Purcari Wineries Public Company Limited

Company Financial Statements

for the year ended 31 December 2023

prepared in accordance with

International Financial Reporting Standards

as adopted by European Union and the requirement

of the Cyprus Companies Law, Cap. 113.

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Independent Auditor's Report

To the Members of Purcari Wineries Public Company Limited

Report on the Audit of the Separate Financial Statements

Our opinion

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

What we have audited

We have audited the separate financial statements which are presented in pages 124 to 148 and comprise:

- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of financial position as at 31 December 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information.

The financial reporting framework that has been applied in the preparation of the separate financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the separate financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Change of functional currency from USD to EUR **Refer to Note 3 “Material accounting policies” and Note 6 “Restatements”** During the year ended 31 December 2023, the Company performed a re-assessment of its functional currency using the factors prescribed in the International Accounting Standard 21 ‘The effects of changes in foreign exchange rates’ Management considered the factors prescribed by IAS21 in such reassessment and determined that the functional currency of the Company should change with retrospective effect from USD to EUR. These considerations can be found in Note 6 to the financial statements as well as management calculations and restated balances.	Our audit procedures included in particular: • We reviewed the assessment performed by the Company regarding the functional currency, in accordance with IAS 21. • We evaluated the appropriateness of the methodology used by the management for the transition to the EUR functional currency as at 1 of January 2019. • We evaluated the appropriateness and mathematical accuracy of the functional currency transition calculations. • We reviewed, together with our internal technical IFRS team, the principles of the transition to the EUR functional currency and obtained comfort over the reasonableness of assumptions used by management in adopting the guidance as per IFRSs as adopted by the European Union. • We verified the adequacy of the management’s disclosures in the relevant notes to the financial statements. The results of the above procedures were satisfactory for the purposes of our audit.

Share-based payments - restatement current year	Our audit procedures included in particular:
Refer to Note 3 "Material accounting policies" and the related disclosures are in Note 8 "Administrative expenses" The Company operates a stock-option share compensation program which mainly targets members of the Group's senior management team (except the CEO) and is intended to further align the interests of such Beneficiaries with those of the Company's shareholders. The Company defined the above plans as equity-settled share-based arrangements granted to employees which were accounted for under IFRS 2 Share-based payment. To estimate the fair value of the award stock option program on initial recognition management applied the intrinsic value method which was allowed by the IFRS 2 Share-based payment, paragraph 24 in certain rare situations when it is especially difficult to predict future fair value of the equity instruments. The initial value of the award of the stock option program was estimated by management in the amount of RON 3,196,790. Subsequently management remeasured the fair value of this stock option award at each year end. The difference on fair value was accounted as "employees benefit" in the consolidated statement of profit or loss and other comprehensive income and in "other reserves' ' in the consolidated statement of changes in equity. During 2023 management reconsidered the appropriateness of the model used on initial recognition taking into consideration that the fair value of the Company can be determined based on the market share price publicly available on Bucharest Stock Exchange by applying the Black-Scholes -Merton formula used in option pricing models in accordance with IFRS 13 Fair value measurement. Furthermore, management reconsidered IFRS 2 Share-based payment guidance for the subsequent recognition of equity-settled share-based arrangement which does not allow for such arrangements to be remeasured at each reporting date.	• We obtained and reviewed the long term stock-option plan document and the respective approval. We also obtained an understanding of the business substance of the transactions and procedures applied by management in determining the impact of the error and its correction in the consolidated financial statements. • We reviewed the accounting policy related to the management incentive program and verified its compliance with IFRSs as adopted by the European Union. • We engaged internal valuation experts to re-perform the calculation of fair value of the stock options on the date of initial recognition. • We verified inputs and evaluated the reasonableness of the assumptions used by the management in estimating the fair value of the stock option. • We verified the mathematical accuracy of the calculations performed by the Company. • We verified the adequacy and sufficiency of the management's disclosures in the relevant notes to the separate financial statements. • As a result of the prior year error, we considered whether changes were required to our initial risk assessment and audit approach.

Consequently management restated the amounts recognised at initial recognition in accordance with the valuation principles summarised above and reversed the subsequent remeasurement performed on brought forward amounts. Details of the prior year adjustment as well as the numerical impact on the financial information has been summarised by management in Note 6 of the Separate Financial Statements.	The results of the above procedures were satisfactory for the purposes of our audit.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, the Statement on Corporate Governance pursuant to the Cyprus Companies Law and the Compliance with the Corporate Governance Code of the trading venue (Bucharest Stock Exchange) which we obtained prior to the date of this auditors' report, and the Corporate Social Responsibility Statement which is expected to be made available to us after that date. Other information does not include the separate financial statements and our auditor's report thereon.

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

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

When we read the Company's Corporate Social Responsibility Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and if not corrected, we will bring the matter to the attention of the members of the Company at the Company's Annual General Meeting and we will take such other action as may be required.

Responsibilities of the Board of Directors and those charged with governance for the Separate Financial Statements

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company on 26 May 2023 by the members of the Company. Our appointment is for one year.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the separate financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on *30 April 2024* in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Company and which have not been disclosed in the separate financial statements or the management report.

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of Purcari Wineries Public Company Limited for the year ended 31 December 2023 comprising an XHTML file which includes the separate financial statements for the year then ended (the "digital files").

The Board of Directors of Purcari Wineries Public Company Limited is responsible for preparing and submitting the separate financial statements for the year ended 31 December 2023 in accordance with the requirements set out in the ESEF Regulation.

Our responsibility is to examine the digital files prepared by the Board of Directors of Purcari Wineries Public Company Limited. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the separate financial statements included in the digital files correspond to the separate financial statements we have audited, and whether the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined correspond to the separate financial statements, and the separate financial statements included in the digital files, are presented in all material respects, in accordance with the requirements of the ESEF Regulation.

Other Legal Requirements

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

- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.

- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the statement on corporate governance in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the statement on corporate governance includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the statement on corporate governance in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.
- The Company holds treasury shares for a period in excess of two years which is not in accordance with the requirement of the Cyprus Company Law, Cap 113, provision 57A.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Constantinos Taliotis.

Constantinos Taliotis
Certified Public Accountant and Registered Auditor
for and on behalf of
PricewaterhouseCoopers Limited

Certified Public Accountants and Registered Auditors
PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia, Cyprus

30 April 2024

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

all amounts are in RON, unless stated otherwise

	Note	2023	2022 (restated)
Revenue	7	35,632,713	35,993,793
Administrative expenses	8	(8,266,412)	(10,158,046)
Operating profit		**27,366,301**	**25,835,747**
Finance income	9	2,446,616	1,219,396
Finance costs	9	(10,553)	(8,617)
Net finance income	9	**2,436,063**	**1,210,779**
Profit before tax		**29,802,364**	**27,046,526**
Tax expense	10	(1,028,721)	(982,538)
Net profit for the year		**28,773,643**	**26,063,988**
Other comprehensive income			
Exchange differences on translation of balances to presentation currency (note 16)		1,230,573	(368,536)
Other comprehensive income/(loss) for the year		**1,230,573**	**(368,536)**
Total comprehensive income for the year attributable to owners		**30,004,216**	**25,695,452**

(*) See Note 6 for explanation of restatement.

The notes on pages 128 to 148 are an integral part of these financial statements.

Statement of Financial Position as at 31 December 2023

all amounts are in RON, unless stated otherwise

	Note	31-Dec-2023	31-Dec-2022 (restated*)	1-Jan-2022 (restated)*
ASSETS				
Investments in subsidiaries	11	116,574,774	115,997,641	107,280,931
Equity instruments measured at fair value through profit and loss	12	5,099,924	4,353,004	4,341,709
Loans receivable	13	23,035,909	14,765,211	849,489
Non-current assets		**144,710,607**	**135,115,856**	**112,472,129**
Other receivable	14	15,661,375	19,126,283	33,722,684
Loans receivable	13	2,549,619	565,612	-
Cash and cash equivalents	15	2,954,883	6,133,833	1,481,175
Current assets		**21,165,877**	**25,825,728**	**35,203,859**
Total assets		**165,876,484**	**160,941,584**	**147,675,988**
EQUITY				
Share capital	16	2,020,462	2,020,462	2,020,462
Share premium	16	43,652,065	43,652,065	43,652,065
Treasury shares reserves	16	(662,996)	(2,008,391)	(5,824,138)
Capital reserves	16	69,102,693	69,102,693	69,102,693
Other reserves	16	4,936,567	5,647,675	6,448,985
Foreign currency translation reserves	16	7,915,142	6,684,570	7,053,106
Retained earnings		31,212,707	24,497,966	18,837,062
Total equity		**158,176,640**	**149,597,040**	**141,290,235**
Trade and other payable	17	5,590,302	9,461,586	4,502,795
Provisions	18	2,109,542	1,882,958	1,882,958
Current liabilities		**7,699,844**	**11,344,544**	**6,385,753**
Total equity and liabilities		**165,876,484**	**160,941,584**	**147,675,988**

(*) See Note 6 for explanation of restatement.

On 30 April 2024 the Board of Directors of Purcari Wineries Public Company Limited authorised these financial statements for issue.

Vasile Tofan	**Victor Bostan**	**Victor Arapan**
Chairman of the Board of Directors	*Chief Executive Officer*	*Chief Financial Officer*

The notes on pages 128 to 148 are an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 December 2023
all amounts are in RON, unless stated otherwise

	Share capital	Share premium	Treasury Shares Reserves	Capital reserves	Other reserves	Foreign currency translation reserve	Retained earnings	Total
Balance at 1 January 2022 (reported) in USD	**478,721**	**10,705,033**	**(1,360,020)**	**16,963,544**	**-**	**-**	**5,772,661**	**32,559,939**
Balance at 1 January 2022 (restated*)	**2,020,462**	**43,652,065**	**(5,824,138)**	**69,102,693**	**6,448,985**	**7,053,107**	**18,837,062**	**141,290,235**
Total comprehensive income for the year								
Net profit for the year (as restated*)	-	-	-	-	-	-	26,063,988	26,063,988
Exchange differences on translation of balances to presentation currency	-	-	-	-	-	(368,536)	-	(368,536)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(368,536)**	**26,063,988**	**25,695,452**
Transactions with owners of the Company								
Dividends (Note 16)	-	-	-	-	-	-	(20,403,084)	(20,403,084)
Shares vested to employees (Note 16)	-	-	3,815,747	-	(3,815,747)	-	-	-
Equity-settled share-based payments (Note 16)	-	-	-	-	3,014,437	-	-	3,014,437
Total transactions with owners of the Company	**-**	**-**	**3,815,747**	**-**	**(801,310)**	**-**	**(20,403,084)**	**(17,388,647)**
Balance at 31 December 2022 / 1 January 2023 (restated*)	**2,020,462**	**43,652,065**	**(2,008,391)**	**69,102,693**	**5,647,675**	**6,684,570**	**24,497,966**	**149,597,040**
Total comprehensive income for the year								
Net profit for the year	-	-	-	-	-	-	28,773,643	28,773,643
Exchange differences on translation of balances to presentation currency	-	-	-	-	-	1,230,573	-	1,230,573
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,230,573**	**28,773,643**	**30,004,216**
Transactions with owners of the Company								
Dividends (Note 16)	-	-	-	-	-	-	(22,058,902)	(22,058,902)
Treasury shares acquired (Note 16)	-	-	(190,520)	-	-	-	-	(190,520)
Shares vested to employees (Note 16)	-	-	1,535,914	-	(1,535,914)	-	-	-
Equity-settled share-based payments (Note 16)	-	-	-	-	824,806	-	-	824,806
Total transactions with owners of the Company	**-**	**-**	**1,345,394**	**-**	**(711,108)**	**-**	**(22,058,902)**	**(21,424,616)**
Balance at 31 December 2023	**2,020,462**	**43,652,065**	**(662,997)**	**69,102,693**	**4,936,567**	**7,915,143**	**31,212,707**	**158,176,640**

(*) See Note 6 for explanation of restatement.

The notes on pages 128 to 148 are an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 December 2023

all amounts are in RON, unless stated otherwise

	Note	2023	2022 (restated*)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**29,802,363**	27,046,526
Adjustments for:			
Equity-settled share-based payment transactions	8	824,806	3,014,437
Unrealized exchange loss		(1,141,461)	(2,203,253)
Dividend income	7,19.1	(35,505,542)	(35,993,776)
Interest income	9	(995,899)	(236,112)
Change in fair value of equity instruments at FVTPL	9	(712,617)	(19,344)
Operating loss before working capital changes		**(7,728,350)**	**(8,391,522)**
Changes in working capital:			
Decrease in other receivable		3,464,908	14,596,407
(Decrease)/Increase in trade and other payable		(3,644,700)	4,958,796
Cash (used in) generated from operations		**(7,908,142)**	**11,163,681**
Interest received		(605,042)	(118,611)
Tax paid	10	(1,028,721)	(982,538)
Net cash (used in) generated from operating activities		**(9,541,905)**	**10,062,532**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary	11	-	(8,868,207)
Dividends received		38,818,050	37,826,702
Loans reimbursed from / (granted to) third parties		461,528	(1,557,560)
Loans granted intercompany		(10,716,233)	(12,923,774)
Net cash generated from investing activities		**28,563,345**	**14,477,161**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(22,058,902)	(20,403,084)
Repurchase of treasury shares		(190,520)	-
Net cash used in financing activities		**(22,249,422)**	**(20,403,084)**
Net (decrease) increase in cash and cash equivalents		**(3,227,982)**	**4,136,609**
Cash and cash equivalents at beginning of the year		6,133,833	1,481,175
Effect of movements in exchange rates on cash held		49,032	516,049
Cash and cash equivalents at end of the year	15	**2,954,883**	**6,133,833**

(*) See Note 6 for explanation of restatement.

The notes on pages 128 to 148 are an integral part of these financial statements.

Notes to the Separate Financial Statements for the year ended 31 December 2023

all amounts are in RON, unless stated otherwise

1. Incorporation and principal activities

Country of incorporation

Purcari Wineries Public Company Limited (the ''Company'') was incorporated in Cyprus on 14 June 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. As at 11 January 2018 the Company has been transformed into a public company and its shares started being traded at Bucharest Stock Exchange on February 15, 2018. Its registered office is at 1 Lampousas Street, 1095 Nicosia, Cyprus.

Principal activities and nature of operations of the Company

The principal Company's activities, which are unchanged from prior year, are the holding investments and providing finance to other companies.

2. Basis of preparation

Statement of compliance

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

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2023 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The Company is required to by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a public company as defined by the Law and the Company issues consolidated financial statements for the year ended 31 December 2023 together with these Company separate financial statements for the year ended 31 December 2023.

The material accounting policies applied in the preparation of these separate financial statements are set out below in Note 3. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of measurements

The financial statements have been prepared under the historical cost convention, other than equity investments at FVTPL which were measured at fair value.

Standards and interpretation

Going concern basis

These parent financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations for the foreseeable future and will be able to meet its obligations and they become due.

The Company has also prepared consolidated financial statements in accordance with IFRS as adopted by the European Union for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from the Company's registered office.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2023 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

Adoption of new and revised International Financial Reporting Standards (IFRS) and Interpretations as adopted by the European Union (EU)

As from 1 January 2023, the Company adopted all changes to International Financial Reporting Standards (IFRSs), which are relevant to its operations. This adoption did not have a material effect on the accounting policies of the Company, except for:

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements.

The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments resulted in changes in presentation of these financial statements, primarily by removing significant accounting policies that do not represent material accounting policy information.

(i) Standards issued but not yet effective

The following new and amended standards are effective for periods beginning on or after 1 January 2023 and earlier application is permitted. The Company has not early adopted any of these new and amended standards and does not expect that they will have a significant impact on the Company's financial statements when they become effective.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Lack of exchangeability (Amendments to IAS 21).

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

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Lack of exchangeability (Amendments to IAS 21).

The Board of Directors expects that the adoption of these standards in future periods will not have a material effect on the financial statements of the Company.

3. Material accounting policies

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognized as an expense in the period in which the impairment is identified.

The Company carried out an analysis under which has identified no impairment indicators for the subsidiaries.

Revenue recognition

Revenues earned by the Company are recognized on the following bases:

Dividends

Dividend distribution to the Company's shareholders is recognized in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

Share-based payments arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

Foreign currency translation

(1) **<u>Functional and presentation currency</u>**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), which is EUR. The financial statements are presented in Romanian Leu (RON), the same presentation currency as for consolidated financial statements.

(2) **<u>Transactions and balances</u>**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at fair value through OCI are analysed between transaction differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Transaction differences related to changes in amortised cost are recognised in profit or loss and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such s equities held at fair value through profit or loss, as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost or FVTPL.

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

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

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

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL.

Financial assets at FVTPL

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

Financial assets at amortized cost

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

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents comprise cash at bank.

Financial liabilities – measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost.

Trade and other payable

Trade payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

Financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Financial liabilities

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

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

Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Impairment

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

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

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Provisions

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

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Share premium

A share premium account is recorded in the shareholders' equity portion of the balance sheet. The share premium account represents the difference between the par value of the shares issued and the subscription or issue price.

Capital reserves

Capital reserve constitutes contributions made by the Company's shareholders other than for the issue of shares by the Company in their capacity as equity owners of the Company for which the Company has no contractual obligation to repay them. Such contributions are recognised directly in equity as they constitute transactions with equity owners in their capacity as equity owners of the Company.

Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

4. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

4.1 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that finance is provided to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023	2022 (restated)
Cash and cash equivalents	2,954,883	6,133,833
Other receivable	15,603,435	19,063,256
Loans receivable	25,585,528	15,330,823
Total	**44,143,846**	**40,527,912**

Cash and cash equivalents

The Company held cash and cash equivalents of RON 2,954,882 at 31 December 2023 (2022: RON 6,133,833), which represent its maximum credit exposure on these assets. 99.5% of cash and cash equivalents as at 31 December 2023 are held with bank with credit risk BBB from Fitch Ratings (2022: 99.4% and credit rating BBB).

The estimated loss allowance on cash and cash equivalents as at 31 December 2023 and 31 December 2022 was immaterial. All cash and cash equivalents were performing (Stage 1) as at 31 December 2023 and 31 December 2022.

Other receivables

The maximum exposure to credit risk for other receivable at the reporting date by geographic region was as follows:

	2023	2022 (restated)
Republic of Moldova (Note 18.5)	10,182,772	16,610,420
Gibraltar (Note 18.5)	5,351,207	2,452,836
Other	69,456	-
Total	**15,603,435**	**19,063,256**

Other receivable from debtors in Republic of Moldova and Gibraltar represent dividends from Company’s subsidiaries.

The estimated loss allowance on other receivables as at 31 December 2023 and 31 December 2022 was immaterial. All cash and cash equivalents were performing (Stage 1) as at 31 December 2023 and 31 December 2022.

Loans Receivable

The maximum exposure to credit risk for loans receivable at the reporting date by geographic region was as follows:

	2023	2022 (restated)
Republic of Moldova (Note 13)	12,916,434	12,465,152
Bulgaria (Note 13)	10,239,599	-
Czech Republic (Note 13)	2,429,495	2,865,671
Total	**25,585,528**	**15,330,823**

Impairment of other financial assets at amortized cost

Other financial assets at amortized cost include loan receivable, receivable from related party and other receivable.
The estimated loss allowance on loans receivable and other receivable as at 31 December 2023 and 31 December 2022 was immaterial.
No loans receivable, receivable from related parties or other receivable were written off during the period are still subject to enforcement activity.

4.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following were the estimated cash outflows for trade and other payable:

Monetary liabilities	Carrying Amount	Total Contractual Cash Flow	Between 1–12 months	More than 1 year
31 December 2023				
Trade and other payable	5,590,302	5,590,302	5,590,302	
Total	**5,590,302**	**5,590,302**	**5,590,302**	
31 December 2022 (restated)				
Trade and other payable	9,461,586	9,461,586	9,461,586	-
Total	**9,461,586**	**9,461,586**	**9,461,586**	**-**

4.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly. The Company doesn’t hedge for the currency risk.

The following exchange rates were applied to recalculate assets and liabilities that are denominated in a currency that is not the Company's measurement currency, as at the end of the year:

	31 December 2023	31 December 2022
MDL1	19.3574	20.3792
EUR 1	1.1050	1.0666
RON 1	4.9746	4.6346

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions are primarily denominated are EUR, RON, MDL and USD.

The Company manages its currency exchange risk exposure in a limited manner and there is no hedging arrangement designed or implemented to this end. The Company mainly performs a natural hedging by aligning currency of monetary assets with those of monetary liabilities. This approach is mainly applicable with regards to transactions with subsidiaries.

The summary of quantitative data about the Company's monetary assets and monetary liabilities in original currency as at 31 December 2023 was as follows:

	EUR	USD	MDL	RON	Total
31 December 2023					
Monetary assets					
Cash and cash equivalents	2,920,367	3,479	-	31,037	2,954,883
Loans receivable	25,585,528	-	-	-	25,585,528
Other receivable	69,552	5,358,468	10,233,355	-	15,661,375
Total monetary assets	**28,575,447**	**5,361,947**	**10,233,355**	**31,037**	**44,201,786**
Monetary liabilities					
Trade and other payable	905,412	4,643,137	-	41,753	5,590,302
Total monetary liabilities	**905,412**	**4,643,137**	**-**	**41,753**	**5,590,302**
Net statement of financial position exposure	**27,670,035**	**718,810**	**10,233,355**	**(10,716)**	**38,611,484**

The summary of quantitative data about the Company's monetary assets and monetary liabilities in original currency as at 31 December 2022 was as follows:

	EUR	USD	MDL	RON	Total
31 December 2022 (restated)					
Monetary assets					
Cash and cash equivalents	5,981,364	126,126	-	26,343	6,133,833
Loans receivable	15,330,823	-	-	-	15,330,823
Other receivable	-	2,454,889	16,608,367	-	19,063,256
Total monetary assets	**21,312,187**	**2,581,015**	**16,608,367**	**26,343**	**40,527,912**
Monetary liabilities					
Trade and other payable	7,528,969	1,900,069	-	32,548	9,461,586
Total monetary liabilities	**7,528,969**	**1,900,069**	**-**	**32,548**	**9,461,586**
Net statement of financial position exposure	**13,783,218**	**680,946**	**16,608,367**	**(6,205)**	**31,066,326**

Exposure to currency risk

For monetary assets and liabilities, the Company is exposed to currency risk mainly for balances denominated in MDL and USD.

Sensitivity analysis

A 5% strengthening of the EUR against MDL and USD would have decrease the profit before tax by RON 518,909 for the year 2023 and decrease equity with the same amount (2022: decrease by RON 823,764). This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. There were no changes in methods and assumptions from prior year.

4.4 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

The management do not provide a quantification of any risks described above, as consider the no substantial risks exist due to the specific of its activity as holding Company, with small operational activity.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

5. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values was included below and in the following notes:

- Note 11 – valuation of equity instruments measured at fair value through profit or loss (“FVTPL”).

Income taxes

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

Initial recognition of related party transactions and balances

In the normal course of business, the Company enters into transactions with its related parties. IFRS 9 requires the initial recognition of financial instruments to be based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. Terms and conditions of related party balances are disclosed in Note 18.

6. Restatements

In 2023, the Company performed an assessment on its functional currency using the factors prescribed in the guideline of IAS 2:

- IAS 21 paragraph 9 states that the primary economic environment currency can be an indicator which could argue use of the certain functional currency - in Cyprus (domicile of the Company) this currency is EUR.
- The Parent Company is a holding entity which receives dividends from subsidiaries (in various currencies such as MDL, RON, USD) and its main activity consists of paying the payroll to some employees and non-executive directors.
- Most payroll expenses are made in EUR. There is only 1 person to whom the expense related to remuneration is done in USD and it represents approximately 10% from total payroll expense.
- The loans granted to related companies are in EUR.

Based on the factors considered above, the Company decided to change its functional currency from USD to EUR. The impact of the change in the functional currency can be seen in the tables below. The date of change is considered 1 of January 2019 where a change in the assessment of the factors mentioned above took place. Meaning that in 2019 the salaries that used to be paid in USD, were changed to be paid EUR. At that time, The Company had no loans. The dividends income structure remains the same throughout the years. Therefore, the main indicator being the expenses, was considered. The Company translated all assets, liabilities and equity elements at 1 January 2019 at a foreign exchange rate of EUR/USD 1.145. The impact on the statement of financial position elements can be seen in the table below. Mostly the impact refers to equity elements. Monetary assets previously were translated using the year end foreign exchange rates and thus there is no impact from the change in the functional currency. For non-monetary assets, the balances as 1 January 2022 does not show any differences because the transition should have occurred in 2019. The impact in statement of profit loss and other comprehensive income was also presented in the second table of this Note.

During 2023 the Company decided to change its presentational currency from USD to RON. The change of presentation currency was applied retrospectively. The impact of the change of presentational currency is presented in account "Translation reserve".

The Company also reviewed its approach to accounting of Stock Option Plan, which was approved in June 2020 and subsequently amended in 2021. The Company recognized the stock options retrospectively at their fair value in 2021, with no further remeasurement. As result, the previous remeasurement posted through statement of profit or loss and other comprehensive income for 2022 was cancelled, thus impacting expenses for the period and other reserves. Previously the Company accounted for the stock options using the intrinsic value method prescribed by IFRS 2 paragraph 24. The Company corrected its accounting policy since it could determine fair value at the grant date in accordance with IFRS 2 paragraph 10. More details regarding the assumptions used in the measuring the fair value at the grant date can be seen in Note 8. The impact from the correction of the error is RON 4,900,000 and was booked as at 1 January 2022 since the grant date determined in accordance with IFRS 2 was considered June 2020 with subsequent award on September 2021. Please be aware that this amount can’t be traced to the changes in other statements of the financial position as presented in the table below, since the Company has recognised in 2021 already an expense of RON 3,196,782. The prior year reported income in amount of RON 3,354,873 related to remeasurement of stock options presented within total employee benefits expense in Note 28 Employee benefits was reversed in correspondence with other reserves from equity. The entire impact was recorded as described above in the year ended on 31 December 2021 with the balances being restated as at 1 January 2022.

The Company has reassessed its tax position and concluded that an indirect tax provision related to VAT shall be recognised in amount of RON 1,882,958. The amount is presented within provisions line in the statement of financial position.

The following tables summarize the impacts on the Company’s financial statements of the change in accounting of stock option plan, change of functional currency and tax exposure.

Restatement of statement of financial position as at 31 December 2022 and 01 January 2022:

	31 December 2022		1 of January 2022	
	As previously reported in USD	As restated in RON	As previously reported in USD	As restated in RON
Assets				
Investments in subsidiaries	26,086,204	115,997,641	24,347,923	107,280,931
Equity instruments at FVTPL	997,127	4,353,004	993,367	4,341,709
Loans receivable	3,185,865	14,765,211	194,360	849,489
Non-current assets	**30,269,196**	**135,115,856**	**25,535,650**	**112,472,129**
Other receivable	4,117,265	19,126,283	7,715,624	33,722,684
Loans receivable	122,041	565,612	-	-
Cash and cash equivalents	1,323,492	6,133,833	338,887	1,481,175
Current assets	**5,562,798**	25,825,728	8,054,511	35,203,859
Total assets	**35,831,994**	**160,941,584**	**33,590,161**	**147,675,988**
Equity				
Share capital	478,721	2,020,462	478,721	2,020,462
Share premium	10,705,033	43,652,065	10,705,033	43,652,065
Treasury shares reserve	(479,080)	(2,008,391)	(1,360,020)	(5,824,138)
Other reserves	16,963,544	74,750,368	16,963,544	75,551,678
Foreign currency translation	-	6,684,570	-	7,053,107
Retained earnings	6,122,260	24,497,966	5,772,661	18,837,062
Total equity	**33,790,478**	**149,597,040**	**32,559,939**	**141,290,235**
Liabilities				
Trade and other payable	2,041,516	9,461,586	1,030,222	4,502,794
Provisions	-	1,882,958	-	1,882,958
Current liabilities	**2,041,516**	**11,344,544**	**1,030,222**	**7,699,844**
Total liabilities	**2,041,516**	**11,344,544**	**1,030,222**	**7,699,844**
Total equity and liabilities	**35,831,994**	**160,941,584**	**33,590,161**	**147,675,988**

Restatement of statement of profit or loss and other comprehensive income for the year ended 31 December 2022:

	As previously reported in USD	As restated in RON
Revenue	7,621,725	35,993,793
Administration expenses	(1,411,715)	(10,158,046)
Operating profit	**6,210,010**	**25,835,747**
Finance income	53,896	1,219,396
Finance costs	(365,717)	(8,617)
Net finance income	**(311,821)**	**1,210,779**
Profit before tax	**5,898,189**	**27,046,526**
Income tax expense	(199,029)	(982,538)
Profit for the year	**5,699,160**	**26,063,988**
Other comprehensive income		
Exchange differences on translation of foreign operations	-	(368,536)
Other comprehensive loss for the year	-	**(368,536)**
Total comprehensive income for the year attributable to owners	**5,699,160**	**25,695,452**

Restatement of consolidated statement of cash flows for the year ended 31 December 2022:

	As previously reported in USD	As restated in RON
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,898,189	27,046,526
Adjustments for:		
Equity-settled share-based payment transactions	(166,351)	3,014,437
Unrealized exchange loss	165,738	(2,203,253)
Dividend income	(7,621,302)	(35,993,776)
Interest income	(50,136)	(236,112)
Change in fair value of equity instruments at FVTPL	(3,760)	(19,344)
Operating loss before working capital changes	**(1,777,622)**	**(8,391,522)**
Changes in working capital:		
Decrease in other receivable	3,631,119	14,596,407
Increase in trade and other payable	1,011,294	4,958,796
Cash generated from operations	**2,864,791**	**11,163,681**
Interest received	25,571	(118,611)
Tax paid	(199,029)	(982,538)
Net cash generated from operating activities	**2,691,333**	**10,062,532**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary	(1,738,281)	(8,868,207)
Dividends received	7,588,543	37,826,702
Loans granted	(3,088,982)	(14,481,334)
Net cash generated from investing activities	**2,761,280**	**14,477,161**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(4,302,270)	(20,403,084)
Net cash used in financing activities	**(4,302,270)**	**(20,403,084)**
Net increase in cash and cash equivalents	**1,150,343**	**4,136,609**
Cash and cash equivalents at beginning of the year	338,887	1,481,175
Effect of movements in exchange rates on cash held	(165,738)	516,058
Cash and cash equivalents at end of the year	**1,323,492**	**6,133,833**

7. Revenue

	2023	2022 (restated)
Dividend income (Note 19.1)	35,505,542	35,993,776
Other income	127,171	17
	35,632,713	**35,993,793**

8. Administrative expenses

	2023	2022 (restated)
Registrar of Companies annual levy	1,708	1,863
Independent auditors' remuneration for the statutory audit of annual accounts	42,955	313,285
Independent auditors' remuneration for the audit of consolidated accounts	640,418	529,245
Directors' (Note 19.3)	1,497,082	1,648,981
Key management personnel remuneration (Note 19.3)	3,409,839	2,862,269
Other staff costs	661,554	1,113,892
Equity-settled share-based payment	824,806	3,014,437
Legal and professional	952,803	634,718
Taxes and fees, except income tax	167,983	-
Promotion	-	3,657
Travelling	7,498	9,949
Insurance	30,205	25,750
Rent	19,769	-
Other	9,792	-
	8,266,412	**10,158,046**

The total fees charged by PwC Cyprus for audit services provided on the annual statutory and consolidated financial statements for the year ended 31 December 2023 amounted to RON 692,510 (2022: RON 0). Prior year fee from KPMG Cyprus and other KPMG network firms for the audit of the annual financial statements was RON 816,691. Both are included in the Professional fees.

In addition, the total fees charged by PwC Cyprus and by other PwC network firms for other services for the year ended 31 December 2023 amounted to RON 0 (2022: RON 0) and RON 191,194 (2022: RON 103,450) respectively for other assurance services (audit related), RON 0 (2022: RON 0) and RON 0 respectively for tax advisory services and RON 0 (2022: RON 0) and RON 0 respectively for other non-assurance services.

Share-based payments

Management incentive program

On 29 April 2020, the Company's shareholders approved the revised Special Resolution, initially date 14 June 2018 and later revised on 25 April 2019, stating the provision of a Management Stock Option Plan, as part of a Management Incentive Program ("The Program").
The Program mainly targets members of the Group's senior management team (except the CEO) and is intended to further align the interests of such Beneficiaries with those of the Company's shareholders.

The Program comprised of the following:

c) award of shares of the Company to be provided to the Beneficiaries, free of charge, subject to relevant performance indicators determined by the Board of Directors, being met; and
d) award of stock options to be provided to the Beneficiaries (the Options or PSOs), subject to relevant performance indicators to be determined by the Board of Directors, being met.

Share award

On 14 May 2020 the Company's Board of Directors approved the Long-Term Share Incentive Plan (LTSIP 1) with a total of 409,000 shares to be vested to employees during 2020-2022. On 20.09.2021, the Directors of the Company, based on the authorization given by shareholders at AGM held on 29.03.2021, resolved to increase the total number of shares to 502,998 shares. As of 31 December 2023, all shares under LTSIP 1 were vested.

On 22 December 2020 the Company's Board of Directors approved the second Long-Term Share Incentive Plan (LTSIP 2) with a total of 101,996 shares to be vested to employees during 2021-2024. On 20.09.2021, the Directors of the Company, based on the authorization given by shareholders at AGM held on 29.03.2021, resolved to increase the total number of shares to 193,668 shares. As of 31 December 2023, a total number of 152,419 shares were vested to management and employees. Another 25,644 shares will be vested in 2024.
The share-based payments are recognized at the market value of the shares at the grant date.

In 2023 the Company bought back 15,239 own shares (2022: nil). The treasury shares acquired and held in 2023 are enough to finalize the existing Company's Management Incentive Program, which provides for last shares award in June 2024. These shares were recorded under "Treasury Shares Reserves".

At 15 June 2023 the Company allocated 101,047 shares to its management and employees with a total value of RON 1,535,914 (2022: 251,036 shares with a total value of RON 3,815,747) by offset of "Treasury Shares Reserves" with "Other reserves".

Stock options

Based on the authorization received from shareholders in the Annual Shareholders Meetings of 14.06.2018, 25.04.2019 and 29.04.2020, the Board of Directors approved on 25.03.2021 the Long-Term Stock Option Plan (LTSOP) for period 2021-2030, by which the Company may grant to the Participants a maximum number of:

(a) 1,000,000 stock options at an Exercise Price of RON 10 per share;
(b) 1,250,000 stock options at an Exercise Price of RON 15 per share; and
(c) 1,500,000 stock options at an Exercise Price of RON 20 per share.

The exercised period for all stock options expires on 30 March 2030. During 2023 the participants didn't exercise any rights to purchase shares at Exercise Price (2022: nil).

In 2023 the Company had granted no stock options. As result, the Company is still authorized to grant additional stock option, to new and existing participants, up to:

(a) 110,000 stock options at an Exercise Price of RON 10 per share;
(b) 159,200 stock options at an Exercise Price of RON 15 per share; and
(c) 208,400 stock options at an Exercise Price of RON 20 per share.

Fair value of stock options at grant date was calculated using the following assumptions:

- Risk-free interest rate for the expected life of options (1% for options exercisable immediately and 1.9% for options exercisable in June 2022)
- Expected volatility of the underlying share price (20%, standard deviation in the period 1 October - 30 September 2021)
- Exercise life of options (Options can be exercised up to 2030)
- Expected dividends on the underlying shares (between 40% to 50% of the dividends are expected to be paid each year from the net profit).

The table below summarizes the movements in stock options between 1 January 2022 and 31 December 2023, and weighted average exercise price:

	Stock options with exercise price @RON 10	Stock options with exercise price @RON 15	Stock options with exercise price @RON 20	Weighted average exercise price
Outstanding Stock Options @ 01.01.2023	772,500	1,090,800	1,291,600	-
Stock options granted during the year	-	-	-	-
Stock options exercised	-	-	-	-
Outstanding Stock Options @ 31.12.2023	**772,500**	**1,090,800**	**1,291,600**	-
Outstanding Stock Options @ 01.01.2022	772,500	1,090,800	1,291,600	-
Stock options granted during the year	-	-	-	-
Stock options exercised	-	-	-	-
Outstanding Stock Options @ 31.12.2022	**772,500**	**1,090,800**	**1,291,600**	-

9. Net finance income

	2023	2022 (restated)
Interest income	(995,899)	(236,112)
Financial assets at FVTPL – net change in fair value (Note 12)	(712,617)	(19,344)
Net foreign exchange gain	(738,100)	(963,940)
Total finance income	**(2,446,616)**	**(1,219,396)**
Sundry finance expenses	10,553	8,617
Total finance costs	**10,553**	**8,617**
Net finance income recognized in profit or loss	**(2,436,063)**	**(1,210,779)**

10. Tax

	2023	2022 (restated)
Corporation tax - current year	1,028,721	982,538
Charge for the year	**1,028,721**	**982,538**

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2023	2022 (restated)
Profit before tax	**29,802,364**	**27,046,526**
Tax calculated at the applicable tax rates	3,725,296	3,380,816
Tax effect of expenses not deductible for tax purposes	920,095	82,756
Current year losses for which no tax expense was recognized	(25,859)	932,149
Tax effect of allowances and income not subject to tax	(4,619,532)	(4,622,133)
Tax paid in foreign jurisdictions	1.028,721	1,208,950
Tax charge	**1,028,721**	**982,538**

The corporation tax rate is 12.5%.

During 2023, a withholding tax of 5% was paid in the Republic of Moldova by the Company's subsidiaries Vinaria Purcari SRL and Vinaria Bostavan SRL, out of dividends distributed to the parent company and, respectively, interest on loan received from parent company.

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

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	2023	2023	2022 (restated)	2022 (restated)
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	45,026,776	5,628,347	43,642,368	5,455,296

Tax losses carried forward

Tax losses for which no deferred tax asset was recognized expire as follows:

Expiration years	RON 45,026,776	2024 – 2028	RON 43,642,368	2023 – 2027

In 2023, the Company continued to further record tax losses, thus increasing cumulative tax losses to RON 45,026,776. Management has determined that the recoverability of cumulative tax losses, which expire in 2024–2028, is uncertain due to specific activity of the Company as holding company. However, if the Group changes its operational flow that will generate taxable profit at parent company level, then additional deferred tax assets and a related income tax benefit of up to RON 5,628,347 would be recognized.

11. Investments in subsidiaries

	2023	2022 (restated)
Balance at 1 January	115,997,641	107,280,931
Additions	-	8,868,207
Effect of movement in exchange rates	577,133	(151,497)
Balance at 31 December	**116,574,774**	**115,997,641**

In 2022 the Company acquired 76% of share capital of Angel's Estate in Bulgari, which is a wine producer.

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2023 Holding %	2022 Holding %	**2023**	**2022 (restated)**
Vinaria Bostavan SRL	Moldova	Wine production	58.59	58.59	47,132,431	46,899,090
Crama Ceptura SRL	Romania	Wine production	100	100	13,548,753	13,481,676
Vinorum Holdings LTD	Gibraltar	Investments	100	100	22,110,820	22,001,355
Vinaria Purcari SRL	Moldova	Wine production	100	100	24,598,092	24,476,313
Purcari Wineries LLC	Ukraine	Distribution	100	100	272,348	271,000
Angel's Estate SA	Bulgaria	Wine production	76.00	76.00	8,912,330	8,868,207
					116,574,774	**115,997,641**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

12. Equity instruments measured at fair value through profit or loss

On 13 May 2021, the Company purchased 10.00% ownership interest in 8Wines Czech Republic s.r.o. (8Wines), a Czech-based fast growing online retail platform.
The Group neither has any significant influence nor is involved in the management of 8Wines. Therefore, the ownership interest in 8Wines is accounted as equity instruments at fair value through profit or loss.

The movement in equity instruments at fair value through profit or loss for the years ended 31 December 2023 and 31 December 2022 was as follows:

	2023	**2022 (restated)**
Balance at 1 January	4,353,004	4,341,709
Change in fair value (Note 9)	712,617	19,344
Effect of movement in exchange rates	34,303	(8,049)
Balance at 31 December	**5,099,924**	**4,353,004**

As of 31 December 2023, the fair value measurement for equity investment in 8Wines Czech Republic s.r.o. has been categorized as a Level 3 fair value based on the inputs to the valuation technique used (see Note 5). The following table shows the valuation techniques used in measuring fair value as of 31 December 2023, as well as the significant unobservable inputs used. There were no transfers between levels. Any fair value changes are included in finance income/costs.

The valuation of the investment was performed by the Company's management.

Valuation technique	*Discounted cash flows*: The valuation model considers the present value of the net cash flows expected to be generated by the entity, discounted using a risk-adjusted discount rate.
Significant unobservable inputs	• Expected free cash flows for 2024-2028 (RON 13,961,704); • Risk-adjusted discount rate (10.30%); • Terminal growth rate (3.00%).
Inter-relationship between key unobservable inputs and fair value measurement	The estimated fair value would increase (decrease) by: • RON 55,308 (RON 55,308) if the expected cash flows were higher (lower) by 1%; or • RON 1,013,688 (RON 766,379) if the risk-adjusted discount rate was lower (higher) by 1pp; or • RON 781,654 (RON 593,304) if the terminal growth rate was higher (lower) by 1pp.

13. Loans receivable

As at 31 December 2023 and 31 December 2022 loans receivables are as follows:

	Currency	Interest rate	Year of maturity	2023 Non-current portion	2023 Current portion	2022 (restated) Non-current portion	2022 (restated) Current portion
8Wines s.r.o.	EUR	3.0%	2025	376,662	-	364,379	-
8Wines s.r.o.	EUR	6.0%	2024	-	2,052,833	2,042,671	458,621
Vinaria Bostavan SRL (Note 19.4)	EUR	4.0%	2027	12,419,648	496,786	12,358,161	106,991
Angel's Estate SA (Note 19.4)	EUR	Euribor 12M+3.0%	2028	10,239,599	-	-	-
Total loans receivable				**23,035,909**	**2,549,619**	**14,765,211**	**565,612**

The loans provided to 8Wines s.r.o. are secured up to the amount of EUR 1,239,669 by the constitution of the right of pledge over the whole goods inventory – wine bottles, in the stock of 8Wines s.r.o.

The exposure of the Company to credit risk in relation to loans receivable is reported in note 4 of the financial statements.

14. Other receivable

	2023	2022 (restated)
Receivable from related companies (Note 19.5)	15,533,979	19,063,256
Prepayments	57,940	63,027
Other receivable	69,456	-
	15,661,375	**19,126,283**

The exposure of the Company to credit risk in relation to other receivable is reported in note 4 of the financial statements.

15. Cash and cash equivalents

	2023	2022 (restated)
Cash at bank	2,954,883	6,133,833
	2,954,883	**6,133,833**

16. Share capital and other elements of equity

	2023	**2023**	2022	2022
	Number of shares	**€**	Number of shares	(restated) €
Authorised				
Ordinary shares of €0,01 each	**43,000,000**	**430,000**	43,000,000	430,000

	2023	**2023**	2022	2022
	Number of shares	**RON**	Number of shares	(restated) RON
Issued and fully paid				
Balance at 1 January	40,117,500	2,020,462	40,117,500	2,020,462
Balance at 31 December	**40,117,500**	**2,020,462**	**40,117,500**	**2,020,462**

On 28 April 2022, the shareholders unanimously approved the increase of the authorised share capital of the Company from EUR 410,000.00 divided into 41,000,000 shares of nominal value EUR 0.01 each to EUR 430,000.00 divided into 43,000,000 shares of nominal value EUR 0.01 each. During both 2023 and 2022 no shares were issued.

At the reporting date, the issued share capital of the Company is comprised of 40,117,500 ordinary shares with nominal value EUR 0.01 each. All issued shares are fully paid.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

On 26 May 2023 the Company’s shareholders approved the legal framework for the redemption by the Company of own shares. During 2023 the Company acquired 15,239 own shares (2022: nil). The treasury shares acquired and held in 2023 are enough to finalize in 2024 the Company’s Management Incentive Program, which provides for equity-settled share-based payments to management. These shares were recorded under “Treasury Shares Reserves”.

During 2023 the Company vested 101,047 (2022: 251,036) shares to its employees with a total value of 1,535,914 RON (2022: 3,815,747 RON).

Capital reserve

Capital reserve was created by the Parent Company with the aim of covering potential losses from the activity of the Parent Company. The amount of capital reserves is RON 69,102,693 (31 December 2022: RON 69,102,693).

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation to the presentation currency.

Treasury share reserve

In 2023 the Company acquired 15,239 own shares in amount of RON 190,520 (2022: nil).
The treasury shares acquired and held in 2023 are enough to finalize in 2024 the Company’s Management Incentive Program, which provides for equity-settled share-based payments to management (see Note 29). The current balance of own shares left to finalise the equity-settled share-based payments is 25,644 shares.
During 2023 the Company allocated 101,047 shares to its management and employees with a total value of RON 1,535,914 (2022: 251,036 shares with a total value of RON 3,815,747).

Other reserves

In 2023 the Company accounted for equity-settled share-based payments in amount of RON 824,807 (2022: RON 3,014,437) in connection with the Management Incentive Program (see Note 29) and offset the amount of RON 1,535,914 (2022: RON 3,815,747) with treasury share reserve for shares allocated to employees. In 2023 the Company also accounted in other reserves for put option over non-controlling interests in the amount of RON 1,943,080 (2022: (RON 11,729,130)).

Dividends

During 2023 the Company declared and paid dividends in amount of RON 0.55 per share (2022: RON 0.51) to all shareholders. The total amount of dividends declared and paid in 2023 was RON 22,058,902 (2022: RON 20,403,084).

17. Trade and other payable

	2023	**2022 (restated)**
Payable to related parties (Note 19.6)	4,616,832	4,202,654
Dividend payable	31,755	22,625
Other creditors	941,715	5,236,307
	5,590,302	**9,461,586**

The exposure of the Company to liquidity risk in relation to trade and other payable is reported in note 4 of the financial statements.

18. Provisions

	2023	2022 (restated)
Provisions for indirect taxes	1,882,958	1,882,958
Provision for unused vacation	226,584	-
	2,109,542	**1,882,958**

19. Related party transactions

The Company has no ultimate parent entity or ultimate controlling party. The Company's related parties for the years 2023 and 2022 were the following:

Name of the entity	Relationship with the Company
Amboselt Universal Inc.	Major shareholder of the Company
Victor Bostan	Ultimate Beneficial Owner through Amboselt Universal Inc.
Victoriavin SRL	Entity controlled by Victor Bostan through a significant shareholding
Vinaria Purcari SRL	Subsidiary
Vinaria Bostavan SRL	Subsidiary
Crama Ceptura SRL	Subsidiary
Vinorum Holdings Limited	Subsidiary
Purcari Wineries Ukraine LLC	Subsidiary
Angel's Estate SA	Subsidiary from 10.10.2022
Key management personnel	Members of board of directors of the Company, CEOs, COO, CFO, CCO

The following transactions were carried out with related parties:

19.1 Dividend income (Note 7)

	2023	2022 (restated)
Vinaria Purcari SRL	13,267,694	16,589,333
Crama Ceptura SRL	18,792,270	17,020,653
Vinorum Holdings Limited	3,445,578	2,383,790
	35,505,542	**35,993,776**

19.2 Interest income (Note 13)

	2023	2022 (restated)
Vinaria Bostavan SRL	494,650	106,737
Angel's Estate SA	349,628	-
	844,278	**106,737**

19.3 Administration expenses (Note 8)

	2023	2022 (restated)
Directors' remuneration	1,497,082	1,648,981
Key management personnel remuneration	3,409,839	2,862,269
Equity-settled share-based payments of key management personnel	312,837	1,300,279
	5,219,758	**5,811,529**

19.4 Loans receivable from related parties (Note 13)

	Nature	2023	2022 (restated)
Vinaria Bostavan SRL	Interest bearing	12,916,434	12,465,152
Angel's Estate SA	Interest bearing	10,239,599	-
		23,156,033	**12,465,152**

19.5 Receivable from related parties (Note 14)

	Nature	2023	2022 (restated)
Vinaria Purcari SRL	Dividends	10,182,772	16,610,420
Vinorum Holdings Limited	Dividends	5,351,207	2,452,836
		15,533,979	**19,063,256**

Receivable from subsidiaries bear no interest and will be collected during the next 12 months.

19.6 Payable to related parties (Note 17)

	Nature	2023	2022 (restated)
Directors and key management personnel	Management fees	4,616,832	4,202,654
		4,616,832	**4,202,654**

Payable to the management bear no interest. A full settlement is expected to occur in the next 12 months.

20. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2023	Financial assets mandatory at FVTPL	Financial assets at amortized cost	Total
Assets as per statement of financial position:			
Equity instruments held at FVTPL	5,099,924	-	5,099,924
Loans receivable	-	25,585,528	25,585,528
Other receivable	-	15,661,375	15,661,375
Cash and cash equivalents	-	2,954,883	2,954,883
Total	**5,099,924**	**44,201,785**	**49,301,709**

	Financial assets mandatory at FVTPL	Financial liabilities at amortized cost	Total
Liabilities as per statement of financial position:			
Trade and other payable	-	5,590,302	5,590,302
Total	**-**	**5,590,302**	**5,590,302**

31 December 2022 (restated)	Financial assets mandatory at FVTPL	Financial assets at amortized cost	Total
Assets as per statement of financial position:			
Equity instruments held at FVTPL	4,353,004	-	4,353,004
Loans receivable	-	15,330,823	15,330,823
Other receivable	-	19,063,256	19,063,256
Cash and cash equivalents	-	6,133,833	6,133,833
Total	**4,353,004**	**40,527,912**	**44,880,916**

	Financial assets mandatory at FVTPL	Financial liabilities at amortized cost	Total
Liabilities as per statement of financial position:			
Trade and other payables	-	9,461,586	9,461,586
Total	**-**	**9,461,586**	**9,461,586**

21. Operating environment

On 24 February 2022, Russia announced the start of a full-scale land, sea and air invasion of Ukraine, targeting Ukrainian military assets and civilian infrastructure throughout the country.

Two years on, the war is still raging in the vicinity of Moldova and Romania, where our production facilities are located and which represent the core markets for the Group.

This event was a catalyst factor for the activation of Moldova's EU accession process, the country being formally awarded EU candidate status. Maia Sandu, Moldova’s President, has set as goal for her administration to finalize the accession process and join the EU before 2030. The country has benefited from very significant financial support from EU and other development partners, estimated at over $1 billion, including large grants components in addition to loans. The escalation of the war in Ukraine has created many uncertainties, as well as many consequences, especially in the fields of energy and finance. Moldova was mostly affected by the price of natural gas and dependence on supplies from Russia, but the government took prompt steps to interconnect the country with the EU market, ensuring supplies for industry and households, and implemented a compensation scheme for the vulnerable population, to reduce the tariff burden. As result, during 2023 the tariff on natural gas was reduced, inflation dropped under targeting level, interest rates decreased.

The direct impact on the Group is considered to be low, as:

- the sales to the countries involved in the conflict (Ukraine, Russia, Belarus) are not significant, being 3.20% of total finished goods sold in 2023r, which will not have a significant impact even if the Group gives up to these markets.
- the gross amount of trade receivable for clients located in these countries counts for 2.8% of total trade receivable of the Group as at 31 December 2023, which has no impact on the financial position of the Group, as all these are fully provisioned.
- the Company does not own any assets in the regions of the conflict. Its fully owned subsidiary located in Ukraine, is a trading one with no significant assets.
- the Company is not linked in any way to organizations or individuals identified for sanctions or other politically exposed people in the region.

On the basis of the above, the Board of Directors of the Company reiterates the view that the Company is well positioned to resist the adverse impact of this external shock and will have sufficient resources to continue operating as going concern for a period of at least 12 months from the reporting date of this Annual Report.

22. Events after the reporting period

There were no material subsequent events after the reporting period, except:

On 28 March 2024 the Group acquired 100% of share capital of Timbrus Purcari Estate SRL for a cash consideration of EUR 2,800,000 financed from own funds. Timbrus Purcari Estate SRL is a Moldova based company owning around 130 ha of land, including 112 ha of vineyards located in Purcari village.

These financial statements for the year ended 31 December 2023 were approved and authorized for issue by the Board of Directors on 30 April 2024.