

**JUMBO EC. R SRL**

**Financial Statements**  
**for the year period ended 31 December 2023**  
Prepared in accordance with  
International Financial Reporting Standards

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**JUMBO EC. R SRL**  
**ANNUAL DIRECTORS' REPORT**

**As at 31 December 2023**

*(All amounts are presented in RON thousand, unless otherwise stated)*

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**JUMBO EC. R SRL**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2023**

(All amounts are presented in RON thousand, unless otherwise stated)

	Notes	31 December 2023	31 December 2022
<b>Non-current assets</b>			
Property, plant and equipment	4	1.086.434	849.518
Rights of used assets based on IFRS 16	5	13.399	15.729
Intangible assets	6	2.342	1.178
Deferred tax assets	22	306	303
<b>Total non-current assets</b>		<b>1.100.139</b>	<b>866.728</b>
<b>Current assets</b>			
Inventories	7	158.416	97.246
Trade receivables	8	7.981	609
Other current assets	9	10.185	47.435
Cash and cash equivalents	10	658.573	657.991
<b>Total current assets</b>		<b>835.155</b>	<b>803.281</b>
<b>Total assets</b>		<b>1.935.294</b>	<b>1.670.009</b>
<b>Equity</b>			
Share capital	11	425,246	425,246
Other reserves		81.951	79.481
Retained earnings		1.322.827	989.599
<b>Total equity</b>		<b>1.830.024</b>	<b>1.494.326</b>
<b>Non-current liabilities</b>			
Non-current lease liabilities	5	12.928	15.242
Other long term liabilities	12	3.661	8.528
<b>Total non-current liabilities</b>		<b>16.589</b>	<b>23.770</b>
<b>Current liabilities</b>			
Trade payables	13	15.097	88.569
Current income tax payable		56.421	47.699
Current lease liabilities	5	2.313	2.313
Other current liabilities	14	14.848	13.332
<b>Total current liabilities</b>		<b>88.680</b>	<b>151.913</b>
<b>Total liabilities</b>		<b>105.270</b>	<b>175.683</b>
<b>Total equity &amp; liabilities</b>		<b>1.935.294</b>	<b>1.670.009</b>

The accompanying notes on pages 5 to 36 are an integral part of these financial statements.

The financial statements were authorized for issue on **10 April 2024**:

\_\_\_\_\_  
 Eleutherios Themelis  
 General Manager

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 Rodica Cristea  
 Chief Accountant

**JUMBO EC. R SRL**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2023**

*(All amounts are presented in RON thousand, unless otherwise stated)*

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Sales revenues	15	1.146.313	991.867
Cost of sales	16	(560.588)	(468.283)
<b>Gross profit</b>		<b>585.725</b>	<b>523.584</b>
Other income	17	28.222	13.674
Distribution costs	18	(213.035)	(169.909)
Administrative expenses	19	(14.526)	(12.078)
Other expenses	20	(18.221)	(7.265)
<b>Operating profit (EBIT)</b>		<b>368.165</b>	<b>348.006</b>
Finance income	22	18.850	25.876
Finance costs <sup>6</sup>	22	(5.059)	(4.154)
<b>Net financial result</b>		<b>13.791</b>	<b>21.722</b>
<b>Profit for the period before tax</b>		<b>381.956</b>	<b>369.728</b>
Income tax expense	23	(46.284)	(43.480)
<b>Profit for the period after tax</b>		<b>335.672</b>	<b>326.248</b>
Other comprehensive income:		27	-
<b>Total comprehensive income for the period</b>		<b>335.699</b>	<b>326.248</b>

The accompanying notes on pages 5 to 36 are an integral part of these financial statements.

The financial statements were authorized for issue **10 April 2024**



Eleftherios Themelis  
*General Manager*



Rodica Cristea  
*Chief Accountant*

**JUMBO EC. R SRL**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year period ended 31 December 2023**  
*(All amounts are presented in RON thousand, unless otherwise stated)*

	Share capital	Legal reserves	Retained earnings	Total Equity
<b>Balance as at 31 December 2022:</b>	<b>425,246</b>	<b>79.481</b>	<b>989.599</b>	<b>1.494.326</b>
<b>Balance as at 1 January 2023:</b>	<b>425,246</b>	<b>79.481</b>	<b>989.599</b>	<b>1.494.326</b>
Retained earnings previous year correction				
Profit for the year ended 31 December 2023	-	-	335.699	<b>335.699</b>
Other comprehensive income:	-	-	26	26
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>		
<b>Other movements:</b>				
Retained earnings previous year correction	-			
Statutory reserves	-	2.471	(2.471)	<b>0</b>
<b>Total other movements</b>	<b>-</b>			
<b>Balance as at 31 December 2023:</b>	<b>425,246</b>	<b>81.951</b>	<b>1.322.827</b>	<b>1.830.024</b>

Legal reserves are recognized by the Company in accordance with the Romanian tax provisions as 5% of accounting profit until they reach 20% of share capital.

The accompanying notes on pages 5 to 36 are an integral part of these financial statements.

The financial statements were authorized for issue on **10 April 2024**

  
 Eleftherios Themelis  
 General Manager

  
 Rodica Cristea  
 Chief Accountant

**JUMBO EC. R SRL**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2023**  
*(All amounts are presented in RON thousand, unless otherwise stated)*

	Note	Year ended 31 December 2023	Six months period ended 31 December 2022
Cash flows from operating activities			
Profit before tax		381.956	326.248
Adjustments for:			
Depreciation and amortization of property, plant and equipment, rights of use and intangible assets	4,5,6	37.467	26.307
Write down noncurrent assets	4	-	-
Surpluses of merchandise	17	-	-
Interest income	21	(18.850)	(25.876)
Interest expense	21	5.059	4.154
Unrealized, foreign exchange (gain)/loss			
Loss / Profit from sale of tangible assets			
Retained earnings previous year correction			(25)
Decrease/(Increase) in inventories		(61.169)	(32.645)
Decrease in trade receivables		(3.851)	(437)
Decrease / (Increase) in other current assets		33.540	(32.031)
(Decrease) / Increase in trade and other payables		(72.433)	(45.508)
Income tax paid		( 43.207)	( 40.207)
Other		(291)	6.594
<b>Net cash from operating activities</b>		<b>234.284</b>	<b>186.574</b>
Cash flows from investing activities:			
Payments for tangible assets purchases		(271.355)	(202.131)
Current bank deposits set-up		-	-
Proceeds from sale of tangible assets		-	-
Interest received			
<b>Net cash from investing activities</b>		<b>(271.355)</b>	<b>(202.131)</b>
Cash flows from finance activities			
Interest Paid		(5.059)	(4.154)
Interest received		19.036	25.450
<b>Net cash from finance activities</b>		<b>13.977</b>	<b>21.295</b>
<b>Net decrease / increase in cash and cash equivalents</b>		<b>582</b>	<b>5.738</b>
Cash and cash equivalents at the beginning of the period		657.991	652.253
<b>Cash and cash equivalents at the end of the period</b>		<b>658.573</b>	<b>657.992</b>

The accompanying notes on pages 5 to 36 are an integral part of these financial statements.  
The financial statements were authorized for issue on **10 April 2024**

  
Eleftherios Themelis  
General Manager

  
Rodica Cristea  
Chief Accountant

**JUMBO EC. R SRL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year months period ended 31 December 2023**  
*(All amounts are presented in RON thousand, unless otherwise stated)*

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**1. General Information**

JUMBO EC. R SRL („the Company”) is a solely owned limited liability company registered in Romania, domiciled at number 51 Theodor Pallady Blvd. Bucharest, third district.

The main activities carried out by the Company are manufacture and wholesale and retail trade of all kinds of goods, including kid's products, toys, baby's products, office consumables, clothes, shoes, accessories for clothes and shoes, furniture, tourist equipment and appliances, presents, all kinds of electrical appliances, technics and electronics, foods and agricultural produce, industrial and craftsmanship goods and export of all abovementioned goods and products, and representations of local and foreign companies, manufacturing the same goods and products. The Company is entitled to all other kinds of activities that are not forbidden under the legislation of Romania.

The parent Company which is also the ultimate parent of the Group which the Company is a part of is JUMBO S.A., Greece. These financial statements were approved for publishing by the Management on **10 April 2024**.

**2. Summary of accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union by the Commission of the European Union („the European Commission”).

The financial statements have been prepared on a historical cost basis, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.3.

**Functional and presentation currency**

The Company's functional currency is the Romanian Leu (RON). The Company determined the functional currency and items included in the financial statements of the entity are measured using that functional currency. The financial statements are presented in RON and all values are rounded to the nearest monetary unit, except where otherwise indicated.

**2.2 Summary of significant accounting policies**

**a) Foreign currency translation**

Transactions are recorded in the functional currency RON at the exchange rate at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the balance sheet date and all differences are included in the profit or loss.

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The exchange rates applicable for year-end and average rates for the year were as follows (EUR, USD and PLN 1/RON):

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
EUR: Average for the period	4,9467	4,9315
EUR Year end	4.9756	4.9474
USD: Average for the period	4,5735	4,6885
USD Year end	4.5039	4.6346

**b) Property, plant and equipment**

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred, if the recognition criteria are met.

The cost of purchased fixed assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to their present location and condition necessary for their intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year when the asset is derecognized.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is provided on a straight-line basis to write off the recorded cost of assets over their estimated useful lives as follows:

<b>Fixed asset</b>	<b>Useful life (years)</b>
Buildings	32
Machines and equipment	5-10
Computers	3-4
Furniture and fittings	5-10
Leasehold improvements	minimum between the useful life and the remaining duration of the lease agreement

**2.2 Summary of significant accounting policies (continued)**

The depreciation expense is recognized in the statement of comprehensive income in distribution costs and administrative expenses, depending on the purpose of the item of property, plant and equipment.



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**c) Intangibles**

Computer software

Separately acquired computer software programs are carried at cost less subsequent amortization and impairment. Cost includes the purchase price and other expenditure that is directly attributable to the acquisition of the items and the preparation of the assets for their expected use. Cost does not include borrowing costs as there are no qualifying assets. These intangible assets have finite useful lives. Amortization is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

<b>Intangible asset</b>	<b>Useful life (years)</b>
Software	3-4

The amortization expense is recognized in the statement of comprehensive income in distribution costs and administrative expenses, depending on the purpose of the item of the software.

**d) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit or loss in expense categories consistent with the function of the impaired asset. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

**2.2 Summary of significant accounting policies (continued)**

**e) Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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- In the principal market for the asset or liability, or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

## **2.2 Summary of significant accounting policies (continued)**

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers 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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### **f) Financial instruments – initial recognition, subsequent measurement and de-recognition**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### ***i) Financial assets***

##### **Initial recognition and measurement**

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

For a financial asset to be classified and measured at amortized 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.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

## **2.2 Summary of significant accounting policies (continued)**

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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

*Financial assets at amortized cost (debt instruments)*

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include trade receivables and purchased loan portfolios.

*Financial assets at fair value through OCI (debt instruments)*

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company has no financial assets at fair value through OCI.

*Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they are not held for trading and meet the definition of equity under IAS 32 Financial Instruments: Presentation. The classification is determined on an instrument-by-instrument basis.

**2.2 Summary of significant accounting policies (continued)**

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such

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proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not elected to classify any instruments under this category.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Company has no financial assets at fair value through profit or loss.

**Embedded derivatives**

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company has no embedded derivatives.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or,
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - o (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - o

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**2.2 Summary of significant accounting policies (continued)**

- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company

continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company is active in the retail industry and the sales are made on a cash basis. The Company occasional sales on credit (though these are mostly to Group entities). As such, given the low number of credit customers, the Company analyses on a case by case basis whether an allowance is necessary.

**ii) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, non-current trade payables and lease liabilities recognized in accordance with IFRS 16.

## **2.2 Summary of significant accounting policies (continued)**

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability at fair value through profit or loss.

#### *Trade payables and lease payables*

These are the categories most relevant to the Company. After initial recognition, the instruments are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **g) Inventories**

The main categories of inventory are raw materials, spare parts and consumables, semi-finished and finished goods and merchandises.

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*(All amounts are presented in RON thousand, unless otherwise stated)*

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**2.2 Summary of significant accounting policies (continued)**

The cost of inventory includes all the acquisition and production costs, and other costs incurred in order to bring the inventory in the present location and condition. The cost of finished and semi-finished goods includes direct production expenses such as direct materials, energy and labour, plus other direct production expenses and reasonably apportioned production overheads, and is determined using the standard cost method.

When consumed/sold, the inventories are measured using the weighted average cost method.

At the balance-sheet date, the inventories are stated at the lower of purchase cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are written down to their estimated realizable value.

**h) Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in 12 months or less from the period end, they are classified as current assets. If not, they are presented as noncurrent assets. Trade receivables are recognized initially at fair value and subsequently measured at amortised cost (using the effective interest method), less provision for impairment.

If the criteria detailed in Note 2.2h, section "Impairment of financial assets" are met, the company recognizes an impairment allowance, reducing the carrying amount of the asset and the loss is recognized in the Statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the Statement of comprehensive income.

**i) Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 12 months or less after the period end. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

**j) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. Overdrafts are included in the balance sheet under the amounts due to financial institutions, falling due within one year. Bank deposits for terms of 3 months at most are included in cash and cash equivalents only to the extent they are held to cover the short-term cash needs, and not for investment purposes.

**k) Loans and borrowings**

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received less attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

**l) Employee benefits**

The Company contributes in respect of its employees to the Government Social Fund, Government Medical Insurance Fund at the statutory rates, based on gross salary payments. The cost of these payments is charged to the profit or loss in the same period as the related salary cost. The Company has no other obligation to provide pensions or other post-retirement benefits to any of its management or staff and, accordingly, no provision for future pension costs is required.

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**2.2 Summary of significant accounting policies (continued)**

**m) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made from the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

The Company reassesses the provisions at the end of each year using best estimates.

**n) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Company as a lessee***

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.2.5 Impairment of non-financial assets.

**ii) Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



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**2.2 Summary of significant accounting policies (continued)**

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings.

During the six months period ended 31 December 2019 and subsequent years, the Company adopted IFRS 16 in relation to the contracts where it acts as a lessee. For more information, please refer to Notes 3 and 5.

***Company as a lessor***

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

**o) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties.

The following specific recognition criteria must also be met before revenue is recognized.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, but no selling taxes (VAT). The Company does not provide any warranties, in line with industry practice. The financial discounts awarded to customers are recorded as financial expenses without affecting the value of revenues of the Company.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument; and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate.

**p) Use of estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimations and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are recognized in the income statement of the period in which they became known.

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**2.2 Summary of significant accounting policies (continued)**

The preparation of financial statements in accordance with IFRS requires management to make estimations and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are recognized in the income statement of the period in which they became known.

**q) Taxes**

**Current income tax:**

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company uses the Romanian tax rates and tax laws used to compute the current income tax amount.

Income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the income statement.

The Romanian current income tax rate for the year ended 31 December 2023 was 16%.

**Deferred tax:**

Differences between financial reporting under IFRS and tax regulations give rise to differences between the carrying value of certain assets and liabilities and their tax base. Deferred income tax is provided using the liability method, for all such temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is computed using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts in the statement of financial position at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences and the carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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**2.2 Summary of significant accounting policies (continued)**

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax assets are recognized for all temporary deductible differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized.

**Uncertain tax positions**

The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognized based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions are recorded within the income tax charge.

**Value-added tax**

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

- where the sales tax incurred on the purchase of assets or services is not recoverable from the tax authority so that the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item.
- receivables and payables which are subject to sales tax are stated with the amount of sales tax included.

The net amount of the sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

**r) Contingencies**

Contingent liabilities are not recognized in the accompanying financial statements. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the accompanying financial statements but are disclosed when an inflow of economic benefits is probable.

**s) Equity**

Share capital is stated at the nominal value of the shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from other paid-in capital, net of any related income tax benefits.

The effects of foreign currency translation are included as a separate component of equity.

**t) Dividends**

The Company recognises a liability to pay a dividend to owners of equity once it has been approved by the shareholders at the Shareholder's General Meeting. A corresponding amount is recognized directly in equity.

**u) Balance sheet classification**

Current assets and liabilities include items due less than one year from the reporting date, and items tied to the operating cycle, if longer. The current portion of long-term debt is included as current liabilities. Other assets are classified as non-current assets.

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**2.2 Summary of significant accounting policies (continued)**

**v) Related parties**

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. All transactions between the related parties are based on the principle of 'arm's length' (estimated market value).

**w) Subsequent events**

Post period-end events that provide additional information about the Company's position at the balance sheet date or those that indicate the going concern assumption are not appropriate (adjusting events) and are reflected in the accompanying financial statements. Post period events that are not adjusting events are disclosed in the notes, when material.

**2.3 Significant management judgement in applying accounting and estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

The preparation of the Company's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

As regards estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results.

In the process of applying the Company's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

**a) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

**b) Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting.

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**2.3 Significant management judgement in applying accounting and estimation uncertainty (continued)**

Investment properties are properties held to earn rentals and/or capital appreciation (including property under construction for such purposes). Investment properties are stated in statement of financial position at their cost less accumulated depreciation and allowance for impairment, if any.

**c) Going concern**

Management prepared these financial statements on a going concern basis. The Company was set-up in 2013. So far, the Company has recorded strong performances and as at 31 December 2023 enjoys a strong financial position. As such, the Management prepared the financial statements on a going concern basis.

The Management has considered the consequences of the coronavirus outbreak (please refer to Note 28 for more information), and other events and conditions and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. The going concern assumptions are regularly checked at the Company level. Mechanisms to ensure business continuity in the event of deterioration of the situation at the local and/or global level are established at the level of the Company. The risk profile of the Company does not significantly deviates compared to the end of the year taking into consideration the operations' evolution. In addition, adequate liquidity of the Company is maintained (cash and cash equivalents) . On the basis of all the calculations and simulations presented, the management of the Company is confident that the going concern assumption is appropriate.

**d) Operating segments**

A segment of activity is component of the Company which engages in business activities which may generate income and incur expenses, whose results are examined periodically by Company's decision makers with the purpose of allocating resources to segments and evaluating their performance and for which separate financial information is available. The business activity of the Company does not include any segments of activities.

**3. New and amended standards and interpretations**

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2023.

- IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2023)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. Furthermore, in June 2020, the IASB issued amendments, which do not affect the fundamental principles introduced when IFRS 17 has first been issued. The amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain, as well as ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying the Standard for the first time. The amendments affect/ do not affect the consolidated/ separate Financial Statements. (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2023.

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- Amendments to IAS 1 “Presentation of Financial Statements” (effective for annual periods starting on or after 01/01/2023)

In February 2021, the IASB issued narrow-scope amendments that pertain to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. More specifically, companies are required to disclose their material accounting policy information rather than their significant accounting policies. The amendments affect/ do not affect the consolidated/ separate Financial Statements. (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2023.

- Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates” (effective for annual periods starting on or after 01/01/2023)

In February 2021, the IASB issued narrow-scope amendments that they clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The amendments affect/ do not affect the consolidated/ separate Financial Statements. (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2023.

- Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (effective for annual periods starting on or after 01/01/2023)

In May 2021, the IASB issued targeted amendments to IAS 12 to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The amendments affect/ do not affect the consolidated/ separate Financial Statements. (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2023.

- Amendments to IFRS 17 “Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information” (effective for annual periods starting on or after 01/01/2023)

In December 2021, the IASB issued a narrow-scope amendment to the transition requirements in IFRS 17 to address an important issue related to temporary accounting mismatches between insurance contract liabilities and financial assets in the comparative information presented when applying IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” for the first time. The amendment aims to improve the usefulness of comparative information for the users of the financial statements. The amendments affect/ do not affect the consolidated/ separate Financial Statements. (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2023.

- Amendments to IAS 12 “Income taxes”: International Tax Reform – Pillar Two Model Rules (effective immediately and for annual periods starting on or after 01/01/2023)

In May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 “Income Taxes”: International Tax Reform—Pillar Two Model Rules. The amendments introduced a) a temporary exception to the requirements to recognise

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and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and b) targeted disclosure requirements for affected entities. Companies may apply the temporary exception immediately, but disclosure requirements are required for annual periods commencing on or after 1 January 2023. The amendments affect/ do not affect the consolidated/ separate Financial Statements. (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2023.

- Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback" (effective for annual periods starting on or after 01/01/2024)

In September 2022, the IASB issued narrow-scope amendments to IFRS 16 "Leases" which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The issued amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the Accounting Standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. The Group/ Company will examine the impact of the above on its Financial Statements, though it is not expected to have any (To be adapted in respect of each Group/Company. The phrase "though it is not expected to have any" shall be included only in cases that it has been assessed and no impact is expected from the adoption of the amendment). The above have been adopted by the European Union with effective date of 01/01/2024.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01/01/2024)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. However, in October 2022, the IASB issued an additional amendment that aim to improve the information companies provide about long-term debt with covenants. IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted. The Group/ Company will examine the impact of the above on its Financial Statements, though it is not expected to have any (To be adapted in respect of each Group/Company. The phrase "though it is not expected to have any" shall be included only in cases that it has been assessed and no impact is expected from the adoption of the amendment). The above have been adopted by the European Union with effective date of 01/01/2024.

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**New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union**

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures”: Supplier Finance Arrangements (effective for annual periods starting on or after 01/01/2024)

In May 2023, the International Accounting Standards Board (IASB) issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The IASB issued Supplier Finance Arrangements to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments require additional disclosures that complement the existing disclosures in these two standards. They require entities to provide users of financial statements with information that enable them a) to assess how supplier finance arrangements affect an entity's liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. The amendments to IAS 7 and IFRS 7 are effective for accounting periods on or after 1 January 2024. The Group/ Company will examine the impact of the above on its Financial Statements, though it is not expected to have any (To be adapted in respect of each Group/Company. The phrase “though it is not expected to have any” shall be included only in cases that it has been assessed and no impact is expected from the adoption of the amendment). The above have not been adopted by the European Union.

- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods starting on or after 01/01/2025)

In August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates that require entities to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments introduce a definition of currency exchangeability and the process by which an entity should assess this exchangeability. In addition, the amendments provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable and require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. The amendments to IAS 21 are effective for accounting periods on or after 1 January 2025. The Group/ Company will examine the impact of the above on its Financial Statements, though it is not expected to have any (To be adapted in respect of each Group/Company. The phrase “though it is not expected to have any” shall be included only in cases that it has been assessed and no impact is expected from the adoption of the amendment). The above have not been adopted by the European Union.



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**4. Property, plant and equipment**

The movement of property, plant and equipment for six months period ended 31 December 2023 and year ended 31 December 2022 is presented below:

	Land	Buildings	Machinery, furniture and equipment	Constructions in progress	Transportation mens	Total:
Gross book value:						
<b>At 31 December 2022</b>	<b>163.109</b>	<b>580.043</b>	<b>114.727</b>	<b>131.095</b>	<b>278</b>	<b>989.252</b>
Additions						
Transfers						
Disposal						
<b>At 31 December 2022</b>						
Accumulated depreciation and impairment:						
<b>At 31 December 2022</b>	<b>-</b>	<b>(88.525)</b>	<b>(51.153)</b>	<b>-</b>	<b>(55)</b>	<b>(139.733)</b>
Depreciation charge						
<b>At 31 December 2022</b>						
Net carrying amount						
<b>At 31 December 2022</b>	<b>163.109</b>	<b>491.518</b>	<b>63.574</b>	<b>131.095</b>	<b>223</b>	<b>849.519</b>
<b>At 31 December 2022</b>						

The Company property, plant and equipment have not been pledged as a security for loans and borrowings as of 31 December 2023.

The additions for the year ended 31 December 2023 relate mainly to new stores under development or opened.

In June 2023 the Company opened the E-shop and in October 2023, the lasi store. In addition opened a Distribution Center in Popesti and in Craiova.

Currently, the Company develops the Oradea II, Timisoara II and Liberty store in Jumbo Mall.

**5. Right of use, lease liabilities, recognized in accordance with IFRS 16**

The movement in the right of use for the year ended 31 December 2023 was the following:

	Right of use, Militari shop	Total:
Gross book value:		
Initial recognition in accordance with IFRS 16	23,884	23,884
<b>At 31 December 2022</b>	<b>23,884</b>	<b>23,884</b>
<b>At 31 December 2023</b>		
	<b>23,884</b>	<b>23,884</b>

Accumulated amortization and impairment:

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<b>At 31 December 2022</b>	<b>(8.155)</b>	<b>(8.155)</b>
Amortization charge	(2.331)	(2.331)
<b>At 31 December 2023</b>	<b>(10.486)</b>	<b>(10.486)</b>
Net carrying amount		
<b>At 31 December 2022</b>	<b>15.729</b>	<b>15.729</b>
<b>At 31 December 2023</b>	<b>13.398</b>	<b>13.398</b>

**6. Intangible Assets**

The movements of intangible assets for the year ended 31 December 2023 are presented below:

	<b>Software</b>	<b>Total:</b>
Gross book value:		
<b>At 31 December 2022</b>	<b>3.125</b>	<b>3.125</b>
Additions	1.765	1.765
<b>At 31 December 2023</b>	<b>4.890</b>	<b>4.890</b>
Accumulated amortization:		
<b>At 31 December 2022</b>	<b>(1.947)</b>	<b>(1.947)</b>
Amortization charge	(601)	(601)
<b>At 31 December 2023</b>	<b>(2.548)</b>	<b>(2.548)</b>
Net carrying amount		
<b>At 31 December 2022</b>	<b>1.178</b>	<b>1.178</b>
<b>At 31 December 2023</b>	<b>2.342</b>	<b>2.342</b>

The Company's intangible assets have not been pledged as a security for loans and borrowings as of 31 December 2023.

**7. Inventories**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Merchandises	153.931	95.149
Pallets	4.484	2.097
<b>Total:</b>	<b>158.416</b>	<b>97.246</b>

During the year ended 31 December 2023, merchandises in amount of RON 342.326 thousand were included in cost of sales.

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**8. Trade receivables**

The trade receivable balances as at 31 December 2023 are neither past due, nor impaired.

**9. Other current assets**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Receivables for accrued interests on bank deposits	240	426
Receivables from the State	1.895	1.351
Prepaid expenses	1.287	833
Advances to suppliers	4.724	36.344
Other receivables	1.346	8.481
<b>Total:</b>	<b>8.898</b>	<b>47.435</b>

The receivables from the State comprise mainly the recoverable amount of personnel medical leave.

Over the financial periods the Company has concluded several bank deposits with a maturity of 1 – 3 months. The balance of accrued interest as at 31 December 2022 is RON 240 thousand (31 December 2021: 0 RON ).

**10. Cash and cash equivalents**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash in bank	314.298	114.413
Petty cash	1.143	1.316
Cash in transit	8.328	4.134
Sight and time deposits	334.805	538.129
<b>Total:</b>	<b>658.573</b>	<b>657.992</b>

Bank accounts are held exclusively with Romanian banks. As at 31 December 2023 the Company had current accounts in RON and EUR.

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**11. Share capital**

The Company's single shareholder is JUMBO S.A., Greece. As at 31 December 2022, the share capital is divided in 32,711,227 social parts with a nominal value of RON 13/share (31 December 2023: 32,711,227 social parts with a nominal value of RON 13/share).

The Company is a member of the Jumbo SA Group, the Company parent (Jumbo SA), preparing the consolidated financial statements. The Group is listed on the Athens stock exchange market.

**12. Other non-current liabilities**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Suppliers of fixed assets	0	0
Guarantees received	3.661	8.528
<b>Total:</b>	<b>3.661</b>	<b>8.528</b>

**13. Trade payables**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade payables with related parties (Note 24)	-	77.663
Trade payables with third-parties	15.097	10.906
Suppliers of fixed assets	3.800	6.289
<b>Total:</b>	<b>18.897</b>	<b>94.858</b>

The trade payables have general credit terms of 30-90 days and do not carry interest. The net carrying amount of trade payables is considered a reasonable approximation of fair value.

**14. Other current liabilities**

	<b>31 December 2023</b>	<b>31 December 2022</b>
VAT	42.095	35.052
Payroll taxes	861	725
Salary payable	9.497	7.035
Dividends payable	-	-
<b>Total:</b>	<b>52.453</b>	<b>42.812</b>

**15. Turnover**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Sales of merchandises, third-parties	1.140.114	985.829
Sales of merchandises, related parties	6.199	6.038
<b>Total:</b>	<b>1.146.313</b>	<b>991.867</b>

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**16. Cost of sales**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Inventory at the beginning of period	95.218	63.895
Purchases:	626.105	506.476
Discounts on total purchases	(6.804)	(6.870)
Surpluses of inventory	-	-
Inventory in the end of the period	(153.931)	(95.218)
<b>Total</b>	<b>560.588</b>	<b>468.283</b>

**17. Other income**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Sales of other merchandise	2.690	2.097
Rental income	1.011	1.483
Other income	24.521	10.093
<b>Total:</b>	<b>28.222</b>	<b>13.674</b>

**18. Distribution costs**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Payroll expenses	96.201	72.631
Depreciation of tangible assets	37.142	26.003
Third parties' expenses and fees	29.802	29.439
Advertisement	12.805	10.741
Operating leases rent	8.475	10.272
Services received	13.455	11.689
Taxes and duties	9.076	6.179
Consumable items	2.311	1.452
Other various expenses	3.769	1.502
<b>Total:</b>	<b>213.035</b>	<b>169.908</b>

The operating lease rent relates to the contingent rent owed by the Company for three of its shops (Militari, Th. Pallady and Timisoara up to May where the Company purchase the store), and represents 5.5% to 5.75% of the turnover. In relation to Military, the contract provides a minimum rent (EUR 50,000/month), which was used in the recognition of a right-of-use asset in accordance with IFRS 16 .

**19. Administrative expenses**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Sponsorship expenses	6.748	5.662
Payroll expenses	6.096	5.096
Services received	985	716
Depreciation of tangible assets	325	304
Consumables expenses	102	66

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Third parties' expenses and fees	25	180
Operating leases rent	132	8
Taxes and duties	115	46
<b>Total:</b>	<b>14.526</b>	<b>12.078</b>

The sponsorship expenses for the year ended 31 December 2023 relate to donations to the Grigore Alexandrescu Childrens Hospital and Hellenic School of Bucharest.

**20. Other expenses**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Operating losses on foreign currency exchanges	18.221	7.265
Loss on sale of property, plant and equipment	-	-
<b>Total:</b>	<b>18.221</b>	<b>7.265</b>

**21. Personnel expenses**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Wages and salaries and related benefits	100.164	76.002
Social security and national health contributions	2.133	1.725
<b>Total:</b>	<b>102.297</b>	<b>77.727</b>

The Company headcount evolved as follows:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Headcount at the end of the year	1.709	1.461
Average number of employees during the year	1.555	1.248

**22. Finance income and costs**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Interest income on cash at banks	18.850	25.876
<b>Total finance income:</b>	<b>18.850</b>	<b>25.876</b>
Interest expenses	(656)	(743)
Bank commissions	(4.403)	(3.411)
<b>Total finance costs:</b>	<b>(5.059)</b>	<b>(4.154)</b>
<b>Net finance income:</b>	<b>13.791</b>	<b>21.722</b>

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**23. Taxation**

The major components of income tax expense for the year ended 31 December 2023, are:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Current income tax:		
Current income tax charge	46.286	43.468
Deferred tax:		
Relating to origination and reversal of temporary differences	(2)	12
<b>Total:</b>	<b>46.284</b>	<b>43.480</b>

The statutory tax period ending at 31 December 2023 comprises 12 months (i.e. covers the period 1 January 2023 – 31 December 2023).

Reconciliation of tax expense and the accounting profit multiplied by Romania's domestic tax rate for the year ended 31 December 2023 :

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
Accounting profit before income tax	381.973	369.653
<b>Profit before tax, for income tax computation</b>	<b>381.973</b>	<b>369.653</b>
Legal reserves	(9.118)	(18.483)
Non-deductible expenses for tax purposes:	8.175	6.471
At Romanian statutory income tax rate 16%	60.955	57.223
Fiscal credits, sponsorship	(6.500)	(5.640)
Income tax incentives	(8.168)	(8.115)
	<b>46.286</b>	<b>43.468</b>

**23. Taxation (continued)**

**Deferred tax**

Deferred tax relates to the following:

	<b>31 December 2023</b>	<b>Profit or loss Year ended 31 December 2022</b>
Right-of-use assets recognized in relation to IFRS 16 adoption		
Lease liabilities recognized in relation to IFRS 16 adoption	306	303
<b>Total:</b>	<b>306</b>	<b>303</b>

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**24. Related parties**

As detailed above (Note 11), the Company is controlled by Jumbo S.A (domiciled in Greece) which holds 100% of the Company's social parts, which is also the ultimate parent company of the Group of which the Company is a part of. The parent company has control over the entities disclosed below as other related parties.

**24. Transactions with related parties:**

		<b>Sales to related parties</b>	<b>Acquisitions from related parties</b>
<b>Entity with significant influence over the Company</b>			
Jumbo S.A	Year ended 31 December 2023	6.199	624.315
<b>Other related parties</b>			
Jumbo Trading Ltd	Year ended 31 December 2023	-	-
Jumbo ec B	Year ended 31 December 2023	-	-

**24.b Balances with related parties:**

		<b>Trade receivables with related parties</b>	<b>Trade payables with related parties</b>
<b>Entity with significant influence over the Company</b>			
Jumbo S.A	31 December 2022	-	77.663
	31 December 2023	4.437	3.522

**24.c Compensation paid to key management personnel:**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
<b>Key management personnel of the Company</b>		
Directors and Board Members	546	652

The Company has not granted the key management personnel any loans nor other benefit during the year ended 31 December 2023 .

**25. General commitments and contingencies**

**Legal claims**

As at 31 December 2023 , the Company is not part of any commercial litigation which could have a major exposure over the Company financial position or performance. The Company's Management does not expect that any potentially material liability could arise in the case of advertent outcome of court cases or legal claims against it, apart from what is disclosed in these financial statements.

**Contingent assets**

No significant matters to report



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**Contingent liabilities**

No significant matters to report

**Operating lease commitments where the company is a lessee**

The Company is part of three lease contracts (shops), in relation to two of these, the rent is fully contingent on the Company sales (i.e. 5% of shops' turnover). The third contract provides a minimum lease of EUR 50,000/month.

In relation to the contingent rent contracts, the Company determined the commitments based on the contingent rentals recorded during the reporting period.

In relation to the third contract, the Company disclosed the commitments only as at 31 December 2022, and 31 December 2023 the Company recognized a right of use and corresponding lease liabilities in relation to this contract, in accordance with IFRS 16 provisions.

	<b>31 December 2023</b>	<b>31 December 2022</b>
Under 1 year	9.795	13.029
1-5 years	26.689	39.926
Over 5 years	1.049	5.246

**26. Financial Risk management**

**26.1 Financial assets and liabilities**

	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Financial assets</b>		
Debt instruments at amortized cost:		
Trade receivables	7.981	608
Cash and cash equivalents	658.573	657.992
<b>Total financial assets at amortized cost</b>	<b>666.554</b>	<b>658.600</b>
<b>Total financial assets</b>	<b>666.554</b>	<b>658.600</b>
<b>Financial liabilities</b>		
Financial liabilities at amortized cost:		
Non-current leases	12.928	15.242
Other non-current liabilities	3.661	8.528
Current leases	2.313	2.313
Trade payables	15.098	94.858
Other current liabilities	-	-
<b>Total financial liabilities at amortized cost</b>	<b>46.535</b>	<b>120.941</b>
<b>Total financial liabilities</b>	<b>46.535</b>	<b>120.941</b>

**26.2 Fair value**

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments. The carrying amounts are reasonable approximations of fair values:

<b>31 December 2023</b>	<b>31 December 2022</b>
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	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Debt instruments at amortized cost:				
Trade receivables	7.981	7.981	608	608
Cash and cash equivalents	658.573	658.573	657.992	657.992
<b>Total debt instruments at amortized cost</b>	<b>666.554</b>	<b>666.554</b>	<b>658.600</b>	<b>658.600</b>
<b>Total financial assets</b>	<b>666.554</b>	<b>666.554</b>	<b>658.600</b>	<b>658.600</b>
<b>Financial liabilities</b>				
Financial liabilities at amortized cost				
Non-current leases	12.928	12.928	15.242	15.242
Other non-current liabilities	3.661	3.661	8.528	8.528
Current leases	2.313	2.313	2.313	2.313
Trade payables	15.098	15.098	94.858	94.858
Other current liabilities (dividends payable)	-	-	-	-
<b>Total financial liabilities at amortized cost</b>	<b>46.535</b>	<b>46.535</b>	<b>120.941</b>	<b>120.941</b>
<b>Total financial liabilities</b>	<b>46.535</b>	<b>46.535</b>	<b>120.941</b>	<b>120.941</b>

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, 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 or indirectly; and.
- Level 3: unobservable inputs for the asset or liability.

All financial instruments of the Company are carried at within Level 3 fair value category.

### 26.3 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise lease liabilities and current and non-current trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include the trade receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management designs and follows appropriate policies and procedures that ensure the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

## 26. Financial Risk management (continued)

### 26.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and credit risk. Financial instruments affected by market risk include interest-bearing borrowings, debt instruments and equity investments.

The sensitivity analysis in the following sections relate to the position as at 31 December in 2023.

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The Company assumed in calculating the sensitivity analysis that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December in 2023.

**26.5 Interest rate risk**

The Company is not exposed to interest rate risk, as the lease liabilities were recognized in accordance with the IFRS 16 provisions based on the market interest rate applicable at the date of transition (1 July 2019). Also, the Company bank deposits were as well set-up on fixed interest rate. As at 31 December 2023 the Company has no financial instruments subject to floating interest rates.

**26.6 Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's acquisitions of merchandises and related payables, which are denominated in EUR.

In addition, following IFRS 16 adoption, the Company exposure to EUR increased as a result of recognition of lease liabilities (which are contracted in EUR).

The table below summarizes the Company's exposure to foreign currency exchange risk at 31 December 2022 and 31 December 2021. The Company's financial assets and liabilities at carrying amounts, categorized by currency are included in the table.

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>Total</b>	<b>RON</b>
<b>Financial assets</b>		
Debt instruments at amortized cost:		
Trade receivables	7.981	608
Cash and cash equivalents	658.573	657.992
<b>Total debt instruments at amortized cost</b>	<b>666.554</b>	<b>658.600</b>
<b>Total financial assets</b>	<b>666.554</b>	<b>658.600</b>
<b>Financial liabilities</b>		
Financial liabilities at amortized cost:		
Non-current leases	12.928	15.242
Other non-current liabilities	3.661	8.528
Current leases	2.313	2.313
Trade payables	15.098	94.858
Other current liabilities (dividends payable):	-	-
<b>Total financial liabilities at amortized cost</b>	<b>46.535</b>	<b>120.941</b>
<b>Total financial liabilities</b>	<b>46.535</b>	<b>120.941</b>
<b>Net financial assets/(liabilities):</b>	<b>620.019</b>	<b>537.659</b>

**26. Financial Risk management (continued)**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>Total</b>	<b>RON</b>
<b>Financial assets</b>		
Debt instruments at amortized cost:		
Trade receivables	7.981	608
Cash and cash equivalents	658.573	657.992

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<b>Total debt instruments at amortized cost</b>	<b>666.554</b>	<b>658.600</b>
<b>Total financial assets</b>	<b>666.554</b>	<b>658.600</b>
<b>Financial liabilities</b>		
Financial liabilities at amortized cost:		
Non-current leases	12.928	15.242
Other non-current liabilities	3.661	8.528
Current leases	2.313	2.313
Trade payables	15.098	94.858
Other current liabilities (dividends payable):	-	-
<b>Total financial liabilities at amortized cost</b>	<b>46.535</b>	<b>120.941</b>
<b>Total financial liabilities</b>	<b>46.535</b>	<b>120.941</b>
<b>Net financial assets/(liabilities):</b>	<b>620.019</b>	<b>537.659</b>

The following tables demonstrate the sensitivity to a reasonably possible change in EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of financial assets and liabilities and it matches the change in pre-tax equity.

The Company does not employ hedging in managing its foreign currency risk. When taking the decision to repay the owed funds, the Company considers also the foreign currency aspect, in order to minimize its risk.

#### **26.7 Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing, mainly cash placed with banks.

#### **26. Financial Risk management (continued)**

The maximum exposure to credit risk of the Company is the carrying amount as disclosed below.

	<b>31 December 2022</b>	<b>31 December 2022</b>
<b>Financial assets</b>		
Debt instruments at amortized cost:		
Trade receivables	7.981	608
Cash and cash equivalents	658.573	657.992
<b>Total financial assets at amortized cost</b>	<b>666.554</b>	<b>658.600</b>
<b>Total financial assets</b>	<b>666.554</b>	<b>658.600</b>

#### **Trade receivables**

Customer credit risk is managed by the Management of the Company, in accordance with the Company's established policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

As the Company operates in the retail industry, the credit sales are occasional (coming mostly from rentals of withing Company stores). As such, the Company monitors the outstanding receivables on an individual basis, and follows-up on overdue collections. As at 31 December 2023, the Company had no overdue trade receivables.

#### **Cash and cash equivalents**

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The Company deposits cash only with reputable financial institutions with high credibility.

As such, the Management considers there is no credit risk in relation to the cash or the accrued interest balances, and, hence, no impairment allowance has been recorded in this regard as at 31 December 2023 : no allowance).

**26.8 Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due under normal and stress circumstances. As the Company operates in the retail industry and virtually all the sales are made on a cash basis, the Company Management considers it is not strongly exposed to the liquidity risk. Nevertheless, the Company analyses the Company forecasted cash inflows and matches to the expected cash outflows relating to the day-to-day business. In addition, the Company holds sufficient cash deposited with banks in current accounts to cover potential deficits.

The tables below summarize the maturity profile of the Company's financial liabilities as of 31 December 2023, based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. The below amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

	<b>31 December 2023</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
Non-current leases	12.928	-	-	11.879	1.049
Other non-current liabilities	3.661	-	-	3.661	-
Current leases	2.313	578	1.735	-	-
Trade payables	15.098	15.098	-	-	-
Other current liabilities	-	-	-	-	-
<b>Total financial liabilities</b>	<b>34.001</b>	<b>15.676</b>	<b>1.735</b>	<b>15.540</b>	<b>1.049</b>

	<b>31 December 2022</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>
Non-current leases	15.242	-	-	13.051	2.191
Other non-current liabilities	8.528	-	-	8.528	-
Current leases	2.313	593	1.720	-	-
Trade payables	94.858	94.858	-	-	-
Other current liabilities	-	-	-	-	-
<b>Total financial liabilities</b>	<b>120.941</b>	<b>102.494</b>	<b>1.720</b>	<b>21.579</b>	<b>2.191</b>

**27. Capital management**

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern,
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital based on the gearing ratio, computed as a ratio between the net debt and the net debt plus capital, as presented on the face of the statement of financial position. The Company's goal in capital management is to maintain a gearing ratio of up to 2.

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Management assesses the Company's capital requirements to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the value of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amounts managed as capital by the Company for the reporting periods under review are summarised as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Non-current borrowings	12.928	15.242
Current borrowings	2.313	2.313
Trade payables	15.098	94.858
Cash and cash equivalents	(658.573)	(657.991)
<b>Net debt:</b>	<b>(628.234)</b>	<b>(545.578)</b>
Total equity	1.830.024	1.494.326
Non-current borrowings	12.928	15.242
Current borrowings	2.313	2.313
<b>Capital and net debt</b>	<b>1.845.266</b>	<b>1,476.771</b>
<b>Capital to overall financing</b>	<b>N/A</b>	<b>N/A</b>

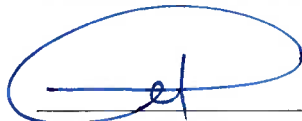
As at 31 December 2023 no gearing ratio was computed, as the available cash levels exceeded the current and non-current financing obligations.

**28. Events after the balance sheet date**

No significant matters to report.

The accompanying notes on pages 5 to 36 are an integral part of these financial statements.

The financial statements were authorized for issue on **10 April 2024**

  
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 Eleftherios Themelis  
 General Manager

  
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 Rodica Cristea  
 Chief Accountant