Total comprehensive income	**--**	**--**	**(601)**	**--**	**--**	**--**
Group's share on loss for the year	--	--	(302)	--	--	--
Group's share on other comprehensive income	--	--	31	--	--	--
Group's share on total comprehensive income	**--**	**--**	**271**	**--**	**--**	**--**

17. Assets held for sale

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

With effect from 1 July 2019, PPF FINANCIAL HOLDINGS B.V. and EMMA OMEGA LTD as the direct shareholders of HOME CREDIT N.V. (formerly HOME CREDIT GROUP B.V.) entered into an agreement concerning certain transactions with HOME CREDIT GROUP shares. As of 31 December 2023, the agreement ended with the expiration of the period for which it was concluded. On 19 April 2024, the transfer of 8.88% stake in HOME CREDIT N.V. owned by EMMA OMEGA LTD was completed, simultaneously with the payment of the base purchase price. The Group also entered into an agreement to purchase 8.88% stake in the Kazakhstani bank HOME CREDIT BANK JSC. As of 31 December 2024, the Group made an advance payment of TEUR 14,230, which is included within the financial assets in Note 14. The closing of the transaction is subject to various conditions precedent (incl. regulatory approvals).

The sale of HOME CREDIT N.V. has been completed for a consideration price of TEUR 221,548 minus the Earn-out consideration of TEUR 25,808 (refer to Note 20).

The impact of the above transaction is as follows:

	TEUR
Carrying value of investment disposed of	(176,890)
Net consideration received	195,740
Items previously recognised in OCI, released to P&L	
Revaluation reserve (Note 25)	4,026
Translation reserve	17,642
Other reserves (Note 25)	(60,192)
Loss resulting from disposal	**(19,674)**

18. Loans and borrowings

Liabilities due to non-banks

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

	2024 TEUR	**2023 TEUR**
Loans from associates and associated groups	--	34,367
Loans from other related parties	20,028	147,663
Loans from third parties	28,606	83,745
	48,634	**265,775**

Non-bank loans are payable as follows:

TEUR	**Amount as at 31 December 2024**	**Payable in 1 year**	**Payable in more than 1 year**
Loans from related and third parties	48,634	20,506	28,128
Total	**48,634**	**20,506**	**28,128**

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

18. Loans and borrowings (continued)

Liabilities due to non-banks (continued)

As a result of the disposal of the associate HOME CREDIT N.V, the Group fully repaid loans from associated group and other related parties. As at 31 December 2024, the above Group's non-bank loans are not secured.

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

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

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 2024 amount to TEUR 474,180 (2023: TEUR 360,662). The details are described below.

	2024 TEUR	2023 TEUR
Non-current bank loans	383,325	283,044
Current bank loans	90,855	77,618
	474,180	**360,662**

18. Loans and borrowings (continued)

Liabilities due to banks and other financial institutions (continued)

	Currency	Maturity	Outstanding principal and interest 2024 TEUR	Outstanding principal and interest 2023 TEUR
Secured bank loans	EUR	2024-2027 (2023:2023-2026)	69,956	65,078
Secured bank loans	EUR	2028-2037 (2023:2027-2031)	349,505	257,373
Secured bank loans	MDL	2026-2033 (2023:2024-2028)	19,696	2,198
Secured bank loans	RON	2025 (2023: 2029)	1,611	16,293
Secured bank loans	USD	2031 (2023: 2031)	27,144	11,487
Secured bank loans	CZK	2025-2030 (2023:2025-2030)	6,268	7,329
Unsecured bank loans	EUR	2025	--	904
			474,180	**360,662**

The interest rates on bank loans are variable or fixed, all interest rates are market based.

The euro-denominated loans bear interest rates ranging from EURIBOR + 1.7% to EURIBOR + 4.95%. The USD – denominated loans bear interest rates of 2.80% + 6M CME TERM SOFR and 5.00% + Compounded SOFR Index Rate. The MDL- denominated loans bear interest rates of 4.60% based on NBM MDL reference index. The RON – denominated bears interest rate of 2.75% + ROBOR 2 and the CZK – denominated bears interest rate of PRIBOR + 1.8%. The fixed interest rates have range from 0.35% to 6%.

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 2024 and 2023 there were no breaches of covenants conditions.

As at 31 December 2024, the Group's bank loans were secured by pledge on receivables, bank accounts, pledge on defined movable and immovable assets, pledge on shares in subsidiary companies, pledge on gas in storage and other inventory (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 2023, the Group's bank loans were secured by pledge on receivables, bank accounts and deposits, pledge on defined movable and immovable assets, pledge on part of shares of PREMIER ENERGY S.R.L., pledge of shares in PREMIER ENERGY PLC, pledge on gas in storage (refer to Note 13, Inventories), by blank promissory note, by pledge on receivables due from defined customers and by corporate guarantees provided by the parent company.

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

18. Loans and borrowings (continued)

Reconciliation of movements of liabilities

Reconciliation of movements of liabilities to cash flows arising from financing activities in 2024 and 2023 is described below.

TEUR	Loans and borrowings	Lease liabilities	Bonds issued	Equity	Total
Balance at 1 January 2024	**626,437**	**27,874**	**6,680**	**1,031,613**	**1,692,604**
Changes from financing cash flows					
Other changes in equity	--	--	--	(5,127)	**(5,127)**
Dividends paid	--	--	--	(46,646)	**(46,646)**
Transactions with NCI without change in control	--	--	--	130,369	**130,369**
Proceeds from interest-bearing loans and borrowings	330,915	--	--	--	**330,915**
Repayments of interest-bearing loans and borrowings	(476,705)	--	--	--	**(476,705)**
Issue of redeemable preference shares	--	--	--	86,160	**86,160**
Payment of lease liabilities	--	(7,897)	--	--	**(7,897)**
Total changes from financing cash flows	**(145,790)**	**(7,897)**	**--**	**164,756**	**11,069**
Changes arising from obtaining or losing control of subsidiaries or other businesses	**44,983**	**1,942**	**--**	**2,938**	**49,863**
The effect of changes in foreign exchange rates	**3,332**	**(199)**	**--**	**357**	**3,490**
Other changes					
Interest expense	41,972	2,874	--	--	**44,846**
Interest paid	(48,700)	(1,284)	--	--	**(49,984)**
Capitalised borrowing costs	580	--	--	--	**580**
New of lease agreements	--	13,224	--	--	**13,224**
Total liability-related other changes	**(6,148)**	**14,814**	**--**	**--**	**8,666**
Total equity-related other changes	**--**	**--**	**--**	**42,700**	**42,700**
Balance at 31 December 2024	**522,814**	**36,534**	**6,680**	**1,242,364**	**1,808,392**

18. Loans and borrowings (continued)

Reconciliation of movements of liabilities (continued)

TEUR	Loans and borrowings	Lease liabilities	Bonds issued	Equity	Total
Balance at 1 January 2023	**431,844**	**12,123**	**2,020**	**1,036,295**	**1,482,282**
Changes from financing cash flows					
Other changes in equity	--	--	--	1,203	**1,203**
Dividends paid	--	--	--	(40,521)	**(40,521)**
Transactions with NCI without change in control	--	--	--	(12,336)	**(12,336)**
Proceeds from interest-bearing loans and borrowings	314,410	--	--	--	**314,410**
Repayments of interest-bearing loans and borrowings	(132,250)	--	--	--	**(132,250)**
Bonds repaid	--	--	(2,022)	--	**(2,022)**
Bonds issued	--	--	6,680	--	**6,680**
Payment of lease liabilities	--	(6,822)	--	--	**(6,822)**
Total changes from financing cash flows	**182,160**	**(6,822)**	**4,658**	**(51,654)**	**128,342**
Changes arising from obtaining or losing control of subsidiaries or other businesses	**(123)**	**639**	**--**	**1,647**	**2,163**
The effect of changes in foreign exchange rates	**(2,851)**	**(231)**	**2**	**8,303**	**5,223**
Other changes					
Interest expense	31,160	1,255	278	--	**32,693**
Interest paid	(20,108)	(1,247)	(278)	--	**(21,633)**
Assignment to trade and other receivables	4,355	--	--	--	**4,355**
New of lease agreements	--	22,157	--	--	**22,157**
Change in lease contract condition	--	--	--	--	**--**
Total liability-related other changes	**15,407**	**22,165**	**--**	--	**37,572**
Total equity-related other changes	**--**	**--**	--	**37,022**	**37,022**
Balance at 31 December 2023	**626,437**	**27,874**	**6,680**	**1,031,613**	**1,692,604**

19. Bonds issued

	2024 TEUR	2023 TEUR
Nominal value of bonds issued	6,680	6,680
Expenses related to the issue of bonds – amortized	--	--
Accrued interest	--	--
Total amount as at 31 December	**6,680**	**6,680**

During the year 2023, the Group issued bonds at the value of TEUR 6,680. The bonds held by private investors and have maturity date on 12 June 2030. The Bonds are secured by a corporate guarantee provided by the parent company.

There are covenants to be fulfilled related to the issued bonds. As at 31 December 2024 and 2023, there were no breaches of covenants conditions.

The interest expense related to bonds issued is TEUR 200 in 2024 (2023: TEUR 278). The bonds bear interest rates 1% and 7.4%. For further information, refer to Note 33.

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

20. Financial liabilities at fair value through profit or loss

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

	2024 TEUR	2023 TEUR
At 1st January	8,367	19,226
Settlement	(15,054)	(3,782)
Addition	25,808	--
Contingent and deferred consideration for business combinations (Note 1)	--	177
Change in fair value (Note 33)	7,777	(7,254)
Balance at 31st December	**26,898**	**8,367**

During the year 2024, the Group repaid in full amount the contingent considerations in respect to acquisitions of FAVI A.S. (formerly FAVI ONLINE S.A.) and MAIL STEP a.s. at the total amount of TEUR 15,054.

The amount of TEUR 25,808 was recognised in respect to the disposal of the associate HOME CREDIT N.V. and it represents the negative Earn-out consideration. As of 31 December 2024, the fair value of the Earn-out calculation was negative at the amount of TEUR 26,898. The Earn-out consideration has maturity date on 31 December 2026. For more information, refer to Note 17.

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. Financial liabilities at fair value through profit or loss (continued)

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

	2024	2023
	TEUR	TEUR
At 1st January	187	--
Settlement	--	36
Change in fair value (Note 33)	(55)	155
Effects of movements in foreign	23	(4)
Balance at 31st December	**155**	**187**

21. Trade payables

	2024	2023
	TEUR	TEUR
Current	179,584	101,315
Non-current	895	63
Total	**180,479**	**101,378**

The Group's trade payables consist mainly of payables related to trading in pharmaceuticals, payables of gas and electricity supply of Romanian companies and trading in medical and pharmaceutical equipment arises from the newly acquired company MAGNA PHARMACIA d.o.o. BEOGRAD - NOVI BEOGRAD. The increase from prior year is mainly attributable to the new Romanian subsidiary operating in electricity supply as well as to the Serbian subsidiary.

Trade payables are non-interest bearing and are normally settled between 30 to 60 days.

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

22. Other liabilities

	2024 TEUR	2023 TEUR
Financial liabilities		
Accrued expenses	67,930	13,343
Other liabilities	56,941	10,793
Subtotal financial liabilities	**124,871**	**24,136**
Non-financial liabilities		
Deferred income	51,023	37,845
Other tax payable	28,896	12,522
Advances received	16,335	1,295
Wages and salaries	9,768	3,135
Social security and health insurance	3,449	1,811
Subtotal non-financial liabilities	**109,471**	**56,608**
Total	**234,342**	**80,744**
Current	182,290	41,450
Non-current	52,052	39,294
Total	**234,342**	**80,744**

Accrued expenses are represented notably by liabilities related to the electricity purchases by the Moldovan and Romanian subsidiaries and to natural gas and renewable energy purchases by the Romanian subsidiaries. As at 31 December 2024, the significant increase is mainly attributable to the new acquisition of the Romanian subsidiary PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.). It included within the accrued expenses amounts related to the provision for the obligation of purchasing green certificates. As an electricity supplier, the Group has the legal obligation to purchase a number of green certificates calculated by multiplying the mandatory annual quota established by the regulator with the quantity of energy supplied to final consumers. ANRE sets the annual level of the mandatory quota for the purchase of green certificates. The annual quota provided for 2024 is of 0.4944765 green certificates per MWh (quota applicable 2023: 0,4943963 green certificates per MWh).

The increase in other liabilities mainly relates to the amount payable of TEUR 26,564 in relation to the cancellation of the sale transaction of the subsidiary MAILSTEP A.S. and its subsidiaries. Refer to Note 1 for further details.

The increase in other tax payables in 2024, relates to the new Romanian subsidiary operating in electricity supply as well as to the new Serbian subsidiary. The increase in the advances is attributable to the new Serbian subsidiary.

As at 31 December 2024 and 2023, the balance of deferred income is notably represented by liabilities related to the electricity activity of the Moldovan subsidiaries, and of natural gas by the Romanian. The increase during the year 2024 relates also to the acquisition of DEVELOPMENT POWER SOLAR ENERGY S.R.L., which the Group recognises an amount of TEUR 10,360 as at acquisition date (see Note 1).

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

23. Deferred tax liability and asset

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

	2024 TEUR	2023 TEUR
Deferred tax assets	14,935	3,221
Deferred tax liabilities	(30,901)	(24,867)
Net deferred tax liabilities	**(15,966)**	**(21,646)**

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

	2024 TEUR	2023 TEUR
Property, plant and equipment	(15,268)	(20,604)
Intangible assets	(9,555)	(4,496)
Tax losses carried-forward	6,396	2,482
Provisions	3,196	--
Other items	(735)	972
Net deferred tax liabilities	**(15,966)**	**(21,646)**

	2024 TEUR	2023 TEUR
Deferred tax assets		
Expected to reverse within 12 months	--	--
Expected to reverse after 12 months	14,935	3,221
Subtotal deferred tax assets	**14,935**	**3,221**
Deferred tax liabilities		
Expected to reverse within 12 months	--	--
Expected to reverse after 12 months	(30,901)	(24,867)
Subtotal deferred tax liabilities	**(30,901)**	**(24,867)**
Expected to reverse within 12 months	--	--
Expected to reverse after 12 months	(15,966)	(21,646)
Net deferred tax liabilities	**(15,966)**	**(21,646)**

Unrecognised deferred tax assets of TEUR 15,447 (2023: TEUR 12,512) resulting from tax losses carried-forward in total amount of TEUR 88,709 (2023: TEUR 71,417) are attributable mainly to Czech and Cypriot entities (refer also to Note 34).

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

23. Deferred tax liability and asset (continued)

Movements in temporary differences during the period were as follows:

2024	Balance at 1 January TEUR	Recognized in profit or loss TEUR	Additions resulting from business combinations TEUR	Disposals resulting from business combinations TEUR	Recognized directly in OCI TEUR	Effect of movements in foreign exchange rate TEUR	Balance at 31 December TEUR
Property, plant and equipment	(20,604)	4,854	412	91	--	(21)	(15,268)
Intangible assets	(4,496)	(5,080)	(13,948)	--	13,959	10	(9,555)
Tax losses carried-forward	2,482	3,912	--	--	--	2	6,396
Provisions	--	3,195	--	--	--	1	3,196
Other items	972	(1,722)	--	--	--	15	(735)
	(21,646)	**5,159**	**(13,536)**	**91**	**13,959**	**7**	**(15,966)**

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

24. Operating derivative instruments – commodity contracts

	2024 TEUR	2023 TEUR
Balance at 1 January	--	(654)
Acquisitions through business combinations	--	--
Settlement of derivatives	--	654
Change in fair value of derivatives	--	--
Balance at 31 December	**--**	**--**

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

25. Equity

Share capital

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

At 31 December 2024, 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

	2024 Number of shares	2024 TEUR	2023 Number of shares	2023 TEUR
Authorised				
Redeemable shares of EUR 1 each	10,225	10	10,225	10
Issued and fully paid				
Opening balance	7,012	7	7,450	7
Issue of shares	523	1		--
Redemptions of shares		--	(438)	--
Balance as at 31 December	**7,535**	**8**	**7,012**	**7**
Share premium		291,073		204,914
Balance as at 31 December		**291,081**		**204,921**

During 2024, the Company issued an additional 523 redeemable preference shares of nominal value EUR1 per share for the total aggregate amount of TEUR 86,159. The new redeemable preference shares were fully subscribed to MEF HOLDINGS LIMITED. In 2023, the Company redeemed 438 redeemable preference shares held by MEF HOLDINGS LIMITED for total redemption value of TEUR 61,758. The redemption value of TEUR 61,758 was settled from the retained earnings.

As at 31 December 2024, 5,652 (2023: 6,311) redeemable preference shares are pledged under the Deed of Pledge Agreement between MEF Holdings Limited and J&T Banka a.s.

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

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

The Redeemable Preference Shares meet the definition of puttable instrument as defined in IAS 32. Refer to material accounting policy 3k.

Translation reserve

The translation reserve balance as at 31 December 2024 of positive TEUR 10,401 (2023: positive TEUR 25,517) represents notably foreign exchange differences arising from the translation of the financial statements of the subsidiaries with a functional currency other than EUR as well as the Group's share on foreign exchange differences arising from translation of the financial statements of the companies forming an associated group.

25. Equity (continued)

Revaluation reserves

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

TEUR	Note	Revaluation of Gas distribution networks	Revaluation of equity instruments designated at FVOCI	Share on revaluation gains / (losses) from associates	Total
On 1st January 2023		37,883	(3,924)	5,002	**38,961**
Revaluation of Gas distribution networks	8	8,907	--	--	**8,907**
Transfer of revaluation reserve of equity instruments designated at FVOCI	10	--	1,147	--	**1,147**
Associates - share of OCI	16	--	--	(976)	**(976)**
On 31st December 2023		**46,790**	**(2,777)**	**4,026**	**48,039**
On 1st January 2024		46,790	(2,777)	4,026	**48,039**
Assets held for sale - reclassified from OCI to profit / (loss) due to disposal	17	**--**	**--**	**(4,026)**	**(4,026)**
On 31st December 2024		**46,790**	**(2,777)**	**--**	**44,013**

The balance of revaluation reserve resulting from the revaluation of Gas distribution networks to fair value as at 31 December 2024 of TEUR 46,790 (2023: TEUR 46,790) represents total revaluation of TEUR 55,703 (2023: TEUR 55,703) and tax effect of TEUR (8,913) (2023: TEUR (8,913)).

Other reserves

The balance of other reserves as at 31 December 2024 was TEUR positive 1,777 (2023: TEUR negative (58,683)). The significant movement during the year relates to the disposal of the held for sale group HOME CREDIT N.V. where the previously recognised amounts of TEUR 60,192 were transferred to profit or loss (Note 17).

The Group has contractually agreed (refer also to Note 1, Description of the Group and Note 35, Related party transactions) the future acquisition of 10% in ARESSU HOLDING LIMITED from the non-controlling shareholder of ARESSU HOLDING LIMITED in 2027. As it was agreed before 31 December 2023, the transaction was accounted for in accordance with present-access method and the advance paid in total amount of TEUR 2,000 corresponding with the future transaction price was recognised with the corresponding entry to other reserves within equity attributable to the owners of the Company whereas the non-controlling interest remained unchanged within total equity. After the completion of the transaction, the particular non-controlling interest will be derecognized with corresponding entry (increase) in other reserves within equity attributable to the owners of the Company. The transaction is supposed to be finalized in 2027.

25. Equity (continued)

Dividends and other distributions paid

During 2024, the Company distributed interim dividends to EMMA CAPITAL LIMITED in the total amount of TEUR 24,387 (2023: TEUR 28,600) and TEUR 16,009 to MEF HOLDINGS LIMITED. The remaining redeemable preference shareholders waived their right to receive the dividend at the total amount of TEUR 1,241.

Dividends and other distributions in the amount of TEUR 6,250 were distributed to minority shareholders of subsidiaries (2023: TEUR 11,921).

Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI in 2024.

TEUR	RIXO A.S.	MAIL FINISH A.S.	PREMIER ENERGY PLC group	*Subtotal*	TOTAL
NCI percentage	**2.11%**	**10.00%**	**28.75%**		
Non-current assets	2,094	--	622,696		
Current assets	1,726	--	510,605		
Non-current liabilities	--	--	(267,710)		
Current liabilities	(10,858)	--	(347,526)		
Net assets	**(7,038)**	**--**	**518,065**		
Net assets attributable to NCI	**(150)**	**--**	**177,569**	**177,417**	**212,018**
Revenue	14,073	2,708	1,219,981		
Profit / (loss)	(5,095)	48	24,216		
OCI	47	(10)	295		
Total comprehensive income	**(5,048)**	**38**	**24,511**		
Profit / (loss) allocated to NCI	**(108)**	**5**	**4,114**	**4,011**	**10,705**
OCI allocated to NCI	**1**	**(1)**	**(161)**	**(161)**	**(202)**

TEUR	DANDELION HEALTH-CARE Group	PROFARM Group[1)]	EMMA EPSILON Group	EMMA ZETA Group	*Subtotal*
NCI percentage	**59.00%**	**44.23%**	**12.50%**	**35.00%**	
Non-current assets	19,682	27,477	35,703	104,251	
Current assets	675	119,080	14,135	87,551	
Non-current liabilities	(6,090)	(33,898)	(16,861)	(110,287)	
Current liabilities	(3,136)	(77,929)	(9,180)	(71,432)	
Net assets	**11,131**	**34,730**	**23,797**	**10,083**	
Net assets attributable to NCI	**6,567**	**19,324**	**3,350**	**3,530**	**32,771**
Revenue	6,520	340,600	35,987	144,297	
Profit / (loss)	(309)	6,782	(13,626)	12,955	
OCI	(64)	(18)	--	(3,954)	
Total comprehensive income	**(373)**	**6,764**	**(13,626)**	**9,001**	
Profit / (loss) allocated to NCI	**(202)**	**4,326**	**(2,052)**	**4,532**	**6,604**
OCI allocated to NCI	**(38)**	**(8)**	**--**	**7**	**(39)**

NCI percentage of PROFARM S.A. and EL-PHARM A.E. is 44.23%, NCI percentage of PER SE PHARMACEUTICALS A.E., PHARMA GROUP MESSENIA A.E, PHARMA GROUP ACHAIA A.E and PHARMA GROUP ARGOLIDA A.E is 69.33% and NCI percentage of INTEGRIS PHARMA LTD and MEDWORLD O.E is 72.12%.

25. Equity (continued)

Non-controlling interests (continued)

TEUR	GTB GLOBAL BUSINESS S.A.	ARESSU HOLDING LIMITED	SPORT 360 d.o.o.	FAVI ONLINE s.r.o.	Subtotal
NCI percentage	**33.00%**	**40.00%**	**62.50%**	**8.84%**	
Non-current assets	--	8,130	703	5,609	
Current assets	--	4,999	1,497	7,184	
Non-current liabilities	--	(8,848)	(155)	(948)	
Current liabilities	--	(2,812)	(935)	(5,668)	
Net assets	--	**1,469**	**1,110**	**6,177**	
Net assets attributable to NCI	--	**587**	**695**	**546**	**1,828**
Revenue	80,662	47,497	3,904	33,292	
Profit / (loss)	1,358	(2,290)	677	1,540	
OCI	9	19	--	(136)	
Total comprehensive income	**1,367**	**(2,273)**	**677**	**1,404**	
Profit / (loss) allocated to NCI	**448**	**(916)**	**422**	**136**	**90**
OCI allocated to NCI	**3**	**7**	**--**	**(12)**	**(2)**

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

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

25. Equity (continued)

Non-controlling interests (continued)

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

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

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

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

25. Equity (continued)

Non-controlling interests (continued)

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

26. Provisions

	2024 TEUR	2023 TEUR
Provisions for litigations and claims	1,353	1,021
Untaken holiday	3,818	2,179
Decommissioning provision	9,545	2,410
Tax risks	1,767	3,940
Other	676	1,051
Provisions total	**17,159**	**10,601**
Non-current provisions	13,072	6,580
Current provisions	4,087	4,021
Provisions total	**17,159**	**10,601**

For description of contingencies and commitments, refer to Note 36 and Note 37.

The movements in provisions in 2024 and 2023 are shown in the following tables:

	Provisions for litigations and claims TEUR	Untaken holiday TEUR	Tax risks TEUR	Decommis-sioning provision TEUR	Other TEUR	Total TEUR
Balance as at 1 January 2024	**1,021**	**2,179**	**3,940**	**2,410**	**1,051**	**10,601**
Provisions created during the year	--	5,582	--	761	530	**6,728**
Provisions used during the year	(143)	(4,824)	--	--	(904)	**(5,871)**
Provisions reversed during the year	(306)	--	(2,173)	(58)	(15)	**(2,407)**
Acquisitions through business combinations	779	1,078	--	6,452	15	**8,324**
Translation differences	2	(197)	--	(20)	(1)	**(216)**
Balance as at 31 December 2024	**1,353**	**3,818**	**1,767**	**9,545**	**676**	**17,159**

26. Provisions (continued)

	Provisions for litigations and claims TEUR	Untaken holiday TEUR	Tax risks TEUR	Decommis -sioning provision TEUR	Other TEUR	Total TEUR
Balance as at 1 January 2023	**1,211**	**2,245**	**--**	**1,593**	**--**	**5,049**
Provisions created during the year	17	2,432	3,963	1,143	1,051	**8,606**
Provisions used during the year	(54)	(2,536)	--	(158)	--	**(2,748)**
Provisions reversed during the year	(193)	--	--	(447)	--	**(640)**
Acquisitions through business combinations	--	--	--	319	--	**319**
Translation differences	40	38	(23)	(40)	--	**15**
Balance as at 31 December 2023	**1,021**	**2,179**	**3,940**	**2,410**	**1,051**	**10,601**

The Group recognized decommissioning of tangible assets starting with the date of the acquisition. The wind park has an obligation to bring the leased land for the construction of wind turbines to its original state. The effects of the changes in the assumptions underlying the decommissioning costs are recognized prospectively by recording an adjustment of the decommissioning provision, as well as by a corresponding adjustment of the amount of tangible assets to which the decommissioning provision refers. Annually, the provisions for the decommissioning of tangible assets are updated for any changes in the estimated decommissioning costs until the moment of making the expense, as well as from the point of view of the time value of the money. The effect of updating the decommissioning provision over time is presented in financial expenses.

In addition, the Group recognizes provision from legal claims made against the operating companies by their customers in the normal course of business. Litigation provisions are recognized when management estimates that the Group is exposed to a cash outflow as a result of an unfavorable court ruling.

In 2024, the Group recognized a provision of TEUR 5,582 in respect to untaken holiday from its employees (2023: TEUR 2,432). The provision is made based on the employment contracts. The Group expects to settle the majority of this liability over the next year.

In 2024, the Group reversed the tax risk provision of TEUR 3,940, which was recognised during the year 2023 in respect to energy taxation in Romania.

27. Revenues and expenses related to core operations

Revenue streams and related expenses	**2024**	**2023**
	TEUR	**TEUR**
Revenue from electricity distribution and supply	626,490	425,788
Revenue from gas distribution and supply	366,016	299,950
Revenue from renewable energy	186,647	181,405
Revenue from betting activities	89,547	80,373
Revenue from casino games	37,320	--
Revenue from sale of pharmaceuticals	340,616	195,073
Revenue from medical/pharmaceutical equipment and related services	139,077	--
Logistic and relating services	53,298	33,469
Other revenues	112,536	69,627
Revenues from core operations	**1,951,547**	**1,285,685**
Other income related to medical and pharmaceutical equipment	5,187	--
Other income related to marinas	324	--
Other income related to gaming	1,230	--
Other income related to logistics	--	2,426
Other income	87	331
Other income related to core operations	**6,828**	**2,757**
Cost of gas sold	(330,769)	(290,734)
Cost of electricity sold	(482,783)	(280,045)
Transportation of electricity	(174,834)	(36,295)
Cost of renewable energy sold	(165,537)	(127,427)
Pharmaceuticals: cost of goods sold	(302,131)	(172,297)
Cost of medical/pharmaceutical equipment and related services	(90,261)	--
Logistic and relating services: cost of services provided	(13,075)	(16,497)
Other cost	(95,253)	(30,417)
Costs of goods sold	**(1,654,643)**	**(953,712)**

In 2024 and 2023, the revenue from sale and distribution and supply of electricity is generated mainly by the Moldovan companies.

In 2024 and 2023, the revenue from sales and distribution of natural gas is generated by the Romanian companies. The selling price of gas sold on the regulated market as well as the distribution tariff are controlled by ANRE.

At the end of each year, ANRE can recalculate the actual tariff for the distribution and supply of electricity in Moldova using the actual costs and CAPEX incurred for the respective year and the difference can be taken into account (added or deducted) in the tariffs set for the next year. These tariff deviations for a year are generated by the difference between the revenues billed from electricity distributed and supplied at the regulated tariffs approved by ANRE and the total costs and returns for the year calculated according to the methodology based on the actual costs and CAPEX incurred in that year. As a result of higher cost of procured electricity in the last two months of 2024 and until these prices were fully implemented and transferred into the tariff to end consumers in January 2025, the supply of electricity by the fully regulated company in Moldova experienced significant under-recovery tariff deviations (significantly lower revenues and profits than it should have from a regulatory perspective), ending 2024 with a significant under-recovery tariff deviation. This is in contrast to 2023, when the subsidiary ended the year with a significant over-recovery tariff deviation (earning more profits than it should have from a regulatory perspective in 2023).

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

In 2024, Revenues from sale of green certificates amount to TEUR 36,535 (2023: TEUR 4,832) and are included within Other revenues.

In 2024, revenue from medical/pharmaceutical equipment and related services arises from the newly acquired company MAGNA PHARMACIA D.O.O. BEOGRAD – NOVI BEOGRAD.

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

Revenue from betting activities is generated by providing betting services via betting shops in Romania as well as via betting machines and online betting. Betting activities are provided by Romanian 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), operating of marinas (provided in Croatia) and sales of green certificates in Romania.

Contract balances

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

	2024 TEUR	2023 TEUR
Trade receivables	299,766	162,339
Contract assets	--	779
Contract liabilities	(49,142)	(17,628)

Contract assets relate to the Group’s right to consideration from end users in relation to connection works in progress. There was no impact on contract asset as a result of an acquisition of subsidiary nor any impairment charge.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time. This will be recognized as revenue when the gas is actually delivered, in the case of gas advances, or when the works are completed, in the case of advances for network extensions/connections. The amount of TEUR 17,628 included in contract liabilities as at 31 December 2023 has been recognised as revenue in 2024 (2023: TEUR 11,169).

28. Services and material expenses

	2024 TEUR	2023 TEUR
Professional services	(32,794)	(21,540)
Independent auditor’s remuneration	(2,749)	(1,839)
Advertising and marketing	(43,496)	(39,010)
Taxes other than income tax	(19,282)	(15,495)
Rental, maintenance and repair expenses	(21,780)	(16,552)
Telecommunication and postage	(10,066)	(3,624)
Travel expenses	(2,131)	(1,273)
Information technologies	(7,845)	(7,432)
Distribution, transport and storage of goods	(14,940)	(7,970)
Material consumption	(12,005)	(10,697)
Energy consumption	(2,526)	(2,091)
Other	(66,033)	(41,539)
Services and material expenses	**(235,647)**	**(169,062)**

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

Amount paid for Audit services totals TEUR 1,407 (2023: TEUR 1,760) and other non-audit services provided by auditors TEUR 1,342 (2023: TEUR 79).

29. Personnel expenses

	2024 TEUR	2023 TEUR
Employee compensation	(90,903)	(54,520)
Payroll related taxes (including social and pension contribution)	(24,848)	(19,168)
Personnel expenses	**(115,751)**	**(73,688)**

The average number of employees in the Group for the year 2024 was 3,702 employees (2023: 2,908 employees).

30. Expected Credit Losses on loans and receivables

	2024 TEUR	2023 TEUR
Expected credit losses on loans and other financial assets	(8,887)	(14,403)
	(8,887)	**(14,403)**

In 2024, net impairment losses are mainly attributable to the impairment of TEUR 5,873 to loans receivables due from third parties. In addition, an amount of TEUR 2,752 relates to impairment losses on advances to suppliers at recognized by NEOGAS GRID S.A. (formerly Premier Energy S.R.L.) operating in the gas segment in Romania.

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

31. Other operating income

	2024 TEUR	2023 TEUR
Rental income (other than from Investment property)	2,134	1,491
Gain on disposal of property, plant, equipment, and intangible assets	106	374
Other income	159,567	37,060
	161,807	**38,925**

The increase in other income is mainly attributable to the acquisition of the Romanian subsidiary PREMIER ENERGY FURNIZARE S.A. (formerly CEZ Vanzare S.A.) and represents mainly income from the Romanian State subsidy for price caps that are in place and that are recoverable from the Ministry of Energy and Ministry of Labor.

32. Other operating expenses

	2024 TEUR	2023 TEUR
(Net impairment losses)/ net reversal of impairment on property, plant and equipment	(109)	146
Net impairment losses on goodwill recognized (Note 7)	--	(8,079)
Net impairment losses on other non-financial assets	--	(1)
(Net impairment losses)/ net reversal of impairment on inventories	(150)	1,407
Loss on disposal of property, plant, equipment and intangible assets	(54)	(222)
Net foreign currency losses	(7,220)	(1,401)
	(7,533)	**(8,150)**

33. Net finance income/expense

	2024 TEUR	2023 TEUR
Gain/loss on derivatives related to finance income/expense		
Gain/(loss) from interest rate derivatives – interest rate swaps (Note 20)	55	(155)
Total gain/(loss) on derivatives related to finance income/expense	**55**	**(155)**
Finance income		
Interest income	6,258	5,918
Change in fair value of contingent consideration (Note 20)	--	7,254
Net trading income from financial assets (Note 10)	254	510
Net change in fair value of equity and debt financial instruments at fair value through profit or loss (Note 10)	2,084	1,639
Total finance income	**8,596**	**15,321**
Finance expense		
Interest expense	(46,844)	(33,342)
Fee and commission expense	(4,693)	(2,892)
Net realized losses from financial assets and liabilities	(987)	--
Change in fair value of contingent consideration (Note 20)	(7,777)	--
Other finance expense	(43)	(23)
Total finance expense	**(60,344)**	**(36,257)**
Net finance expense	**(51,693)**	**(21,091)**

	2024 TEUR	2023 TEUR
Interest income		
Loans receivable	2,062	2,281
Due from banks, other financial institutions and holding companies	3,889	3,532
Financial instruments at fair value through profit or loss held for trading (Note 10)	224	57
Other interest income	83	48
Total interest income	**6,258**	**5,918**
Interest expense		
Due to non-banks	(8,192)	(15,336)
Due to banks and other financial institutions	(33,781)	(15,824)
Debt securities issued	(200)	(278)
Lease liabilities	(2,874)	(1,255)
Other interest expense	(1,797)	(649)
Total interest expense	**(46,844)**	**(33,342)**

34. Income tax expense

	2024 TEUR	2023 TEUR
Current tax expense		
Current year	(21,313)	(26,689)
Deferred tax income (Note 23)		
Origination and reversal of temporary differences	6,881	868
Other items	(1,722)	(499)
	5,159	369
Total income tax expense recognised in profit or loss	**(16,154)**	**(26,320)**

Reconciliation of effective tax rate	**2024 %**	**2024 TEUR**	**2023 %**	**2023 TEUR**
Profit before tax		**30,649**		**108,127**
Income tax using the domestic tax rate (see below)	(12.5)	(3,912)	(12.5)	(13,515)
Effect of tax rates in foreign jurisdictions	(10.1)	(3,093)	2.1	2,298
Effect of changes in tax rates	0.3	81	0.0	20
Non-deductible costs	(79.3)	(24,305)	(8.8)	(9,487)
Non-taxable income	77.4	23,708	7.6	8,208
Items taxed at different tax rate	(2.3)	(707)	(10.2)	(11,060)
Adjustment to prior years	(14.8)	(4,544)	(0.1)	(112)
Tax loss carried forward not recognised	(13.3)	(4,068)	(3.5)	(3,777)
Utilised tax loss not previously recognised	2.8	846	(0.4)	431
Other	(0.5)	(160)	(0.6)	674
Total income tax expense	**(52.3)**	**(16,154)**	**(24.4)**	**(26,320)**

	2024 TEUR	2023 TEUR
Current income tax assets	713	438
Current income tax liabilities	(8,054)	(5,482)
Net current income tax position	**(7,341)**	**(5,044)**

The following table represents deferred tax recognized in other comprehensive income in years 2024 and 2023:

	Before tax	**Tax (expense) / benefit**	**Net of tax**
	2024 TEUR	**2024 TEUR**	**2024 TEUR**
Translation reserve	357	--	357
Associates – share of OCI	2,143	--	2,143
Items reclassified from OCI to profit /(loss) – disposal of subsidiaries	24	--	24
Items reclassified from OCI to profit /(loss) – disposal associates	38,524	--	38,524
Total	**41,048**	**–**	**41,048**
	2023 TEUR	**2023 TEUR**	**2023 TEUR**
Revaluation of Gas distribution networks	10,604	(1,697)	8,907
Translation reserve	8,303	--	8,303
Associates – share of OCI	3,921	--	3,921
Items reclassified from OCI to profit /(loss) – disposal of subsidiaries	(2)	--	(2)
Items reclassified from OCI to profit /(loss) - associates	1,331	--	1,331
Total	**24,157**	**(1,697)**	**22,460**

34. Income tax expense (continued)

Corporate income tax rates for tax domiciles of entities in consolidated Group for fiscal years 2024 and 2023 can be summarized as follows:

	2024	2023
Cyprus	12.50%	12.50%
Slovakia	21.00%	21.00%
Croatia	18.00%	18.00%
Czech Republic	21.00%	19.00%
Romania	16.00%	16.00%
Moldova	12.00%	12.00%
Greece	22.00%	22.00%
Austria	--	24.00%
Bulgaria	10.00%	10.00%
Hungary	9.00%	9.00%
Serbia	15.00%	15.00%
Malta	35.00%	35.00%
Italy	27.80%	27.80%
Switzerland	--	14.60%

Tax losses may be carried forward for five years. In Romania tax losses may be carried forward for seven years. Group companies may deduct losses against profits arising during the same tax year. The balance of tax losses which is available for offset against future taxable profits amounts to TEUR 89,505 for which no deferred tax asset is recognized in the consolidated statement of financial position because it is not probable that future taxable profit will arise. Out of that amount, the tax losses of TEUR45,484 are attributable to the Czech entities and will be expiring in the years 2025-2030.

Under certain conditions, interest income in Cyprus may be subject to defence contribution at the rate of 17%. 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%.

The Pillar Two model rules were adopted in Europe at the end of 2023 and are applicable starting from 1 January 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2024.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2023 country-by-country reporting (CbCR) and 2024 financial information for the constituent entities in the Group. Based on the assessment, no top up tax arises. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

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.

35. 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

	2024 TEUR	2023 TEUR
Loans received (principal payables)	--	(56,818)
Accrued interest (interest payable)	--	(111)
Loans provided (principal receivables)	24,100	--
Accrued interest (interest receivable)	29	--
Impairment allowance (IFRS 9)	(15)	--
Total balances	**24,114**	**(56,929)**
Interest income	29	481
Interest expense	(297)	(111)
Total transactions	**(268)**	**370**

The loan payable to the parent company of TEUR 56,929 was repaid during 2024. Interest expense at the amount of TEUR 297 was recognised in profit or loss. In addition, during the year 2024, the Company provided a loan to its parent at the amount of TEUR 24,100. The loan has a maturity date on 19 December 2025. Interest income of TEUR 29 was recognised in profit or loss.

(b) Transactions with associated groups

	2024 TEUR	2023 TEUR
Loans received (principal payables)	--	(32,800)
Accrued interest (interest payable)	--	(1,567)
Advances received	--	(3)
Other liabilities	--	(3)
Loans provided (principal receivables)	45,816	32,828
Accrued interest (interest receivable)	2,734	1,552
Impairment allowance (IFRS 9)	(10,503)	(10,582)
Advance payments	--	5
Total balances	**38,047**	**(10,570)**
Interest income	1,151	690
Interest expense	(1,114)	(2,959)
Total transactions	**37**	**(2,269)**

In 2024, provided loans of TEUR 45,816 consists mainly of loans to associate companies, KERMAS ISTRA d.o.o., NIKAPATZO LTD and HOME FURNITURE GROUP GmbH. The increase compared to prior year relates to additional loans provided to KERMAS ISTRA d.o.o., NIKAPATZO LTD at the total amount of TEUR 9,656. In addition, loans to MAIL FINISH A.S. and to GTB GLOBAL BUSINESS S.A group, were recognised due to their classification as associate companies at the year end. Interest income at the amount of TEUR 1,151 was recognised in profit or loss in respect to these loans. The impairment loss above relates mainly to loans provided to NIKAPATZO LTD and HOME FURNITURE GROUP GmbH loans.

The above loans are not interest free loans.

During 2024, the Group repaid the loan payable to Air Bank a.s. of TEUR 32,800 together with the interest.

35. Related party transactions (continued)

(c) Transactions with other related parties

	2024 TEUR	2023 TEUR
Loans received (principal payables)	(20,000)	(131,159)
Accrued interest (interest payable)	(28)	(16,504)
Loans provided (principal receivables)	4,969	2,061
Accrued interest (interest receivable)	331	79
Impairment allowance (IFRS 9)	(2)	--
Trade payable	(8)	(7)
Trade receivables	10	10
Total balances	**(14,728)**	**(145,520)**
Sales revenues from core business	28	21
Services and material expenses	(1,229)	(1,091)
Interest income	306	141
Interest expense	(3,675)	(11,392)
Total transactions	**(4,570)**	**(12,321)**

In 2024, the Company provided a loan to EMMA CAPITAL LIMITED at the amount of TEUR 20,010, which was repaid before the year end. The Group repaid in full loan payables of TEUR 147,116 as a result of the loan of its associate company HOME CREDIT N.V.

(c) Transactions with key management personnel

Amounts included in profit or loss in relation to transactions with members of key management are benefits of TEUR 14,789 comprising directors' fees (2023: TEUR 8,358). The members of the Board of Directors of the Company and key management of its subsidiaries are considered as the key management of the Group.

(d) Shareholder agreements

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

36. Contingencies

Tax investigations

Tax inspections are frequent in Romania, consisting of thorough examinations of taxpayers' accounting records. Such inspections sometimes take place months or even years after the establishment of payment obligations. In Romania, the fiscal year remains open to inspections for a period of 5 years. Consequently, companies may owe taxes and fines. Moreover, tax legislation undergoes frequent changes, and authorities often demonstrate inconsistency in interpreting the law. The Romanian subsidiaries have not undergone any tax inspection in the past 5 years. The Group believes that it has timely and fully settled all taxes, duties, penalties, and punitive interest, as applicable. Management considers that it has appropriately recorded tax obligations in the consolidated financial statements; however, there remains a risk that tax authorities may adopt different positions regarding the interpretation of these issues.

37. 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 in Moldova.

According to certain service concession contracts, the Group has investment commitments for gas network construction in Romania of approximately 122 km with an estimated value of EUR 9.6 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 2024, the Group has issued letters of guarantee for payment, good execution and tender participation in total amount of TEUR 23,682 (2023: TEUR 14,285).

38. Events after the reporting period

On 21 October 2024, Premier Energy PLC announced that its Romanian subsidiary Premier Energy S.R.L., the natural gas distribution and supply business, has initiated an unbundling procedure. During the unbundling procedure, the supply assets of Premier Energy S.R.L. were transferred to a new company, Premier Energy SA, which was set-up as a consequence of the spin-off. The distribution assets remained in the old entity with the entity being renamed to Neogas Grid SA. The legal ownership structure remains unchanged. The initiation of the unbundling process was necessary in order to fulfill the unbundling rules - the legal obligations of separating the distribution activities from the supply activities according to the applicable legal provisions. The unbundling was approved through the Resolution of the General Meeting of Shareholders of Premier Energy S.R.L. on 8 October 2024, and on 1 February 2025, Premier Energy SA was granted by ANRE the supply license no.1873.

On 3 January 2025, the Group's indirect subsidiary, Stratum Production Romania, LLC was liquidated.

On 8 January 2025, the Group's indirect Moldovan subsidiary, Navitas Energy S.R.L. has successfully completed the development and construction of a 12 MW DC photovoltaic power plant near the town of Cismichioi in Moldova at a total cost of approximately TEUR 380 per MW of capacity.

On 8 January 2025, Premier Energy PLC announced that the Group's electricity supply and distribution subsidiaries in the Republic of Moldova received the approval from ANRE to increase the regulated prices for the supply of electricity by an average of approximately 79% (depending on the voltage level) and the tariffs for the distribution of electricity by an average of approximately 19% (also depending on the voltage level). The new prices and tariffs entered into force when published in the Official Bulletin on 10 January 2025.

On 5 March 2025, the Group's subsidiary, Emma Zeta Limited, acquired the entire share capital of the Romanian entity Diamedix Impex S.A. for a total consideration of TEUR 56,588. The acquisition was financed through a loan facility agreement. Diamedix Impex S.A. specialises in the provision of instruments to laboratories and the subsequent supply of laboratory tests. At the time of authorizing the consolidated financial statements for issuance, certain aspects of the initial accounting for the business combination remain incomplete. As a result, other specific information requested by IFRS 3 has not been fully disclosed.

On 28 March 2025 and 11 April 2025, Emma Finance CZ a.s. and Emma Finance SK a. s. were established. These Companies intend to obtain external financing through a bond issue during 2025 for which the Company will be the guarantor.

On 10 April 2025, the Group's indirect subsidiary STRATUM ENERGY ROMANIA LLC was redomiciled in Cyprus.

The Board of Directors proposes to distribute dividends to EMMA CAPITAL LIMITED in the total amount of TEUR 22,460 as a part of the 2024 profit distribution. The proposal has to be approved by the General Meeting of the Company.

On 26 May 2025, the Board of Directors of EMMA ALPHA HOLDING LTD authorized these consolidated financial statements for issue.