

# **GLEBI HOLDINGS PLC**

Unaudited interim

consolidated financial report

For the period ended 30 June 2024



## DIRECTORS AND PROFESSIONAL ADVISERS

Directors	Penta Investments Cyprus Limited Chrystalla Argyridou
Secretary	Chanteclair Secretarial Limited Nicosia, Cyprus
Registered Office	212 C & I Center Building, Agias Fylaxeos & Polygnostou, 2nd Floor 3082 Limassol, Cyprus
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## **GLOSSARY**

Adjusted EBITDA	Adjusted earnings before interest, taxes, depreciation & amortisation and impairment
CCS	Cross-currency swaps
CGU	Cash generating unit
COMPANY	PHARMAX HOLDINGS LIMITED
ECL	Expected credit loss
FTE	Average number of employees
FVTPL	Fair value through profit or loss
FX SWAP	Foreign Currency Swap
GROUP	Company and its subsidiaries
IFRS	International Financial Reporting Standards
IRS	Interest rate swap
LTI	Long-term incentive
OCI	Other comprehensive income
SICR	Significant increase in Credit risk
SPV	Special purpose vehicle
VAT	Value-added tax



# **GLEBI HOLDINGS PLC**

Financials

# **GLEBI HOLDINGS PLC**

Unaudited interim

consolidated financial statements

For the period ended 30 June 2024

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE SIX MONTHS ENDED 30 JUNE

EUR '000

	Note	2024	2023
		Unaudited	
<b>Continuing operations</b>			
Revenue from contracts with customers	8.1	2,338,692	2,016,354
Goods for resale and direct costs	8.2	(1,735,902)	(1,494,649)
<b>Gross margin</b>		<b>602,790</b>	<b>521,705</b>
Other operating income		2,664	2,882
Personnel costs	8.3	(285,525)	(240,586)
Received services and other operating expenses	8.4	(130,340)	(131,002)
Impairment losses on financial assets	8.5	(269)	(902)
Reversal of provisions		235	291
Other gains and (losses)	8.6	(875)	853
<b>Operating profit before depreciation &amp; amortisation and impairment</b>		<b>188,680</b>	<b>153,241</b>
Depreciation and amortisation	8.7	(79,243)	(65,695)
Impairment losses on non-financial assets	8.8	(105)	-
<b>Operating profit</b>		<b>109,332</b>	<b>87,546</b>
<b>Investing profit</b>		<b>1,850</b>	<b>1,397</b>
<b>Profit before financing and income tax</b>		<b>111,182</b>	<b>88,943</b>
Finance income	8.9	36,836	33,071
Finance expense	8.9	(73,302)	(58,502)
<b>Financing loss</b>		<b>(36,466)</b>	<b>(25,431)</b>
<b>Profit before tax from continuing operations</b>		<b>74,716</b>	<b>63,512</b>
Income tax expense	8.10	(28,281)	(13,455)
<b>Profit after tax from continuing operations</b>		<b>46,435</b>	<b>50,057</b>
<b>Profit for the period</b>		<b>46,435</b>	<b>50,057</b>
<b>Attributable to:</b>			
Owners of the parent Company		46,435	50,057
Non-controlling interests		-	-

EUR '000			2024	2023
		Note	Unaudited	
<b>Other comprehensive income</b>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign exchange translation differences			(2,271)	(1,397)
Net value gains / (losses) on cash flow hedges			4,216	(2,953)
<b>Other comprehensive income / (expense) for the year, net of tax</b>			<b>1,945</b>	<b>(4,350)</b>
<b>Total comprehensive income for the year</b>			<b>48,380</b>	<b>45,707</b>
<b>Attributable to:</b>				
Owners of the parent Company			48,380	45,707
Non-controlling interests			-	-



## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR '000

	Note	30 June 2024	31 December 2023
		Unaudited	
<b>ASSETS</b>			
Goodwill	8.11	667,531	660,627
Intangible assets	8.12	228,397	212,759
Property, plant and equipment	8.13	212,901	202,303
Right-of-use assets	8.14	656,821	637,369
Loans provided	8.15	1,279,538	1,137,132
Other financial assets		10,801	4,726
Trade and other receivables	8.16	13,875	13,182
Derivative financial instruments	8.24	13,096	3,503
Deferred tax assets	8.10	29,013	25,315
<b>Total non-current assets</b>		<b>3,111,973</b>	<b>2,896,916</b>
Loans provided	8.15	53,866	70,190
Other financial assets		133	200
Trade and other receivables	8.16	689,144	746,443
Derivative financial instruments	8.24	12,264	15,207
Current tax assets	8.10	3,341	6,056
Inventories	8.17	617,405	573,339
Cash and cash equivalents	8.18	321,351	226,933
Assets held for sale	8.19	258	510
<b>Total current assets</b>		<b>1,697,762</b>	<b>1,638,878</b>
<b>TOTAL ASSETS</b>		<b>4,809,735</b>	<b>4,535,794</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	8.20	30	30
Share premium	8.20	540,110	540,110
Reserves		(46,506)	(48,451)
Accumulated losses		(79,310)	(125,745)
<b>Equity attributable to the owners of the Company</b>		<b>414,324</b>	<b>365,944</b>
<b>Total equity</b>		<b>414,324</b>	<b>365,944</b>
Interest bearing loans and borrowings	8.21	1,910,936	1,639,556
Provisions	8.22	363	385
Employee benefit obligations	8.23	18,325	16,275
Deferred tax liabilities	8.10	20,724	17,499
Other financial liabilities	8.29	5,460	2,259
Derivative financial instruments	8.24	883	814
Lease liabilities	8.25	578,887	556,097
Creditors and accruals	8.26	8,346	8,505
<b>Total non-current liabilities</b>		<b>2,543,924</b>	<b>2,241,390</b>
Interest bearing loans and borrowings	8.21	417,335	440,712
Provisions	8.22	4,562	4,971
Employee benefit obligations	8.23	85,618	84,199
Other financial liabilities	8.29	-	4,750
Derivative financial instruments	8.24	769	3,918
Current tax liabilities	8.10	17,821	9,796
Lease liabilities	8.25	81,576	77,340
Creditors and accruals	8.26	1,243,806	1,302,774
<b>Total current liabilities</b>		<b>1,851,487</b>	<b>1,928,460</b>
<b>Total liabilities</b>		<b>4,395,411</b>	<b>4,169,850</b>
<b>Total equity and liabilities</b>		<b>4,809,735</b>	<b>4,535,794</b>

Director

Director

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

EUR '000

	Note	Reserves					Accumulated losses	Equity attributable to the owners of the Company	Total equity
		Share capital	Share premium	Foreign exchange translation	Hedging reserve	Other reserves			
<b>At 31 December 2023</b> (audited)		<b>30</b>	<b>540,110</b>	<b>(58,662)</b>	<b>14,167</b>	<b>(3,956)</b>	<b>(125,745)</b>	<b>365,944</b>	<b>365,944</b>
<b>Profit for the year</b>		-	-	-	-	-	<b>46,435</b>	<b>46,435</b>	<b>46,435</b>
Foreign exchange translation differences		-	-	(2,271)	-	-	-	<b>(2,271)</b>	<b>(2,271)</b>
Hedging reserve	8.24	-	-	-	4,216	-	-	<b>4,216</b>	<b>4,216</b>
<b>Other comprehensive income / (loss)</b>		-	-	<b>(2,271)</b>	<b>4,216</b>	-	-	<b>1,945</b>	<b>1,945</b>
<b>At 30 June 2024</b> (unaudited)		<b>30</b>	<b>540,110</b>	<b>(60,933)</b>	<b>18,383</b>	<b>(3,956)</b>	<b>(79,310)</b>	<b>414,324</b>	<b>414,324</b>

EUR '000

	Note	Reserves					Accumulated losses	Equity attributable to the owners of the Company	Total equity
		Share capital	Share premium	Foreign exchange translation reserve	Hedging reserve	Other reserves			
<b>At 31 December 2022</b> (audited)		<b>30</b>	<b>540,110</b>	<b>(47,095)</b>	<b>40,773</b>	<b>(3,915)</b>	<b>(215,864)</b>	<b>314,039</b>	<b>314,039</b>
<b>Profit for the year</b>		-	-	-	-	-	50,054	<b>50,054</b>	<b>50,054</b>
Foreign exchange translation differences		-	-	(1,397)	-	-	-	<b>(1,397)</b>	<b>(1,397)</b>
Hedging reserve	8.24	-	-	-	(2,953)	-	-	<b>(2,953)</b>	<b>(2,953)</b>
<b>Other comprehensive income / (loss)</b>		-	-	<b>(1,397)</b>	<b>(2,953)</b>	-	-	<b>(4,350)</b>	<b>(4,350)</b>
<b>Other movements</b>		-	-	-	-	(36)	3	<b>(33)</b>	<b>(33)</b>
<b>At 30 June 2023</b> (unaudited)		<b>30</b>	<b>540,110</b>	<b>(48,492)</b>	<b>37,820</b>	<b>(3,951)</b>	<b>(165,807)</b>	<b>359,710</b>	<b>359,710</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2024

EUR '000			
	Notes	2024	2023
		Unaudited	
<b>Operating activities</b>			
Operating profit		109,332	87,546
Adjustments for:			
Amortisation and depreciation	8.7	79,243	65,695
Impairment of non-financial assets incl. write-off of inventory	8.2, 8.8	6,341	5,341
Impairment and write-off of loans and trade receivables	8.5	269	902
Gain on disposal of fixed assets	8.5	(730)	(927)
(Gain) / loss on modification of right-of-use assets		(193)	512
Gain on disposal of material	8.6	(139)	(269)
Change in fair value of financial liabilities at FVTPL	8.6	1,969	578
Increase in provisions		(235)	(291)
Foreign exchange (gains) / losses		398	4,674
Other movements		4,040	(1,537)
<b>Operating cash flows before working capital changes</b>		<b>200,295</b>	<b>162,224</b>
Increase in inventories		(49,046)	(71,238)
(Increase) / decrease in trade and other receivables		58,634	(11,466)
Increase / (decrease) in creditors, accruals and employee benefit obligations		(63,837)	22,635
<b>Cash generated from operations</b>		<b>146,046</b>	<b>102,155</b>
Taxation paid		(19,588)	(18,262)
<b>Net cash inflows from operating activities</b>		<b>126,458</b>	<b>83,893</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(33,940)	(29,661)
Purchase of intangible assets		(27,425)	(21,939)
Proceeds from sale of fixed assets and assets held for sale		611	575
Prepayments related to right-of-use assets		(1,313)	(1,863)
Payments to acquire subsidiaries, net of cash acquired	7.1	(6,280)	(34,128)
Prepayments for acquisition of financial investments		(6,077)	(29,447)
Proceeds from loan provided		(238,127)	(3,055)
Repayment of loans provided		108,419	89,958
Finance interest income received		36,420	23,184
Interest income from bank deposits and other investing income received		1,850	1,767
<b>Net cash outflows from investing activities</b>		<b>(165,862)</b>	<b>(4,609)</b>

EUR '000

	Notes	2024	2023
		Unaudited	
<b>Financing activities</b>			
Proceeds from borrowings and bonds issued	8.29	367,549	94,928
Proceeds from other financial liabilities	8.29	-	500
Repayment of borrowings and bonds issued including bonds repurchase	8.29	(127,070)	(99,083)
Repayment from other financial liabilities	8.29	(1,541)	-
Finance interest expense paid	8.29	(50,470)	(30,808)
Proceeds from settlement of derivatives	8.29	10,552	4,712
Repayments related to settlement of derivatives	8.29	(4,274)	-
Payments of lease liability	8.29	(45,099)	(34,851)
Payment of lease interest	8.29	(14,588)	(12,364)
<b>Net cash inflows/ (outflows) from financing activities</b>		<b>135,059</b>	<b>(76,966)</b>
<b>Net increase in cash and cash equivalents</b>		<b>95,655</b>	<b>2,318</b>
Effect of exchange rate changes on cash and cash equivalents		(1,237)	1,810
<b>Cash and cash equivalents at beginning of the period</b>		<b>226,933</b>	<b>172,097</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>321,351</b>	<b>176,225</b>



# **GLEBI HOLDINGS PLC**

## Notes to the Consolidated Financial Statements

For the period six months ended 30 June 2024

## 1. GENERAL INFORMATION

### 1.1 CORPORATE INFORMATION

GLEBI HOLDINGS PLC (the "Company") was incorporated in Cyprus on 21 December 2007 by Penta Investments Limited (Cyprus) as a public limited liability company in accordance with the provisions of the Cyprus Companies Law Cap. 113. Its registered office is at Ayias Fylaxeos & Polygnostou, 212 C&I Center building, 3082 Limassol, Cyprus.

The Company is 100% controlled by Penta Investments Group Limited (the ultimate parent entity and controlling party). Penta Investments Group Limited is a company operating and existing under the laws of Cyprus in accordance with the provisions of the Cyprus Companies Law Cap.113. Its registered office is Agias Fylaxeos & Polygnostou, 212 C&I CENTER, 3082 Limassol, Cyprus.

The interim consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group") for the six months ended 30 June 2024 were authorized for issue in accordance with a resolution of the directors on 30 September 2024.

### 1.2 CONSOLIDATED SUBSIDIARIES AND GROUP ENTERPRISES

These interim consolidated financial statements comprise the Company and its subsidiaries. The following table presents an overview of fully consolidated subsidiaries held directly by the Company as at 30 June 2024, as at 31 December 2023 and as at 30 June 2023.

Consolidated subsidiary or subgroup name	Nature of business	Country of business operations	Effective ownership percentage		
			30 June 2024	31 December 2023	30 June 2023
PHARMAX HOLDINGS LIMITED	Internal services	Cyprus	100%	100%	100%
Dr. Max Funding, s.r.o.	Financing entity - Bonds	Slovak Republic	100%	100%	100%
ROCKYFARM SRL	Health care	Romania	N/A	N/A	100%
Dr. Max Funding CR, s.r.o.	Financing entity - Bonds	Czech Republic	100%	100%	N/A
ČESKÁ LÉKÁRNA HOLDING, a.s. Group	Health care – Own & operate retail Pharmacies	Czech Republic	100%	100%	100%
Dr. Max BDC, s.r.o.	Intragroup services SPV	Czech Republic	100%	100%	100%
Dr. Max Holding SK, a.s. Group	Health care – Own & operate retail Pharmacies	Slovak Republic	100%	100%	100%
BRL Center – Polska Sp. z o.o. Group	Health care – Own & operate retail Pharmacies	Poland	100%	100%	100%
Dr. Max Sp. z o.o.	Internal services	Poland	100%	100%	100%
Baramoore International s.r.o.	Finance SPV	Czech Republic	100%	100%	100%
AsterFarm d.o.o. Beograd Group	Health care – Own & operate retail Pharmacies	Republic of Serbia	100%	100%	100%
Dr. Max Romania Group	Health care – Own & operate retail Pharmacies, Wholesale	Romania	100%	100%	100%
MagnaPharm Holdings Limited Group	Health care – Marketing and Sales	Europe	100%	100%	100%
Lidea SpA – Group	Health care – Own & Operate retail Pharmacies	Italy	100%	100%	100%
ViaPharma s.r.o.	Health care - Wholesale	Czech Republic	100%	100%	100%
Dr. Max Pharma s.r.o.	Health care – Production and distribution of pharmaceutical products	Czech Republic	100%	100%	100%
Altofarm s.r.o.	Holding entity	Czech Republic	100%	100%	N/A
MEDREG s.r.o.	Health care – Distribution of pharmaceutical products, License provider	Czech Republic	100%	100%	N/A

### 1.3 DESCRIPTION OF BUSINESS ACTIVITIES

The principal activities of the Group which are unchanged from last period, are to invest and, through its subsidiaries, actively manage a retail chain of pharmacies, number of wholesale distribution centers, and outsource integrated services of import, distribution, market access, marketing and medical promotion and regulatory services to medicine manufacturers.

#### Number of pharmacies

The evolution of pharmacies is as follows:

Number of Pharmacies	30 June 2024	31 December 2023
Romania	963	941
Poland <sup>1</sup>	539	537
Czech Republic	514	498
Slovak Republic	416	406
Republic of Serbia	330	318
Italy <sup>2</sup>	201	203
<b>Total</b>	<b>2,963</b>	<b>2,903</b>

<sup>1</sup> Including franchises.

<sup>2</sup> Including NeoApotek (pharmacies that are part of Dr.Max chain, however not consolidated on GLEBI HOLDINGS PLC level).



## 1.4 DIRECTORS OF THE COMPANY AND GROUP BOARD AND LOCAL CEO

As of 30 June 2024, the composition of the Board of Directors was as follows:

Name	Position in the Company Board		
Penta Investments Limited			
<i>represented by:</i> Marek Petercak Michal Vrzgula	Chairman Member	<b>Marek Petercak</b> Chairman of the Board	<b>Michal Vrzgula</b> Member of the Board
Chrystalla Argyridou	Member		

As of 30 June 2024, the composition of the Management Board and Local Chief Executive Officer was as follows:



## **2. BASIS OF PREPARATION**

### **2.1 STATEMENT OF COMPLIANCE**

The interim consolidated financial statements for the six months period ended 30 June 2024 have been prepared in accordance with *IAS 34 Interim Financial Reporting*.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The interim consolidated financial statements were not verified by the auditor in accordance with applicable regulations.

### **2.2 ACCOUNTING CONVENTION**

The consolidated financial statements have been prepared on going concern basis and under the historical cost basis, except for fair value through profit and loss liabilities and fair value through other comprehensive income liabilities that have been measured at fair value as explained in the accounting policies below.

These consolidated financial statements are presented in euro, rounded to the nearest thousand (EUR '000). The functional currency of each consolidated entity is in line with national currencies.

### **2.3 SEASONALITY OF OPERATIONS**

Due to the seasonal nature of the business, higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the period September to December are mainly attributed to the increased demand for medicines for respiratory diseases. This information is provided to allow for a better understanding of the results.

However, management has concluded that this is not 'highly seasonal' in accordance with IAS 34.

### 3. MATERIAL ACCOUNTING POLICIES

#### 3.1 FOREIGN CURRENCIES

In preparing these interim financial statements, the following official exchange rates were used:

Currency	30 June 2024		30 June 2023	
	Average exchange rate	Spot exchange rate	Average exchange rate	Spot exchange rate
CZK	25,01	25,03	23,69	23,74
PLN	4,32	4,31	4,62	4,44
RON	4,97	4,98	4,93	4,96
RSD	117,15	117,05	117,31	117,23

#### 3.2 CURRENT, DEFERRED TAX

In preparing these interim financial statements, the following local tax rates were used:

Name	30 June 2024	30 June 2023
Cyprus	12.5%	12.5%
Czech Republic	21.0%	19.0%
Slovakia	21.0%	21.0%
Poland	19.0%	19.0%
Italy	28.0%	28.0%
Bulgaria	10.0%	10.0%
Hungary <sup>3</sup>	9.0%	9.0%
Serbia	15.0%	15.0%
Romania <sup>4</sup>	16.0%	16.0%

<sup>3</sup> The rate differs based on the amount of taxable income.

<sup>4</sup> Imposing a minimum tax level equal to 1% of the turnover regardless the accounting / fiscal profit.

## 4. APPLICATION OF NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of:

- new and amended standards effective as of 1 January 2024 and
- new standard IFRS 18 - Presentation and Disclosure in Financial Statements, where the Group decided for early adoption.

Except IFRS 18 the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### 4.1 NEW CURRENTLY EFFECTIVE REQUIREMENTS

The new standards and amendments mentioned below are effective for annual periods beginning on or after 1 January 2024.

#### Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

**The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim consolidated financial statements.**

#### Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

**The amendments had no impact on the Group's interim consolidated financial statements.**

#### Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement,
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral right,
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

**The amendments had no impact on the Group's interim consolidated financial statements.**

#### **4.2 FORTHCOMING REQUIREMENTS (THE STANDARDS/AMENDMENTS THAT ARE NOT YET EFFECTIVE, BUT HAVE BEEN ENDORSED BY THE EUROPEAN UNION)**

##### **Lack of Exchangeability – Amendments to IAS 21**

In August 2023, the IASB amended IAS 21 to help entities determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025.

**The Group does not expect these amendments to have a material impact on its operations or financial statements.**

## 5. CHANGES IN MATERIAL ACCOUNTING POLICIES, PRESENTATION AND RESTATEMENTS

### 5.1 Early adoption of IFRS 18 - Presentation and Disclosure in Financial Statements

The Group has adopted new standard: IFRS 18 - Presentation and Disclosure in Financial Statements from 1 January 2024. The Group's management believes that the new presentation provides more relevant information to the users of its financial statements as it will be more aligned to practices adopted by its competitors. The Group applied the new standard retrospectively.

#### Reconciliation between IFRS 18 and IAS 1

The new implementation had neither an impact on presentation of interim consolidated statement of financial position nor interim consolidated statement of changes in equity.

Impact on presentation of interim consolidated statement of financial performance is presented in the below tables.

EUR '000

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023	Before new presentation implemented	Impact of new presentation	After new presentation implemented
<b>Continuing operations</b>			
Revenue from contracts with customers	2,019,236	(2,882)	2,016,354
Goods for resale and direct costs	(1,494,649)	-	(1,494,649)
<b>Gross margin</b>	<b>524,587</b>	<b>(2,882)</b>	<b>521,705</b>
Other operating income	-	2,882	2,882
Personnel costs	(240,586)	-	(240,586)
Received services and other operating expenses	(131,002)	-	(131,002)
Impairment losses on financial assets	(902)	-	(902)
Reversal of provisions	291	-	291
Other gains	547	306	853
<b>Operating profit before depreciation &amp; amortisation and impairment</b>	<b>152,935</b>	<b>306</b>	<b>153,241</b>
Depreciation and amortisation	(65,695)	-	(65,695)
Impairment gains / (losses) of non-financial assets	-	-	-
<b>Operating profit</b>	<b>87,240</b>	<b>306</b>	<b>87,546</b>
<b>Investing profit</b>	<b>-</b>	<b>1,397</b>	<b>1,397</b>
<b>Profit before financing and income tax</b>	<b>87,240</b>	<b>1,703</b>	<b>88,943</b>
Finance income	34,774	(1,703)	33,071
Finance expenses	(58,502)	-	(58,502)
<b>Financing loss</b>	<b>(23,728)</b>	<b>(1,703)</b>	<b>(25,431)</b>
<b>Profit before tax from continuing operations</b>	<b>63,512</b>	<b>-</b>	<b>63,512</b>
Income tax expense	(13,455)	-	(13,455)
<b>Profit after tax from continuing operations</b>	<b>50,057</b>	<b>-</b>	<b>50,057</b>
<b>Discontinuing operations</b>			
<b>Profit after tax from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the period</b>	<b>50,057</b>	<b>-</b>	<b>50,057</b>
<b>Attributable to:</b>			
Owners of the parent Company	50,057	-	50,057
Non-controlling interests	-	-	-

**Other comprehensive income****Items that may be reclassified subsequently to profit or loss**

Foreign exchange translation differences	(1,397)	-	(1,397)
Net value gains / (losses) on cash flow hedges	(2,953)	-	(2,953)

**Items that may not be reclassified subsequently to profit or loss**

Remeasurement of defined benefit obligation	-	-	-
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<b>Other comprehensive income / (expense) for the year, net of tax</b>	<b>(4,350)</b>	<b>-</b>	<b>(4,350)</b>
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<b>Total comprehensive income for the year</b>	<b>45,707</b>	<b>-</b>	<b>45,707</b>
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**Attributable to:**

Owners of the parent Company	45,707	-	45,707
Non-controlling interests	-	-	-

EUR '000

Other operating income <sup>5</sup>	Six month period ended 30 June 2023	Description
Rental income from own property and equipment	656	<i>Amounts reclassified from "Revenue from contracts with customers"</i>
Revenues from sublease	141	
Other operating income	2,085	
<b>TOTAL</b>	<b>2,882</b>	

EUR '000

Investing profit <sup>5</sup>	Six month period ended 30 June 2023	Description
Interest income from bank deposits	1,703	<i>Amounts reclassified from "Finance income"</i>
Other investing loss	(306)	<i>Amounts reclassified from "Other gains / (losses)"</i>
<b>TOTAL</b>	<b>1,397</b>	

In the interim consolidated statement of cash flows reclassification were made within lines in operating activities and investing activities. Details are presented in the below table:

EUR '000

Extract from interim consolidated statements of cash flow for the six month period ended 30 June 2023	Before new presentation implemented	Impact of new presentation	After new presentation implemented
<b>Net cash inflows from operating activities</b>			
Investing profit <sup>5, 6</sup>	-	(1,397)	(1,397)
Finance interest income <sup>6</sup>	(26,059)	1,703	(24,356)
Other movements	(1,231)	(306)	(1,537)
<b>Net cash outflows from investing activities</b>			
Finance interest income received	24,951	(1,767)	23,184
Interest income from bank deposits and other investing income received <sup>5</sup>	-	1,767	1,767

<sup>5</sup> New lines in the face of interim consolidated statements of financial performance.

<sup>6</sup> Statement of cash flows at 30 June 2024 does not include lines Investing profit and Finance interest income due to the fact that IFRS 18 requires to use Operating profit as starting point for determining cash flows from operating activities. However, these two lines are included in reconciliation between presentations before and after IFRS 18 implementation. This is for the purposes of better understanding of the impacts and completeness.

## 6. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results might differ from these estimates.

The following are the critical judgements made by management in the process of applying accounting policies as well as the key sources of estimation uncertainty that have significant risk of causing material adjustment to the carrying amounts of the assets and liabilities.

### 6.1 IMPAIRMENT OF GOODWILL AND INTANGIBLES NOT AMORTISED

The Group determines at least on an annual basis whether indefinite life intangible assets and goodwill are impaired. This requires an estimate of an asset's recoverable amount which is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use and it 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. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

For more details refer to Note **8.11 Goodwill** and **8.12 Intangible assets**.

### 6.2 IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND LOANS PROVIDED

In accordance with IFRS 9 "Financial Instruments", the Group has performed an exercise to estimate future expected credit losses (ECL) based on prospective view.

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

For more details refer to Note **8.15 Loans provided** and **8.16 Trade and other receivables**.

### 6.3 DEFERRED TAX ASSETS

Deferred tax assets are recognised for deductible temporary differences, 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 can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

For more details refer to Note **8.10 Income tax expense**.

### 6.4 PROVISIONS

Provisions take into account an expected expense, showing it as a liability on the consolidated statement of financial position. Created provisions represent management's best estimate of the future outflow of the economic benefits.

For more details refer to Note **8.22 Provisions**.



## 6.5 FAIR VALUE MEASUREMENT ON BUSINESS COMBINATIONS

The Group made acquisitions both in 2024 and 2023 and based on IFRS 3, recognised the underlying assets and liabilities and consideration given at fair value. The fair value has been determined by adopting a variety of techniques that are appropriate for the respective assets and liabilities and are normally assessed by market valuation practitioner. For some of the 2023 acquisitions the fair value of the assets acquired, and liabilities assumed were measured on a provisional basis. The fair value estimates and techniques used, requires significant judgement to be exercised by management.

For more details refer to Note **7.1 Acquisition of subsidiaries – Business combinations**.

## 6.6 INCOME TAXES

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

For more details refer to Note **8.10 Income tax expense**.

## 6.7 LEASE INCREMENTAL BORROWING RATE

To determine the incremental borrowing rate, the Group:

- uses a build-up approach by adding to the risk-free interest rate for each country the credit risk for leases held by the Group; and
- makes adjustments specific to the lease, such as term, country, currency and security.

The incremental borrowing rate applied to the lease liabilities was determined as the rate of interest that the Group would have to pay to borrow, over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset, in a similar economic environment.

The average maturity of lease agreements for commercial spaces is generally 8 years, while for motor vehicles and other equipment, 4 years.

For more details refer to Note **8.14 Right-of-use assets** and **8.25 Lease liabilities**.

## 6.8 LEASE TERMINATION AND EXTENSION OPTIONS

In the determination of lease term, the Group includes extension options that are reasonably certain to be exercised and periods for which termination options will not be exercised.

The Group exercises significant judgement to assess whether the extension/termination options are reasonably certain to be exercised. The Group assesses whether there is an economic incentive for the Group to exercise, or not exercise the extension or termination options. Most relevant factors are prevailing market prices, location and importance of the underlying asset, exclusivity of the asset, termination cost and leasehold improvements.

The Group, using hindsight has applied individual estimates when determining the lease term when the contracts contain options to extend or terminate the lease.

Most extension options relate to pharmacies and are included in the lease liability, because the Group cannot replace the asset without significant business disruption. Location of pharmacies are strategic to the business and pharmacies are relocated only due to special circumstances. For more details refer to Note **8.14 Right-of-use assets** and **8.25 Lease liabilities**.

## 7. CHANGE IN GROUP'S STRUCTURE

For the six months ended 30 June 2024 (2023), no subsidiary was established by the Group.

### 7.1 ACQUISITION OF SUBSIDIARIES – BUSINESS COMBINATIONS

#### Summary of acquisition

During the six month period ended 30 June 2024, there were acquisitions of pharmacies that took place in order to increase market share in the local markets. The Group also expects to reduce costs through economies of scale. The details of the transactions were as follows:

Name	Consolidated subsidiary or subgroup name	Nature of business	Country of business operations	Acquisition date	Effective ownership percentage
LÉKÁRNY BALTIC 2024 s.r.o.	ČESKÁ LÉKÁRNA HOLDING, a.s. Group	pharmacy business	Czech Republic	1 February 2024	100%
ASPERULA spol. s.r.o.	ČESKÁ LÉKÁRNA HOLDING, a.s. Group	pharmacy business	Czech Republic	1 April 2024	100%
Lékárna u Lucie s.r.o.	ČESKÁ LÉKÁRNA HOLDING, a.s. Group	pharmacy business	Czech Republic	1 May 2024	100%
DR. MAX ONLINE SP. Z O. O.	Dr. Max Sp. z o.o.	pharmacy business	Poland	12 April 2024	100%
KATOFARM SP. Z O. O.; KATOFARM SP. Z O. O. SP.J.	BRL Center – Polska Sp. z o.o. Group	pharmacy business	Poland	31 May 2024	100%
Pet-Sar	AsterFarm d.o.o. Beograd Group	pharmacy business	Serbia	31 January 2024	100%
Miletic	AsterFarm d.o.o. Beograd Group	pharmacy business	Serbia	30 April 2024	100%

**Identifiable assets acquired and liabilities assumed**

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

EUR '000

Fair value	30 June 2024
<b>ASSETS</b>	
Property, plant and equipment	222
Right-of-use assets	1,255
Trade and other receivables	1,201
Current tax assets	14
Inventories	1,117
Cash and cash equivalents	1,331
<b>TOTAL ASSETS</b>	<b>5,140</b>
<b>LIABILITIES</b>	
Interest bearing loans and borrowings	606
Employee benefit obligations	165
Lease liabilities	1,255
Creditors and accruals	1,234
<b>TOTAL LIABILITIES</b>	<b>3,260</b>
<b>NET IDENTIFIABLE ASSETS ACQUIRED</b>	<b>1,880</b>
<b>Add: Goodwill</b>	<b>8,094</b>
<b>NET ASSETS ACQUIRED</b>	<b>9,974</b>

The goodwill is attributable to the workforce and the high profitability of the acquired businesses. It will not be deductible for tax purposes.

**Purchase consideration**

EUR '000

Purchase consideration	30 June 2024
Cash consideration paid	7,611
Contingent consideration	2,658
Deferred consideration	(295)
<b>Total purchase consideration</b>	<b>9,974</b>

Outstanding deferred and contingent consideration payables are recognised in statement of financial position within Creditors and accruals (see note **8.26 Creditors and accruals**).

**Contingent consideration**

The Group is obliged to pay additional consideration in case the following events occur:

- the lease contracts of the acquired pharmacies will not be terminated by the lessor,
- the lease contracts of the acquired pharmacies will be prolonged under the same terms,
- new lease contracts will be negotiated between the lessor and acquired pharmacies under the same terms as original lease contract acquired.

**Net cash flow on acquisition**

EUR '000

	30 June 2024
<b>Net cash flow on acquisition</b>	
Cash consideration paid	7,611
Less: Balances acquired	
- Cash and cash equivalents	1,331
<b>Net outflow of cash – investing activities</b>	<b>6,280</b>

**Additional information on Acquired subsidiaries**

EUR '000

	30 June 2024
<b>Additional information on Acquired subsidiaries</b>	
<b>Acquired receivables</b>	
Gross contractual amount for trade receivable	1,075
Best estimate of contractual cash flows not expected to be collected	-
<b>Fair value of the acquired trade receivables</b>	<b>1,075</b>
<b>Contribution of the acquired subsidiaries to Group results from the date of acquisition to the end of the reporting period</b>	
Contribution to Revenue from contracts with customers	3,646
Contribution to Profit for the period <sup>7</sup>	181
<b>If the acquisitions had occurred on 1 January</b>	
Revenue from contracts with customers would have been	6,596
Profit for the period would have been <sup>7</sup>	209
<b>Acquisition-related costs<sup>8</sup></b>	<b>(206)</b>

**7.2 DISPOSAL OF SUBSIDIARIES**

During the six month period ended 30 June 2024 (2023) there was no disposal of subsidiaries.

<sup>7</sup> There was no impact to Other comprehensive income, therefore Profit from the period is equal to Comprehensive income.

<sup>8</sup> Presented in financial statements within Received services and other operating expenses as a part of the line Professional fees (accounting, tax, legal advisory, etc.).

## 8. OTHER INFORMATION TO THE FINANCIAL STATEMENTS

### 8.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

EUR '000

Type of revenues	For the six months ended 30 June	
	2024	2023
<b>Revenue from contracts with customers</b>		
Revenues from pharmaceuticals products	2,313,971	1,991,025
Revenues from promotional and related marketing services	10,487	12,491
Revenues from franchise fee	12,716	10,920
Revenues from logistics services	1,518	1,918
<b>Total</b>	<b>2,338,692</b>	<b>2,016,354</b>

EUR '000

Timing of revenues recognition	For the six months ended 30 June	
	2024	2023
At a point in time	2,313,971	1,991,024
Over time	24,721	25,330
<b>Total</b>	<b>2,338,692</b>	<b>2,016,354</b>

EUR '000

Geographical regions	For the six months ended 30 June	
	2024	2023
Romania	1,015,356	819,080
Czech Republic	621,334	615,929
Slovakia	346,438	294,493
Poland	138,036	113,531
Italy	108,095	80,518
Serbia	80,403	69,716
Bulgaria	14,021	13,335
Other region	15,009	9,752
<b>Total</b>	<b>2,338,692</b>	<b>2,016,354</b>

### 8.2 GOODS FOR RESALE AND DIRECT COSTS

EUR '000

Goods for resale and direct costs	For the six months ended 30 June	
	2024	2023
Cost of sales and direct costs	(1,729,666)	(1,489,308)
Written of inventory	(5,989)	(5,255)
Impairment losses on inventory	(247)	(86)
<b>Total</b>	<b>(1,735,902)</b>	<b>(1,494,649)</b>

**8.3 PERSONNEL COSTS**

EUR '000

Personnel costs	For the six months ended 30 June	
	2024	2023
Wages and salaries	(241,235)	(194,769)
Social security costs and other employee benefits	(44,290)	(45,817)
<b>Total</b>	<b>(285,525)</b>	<b>(240,586)</b>
<b>Average number of employees (FTE)</b>	<b>17,053</b>	<b>15,469</b>

**8.4 RECEIVED SERVICES AND OTHER OPERATING EXPENSES**

EUR '000

Received services and other operating expenses	For the six months ended 30 June	
	2024	2023
Marketing and advertising	(27,712)	(24,709)
Rental expense and utilities	(24,630)	(20,938)
Transportation and packaging	(16,382)	(21,058)
Administrative and operations expenses (telecommunication, travelling, entertainment, office supplies, repairs, and maintenance)	(16,544)	(14,270)
IT services	(15,864)	(13,391)
Professional fees (accounting, tax, legal advisory, etc.)	(11,082)	(13,536)
Taxes, fees, and insurance	(6,097)	(5,147)
Agency workers	(3,156)	(2,385)
Auditors' remuneration	(447)	(375)
Other operating expenses	(8,426)	(15,193)
<b>Total</b>	<b>(130,340)</b>	<b>(131,002)</b>

**8.5 IMPAIRMENT LOSSES ON FINANCIAL ASSETS**

Impairment losses on financial assets	For the six months ended 30 June	
	2024	2023
Net impairment reversals/(losses) of receivables	291	(267)
Write-off of trade receivables	(560)	(697)
Recoveries from written-off balances	-	62
<b>Total</b>	<b>(269)</b>	<b>(902)</b>

**8.6 OTHER GAINS AND LOSSES**

EUR '000

Other gains and losses	For the six months ended 30 June	
	2024	2023
Gain on disposal of property, plant and equipment	732	927
Loss on disposal of intangible assets	(2)	-
Gain on disposal of right-of-use assets	193	210
Gain on disposal of material	139	269
Fair value loss of financial assets and liabilities at FVTPL	(49)	(500)
Fair value gain / (loss) on derivative financial instruments not designated as a hedge - unrealised	2,354	(302)
Fair value gain / (loss) on derivative financial instruments not designated as a hedge - realised	(4,274)	224
Other net gains	32	25
<b>Total gains/(losses)</b>	<b>(875)</b>	<b>853</b>

**8.7 DEPRECIATION AND AMORTISATION**

EUR '000

Depreciation and amortisation	For the six months ended 30 June	
	2024	2023
Intangible assets	(11,284)	(10,869)
Property, plant, and equipment	(18,948)	(14,474)
Right-of-use assets	(49,011)	(40,352)
<b>Total</b>	<b>(79,243)</b>	<b>(65,695)</b>

**8.8 IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS**

EUR '000

Impairment losses on non-financial assets	For the six months ended 30 June	
	2024	2023
Property, plant and equipment	(105)	-
<b>Total</b>	<b>(105)</b>	<b>-</b>

**8.9 FINANCING LOSS**

EUR '000

Financing loss	For the six months ended 30 June	
	2024	2023
Interest income from loans provided to related parties (see note 8.28)	35,615	24,356
Net foreign exchange gain from financing activities	-	6,137
Other finance income	1,221	2,578
<b>Finance income</b>	<b>36,836</b>	<b>33,071</b>
Interest expense on bank borrowings	(31,898)	(12,512)
Interest expense on loans provided by related parties (see note 8.28)	(11,841)	(13,053)
Interest expense on bonds	(17,004)	(8,592)
Other interest expense	-	(275)
<b>Subtotal Interest expense on loans and borrowings</b>	<b>(60,743)</b>	<b>(34,432)</b>
Interest expense on lease liabilities	(15,127)	(12,509)
Amounts reclassified from OCI in relation to cash-flow hedges	12,266	(4,704)
Bank charges	(4,622)	(4,689)
Net foreign exchange loss from financing activities	(32)	-
Other finance expense	(5,044)	(2,168)
<b>Finance expenses</b>	<b>(73,302)</b>	<b>(58,502)</b>
<b>Financing loss</b>	<b>(36,466)</b>	<b>(25,431)</b>

**8.10 INCOME TAX EXPENSE**

The major components of income tax expense in the interim consolidated statement of financial performance are:

EUR '000

Income tax expense	For the six months ended 30 June	
	2024	2023
Current tax expense	(30,342)	(14,696)
Deferred tax benefit	2,061	1,241
<b>Total</b>	<b>(28,281)</b>	<b>(13,455)</b>

Income tax expense is recognised at an amount determined by multiplying the profit or loss before tax for the interim reporting 6 months period ended 30 June 2024 by management's best estimate of the weighted-average income tax rate.

The effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

EUR '000

Weighted-average income tax rate	For the six months ended 30 June	
	2024	2023
Profit before tax	74,716	63,512
Total income tax expense	(28,281)	(13,455)
<b>Effective tax rate</b>	<b>37.85%</b>	<b>21.18%</b>

The Group is within the scope of the OECD Pillar Two model rules.

Pillar Two legislation was enacted in countries in which the Group operates and with effect from 1 January 2025 first top-up tax calculations shall be executed. As at the reporting date the Group has no related current tax exposure. The Group is in the process of assessing its exposure to the Pillar Two legislation. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the Pillar Two legislation is not yet reasonably estimatable. Even for those entities with an accounting effective tax rate above 15%, there may still be Pillar Two tax implications. The Group is currently engaged with B4 consultant to assist the Group with implementation and application of the Pillar Two legislation.



## 8.11 GOODWILL

Goodwill arising on business combinations is allocated at acquisition to each of the Group's cash generating units (CGUs) that are expected to benefit from the synergies of the business combination. If the Group reorganises its reporting structure in a way that changes the composition of one or more CGUs to which goodwill has been initially allocated, the goodwill is reallocated to the units affected.

### Goodwill allocation

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows.

EUR '000

Entity / Cash Generating Unit	Activities in Health care	Carrying Value	
		30 June 2024	31 December 2023
Lidea SpA Group	Own & Operate retail Pharmacies in Italy	234,499	234,499
ČESKÁ LÉKÁRNA HOLDING, a.s. Group	Own & Operate retail Pharmacies in Czech Republic	114,453	109,369
Dr. Max Romania Group	Own & Operate retail Pharmacies in Romania	94,557	94,633
Dr. Max Romania Group - Wholesale CGU	Operation of wholesale in Romania	55,147	55,191
Dr. Max Holding SK, a.s. Group	Own & Operate retail Pharmacies in the Slovak Republic	71,096	71,096
AsterFarm d.o.o. Beograd Group	Own & Operate retail Pharmacies in Serbia	40,593	38,992
Dr.Max Sp. z o.o., BRL Center-Polska Sp. z o.o. Group	Own & Operate retail Pharmacies in Poland	33,582	33,243
MagnaPharm Holdings Limited Group - Marketing and sales CGU	Provision of marketing and sales services	23,271	23,271
MEDREG s.r.o.	Distribution of medicine and licence provider	333	333
<b>Total</b>		<b>667,531</b>	<b>660,627</b>

## 8.12 INTANGIBLE ASSETS

The most significant additions realized by the Group during the six month period ended 30 June 2024 were represented mostly by development of new software and by investments into pharmacy licenses. There were no intangible assets acquired through business combinations.

Out of the total carrying value of EUR 228,397 thousand, the amount of EUR 138,749 thousand relates to pharmacy licenses with indefinite useful life.

The details of intangible assets pledged as security for bank borrowings are disclosed in note **8.21 INTEREST-BEARING LOANS AND BORROWINGS**.

### 8.13 PROPERTY, PLANT AND EQUIPMENT

The most significant additions realized by the Group during the six month period ended 30 June 2024 were represented mostly by new technologies and equipment for pharmacies and warehouses and warehouse construction works.

Assets acquired through business combinations amounted to EUR 222 thousand for the six month period ended 30 June 2024.

Property, plant and equipment with a net book value of EUR 1,386 thousand (30 June 2023: EUR 1,277 thousand) were disposed by the Group during six month period ended 30 June 2024, resulting in a net gain on disposal of EUR 732 thousand (30 June 2023: EUR 927 thousand).

The details of property, plant and equipment pledged as security for bank borrowings are disclosed in note **8.21 INTEREST-BEARING LOANS AND BORROWINGS**.

### 8.14 RIGHT-OF-USE ASSETS

The Group has lease contracts for rent of commercial spaces, motor vehicles and other equipment used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options and variable lease payments.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

During the six months ended 30 June 2024 the Group entered into new lease agreements and signed amendments for existing lease agreements, resulting in the recognition of right-of-use asset in the amount of EUR 75,699 thousand. During the six months ended 30 June 2024 the Group acquired right-of-use assets with a cost of EUR 1,255 thousand.

### 8.15 LOANS PROVIDED

EUR '000

Loans provided	30 June 2024	31 December 2023
<b>Non-current loans provided</b>		
Loans provided to related parties (see note 8.28)	1,279,538	1,137,132
<b>Subtotal</b>	<b>1,279,538</b>	<b>1,137,132</b>
<b>Current loans provided</b>		
Loans provided to related parties (see note 8.28)	53,866	70,190
<b>Subtotal</b>	<b>53,866</b>	<b>70,190</b>
<b>Total</b>	<b>1,333,404</b>	<b>1,207,322</b>

Terms of loans provided to related parties are as follows:

EUR '000

Nature	Currency	Interest rate		Maturity date	30 June 2024
		Variable + margin	Fixed		
Loans provided to immediate parent company	EUR	4.1 - 6.8%	-	30 June 2029	244,170
<b>Subtotal</b>					<b>244,170</b>
Loans provided to immediate parent company	EUR	-	2.9 – 4.8% <sup>9</sup>	July 2024 – February 2025	47,398
Loans provided to immediate parent company	EUR	-	4.2 - 5.5% <sup>9</sup>	30 June 2029	448,841
Loans provided to immediate parent company	EUR	-	3.0 - 9.4% <sup>9</sup>	July 2025 – February 2030	282,841
Loans provided to immediate parent company	CZK	-	5.1%	27 February 2025	5,928
Loans provided to immediate parent company	CZK	-	5.4%	4 March 2026	8,073
Loans provided to immediate parent company	CZK	-	5.4%	26 January 2026	7,820
Loans provided to immediate parent company	CZK	-	8.8 - 8.9% <sup>9</sup>	2026 - 2027	11,240
Loans provided to immediate parent company	CZK	-	8.9%	21 December 2028	200,254
<b>Subtotal</b>					<b>1,012,395</b>
Loans provided to other related parties	EUR	-	3.2%	29 December 2025	76,598
Loans provided to other related parties	CZK	-	2.5%	30 June 2025	21
Loans provided to other related parties	CZK	-	2.5%	31 December 2030	220
<b>Subtotal</b>					<b>76,839</b>
<b>Loans provided to related parties</b>					<b>1,333,404</b>

EUR '000

Nature	Currency	Interest rate		Maturity date	31 December 2023
		Variable + margin	Fixed		
Loans provided to immediate parent company	EUR	4.1 – 6.9%	-	30 June 2029	590,557
<b>Subtotal</b>					<b>590,557</b>
Loans provided to immediate parent company	EUR	-	3.3 – 4.8% <sup>9</sup>	2024	70,190
Loans provided to immediate parent company	EUR	-	2.9 – 8.2% <sup>9</sup>	2025 – 2030	248,119
Loans provided to immediate parent company	CZK	-	5.1%	27 February 2025	5,996
Loans provided to immediate parent company	CZK	-	5.4%	26 January 2026	7,905
Loans provided to immediate parent company	CZK	-	5.4%	4 March 2026	8,168
Loans provided to immediate parent company	CZK	-	8.9%	21 December 2028	202,775
<b>Subtotal</b>					<b>543,153</b>
Loans provided to other related party	EUR	-	3.2%	29 December 2025	73,352
Loans provided to other related party	CZK	-	2.5%	31 December 2030	260
<b>Subtotal</b>					<b>73,612</b>
<b>Loans provided to related parties</b>					<b>1,207,322</b>

### Fair values

The fair value of the current loans provided equals their carrying amounts. For information on fair values of non-current loans provided as at the statement of financial position date refer to note **9.2 Fair values**.

### Loans provided pledged as security

The details of loans pledged as security for bank borrowings are disclosed in note **8.21 Interest-bearing loans and borrowings**.

<sup>9</sup> Each tranche is provided on arm's length principle with interest rate reflecting specific due date, currency and amount.

## 8.16 TRADE AND OTHER RECEIVABLES

EUR '000

Trade and other receivables	30 June 2024	31 December 2023
<b>Non-current assets</b>		
Trade receivables from third parties	1,086	949
Other receivables and prepayments from third parties <sup>10</sup>	12,789	12,233
<b>Subtotal</b>	<b>13,875</b>	<b>13,182</b>
<b>Current assets</b>		
Trade receivables from third parties	562,391	614,326
Trade receivables from related parties (see note 8.28)	16,191	17,820
Supplier bonuses accruals	52,386	54,648
Factoring	9,770	20,113
VAT and other taxes receivables	21,736	14,685
Other receivables and prepayments from third parties	39,019	36,062
Allowance for expected credit losses	(12,349)	(11,211)
<b>Subtotal</b>	<b>689,144</b>	<b>746,443</b>
<b>Total</b>	<b>703,019</b>	<b>759,625</b>

The carrying amount of trade and other receivables approximates their fair values as at the statement of financial position date.

The details of trade and other receivables pledged as security for bank borrowings are disclosed in the note **8.21 Interest-bearing loans and borrowings**.

## 8.17 INVENTORIES

EUR '000

Inventories	30 June 2024	31 December 2023
Raw materials	17,076	15,286
Work in progress	384	459
Finished products and merchandise stock	617,285	574,990
<b>Inventories at cost</b>	<b>634,745</b>	<b>590,735</b>
<b>Impairment</b>	<b>(17,340)</b>	<b>(17,396)</b>
<b>Total inventories at the lower of cost and net realisable value</b>	<b>617,405</b>	<b>573,339</b>

The details of inventory pledged as security for bank borrowings are disclosed in note **8.21 Interest-bearing loans and borrowings**.

## 8.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

EUR '000

Cash and cash equivalents	30 June 2024	31 December 2023
Cash in hand	9,244	12,748
Cash at bank	312,107	214,185
<b>Total</b>	<b>321,351</b>	<b>226,933</b>

<sup>10</sup> The balance mainly consists of rent deposits in the amount of EUR 8,939 thousand (31 December 2023: EUR 8,318 thousand).

**Reconciliation with cash flow statement**

EUR '000

Reconciliation with cash flow statement	30 June 2024
Balances as above	321,351
Balances per statement of cash flows	321,351
<b>Difference</b>	<b>-</b>

**Fair values**

The fair value of cash and cash equivalents equal their carrying amounts as at period-end.

**Cash and cash equivalents pledged as security**

The details of cash and cash equivalents pledged as security for bank borrowings are disclosed in note **8.21 Interest-bearing loans and borrowings**.

**8.19 ASSETS HELD FOR SALE**

The Group held for sale non-current assets in net book value EUR 258 thousand (31 December 2023: EUR 510 thousand) that relate to land and other properties to be sold.

**8.20 EQUITY****Share capital and Share premium**

Authorised capital	30 June 2024		31 December 2023	
	Number of shares	Shares value	Number of shares	Shares value
Ordinary shares of EUR 1,00 each	26,000	26	26,000	26
Redeemable preference shares of EUR 0,1 each	50,000	5	50,000	5
<b>Total</b>	<b>76,000</b>	<b>31</b>	<b>76,000</b>	<b>31</b>

Issued, called up and fully paid share capital	30 June 2024		31 December 2023	
	Number of shares	Shares value	Number of shares	Shares value
Ordinary shares of EUR 1,00 each	25,631	26	25,631	26
Redeemable preference shares of EUR 0,1 each	46,000	4	46,000	4
<b>Total</b>	<b>71,631</b>	<b>30</b>	<b>71,631</b>	<b>30</b>

EUR '000

	Number of shares	Share capital	Share premium
Balance as at 30 June 2024	71,631	30	540,110
Balance as at 31 December 2023	71,631	30	540,110

**Transactions under common control**

Impact of historical transactions under common control is recognised within Statement of financial position line Accumulated losses.

**Dividend**

There were no dividends recognized as distributions to owners during the current and previous period.

**8.21 INTEREST-BEARING LOANS AND BORROWINGS**

EUR '000

Interest-bearing loans and borrowings	Note	30 June 2024	31 December 2023
<b>Non-current interest-bearing loans and borrowings</b>			
Bank borrowings		1,058,324	859,476
Loans from related parties (see note 8.28)		368,250	334,267
Corporate bonds		484,362	445,813
<b>Subtotal</b>		<b>1,910,936</b>	<b>1,639,556</b>
<b>Current interest-bearing loans and borrowings</b>			
Bank borrowings		84,041	65,419
Revolving facility		8	50,039
Overdraft		8,387	-
Loans from related parties (see note 8.28)		266,932	251,591
Corporate bonds		57,914	73,418
Other borrowings		53	245
<b>Subtotal</b>		<b>417,335</b>	<b>440,712</b>
<b>Total</b>		<b>2,328,271</b>	<b>2,080,268</b>

**Bank borrowings and overdraft**

During the period ended 30 June 2024, Senior Term and Revolving Facility Agreement was signed to extend the available financing for the Group by increasing the facility's total amount and the term of the existing loan.

Club bank loan was provided on 28<sup>th</sup> June 2024 as additional top-up in the amount of EUR 250,000 thousand.

Basic terms and outstanding balances of bank borrowings and overdrafts as at 30 June 2024 (31 December 2023) are as follows:

EUR '000

Nature	Currency	Interest rate		Maturity date	30 June 2024
		Variable + margin	Fixed		
Long term facility <sup>11</sup>	EUR	3M EURIBOR + 2.5%	-	30 June 2029	570,753
Long term facility <sup>11</sup>	EUR	3M EURIBOR + 2.5%	-	30 June 2029	144,614
Long term facility <sup>11</sup>	EUR	3M EURIBOR + 2.5%	-	30 June 2029	175,734
Long term facility	EUR	3M EURIBOR + 2.7%	-	30 June 2029	250,134
Other bank borrowing	EUR	7.3%	-	31 March 2036	703
<b>Bank borrowings with variable interest rate</b>					<b>1,141,938</b>
Other immaterial bank borrowings balances	EUR	-	2.4 - 4.1%	2024-2029	427
<b>Bank borrowings with fixed interest rate</b>					<b>427</b>
<b>Total bank borrowings</b>					<b>1,142,365</b>
Revolving facility	EUR	-	-	31 March 2024	8
<b>Total revolving facility</b>					<b>8</b>
Overdraft	RON	1M ROBOR + 1.2%	-	30 June 2025	8,387
<b>Total overdraft</b>					<b>8,387</b>
Loans provided by other related parties	CZK	-	5.8%	31 December 2024	16,501
Loans provided by other related parties	CZK	-	5.8%	31 December 2024	12,612
Loans provided by other related parties	CZK	-	8.2%	20 December 2026	52
Loans provided by other related parties	CZK	-	8.5%	31 December 2027	1,389
Loans provided by other related parties	EUR	-	3.4%	31 December 2024	33,363
Loans provided by other related parties	EUR	-	3.4%	31 December 2024	36,025
Loans provided by other related parties	EUR	-	3.4%	31 December 2024	168,432
Loans provided by other related parties	EUR	-	5.0%	21 March 2026	208,775
Loans provided by other related parties	EUR	-	4.4%	18 June 2026	106,589
Loans provided by other related parties	EUR	-	5.8%	26 July 2026	7,608
Loans provided by other related parties	EUR	-	5.9%	2 November 2028	6
Loans provided by other related parties	EUR	-	4.4%	11 May 2030	43,830
<b>Total loans provided by other related parties</b>					<b>635,182</b>
Corporate bonds	CZK	-	8.5%	21 December 2028	200,232
Corporate bonds	CZK	-	4.9 - 8.5%	2025 - 2029	88,331
Corporate bonds	EUR	-	3.8 - 9.0%	2024 - 2030	253,713
<b>Total bonds</b>					<b>542,276</b>
Other borrowing	RSD	-	3.9%	31 December 2024	53
<b>Total other borrowings</b>					<b>53</b>
<b>Total</b>					<b>2,328,271</b>

<sup>11</sup> Borrowing is hedged against interest-rate exposure, for more information see note 8.24 DERIVATIVE FINANCIAL INSTRUMENTS.

EUR '000

Nature	Currency	Interest rate		Maturity date	31 December 2023
		Variable + margin	Fixed		
Long term facility <sup>12</sup>	EUR	3M EURIBOR + 2.5%	-	30 June 2029	591,259
Long term facility <sup>12</sup>	EUR	3M EURIBOR + 2.5%	-	30 June 2029	182,104
Long term facility	EUR	3M EURIBOR + 2.5%	-	30 June 2029	150,388
Other bank borrowing	RSD	1M BELIBOR + 2.5%	-	9 June 2024	12
Other bank borrowing	EUR	7.25%	-	31 March 2036	703
<b>Bank borrowings with variable interest rate</b>					<b>924,466</b>
Other bank borrowing	EUR	-	3.3%	31 December 2029	26
Other bank borrowing	EUR	-	2.4%	11 April 2024	42
Other bank borrowing	EUR	-	4.1%	6 August 2029	190
Other immaterial bank borrowings balances	EUR	-	-	-	171
<b>Bank borrowings with fixed interest rate</b>					<b>429</b>
<b>Total bank borrowings</b>					<b>924,895</b>
Revolving facility	EUR	3M EURIBOR + 1.7%	-	30 June 2024	50,039
<b>Total revolving facility</b>					<b>50,039</b>
Loans provided by immediate parent company	CZK	-	3.4%	3 June 2024	1,353
Loans provided by immediate parent company	CZK	-	5.8%	31 December 2024	16,487
Loans provided by immediate parent company	CZK	-	5.8%	31 December 2024	12,428
Loans provided by immediate parent company	CZK	-	8.2%	20 December 2026	50
Loans provided by immediate parent company	EUR	-	3.4%	31 December 2024	152,268
Loans provided by immediate parent company	EUR	-	3.4%	31 December 2024	35,472
Loans provided by immediate parent company	EUR	-	3.4%	31 December 2024	33,583
Loans provided by immediate parent company	EUR	-	4.7%	31 December 2025	4,027
Loans provided by immediate parent company	EUR	-	5.0%	21 March 2026	204,216
Loans provided by immediate parent company	EUR	-	4.4%	18 June 2026	78,327
Loans provided by immediate parent company	EUR	-	5.8%	26 July 2026	4,377
Loans provided by immediate parent company	EUR	-	5.9%	2 November 2028	243
Loans provided by immediate parent company	EUR	-	4.4%	11 May 2030	43,027
<b>Total loans from related parties</b>					<b>585,858</b>
Corporate bonds	CZK	-	5.2 - 8.5%	2024 - 2028	291,336
Corporate bonds	EUR	-	3.5 - 6.0%	2024 - 2030	227,895
<b>Total bonds</b>					<b>519,231</b>
Other borrowing	RSD	-	3.9%	31 December 2024	245
<b>Total other borrowings</b>					<b>245</b>
<b>Total</b>					<b>2,080,268</b>

<sup>12</sup> Borrowing is hedged against interest-rate exposure, for more information see note 8.24 DERIVATIVE FINANCIAL INSTRUMENTS.



As of 30 June 2024, the undrawn borrowing facilities amounted to EUR 99,180 thousand (31 December 2023: EUR 19,006 thousand).

The fair value of the current interest-bearing loans and borrowings with fixed interest rate equals their carrying amounts. For information on fair values of non-current interest-bearing loans and borrowings with fixed interest rate as at the statement of financial position date refer to note **9.2 Fair values**.

### Assets pledged

Bank borrowings and bank overdrafts in the outstanding carrying amount as at 30 June 2024 of EUR 1,141,235 thousand (as at 31 December 2023 of EUR 974,934 thousand) have been provided by UniCredit Bank Czech Republic and Slovakia a.s., Komerční Banka a.s., BRD – GROUPE SOCIETE GENERALE S.A., Bank of China (Central and Eastern Europe) Limited, ING Bank N.V., Prague Branch, ING Bank N.V., pobočka zahraničnej banky, Česká spořitelna, a.s., Industrial and Commercial Bank of China Limited, Prague Branch, odštěpný závod, Tatra banka, a.s., Raiffeisenbank a.s., Československá obchodní banka, a.s. and Santander Bank Polska S.A. ("Lending parties") to the subsidiary companies ČESKÁ LÉKÁRNA HOLDING, a.s. and Baramoore International s.r.o.

The above bank borrowings are secured by:

- shares or ownership interests,
- other assets except shares or ownership interests (mainly working capital) and
- enterprise of companies incorporated in Czech Republic.

For more information and breakdowns about pledges see tables below.

EUR '000		
Pledges	30 June 2024	31 December 2023
<b>Shares or ownership interests</b>		
<b>Held by GLEBI HOLDINGS PLC</b>		
Pharmax Holdings Limited	100%	100%
<b>Held by Pharmax Holdings Limited</b>		
ČESKÁ LÉKÁRNA HOLDING, a.s.	100%	100%
Dr. Max BDC, s.r.o.	100%	100%
Dr. Max Holding SK, a.s. (part of Dr. Max Holding SK, a.s. Group)	100%	100%
BRL Center – Polska Sp. z o.o. (part of BRL Center – Polska Sp. z o.o. Group)	100%	100%
Dr. Max Sp. z o.o. (part of BRL Center – Polska Sp. z o.o. Group)	100%	100%
Baramoore International s.r.o.	100%	100%
Dr. Max SRL (former Sensiblu SRL) (part of Dr. Max Romania Group)	100%	100%
Mediplus EXIM SRL (part of Dr. Max Romania Group) <sup>13</sup>	N/A	100%
MagnaPharm Holdings Limited (part of MagnaPharm Holdings Limited Group)	100%	100%
Lidea SpA (part of Lidea SpA – Group)	100%	100%
ViaPharma s.r.o.	100%	100%

EUR '000		
Pledges	30 June 2024	31 December 2023
<b>Other items except shares or ownership interests</b>		
Trademark <sup>14</sup>	169,136	180,319
Loans provided <sup>15</sup>	1,723,911	588,725
Trade and other receivables	588,782	651,416
Inventories	408,634	387,812
Cash and cash equivalents	150,586	205,936

<sup>13</sup> Mediplus EXIM SRL was merged into DrMax SRL with effect from 1 January 2024.

<sup>14</sup> Pledge over the trademark owned by Dr. Max BDC, s.r.o., registered as international trademark is not recognised in the consolidated Statement of financial position under IFRS. It is recognised in separate financial statement of Dr. Max BDC, s.r.o., under CZ GAAP.

<sup>15</sup> Loans provided by Pharmax Holdings Limited and Baramoore International s.r.o. against Glebi Holdings PLC. These loans provided are not recognised in the consolidated Statement of financial position under IFRS because these are intercompany loans and therefore eliminated on consolidation and excluded. These are recognised in the separate financial statement of Pharmax Holdings Limited and Baramoore International s.r.o. under IFRS and CZ GAAP respectively.

<b>Total</b>	<b>3,041,049</b>	<b>2,014,208</b>
EUR '000		
<b>Pledges Enterprises incorporated in Czech Republic</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Net assets <sup>16</sup>	182,615	203,984
<b>Total</b>	<b>182,615</b>	<b>203,984</b>

## 8.22 PROVISIONS

EUR '000		
<b>Provisions</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Non-current provisions</b>		
Provisions for legal claims	-	59
Other provisions	363	326
<b>Subtotal</b>	<b>363</b>	<b>385</b>
<b>Current provisions</b>		
Provisions for legal claims	2,070	2,084
Provisions for onerous contracts	1,911	1,903
Other provisions	581	984
<b>Subtotal</b>	<b>4,562</b>	<b>4,971</b>
<b>Total</b>	<b>4,925</b>	<b>5,356</b>

The Group did not recognise any restructuring reserves as of 30 June 2024 (31 December 2023).

## 8.23 EMPLOYEE BENEFIT OBLIGATIONS

EUR '000		
<b>Employee benefit obligations</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Non-current employee benefits</b>		
Long-term incentive	10,168	9,337
Employee bonuses and unused vacation	1,522	1,169
Other employee benefits	6,635	5,769
<b>Subtotal</b>	<b>18,325</b>	<b>16,275</b>
<b>Current employee benefits</b>		
Long-term incentive	566	8,183
Employee bonuses and unused vacation	25,194	25,077
Other employee benefits	186	187
<b>Subtotal</b>	<b>25,946</b>	<b>33,447</b>
<b>Total employee benefits</b>	<b>44,271</b>	<b>49,722</b>
<b>Wages and salaries including social and health insurance</b>	<b>59,672</b>	<b>50,752</b>
<b>Total employee benefit obligations</b>	<b>103,943</b>	<b>100,474</b>

A long-term incentive ("LTI") scheme was introduced for selected members of top management of Group companies in 2014 and further updated during 2019. The LTI liability represents the fair value of future expected cash outflows relating to benefit entitlement of top management for their services provided, discounted at a rate between 4.9% - 7.6% and is attributable for the period where services have already been provided.

<sup>16</sup> Net assets of ČESKÁ LÉKÁRNA HOLDING, a.s., Baramoore International s.r.o. and ViaPharma s.r.o.

The LTI scheme is tied mainly to the financial performance of the Group or respective country, evaluated based on indicators (i) Operating profit before depreciation & amortisation and impairment and (ii) Operating cash flow, and is payable to the members of top management. The rights are granted after three years from the grant date. The long-term incentive scheme is concluded every year for a 3-year vesting period and the payout relating to the oldest vesting period will be settled in the next 12 months.

## 8.24 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has the following derivative financial assets and liabilities presented in the Statement of financial position within lines Derivative financial instruments:

EUR '000

Derivate financial assets	30 June 2024	31 December 2023
<b>Hedging derivatives (Interest rate swaps, cross currency swap)</b>		
- thereof non-current	13,096	3,503
- thereof current	12,260	15,207
<b>Subtotal</b>	<b>25,356</b>	<b>18,710</b>
<b>Derivatives for trading (Foreign currency swaps)</b>		
- thereof current	4	-
<b>Subtotal</b>	<b>4</b>	<b>-</b>
<b>Total</b>	<b>25,360</b>	<b>18,710</b>

EUR '000

Derivate financial liabilities	30 June 2024	31 December 2023
<b>Hedging derivatives (Cross currency swap)</b>		
- thereof non-current	883	814
- thereof current	-	763
<b>Subtotal</b>	<b>883</b>	<b>1,577</b>
<b>Derivatives for trading (Foreign currency swaps)</b>		
- thereof current	769	3,155
	<b>769</b>	<b>3,155</b>
<b>Total</b>	<b>1,652</b>	<b>4,732</b>

Some derivatives do not meet the hedge accounting criteria, therefore, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through profit or loss. Some derivatives meet the hedge accounting criteria, therefore, they are classified as "hedging derivatives" for accounting purpose and are accounted for at fair value through other comprehensive income.

### Hedged item and hedging instrument

On 30th June 2022, the Group entered into a Senior Term and Revolving Facilities Agreement with financing banks to extend the available financing for the Group by increasing the facility's total amount and the term of the existing loan. During financial year 2022, 2023 and 2024, the Group concluded interest rate swaps with ING bank and KB Bank on top of already existing derivatives to hedge its outstanding interest rate exposure.

The Group decided not to hedge Revolving facility due to its flexible characteristics and possibility to repay and redraw the funds as and when required, according to Group's needs.

The Group concluded cross-currency swaps with KB Bank to hedge its foreign exchange exposure related to issued corporate bonds denominated in Czech crowns. For more information on Senior Term and Revolving Facilities see note **8.21 Interest-bearing loans and borrowings**.

### Economic relationship

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the interest rate, amount and timing of their respective cash flows. The Group

assesses whether the derivatives designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

### Sources of ineffectiveness

As parameters:

- (i) timing of repayment of hedged items (bank facilities, corporate bonds) and settlement of hedging instruments (IRS, CCS);
- (ii) interest rate of hedged items with relevant rate per hedging instruments;
- (iii) the notional amounts match, there are no known sources of ineffectiveness.

For the change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness and the balance in the cash flow hedge reserve see the movement table for Hedging reserve.

The notional amount, maturity, hedge ratio and the related currency for the derivate financial instruments presented as the hedging derivatives are included in the tables below:

EUR '000

Interest Rate Swaps	Currency	Maturity date	Underlying	Hedge ratio	Notional amount as at 30 June 2024	Fair value as at 30 June 2024
Interest rate swap [1] <sup>17</sup>	EUR	31 December 2025	3M EURIBOR	100%	110,800	4,463
Interest rate swap [2] <sup>17</sup>	EUR	31 December 2025	3M EURIBOR	100%	144,000	5,411
Interest rate swap [3]	EUR	29 June 2029	3M EURIBOR	91.4%	200,000	5,494
Interest rate swap [4]	EUR	29 March 2029	3M EURIBOR	100%	100,000	201
Interest rate swap [5]	EUR	29 June 2029	3M EURIBOR	100%	145,200	1,131
Interest rate swap [6]	EUR	29 June 2029	3M EURIBOR	100%	36,480	1,010
Interest rate swap [7]	EUR	30 June 2029	3M EURIBOR	97.3%	145,920	3,718
<b>Subtotal</b>					<b>882,400</b>	<b>21,428</b>
Interest rate swap [8] <sup>17</sup>	EUR	31 March 2029	3M EURIBOR	100%	100,000	515
Interest rate swap [9] <sup>17</sup>	EUR	30 June 2029	3M EURIBOR	100%	100,000	2,847
<b>Subtotal</b>					<b>200,000</b>	<b>3,362</b>
<b>Total</b>					<b>1,082,400</b>	<b>24,790</b>

EUR '000

Interest Rate Swaps	Currency	Maturity date	Underlying	Hedge ratio	Notional amount as at 31 December 2023	Fair value as at 31 December 2023
Interest rate swap [1] <sup>17</sup>	EUR	31 December 2025	3M EURIBOR	100%	116,340	5,061
Interest rate swap [2] <sup>17</sup> <b>Error! Bookmark not defined.</b>	EUR	31 December 2025	3M EURIBOR	100%	160,000	6,464
Interest rate swap [3]	EUR	29 June 2029	3M EURIBOR	100%	200,000	2,410
Interest rate swap [4]	EUR	29 March 2029	3M EURIBOR	100%	100,000	(496)
Interest rate swap [5]	EUR	30 June 2029	3M EURIBOR	100%	145,920	1,862
Interest rate swap [6]	EUR	29 June 2029	3M EURIBOR	100%	36,480	606
<b>Subtotal</b>					<b>758,740</b>	<b>15,907</b>
Interest rate swap [7] <sup>17</sup> <b>Error! Bookmark not defined.</b>	EUR	31 March 2029	3M EURIBOR	100%	100,000	(260)
Interest rate swap [8] <sup>17</sup> <b>Error! Bookmark not defined.</b>	EUR	30 June 2029	3M EURIBOR	100%	100,000	1,119

<sup>17</sup> IRS [1] and IRS [2] cover future cash flows on the interest payments till 31 December 2025 and are followed by IRS [8] and IRS [9] entered into during reporting period to cover the rest of the cashflows till the maturity date of the related bank borrowings.

<b>Subtotal</b>	<b>200,000</b>	<b>859</b>
<b>Total</b>	<b>958,740</b>	<b>16,766</b>

The Group has the following Cross Currency Swaps as of 30 June 2024 (31 December 2023):

EUR '000

Cross currency swaps	Currencies C1 / C2	Maturity	Notional amount as at 30 June 2024	Fair value as at 30 June 2024
Cross currency swap	CZK / EUR	12 July 2024	999	6
Cross currency swap	CZK / EUR	12 July 2024	4,994	42
Cross currency swap	CZK / EUR	25 April 2025	9,269	384
Cross currency swap	CZK / EUR	25 April 2025	999	11
Cross currency swap	CZK / EUR	25 April 2025	1,903	43
Cross currency swap	CZK / EUR	27 March 2026	5,993	80
<b>Subtotal</b>				<b>566</b>
Cross currency swap	CZK / EUR	18 March 2026	9,221	(182)
Cross currency swap	CZK / EUR	18 March 2026	2,093	(126)
Cross currency swap	CZK / EUR	24 July 2026	7,922	(269)
Cross currency swap	CZK / EUR	24 July 2026	68	(3)
Cross currency swap	CZK / EUR	14 August 2026	3,088	(126)
Cross currency swap	CZK / EUR	14 August 2026	4,541	(177)
<b>Subtotal</b>				<b>(883)</b>
<b>Total</b>				<b>(317)</b>

EUR '000

Cross currency swaps	Currencies C1 / C2	Maturity	Notional amount as at 31 December 2023	Fair value as at 31 December 2023
Cross currency swap	CZK / EUR	27 June 2024	6,067	80
Cross currency swap	CZK / EUR	27 June 2024	4,977	61
Cross currency swap	CZK / EUR	27 June 2024	2,971	45
Cross currency swap	CZK / EUR	12 July 2024	1,011	34
Cross currency swap	CZK / EUR	12 July 2024	5,056	176
Cross currency swap	CZK / EUR	25 April 2025	9,384	536
Cross currency swap	CZK / EUR	25 April 2025	1,011	29
Cross currency swap	CZK / EUR	25 April 2025	1,927	81
Cross currency swap	CZK / EUR	27 March 2026	6,067	147
<b>Subtotal</b>				<b>1,189</b>
Cross currency swap	CZK / EUR	27 June 2024	119	(7)
Cross currency swap	CZK / EUR	18 March 2026	9,335	(132)
Cross currency swap	CZK / EUR	18 March 2026	2,119	(116)
Cross currency swap	CZK / EUR	24 July 2026	8,021	(265)
Cross currency swap	CZK / EUR	24 July 2026	69	(3)
Cross currency swap	CZK / EUR	14 August 2026	3,126	(125)
Cross currency swap	CZK / EUR	14 August 2026	4,596	(174)
<b>Subtotal</b>				<b>(822)</b>
<b>Total</b>				<b>367</b>

Changes in the fair value of financial derivatives meet the conditions for level 2 according to IFRS 13 (they are derived from market quotations of currency forward rates, and interest yield curves, but are not directly tradable in active financial markets).

EUR '000

Hedging reserve of interest rate swaps		2023
<b>Balance as at 1 January</b>		<b>40,773</b>
Add: Change in fair value of hedging instrument recognised in OCI		(17,630)
Less: reclassified from OCI to profit or loss <sup>18</sup>		(14,253)
Less: Deferred tax		5,277
<b>Balance as at 31 December</b>		<b>14,167</b>

EUR '000

Hedging reserve of interest rate swaps		2024
<b>Balance as at 1 January</b>		<b>14,167</b>
Add: Change in fair value of hedging instrument recognised in OCI		18,127
Less: reclassified from OCI to profit or loss <sup>19</sup>		(12,266)
Less: Deferred tax		(1,645)
<b>Balance as at 30 June</b>		<b>18,383</b>

The Group has the following FX Swap (derivate financial instruments presented as the trading derivatives) as of 30 June 2024 (31 December 2023):

EUR '000

FX Swaps	Currencies C1 / C2	Maturity	Notional in thousand C1	Notional in thousand C2	Fair value as at 30 June 2024
FX Swap	EUR / HUF	31 July 2024	1,000	397,720	4
<b>Subtotal</b>					<b>4</b>
FX Swap	RON / CZK	31 July 2024	35,000	174,808	(46)
FX Swap	EUR / CZK	31 July 2024	10,000	250,150	(24)
FX Swap	EUR / CZK	31 July 2024	20,000	498,780	(109)
FX Swap	PLN / CZK	31 July 2024	130,000	751,452	(142)
FX Swap	EUR / CZK	31 July 2024	67,000	1,670,913	(365)
FX Swap	RON / CZK	31 July 2024	75,000	374,775	(82)
<b>Subtotal</b>					<b>(769)</b>
<b>Total</b>					<b>(765)</b>

<sup>18</sup> Reclassification adjustment presented in Statement of comprehensive income within Finance expenses.

<sup>19</sup> Reclassification adjustment presented in Statement of comprehensive income within Finance expenses.

EUR '000

FX Swaps	Currencies C1 / C2	Maturity	Notional in thousand C1	Notional in thousand C2	Fair value as at 31 December 2023
FX Swap	EUR / CZK	31 January 2024	3,000	73,251	(43)
FX Swap	RON / CZK	31 January 2024	265,000	1,300,164	(687)
FX Swap	EUR / CZK	31 January 2024	4,000	97,840	(50)
FX Swap	EUR / CZK	31 January 2024	5,000	122,310	(62)
FX Swap	EUR / PLN	31 January 2024	4,000	17,411	6
FX Swap	RON / CZK	31 January 2024	100,000	490,170	(278)
FX Swap	RON / CZK	31 January 2024	30,000	147,192	(78)
FX Swap	PLN / CZK	31 January 2024	90,000	503,100	(397)
FX Swap	EUR / CZK	31 January 2024	75,000	1,832,250	(1,030)
FX Swap	EUR / RON	31 January 2024	30,000	149,297	(41)
FX Swap	EUR / CZK	31 January 2024	30,000	730,890	(495)
<b>Total</b>					<b>(3,155)</b>

## 8.25 LEASE LIABILITIES

EUR '000

Lease liabilities	30 June 2024	31 December 2023
Lease liabilities – non-current	578,887	556,097
Lease liabilities – current	81,576	77,340
<b>Total</b>	<b>660,463</b>	<b>633,437</b>

Out of the total balance of lease liabilities the amount to related parties is as presented in the below table. Table includes also information on related Net investment in the lease.

EUR '000

Balances to Related parties	30 June 2024	31 December 2023
Lease liabilities to Related parties	457	463
Net investment in the lease to Related parties	434	439

The statement of profit or loss mainly presents the following amounts relating to leases:

EUR '000

Amounts recognised in profit or loss	30 June 2024	30 June 2023
Depreciation expense of right-of-use assets	(49,011)	(40,352)
Interest expense on lease liabilities	(15,127)	(12,509)

Cash outflows from financing activities for the six month period ended 30 June 2024, related to lease liabilities amounted to EUR 59,687 thousand (2023: EUR 47,215 thousand).

Group also had non-cash movements to lease liabilities of EUR 72,313 thousand from new contracts and modifications (2023: EUR 59,962 thousand). Non-cash additions for the six month period ended 30 June 2024 arising from acquisition amounted to EUR 1,255 thousand.

For more information on cash and non-cash movements refer to note **8.29 Reconciliation of liabilities arising from financing activities**.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide commercial spaces for pharmacies over a long-term view. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see **Note 6.8 Lease termination and extension options**).

## 8.26 CREDITORS AND ACCRUALS

EUR '000

Creditors and accruals	30 June 2024	31 December 2023
<b>Non-current liabilities</b>		
Deferred and contingent purchase consideration from business combinations	7,992	8,136
Other payables and accruals	354	369
<b>Subtotal</b>	<b>8,346</b>	<b>8,505</b>
<b>Current liabilities</b>		
Trade payables to third parties	1,183,501	1,244,142
Trade payables to related parties (see note 8.28)	8,324	8,769
Reverse factoring	5,491	5,233
VAT and other tax payables	25,436	21,026
Deferred and contingent purchase consideration from business combinations	1,756	13,589
Other payables and liabilities	19,299	10,015
<b>Subtotal</b>	<b>1,243,807</b>	<b>1,302,774</b>
<b>Total</b>	<b>1,252,153</b>	<b>1,311,279</b>

### Fair values

The fair value of trade and other payables reasonably approximates their carrying amounts.

## 8.27 CONTINGENCIES AND COMMITMENTS

### Letter of credit

ČESKÁ LÉKÁRNA HOLDING, a.s. utilises a financing facility with a bank for letters of credit provided by the said bank and bank guarantees in connection with rental agreements. These letters of credit and guarantees are to be used solely for the payment of arrear rental expenses. As at 30 June 2024, the outstanding value of the letters of credit amounted to EUR 4,538 thousand (31 December 2023: EUR 4,335 thousand).

BRL Center – Polska Sp. z o.o. and Dr.Max Sp. z o.o. utilised in 2022 a financing facility with a bank for letters of credit provided by the said bank in connection with rental agreements. These letters of credit were to be used solely for the payment of arrear rental expenses. As at 30 June 2024, the outstanding value of the letters of credit amounted to EUR 3,389 thousand. As at 31 December 2023 they are no longer utilised.

Dr. Max Romania Group utilises a financing facility with a bank for letters of credit provided by the said bank in connection with rental agreements, supplier guarantees and other business-related letters of credit. As at 30 June 2024, the outstanding value of the letters of credit amounted to EUR 37,453 thousand (31 December 2023: EUR 42,270 thousand).

MagnaPharm Group utilises a bank guarantee in connection with rental agreements and supplier guarantees. As at 30 June 2024, the outstanding value of the bank guarantees amounted to EUR 1,477 thousand (31 December 2023: EUR 26,440 thousand).

ViaPharma s.r.o. utilises a bank guarantee in connection with rental agreements. As at 30 June 2024, the outstanding value of the bank guarantees amounted to EUR 42 thousand (31 December 2023: EUR 43 thousand).



## Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

EUR '000

Capital commitments	30 June 2024	31 December 2023
Property, plant and equipment	-	1,242
Intangible assets	-	3,064
Right-of-use assets	2,356	15,528
<b>Total</b>	<b>2,356</b>	<b>19,834</b>

## 8.28 RELATED PARTY BALANCES AND TRANSACTIONS

Set out below is the overview of transactions with related parties made during the current and previous reporting period and outstanding balances as at 30 June 2024 and 31 December 2023 accordingly. All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

### Transaction with key management personnel

Key management personnel are defined as follows:

- Management board,
- CEOs of consolidated subsidiaries and subgroups<sup>20</sup> and their immediate subordinates.

For more information see note **1.4 Directors of the company and group board and local CEO**.

Key management personnel compensation comprised the following:

EUR '000

Compensation of key management personnel	30 June 2024	30 June 2023
Short-term employee benefits	10,255	9,543
Other long-term benefits	3,981	4,518
Termination benefits	39	185
<b>Total</b>	<b>14,275</b>	<b>14,246</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

<sup>20</sup> For more information on overview of consolidated subsidiaries and subgroups refer to note **1.2 CONSOLIDATED SUBSIDIARIES AND GROUP ENTERPRISES**.

Outstanding balances to key management personnel presented in Statement of financial position within Other financial liabilities was in the amount of EUR 5,460 thousand (2023: EUR 7,009 thousand). For more information refer to Note **8.29 Reconciliation of liabilities arising from financing activities**.

### Transactions with Immediate parent company and other related parties

EUR '000

Transactions with related parties as at	30 June 2024			31 December 2023		
	Immediate parent company	Other related parties	Total	Immediate parent company	Other related parties	Total
Long-term loans provided	1,202,719	76,819	<b>1,279,538</b>	1,063,520	73,612	<b>1,137,132</b>
Short-term loans provided	53,845	21	<b>53,866</b>	70,190	-	<b>70,190</b>
Short-term trade and other receivables <sup>21</sup>	5,188	11,003	<b>16,191</b>	-	17,820	<b>17,820</b>
<b>Total assets</b>	<b>1,261,752</b>	<b>87,843</b>	<b>1,349,595</b>	<b>1,133,710</b>	<b>91,432</b>	<b>1,225,142</b>
Long-term interest-bearing loans and borrowings <sup>22</sup>	-	368,250	<b>368,250</b>	-	334,267	<b>334,267</b>
Short-term interest-bearing loans and borrowings <sup>22</sup>	-	266,932	<b>266,932</b>	-	251,591	<b>251,591</b>
Lease liabilities	-	457	<b>457</b>	-	463	<b>463</b>
Short-term trade and other payables	3,384	4,940	<b>8,324</b>	-	8,769	<b>8,769</b>
<b>Total liabilities</b>	<b>3,384</b>	<b>640,579</b>	<b>643,963</b>	<b>-</b>	<b>595,090</b>	<b>595,090</b>

For more information on related parties balances pledged as security by the Group refer to note **8.29 Reconciliation of liabilities arising from financing activities**.

Transactions with related parties for the period from 1 January to 30 June	2024			2023		
	Immediate parent company	Other related parties	Total	Immediate parent company	Other related parties	Total
<b>Operating income and expenses</b>						
Income	-	67,526	<b>67,526</b>	211	45,185	<b>45,396</b>
Expenses	-	(3,748)	<b>(3,748)</b>	-	(3,786)	<b>(3,786)</b>
<b>Total net income/(expense)</b>	<b>-</b>	<b>63,778</b>	<b>63,778</b>	<b>211</b>	<b>41,399</b>	<b>41,610</b>
<b>Interest income and expense</b>						
Income	34,512	1,103	<b>35,615</b>	23,285	1,071	<b>24,356</b>
Expenses	-	(11,841)	<b>(11,841)</b>	-	(13,053)	<b>(13,053)</b>
<b>Total net income/(expense)</b>	<b>34,512</b>	<b>(10,738)</b>	<b>23,774</b>	<b>23,285</b>	<b>(11,982)</b>	<b>11,303</b>
<b>Purchase of tangible and intangible asset</b>	<b>-</b>	<b>3,257</b>	<b>3,257</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>21</sup> No loss allowance for expected credit losses has been recognised in the current year or prior year in respect of outstanding balances from related parties.

<sup>22</sup> For more details on subordinated interest-bearing loans and borrowings in compliance with Senior term and revolving facility agreement, refer to note **8.21 INTEREST-BEARING LOANS AND BORROWINGS** for more information.

**8.29 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

EUR '000

Reconciliation of liabilities / (assets) arising from financing activities	Interest bearing loans and borrowings	Lease liabilities	Derivate financial instrument	Other financial liabilities	Total
<b>Balance as at 1 January 2024</b>	<b>2,080,268</b>	<b>633,437</b>	<b>(13,978)</b>	<b>7,009</b>	<b>2,706,736</b>
<b>Changes from financing cash flows:</b>					
Proceeds	367,549	-	10,552	-	<b>378,101</b>
Repayments and repurchases	(127,070)	(45,099)	(4,274)	(1,541)	<b>(177,984)</b>
Interest paid	(50,470)	(14,588)	-	-	<b>(65,058)</b>
<b>Cash changes from financing activities</b>	<b>190,009</b>	<b>(59,687)</b>	<b>6,278</b>	<b>(1,541)</b>	<b>135,059</b>
<b>Changes arising from acquisitions:</b>	<b>606</b>	<b>1,255</b>	<b>-</b>	<b>-</b>	<b>1,861</b>
<b>Other changes:</b>					
Changes in fair value	-	-	(16,207)	49	<b>(16,158)</b>
New leases, modifications and reassessments	-	72,313	-	-	<b>72,313</b>
Interest expense	60,743	15,127	-	-	<b>75,870</b>
Other non-cash movements	-	-	22	-	<b>22</b>
Exchange difference	(3,355)	(1,982)	177	(57)	<b>(5,217)</b>
<b>Non-cash changes from financing activities</b>	<b>57,388</b>	<b>85,458</b>	<b>(16,008)</b>	<b>(8)</b>	<b>126,830</b>
<b>Balance as at 30 June 2024</b>	<b>2,328,271</b>	<b>660,463</b>	<b>(23,708)</b>	<b>5,460</b>	<b>2,970,486</b>

EUR '000

Reconciliation of liabilities / (assets) arising from financing activities	Interest bearing loans and borrowings	Lease liabilities	Derivate financial instrument	Other financial liabilities	Total
<b>Balance as at 1 January 2023</b>	<b>1,826,305</b>	<b>545,633</b>	<b>(51,201)</b>	<b>7,524</b>	<b>2,328,261</b>
<b>Changes from financing cash flows:</b>					
Proceeds	625,203	-	16,105	911	<b>642,219</b>
Repayments	(382,839)	(75,694)	-	(2,565)	<b>(461,098)</b>
Repurchases	(38,042)	-	-	-	<b>(38,042)</b>
Interest paid	(77,701)	(26,322)	-	-	<b>(104,023)</b>
<b>Cash changes from financing activities</b>	<b>126,621</b>	<b>(102,016)</b>	<b>16,105</b>	<b>(1,654)</b>	<b>39,056</b>
<b>Changes arising from acquisitions:</b>	<b>46,811</b>	<b>4,986</b>	<b>-</b>	<b>-</b>	<b>51,797</b>
<b>Other changes:</b>					
Changes in fair value	-	-	20,880	1,410	<b>22,290</b>
New leases	-	164,549	-	-	<b>164,549</b>
Interest expense	92,777	26,370	-	-	<b>119,147</b>
Other non-cash movements	(701)	34	-	-	<b>(667)</b>
Exchange difference	(11,545)	(6,119)	238	(271)	<b>(17,697)</b>
<b>Non-cash changes from financing activities</b>	<b>80,531</b>	<b>184,834</b>	<b>21,118</b>	<b>1,139</b>	<b>287,622</b>
<b>Balance as at 31 December 2023</b>	<b>2,080,268</b>	<b>633,437</b>	<b>(13,978)</b>	<b>7,009</b>	<b>2,706,736</b>

For more information on balances in the above table refer to note **8.21 Interest-bearing loans and borrowings**, **8.24 Derivative financial instruments** and **8.25 Lease liabilities**.

## 9. FINANCIAL RISK MANAGEMENT

### 9.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2023. There have been no changes in any risk management policies since the year end.

### 9.2 FAIR VALUES

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date. There are no financial instruments in Level 1.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 is represented by derivatives financial instruments.
- Level 3: Inputs are unobservable inputs for the asset and liability. Relates to all other items not included in Level 1 or 2 and is represented mainly by financial instruments that are not measured at fair values (but fair value disclosure is required)

#### Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The Group's management considers that:

- the carrying amounts of short-term financial assets and financial liabilities (cash, trade and other receivables, derivatives, lease liabilities) reasonably approximate their fair values largely due to the short-term maturities of these instruments,
- fair value of the variable-interest rate long-term interest-bearing loans and borrowings and loans provided reasonably approximate their fair values due to their link to market rates.

The table below provides information on fair value of fixed-interest rate long-term interest-bearing loans and borrowings and loans provided.

EUR '000

Fair value	Fair value hierarchy	30 June 2024		31 December 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Fixed-interest rate Loans provided	Level 3	1,089,234	1,123,935	616,765	637,288
<b>Financial liabilities</b>					
Fixed-interest rate Interest-bearing loans and borrowings	Level 3	1,177,946	1,209,473	1,106,466	1,111,000

#### Methods of determining fair values of financial instruments as at 30 June 2024 and 31 December 2023

The fair value of interest-bearing loans and borrowings or loans provided is calculated as present value of their future contractual cash-flows. Future cash-flows are discounted using discount rate derived from the euro area yield curve based on AAA-rated government bonds, which is regularly produced by the ECB, adjusted by credit risk of the Group. There were no transfers between Level 1, Level 2 and Level 3 in the period 6 months ended 30 June 2024.

### 9.3 CAPITAL RISK MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the owners of the Company and all intercompany loans due from and to direct shareholder (immediate parent company) and other related party entities.

The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

For the key indicators of Group performance see the table below.

EUR '000

	Period 6 months ending	Period 12 months ending		
	30 June 2024	31 December 2023	31 December 2022	31 December 2021
Equity	414,324	365,944	314,039	194,218
Profit for the period	46,435	90,243	79,161	84,669
Total comprehensive income for the year	48,380	51,899	120,241	71,638
Operating profit before depreciation & amortisation and impairment	188,680	323,011	275,731	235,838

The management expects the above trend of generating positive Operating profit before depreciation & amortisation and impairment to continue, resulting into positive total equity in the following reporting periods.

#### Management-defined performance measures

Group uses the management-defined performance measure adjusted EBITDA in its public communication with bondholders. This measure is not specified by IFRS Accounting standards. Therefore, it might not be comparable to apparently similar measures used by other groups.

Operating profit before depreciation & amortisation and impairment has been adjusted for items of income or expense that the Group's management considers as non-recurring. The Group's management believes adjusting operating profit for such items provides information that better clarifies the trends in Group's profitability. To provide management's view of the Group's financial performance also conversion of IFRS 16 to IAS 17 has been performed to get adjusted EBITDA. Resulting into exclusion of IFRS 16 impacts on financial statements but putting back finance leases from lessee point of view as stipulated in previous standard IAS 17.

Reconciliation of adjusted EBITDA to the most comparable subtotal presented in the statement of financial performance specified by IFRS 18 including income tax effects and cross-references to related notes is presented below.

EUR '000

Management-defined performance measure reconciliation for six month period ended 30 June	2024		2023		Presentation
	Gross amount	Income tax impact <sup>23</sup>	Gross amount	Income tax impact <sup>23</sup>	
<b>Operating profit before depreciation &amp; amortisation and impairment</b>	<b>188,680</b>		<b>153,241</b>		
Conversion of IFRS 16 to IAS 17	(54,786)	(1,263)	(46,637)	(836)	presented within line received services and other operating expenses
Excluding net creation of accrual for long-term employee incentives	3,618	-	6,348	-	presented within personnel costs
Excluding unrealised gain / (loss) from changes in fair value of derivatives not designated as a hedge	(2,354)	494	302	(63)	presented within other gains and losses, see note 8.6
Excluding gain on disposal of fixed assets	(730)	134	(927)	167	presented within other gains and losses, see note 8.6
Excluding other exceptional, non-recurring expenses <sup>24</sup>	241	(44)	(2)	-	
<b>Adjusted EBITDA</b>	<b>134,669</b>		<b>112,325</b>		

<sup>23</sup> At the statutory tax rates applicable to the transactions in the tax jurisdictions.

<sup>24</sup> For example, acquisition related costs.

### Bank covenants

In order to achieve the overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants as of 30 June 2024:

- leverage ratio (i.e. Net debt<sup>25</sup> to Adjusted EBITDA<sup>26</sup>) - must not be more than 4.25 and
- debt service cover ratio (i.e. Cashflow<sup>27</sup> to Debt Service<sup>28</sup>) - must be more than 1.1.

Under the terms of the bonds issuance, the Group's leverage ratio (i.e. Net debt<sup>29</sup> to Adjusted EBITDA<sup>26</sup>) must be lower than 5.95 as of 30 June 2024.

The Group has complied with these covenants as at 30 June 2024 as well as throughout the reporting period. No changes were made in the policies or processes for managing capital during the period ended 30 June 2024.

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<sup>25</sup> **Net debt** is calculated as total Interest-bearing loans + part of lease liabilities (based on the bank's agreement) – Cash and cash equivalents.

<sup>26</sup> **Adjusted EBITDA** mainly consists of the consolidated profit before taxation (excluding the results from discontinued operations), finance income / (expenses) and depreciation and amortization.

<sup>27</sup> **Cashflow** means Operating profit before depreciation & amortization and impairment plus several adjustment (for example changes in working capital, provisions or movement regarding dividends or other profit distribution)

<sup>28</sup> **Debt service** mainly consists of: finance charges, all repayment of borrowings and part of lease's repayment (according to contract with bank)

<sup>29</sup> **Net debt** is calculated as total Interest-bearing loans + part of lease liabilities (based on the bank's agreement) + hedging derivatives – Cash and cash equivalents.

## **10. SUBSEQUENT EVENTS**

There have been no events subsequent to period end which require adjustment of or disclosure in the consolidated financial statements or notes thereto.