DR.MAX GROUP HOLDINGS PLC

Unaudited interim consolidated financial report

For the period ended 30 June 2025

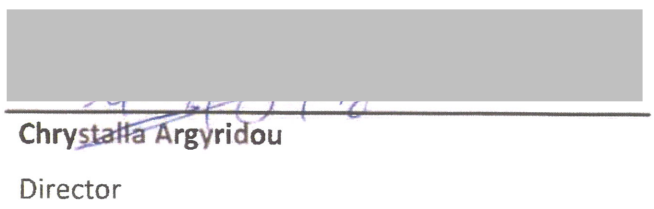
APPROVAL OF THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL REPORT

The members of the Company's Board of Directors declare that, to the best of their knowledge, the unaudited interim consolidated financial statements and notes, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and economic performance of the issuer and the consolidated entities as a group.

These unaudited interim consolidated financial report for the period ended 30 June 2025 were approved by the Board of Directors on 26 September 2025 and signed on its behalf by:

Penta Investments Cyprus Limited

Director



Chrystalla Argyridou

Director

DIRECTORS AND PROFESSIONAL ADVISERS

Directors	Penta Investments Cyprus Limited Chrystalla Argyridou
Secretary	Chanteclair Secretarial Limited Nicosia, Cyprus
Registered Office	212 C & I Center Building, Agias Fylaxeos & Polygnostou, 2nd Floor 3082 Limassol, Cyprus
Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors 10 Esperidon Street 1087 Nicosia PO Box 21656 1511 Nicosia, Cyprus
Legal advisers	AK Evan Prague, Czech Republic Allen & Overy (Czech Republic) LLP, organizační složka Prague, Czech Republic Alexandros Economou LLC Limassol, Cyprus

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GLOSSARY

Adjusted EBITDA	Adjusted operating profit before depreciation & amortisation and impairment of non-financial assets
CGU	Cash generating unit
COMPANY	DR.MAX GROUP HOLDINGS PLC
EBITDA	Operating profit before depreciation & amortisation and impairment of non-financial assets
ECL	Expected credit loss
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FX SWAP	Foreign Currency Swap
GROUP	Company and its subsidiaries
IFRS	International Financial Accounting Standards
IRS	Interest rate swap
LTI	Long-term incentive
MtM	Market to market
N/A	Not applicable
OCI	Other comprehensive income
SPV	Special purpose vehicle

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF DR.MAX GROUP HOLDINGS PLC

To the Shareholders of DR.MAX GROUP HOLDINGS PLC

Introduction

We have reviewed the interim condensed consolidated financial statements of DR.MAX GROUP HOLDINGS PLC (the "Company") and its subsidiaries (collectively referred to as "Group") on pages 8 to 50, which comprise the interim condensed consolidated statement of financial position as at 30 June 2025, and related interim condensed consolidated statements of financial performance, changes in equity and cash flows for the six-month period then ended and selected explanatory notes (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IFRS Accounting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with *International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRS Accounting Standard IAS 34 Interim Financial Reporting as adopted by the European Union.

Other matter

The comparative figures included in the interim condensed consolidated statements of financial performance, changes in equity and cash flows of the Company for the six-month period then ended were not reviewed.

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

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 30 September 2025

Ernst & Young Cyprus Ltd is a member firm of Ernst & Young Global Ltd.
Ernst & Young Cyprus Ltd is a limited liability company incorporated in Cyprus with registration number HE 222520. A list of the directors' names is available at the company's registered office, 10 Esperidon Street, 1087 Nicosia, Cyprus.
Offices: Nicosia, Limassol.

DR.MAX GROUP HOLDINGS PLC

Unaudited interim consolidated financial statements

For the period ended 30 June 2025

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

EUR '000

	Note	2025	2024
		Unaudited	
Continuing operations			
Revenues from contracts with customers	8.1	2,785,459	2,338,692
Goods for resale and direct costs	8.2	(2,081,611)	(1,735,902)
Gross margin		**703,848**	**602,790**
Other operating income		4,197	2,664
Personnel costs	8.3	(330,847)	(285,525)
Received services and other operating expenses	8.4	(159,760)	(130,340)
Impairment losses of financial assets		(362)	(269)
Reversal, (addition) and usage of provisions		74	235
Other gains and (losses)		2,986	(875)
Operating profit before depreciation & amortisation and impairment of non-financial assets[1] ("EBITDA")		**220,136**	**188,680**
Depreciation and amortisation	8.5	(93,507)	(79,243)
Impairment reversal and (losses) of non-financial assets		11	(105)
Operating profit[1]		**126,640**	**109,332**
Investing profit	5, 8.6	47,516	34,712
Profit before financing and income taxes[1]		**174,156**	**144,044**
Financing loss	5, 8.7	(87,417)	(69,328)
Profit before tax		**86,739**	**74,716**
Income tax expense	8.8	(33,174)	(28,281)
Profit after tax		**53,565**	**46,435**
Profit for the period		**53,565**	**46,435**
Attributable to:			
Owners of the parent Company		53,565	46,435
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange losses on translation of foreign operations		(3,401)	(2,271)
Gains / (losses) on cash flow hedges	8.21	(4,117)	4,216
Other comprehensive income / (loss) for the year, net of income taxes		**(7,518)**	**1,945**
Total comprehensive income for the year		**46,047**	**48,380**
Attributable to:			
Owners of the parent Company		**46,047**	**48,380**

*[1] The Group has disclosed "Operating profit before depreciation & amortisation and impairment of non-financial assets" and "Operating profit" and "Profit before financing and income taxes" because management believes that these measures are relevant for an understanding of the Group's financial performance. For more information and formulas see section **9.3 Capital risk management**.*

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT

EUR '000

	Note	30 June 2025	31 December 2024
		Unaudited	Audited
ASSETS			
Goodwill	8.9	700,261	684,994
Intangible assets	8.10	236,320	228,446
Property, plant and equipment	8.11	232,632	235,838
Right-of-use assets	8.12	722,229	680,219
Loans provided	8.13	1,288,241	1,429,793
Other financial assets		6,709	221
Trade and other receivables	8.14	20,110	18,759
Deferred tax assets		27,596	29,982
Total non-current assets		**3,234,098**	**3,308,252**
Loans provided	8.13	241,191	126,818
Other financial assets		8,417	16,689
Trade and other receivables	8.14	820,772	767,664
Derivative financial assets	8.21	2,647	6,005
Current tax assets		4,244	4,433
Inventories	8.15	769,174	694,597
Cash and cash equivalents	8.16	157,741	237,286
Assets held for sale		177	187
Total current assets		**2,004,363**	**1,853,679**
TOTAL ASSETS		**5,238,461**	**5,161,931**
EQUITY AND LIABILITIES			
Share capital	8.17	30	30
Share premium	8.17	540,110	540,110
Reserves		(74,155)	(66,637)
Retained earnings / (Accumulated losses)		22,768	(30,797)
Equity attributable to owners of the Company		**488,753**	**442,706**
Total equity		**488,753**	**442,706**
Interest bearing loans and borrowings	8.18, 8.26	1,804,965	2,293,260
Provisions	8.19	269	453
Employee benefit obligations	8.20	18,655	16,020
Deferred tax liabilities		7,574	12,355
Other financial liabilities	8.26	6,881	6,390
Derivative financial liabilities	8.21, 8.26	5,402	6,664
Lease liabilities	8.22, 8.26	639,978	597,778
Creditors and accruals	8.23	864	841
Total non-current liabilities		**2,484,588**	**2,933,761**
Interest bearing loans and borrowings	8.18, 8.26	556,083	136,693
Provisions	8.19	2,290	4,223
Employee benefit obligations	8.20	107,961	99,091
Derivative financial liabilities	8.21, 8.26	2,549	885
Current tax liabilities		19,149	19,256
Lease liabilities	8.22, 8.26	95,510	88,560
Creditors and accruals	8.23	1,481,578	1,436,756
Total current liabilities		**2,265,120**	**1,785,464**
Total liabilities		**4,749,708**	**4,719,225**
Total equity and liabilities		**5,238,461**	**5,161,931**

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

EUR '000

	Note	Share capital	Share premium	Reserves			Retained earnings / (Accumulated losses)	Equity attributable to Owners of the Company	Total equity
				Translation reserve	Hedging reserve	Other reserves			
At 31 December 2024 (audited)		**30**	**540,110**	**(61,818)**	**(877)**	**(3,942)**	**(30,797)**	**442,706**	**442,706**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**53,565**	**53,565**	**53,565**
Exchange losses on translation of foreign operations		-	-	(3,401)	-	**-**	**-**	**(3,401)**	**(3,401)**
Losses on cash flow hedges	8.21	-	-	-	(4,117)	**-**	**-**	**(4,117)**	**(4,117)**
Other comprehensive loss		**-**	**-**	**(3,401)**	**(4,117)**	**-**	**-**	**(7,518)**	**(7,518)**
Total comprehensive income / (loss)		**-**	**-**	**(3,401)**	**(4,117)**	**-**	**53,565**	**46,047**	**46,047**
At 30 June 2025 (unaudited)		**30**	**540,110**	**(65,219)**	**(4,994)**	**(3,942)**	**22,768**	**488,753**	**488,753**

EUR '000

	Note	Share capital	Share premium	Reserves			Accumulated losses	Equity attributable to Owners of the Company	Total equity
				Translation reserve	Hedging reserve	Other reserves			
At 31 December 2023 (audited)		**30**	**540,110**	**(58,662)**	**14,167**	**(3,956)**	**(125,745)**	**365,944**	**365,944**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**46,435**	**46,435**	**46,435**
Exchange losses on translation of foreign operations		-	-	(2,271)	-	-	-	**(2,271)**	**(2,271)**
Gains on cash flow hedges		-	-	-	4,216	-	-	**4,216**	**4,216**
Other comprehensive income / (loss)		**-**	**-**	**(2,271)**	**4,216**	**-**	**-**	**1,945**	**1,945**
Total comprehensive income / (loss)		**-**	**-**	**(2,271)**	**4,216**	**-**	**46,435**	**48,380**	**48,380**
At 30 June 2024 (unaudited)		**30**	**540,110**	**(60,933)**	**18,383**	**(3,956)**	**(79,310)**	**414,324**	**414,324**

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

EUR '000

	Note	2025	2024
		Unaudited	
Operating activities			
Operating profit		**126,640**	**109,332**
Adjustments for:			
Depreciation and amortisation	8.5	93,507	79,243
Impairment (gains) / losses of non-financial fixed assets		(11)	105
Impairment losses of financial assets		362	269
Impairment losses and write-offs of inventory		8,790	6,236
Profit on disposal of fixed assets		(1,500)	(923)
Gain on disposal of inventory		(122)	(139)
Change in fair value of financial liabilities at FVTPL		(1,295)	1,969
Decrease in provisions		(74)	(235)
Foreign exchange gains		4,903	398
Other movements		811	4,040
Operating cash flows before working capital changes		**232,011**	**200,295**
Increase in inventories		(79,353)	(49,046)
(Increase) / decrease in trade and other receivables		(54,320)	58,634
Increase / (decrease) in creditors, accruals and employee benefit obligations		47,910	(63,837)
Cash generated from operations		**146,248**	**146,046**
Income tax paid		(33,925)	(19,588)
Net cash inflows from operating activities		**112,323**	**126,458**
Investing activities			
Purchase of property, plant and equipment		(26,547)	(33,940)
Proceeds from sale of property, plant and equipment		1,862	355
Purchase of intangible assets		(30,494)	(27,425)
Proceeds from sale of intangible assets		-	4
Prepayments related to right-of-use assets		(2,612)	(1,313)
Payments to acquire subsidiaries, net of cash acquired	7.3	(2,800)	(6,280)
Proceeds from sale of assets held for sale		10	252
Payments for acquisition of financial investments		(8,572)	(6,077)
Loans provided		(549,392)	(238,127)
Repayment of loans provided		583,790	108,419
Interest income received		40,301	38,270
Net cash inflows / (outflows) from investing activities		**5,546**	**(165,862)**
Financing activities			
Proceeds from borrowings and other financial liabilities	8.26	132,268	301,926
Proceeds from corporate bonds	8.26	45,834	65,623
Repayment of borrowings and other financial liabilities	8.26	(214,919)	(89,106)
Repayment of corporate bonds	8.26	(23,852)	(39,505)
Interest expense paid	8.26	(77,703)	(50,470)
Net proceeds from settlement of derivatives	8.26	4,248	6,278
Repayment of lease liability	8.26	(46,601)	(45,099)
Lease interest expense paid	8.26	(17,432)	(14,588)
Net cash inflows / (outflows) from financing activities		**(198,157)**	**135,059**
Net increase / (decrease) in cash and cash equivalents		**(80,288)**	**95,655**
Net foreign exchange gain / (loss) on cash and cash equivalents		743	(1,237)
Cash and cash equivalents at the beginning of the year		**237,286**	**226,933**
Cash and cash equivalents at the end of the year		**157,741**	**321,351**

DR.MAX GROUP HOLDINGS PLC

Notes to the unaudited interim consolidated financial statements

For the period ended 30 June 2025

1. GENERAL INFORMATION

1.1 CORPORATE INFORMATION

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

On 7th January 2025 the Company changed its legal name from GLEBI HOLDINGS PLC to DR.MAX GROUP HOLDINGS PLC.

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

The interim consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group") for the six months ended 30 June 2025 were authorized for issue in accordance with a resolution of the directors on 26 September 2025.

1.2 CONSOLIDATED SUBSIDIARIES AND GROUP ENTERPRISES

These interim consolidated financial statements comprise the Company and its subsidiaries. The following table presents an overview of fully consolidated subsidiaries held directly by the Company as at 30 June 2025, as at 31 December 2024 and as at 30 June 2024.

Consolidated subsidiary or subgroup name	Nature of business	Country of business operations	Effective ownership percentage		
			30 June 2025	31 December 2024	30 June 2024
PHARMAX HOLDINGS LIMITED	Internal services	Cyprus	100%	100%	100%
Dr. Max Funding, s.r.o.	Financing entity - Bonds	Slovak Republic	100%	100%	100%
Dr. Max Funding CR, s.r.o.	Financing entity - Bonds	Czech Republic	100%	100%	100%
ČESKÁ LÉKÁRNA HOLDING, a.s. Group	Health care – Own & operate retail Pharmacies	Czech Republic	100%	100%	100%
Dr. Max BDC, s.r.o.	Intragroup services SPV	Czech Republic	100%	100%	100%
Dr. Max Holding SK, a.s. Group	Health care – Own & operate retail Pharmacies	Slovak Republic	100%	100%	100%
BRL Center – Polska Sp. z o.o. Group	Health care – Own & operate retail Pharmacies	Poland	100%	100%	100%
Dr. Max Sp. z o.o.	Internal services	Poland	100%	100%	100%
Baramoore International s.r.o.	Finance SPV	Czech Republic	100%	100%	100%
AsterFarm d.o.o. Beograd Group	Health care – Own & operate retail Pharmacies	Republic of Serbia	100%	100%	100%
Dr. Max Romania Group	Health care – Own & operate retail Pharmacies, Wholesale	Romania	100%	100%	100%
MagnaPharm Holdings Limited Group	Health care – Marketing and Sales	Europe	100%	100%	100%
Lidea SpA – Group	Health care – Own & Operate retail Pharmacies	Italy	100%	100%	100%
ViaPharma s.r.o.	Health care - Wholesale	Czech Republic	100%	100%	100%
Dr. Max Pharma s.r.o.	Health care – Production and distribution of pharmaceutical products	Czech Republic	100%	100%	100%
Altofarm s.r.o.	Holding entity	Czech Republic	100%	100%	100%
Gemax Pharma s.r.o.	License provider	Czech Republic	100%	100%	100%
MEDREG s.r.o.	Health care – Distribution of pharmaceutical products, License provider	Czech Republic	100%	100%	100%

1.3 DESCRIPTION OF BUSINESS ACTIVITIES

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

1.4 DIRECTORS OF THE COMPANY AND GROUP BOARD AND LOCAL CEO

As of 30 June 2025, the current members of the Board of Directors are listed below.

Name	Position in the Company Board		
Penta Investments Cyprus Limited *represented by:* Marek Peterčák Michal Vrzgula	Chairman members	 **Marek Peterčák** Chairman of the Board	 **Michal Vrzgula** Member of the Board
Chrystalla Argyridou	Member		

As of 30 June 2025, the composition of the Management Board and Local Chief Executive Officer was as follows:

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The interim consolidated financial statements for the six months period ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim report does not include all disclosures typically presented in an annual financial report and should be read in conjunction with the Group's annual report for the year ended 31 December 2024. Selected explanatory notes are disclosed to highlight events and transactions that occurred since the previous reporting period and are significant to understanding of the changes in the Group's financial position and performance.

2.2 ACCOUNTING CONVENTION

The consolidated financial statements have been prepared on going concern basis and under the historical cost basis, except for assets and liabilities that have been measured at FVTPL or FVOCI, For more information on fair values refer to note **9.2 Fair values**.

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

2.3 SEASONALITY OF OPERATIONS

Due to the seasonality of the business, higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the period September to December are primarily attributable to the increased demand for medicines for respiratory diseases. This information is provided to facilitate a more accurate interpretation of the interim financial results.

However, management has concluded that the Group's operations do not meet the criteria for 'highly seasonal' activity as defined under IAS 34 – Interim Financial Reporting.

3. MATERIAL ACCOUNTING POLICIES

3.1 FOREIGN CURRENCIES

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

Currency	30 June 2025		31 December 2024		30 June 2024	
	Average exchange rate	Spot exchange rate	Average exchange rate	Spot exchange rate	Average exchange rate	Spot exchange rate
CZK / EUR	25.00	24.75	25.12	25.19	25.01	25.03
PLN / EUR	4.23	4.24	4.31	4.28	4.32	4.31
RON / EUR	5.00	5.08	4.97	4.97	4.97	4.98
RSD / EUR	117.18	117.17	117.08	117.01	117.15	117.05

3.2 CURRENT AND DEFERRED TAX

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

Country	30 June 2025	31 December 2024	30 June 2024
Bulgaria	10.0%	10.0%	10.0%
Cyprus	12.5%	12.5%	12.5%
Czech Republic	21.0%	21.0%	21.0%
Italy[2]	27.9%	27.9%	27.9%
Poland	19.0%	19.0%	19.0%
Romania	16.0%	16.0%	16.0%
Serbia	15.0%	15.0%	15.0%
Slovakia[3]	24.0%	21.0%	21.0%
Hungary	9.00%	9.00%	9.00%

[2] The rate differs based on the amount of taxable income.
[3] A new corporate tax law was enacted in Slovakia increasing the corporate tax rate from 21% to 24% from 1st January 2025.

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

The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those applied in the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new and amended standards that became effective as of 1 January 2025.

4.1 NEW CURRENTLY EFFECTIVE REQUIREMENTS

The new standards and amendments mentioned below are effective for annual periods beginning on or after 1 January 2025.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's financial statements.

4.2 THE STANDARDS/AMENDMENTS THAT ARE NOT YET EFFECTIVE AND HAVE BEEN ENDORSED BY THE EUROPEAN UNION

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

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

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

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

4.3 THE STANDARDS/AMENDMENTS THAT ARE NOT YET EFFECTIVE AND HAVE NOT YET BEEN ENDORSED BY THE EUROPEAN UNION

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Group is currently evaluating the effects of this new standard.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued the IFRS 19 - Subsidiaries without Public Accountability: Disclosures, and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Group does not expect a material impact on its operations or financial statements.

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

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

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

5. CHANGES IN MATERIAL ACCOUNTING POLICIES, PRESENTATION AND RESTATEMENTS

There are no changes in accounting policies nor restatements in consolidated financial statements as at 30 June 2025, except those which are described below.

Consolidated statement of financial performance

As at 31 December 2024 the presentation in the Consolidated statement of financial performance has been changed and the new lines have been presented as the Group believes that it improves understandability and provides more relevant information to the users of its consolidated financial statements (For further details, refer to the annual Consolidated financial statements as at 31 December 2024). Accordingly, the comparative information as at 30 June 2024 has been adjusted to ensure consistency with the updated presentation adopted as at 31 December 2024.

Table below provides detailed overview of impact on Consolidated statement of financial performance for the six months ended 30 June 2024.

EUR '000

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE SIX MONTHS ENDED 30 JUNE 2024	Before new presentation implemented	Impact of new presentation	After new presentation implemented
Continuing operations			
Revenues from contracts with customers	2,338,692	-	2,338,692
Goods for resale and direct costs	(1,735,902)	-	(1,735,902)
Gross margin	**602,790**	**-**	**602,790**
Other operating income	2,664	-	2,664
Personnel costs	(285,525)	-	(285,525)
Received services and other operating expenses	(130,340)	-	(130,340)
Impairment losses of financial assets	(269)	-	(269)
Addition of provisions	235	-	235
Other losses	(875)	-	(875)
Operating profit before depreciation & amortisation and impairment of non-financial assets ("EBITDA")	**188,680**	**-**	**188,680**
Depreciation and amortisation	(79,243)	-	(79,243)
Impairment losses of non-financial assets	(105)	-	(105)
Operating profit	**109,332**	**-**	**109,332**
Investing profit	1,850	32,862	34,712
Profit before financing and income taxes	**111,182**	**32,862**	**144,044**
Financing loss	(36,466)	(32,862)	(69,328)
Profit before tax	**74,716**	**-**	**74,716**
Income tax expense	(28,281)	-	(28,281)
Profit after tax	**46,435**	**-**	**46,435**
Profit for the period	**46,435**	**-**	**46,435**
Attributable to:			
Owners of the parent Company	46,435	-	46,435
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange losses on translation of foreign operations	(2,271)	-	(2,271)
Gains on cash flow hedges	4,216	-	4,216
Items that may not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit obligation	-	-	-
Other comprehensive income for the year, net of income tax	**1,945**	**-**	**1,945**
Total comprehensive income for the year	**48,380**	**-**	**48,380**

Tables below provides detailed breakdown of reclassified amounts:

EUR '000

Investing profit	2024	Reclassified from financial statement line
Interest income from loans provided to related parties	35,615	Financing loss
Foreign exchange loss from investing activities	(2,799)	Financing loss
Other interest income	46	Financing loss
TOTAL	**32,862**	

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

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial report as at 31 December 2024.

7. CHANGE IN GROUP´S STRUCTURE

For the six months ended 30 June 2025 (2024), no subsidiary was established by the Group.

7.1 ACQUISITION OF SUBSIDIARIES – BUSINESS COMBINATIONS

Summary of acquisitions

During the six months period ended 30 June 2025, there were acquisitions of pharmacies that took place in order to increase market share in the local markets. The Group also expects to reduce costs through economies of scale.

At the time the consolidated financial statements were authorised for issue, the Group had not yet completed the accounting for some of the acquisitions. The fair value of the asset acquired, and liabilities assumed have only been determined provisionally.

The following table provides details of the acquired subsidiaries for which measurement of fair values of assets acquired, and liabilities assumed were finalised at the time the consolidated financial statements were authorised for issue.

Name	Consolidated subsidiary or subgroup name	Nature of business	Country of business operations	Acquisition date	Effective ownership percentage
Liptovské rádiodiagnostické centrum, spol. s r.o. VITALIS spol. s r.o.	Dr. Max Holding SK, a.s. Group	Pharmacy business	Slovakia	1 March 2025	100%
U Radnice Rousínov s.r.o.	Česká Lékárna Holding, a.s. Group	Pharmacy business	Czech Republic	1 June 2025	100%

The following table provides details of the acquired subsidiaries for which fair values of assets acquired, and liabilities assumed were measured on a provisional basis.

Name	Consolidated subsidiary or subgroup name	Nature of business	Country of business operations	Acquisition date	Effective ownership percentage
Nettuno San Giacomo	Lidea SpA Group	Pharmacy business	Italy	31 March 2025	100%
Fontana - Gorgonziola	Lidea SpA Group	Pharmacy business	Italy	31 March 2025	100%
AU Viva Pharm	AsterFarm d.o.o. Beograd Group	Pharmacy business	Serbia	30 June 2025	100%

Identifiable assets acquired and liabilities assumed

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

EUR '000

Fair value	30 June 2025
ASSETS	
Property, plant and equipment	184
Right-of-use assets	381
Deferred tax assets	2
Trade and other receivables	501
Current tax assets	7
Inventories	3,892
Cash and cash equivalents	2,138
TOTAL ASSETS	**7,105**
LIABILITIES	
Employee benefit obligations	60
Lease liabilities	381
Creditors and accruals	2,601
Current tax liabilities	3
TOTAL LIABILITIES	**3,045**
NET IDENTIFIABLE ASSETS ACQUIRED	**4,060**
Add: Goodwill	**16,247**
NET ASSETS ACQUIRED	**20,307**

Out of the total amounts of all assets acquired, and liabilities assumed presented in the above table, the provisionally determined fair values of the assets and liabilities as at the date of the acquisition are as follows:

EUR '000

Fair value	30 June 2025
ASSETS	
Property, plant and equipment	177
Deferred tax assets	2
Trade and other receivables	268
Current tax assets	7
Inventories	3,744
Cash and cash equivalents	2,019
TOTAL ASSETS	**6,217**
LIABILITIES	
Employee benefits obligations	20
Creditors and accruals	2,396
TOTAL LIABILITIES	**2,416**
NET IDENTIFIABLE ASSETS ACQUIRED	**3,801**
Add: Goodwill	14,628
NET ASSETS ACQUIRED	**18,429**

If new information obtained within one year of the date of the acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the assets acquired and the liabilities assumed during the period ended 30 June 2026 will be revised.

The fair values of the assets acquired, and liabilities assumed during the year ended 31 December 2024 that were determined provisionally as at the date of the acquisition do not materially differ from the revised ones. Therefore, no adjustment of fair values of the assets acquired and liabilities assumed during the period ended 31 December 2024 was recognised in the consolidated financial statements for the period ended 30 June 2025.

The goodwill is attributable to the workforce and the high profitability of the acquired business.

It will not be deductible for tax purposes.

Purchase consideration

EUR '000

Purchase consideration	30 June 2025
Cash consideration paid	16,797
Deferred consideration	3,510
Total purchase consideration	**20,307**

Outstanding consideration payable (deferred and contingent) is recognised within Creditors and accruals (see note **8.23 Creditors and accruals)**.

Net cash out-flow on acquisition

Net cash out-flow on subsidiaries acquired during six months period ended 30 June 2025 are as follows:

EUR '000

Net cash out-flow on acquisitions	30 June 2025
Cash consideration paid	16,797
Less: Balances acquired	
- Cash and cash equivalents	2,138
Total net cash out-flow on acquisitions	**14,659**

Additional information on acquired subsidiaries

EUR '000

Additional information on acquired subsidiaries	30 June 2025
Acquired trade receivables	
Gross contractual amount of the acquired trade receivables	501
Best estimate of contractual cash flows not expected to be collected	-
Fair value of the acquired trade receivables	**500**
Contribution of the acquired subsidiaries to Group result from the date of acquisition to the end of the reporting period	
Contribution to Revenue from contracts with customers	11,385
Contribution to Profit for the period[4]	(309)
Out of which contribution of subsidiaries measured provisionally amounts to:	
Contribution to Revenue from contracts with customers	11,137
Contribution to Profit for the period	(312)
If the acquisitions had occurred on 1 January	
Revenue from contracts with customers would have been	39,045
Profit for the period would have been[4]	(1,016)
Acquisition-related costs[5]	(79)

7.2 ACQUISITION OF SUBSIDIARIES – TRANSACTIONS UNDER COMMON CONTROL

During the six months period ended 30 June 2025 no transaction under common control occurred.

7.3 NET CASH OUTFLOW ON BUSINESS COMBINATIONS AND TRANSACTIONS UNDER COMMON CONTROL

Reconciliation between net cash outflow on current year acquisitions and amount presented in the consolidated statement of cash-flows is presented below.

EUR '000

Net cash outflow	30 June 2025
Total net cash out-flow on current-year acquisitions	14,659
Prepayments paid in previous year for current year acquisitions	(12,150)
Subtotal	**2,509**
Deferred consideration paid	291
Payments to acquire subsidiaries, net cash acquired	**2,800**

7.4 DISPOSAL OF SUBSIDIARIES

During the six months period ended 30 June 2025 there was no disposal of subsidiaries.

[4] There was no impact to Other comprehensive income, therefore Profit from the period is equal to Comprehensive income.
[5] Presented in consolidated statement of financial performance within financial statement line "Received services and other operating expenses" as part of the note line "Professional fees (accounting, tax, legal advisory, etc.)".

8. OTHER INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

8.1 REVENUES FROM CONTRACTS WITH CUSTOMERS

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

EUR '000

Type of revenues	For the six months ended 30 June	
	2025	2024
Revenues from contracts with customers		
Revenues from pharmaceutics products	2,756,414	2,313,971
Revenues from promotional and related marketing services	12,362	10,487
Revenues from franchise fee	12,992	12,716
Revenues from logistics services	3,691	1,518
Total	**2,785,459**	**2,338,692**

EUR '000

Timing of revenues recognition	For the six months ended 30 June	
	2025	2024
At a point in time	2,761,343	2,313,971
Over time	24,116	24,721
Total	**2,785,459**	**2,338,692**

EUR '000

Geographical regions	For the six months ended 30 June	
	2025	2024
Romania	1,199,872	1,015,356
Czech Republic	677,180	621,334
Slovakia	394,658	346,438
Poland	213,320	138,036
Italy	138,029	108,095
Serbia	123,569	80,403
Bulgaria	15,526	14,021
Other region	23,305	15,009
Total	**2,785,459**	**2,338,692**

8.2 GOODS FOR RESALE AND DIRECT COSTS

EUR '000

Goods for resale and direct costs	For the six months ended 30 June	
	2025	2024
Cost of sales and direct costs	(2,072,821)	(1,729,666)
Write-off of inventory	(8,023)	(5,989)
Impairment losses of inventory	(767)	(247)
Total	**(2,081,611)**	**(1,735,902)**

8.3 PERSONNEL COSTS

EUR '000

Personnel costs	For the six months ended 30 June	
	2025	2024
Wages and salaries	(280,465)	(241,235)
Social security costs and other employee benefits	(50,382)	(44,290)
Total	**(330,847)**	**(285,525)**
Average number of employees	**17,817**	**17,053**

8.4 RECEIVED SERVICES AND OTHER OPERATING EXPENSES

EUR '000

Received services and other operating expenses	For the six months ended 30 June	
	2025	2024
Marketing and advertising	(37,187)	(27,712)
Rental expenses and utilities	(26,766)	(24,630)
Transportation and packaging	(21,685)	(16,382)
Administrative and operations expenses (telecommunication, travelling, entertainment, office supplies, repairs, and maintenance)	(19,436)	(16,544)
IT services	(15,588)	(15,864)
Professional fees (accounting, tax, legal advisory, etc.)[6]	(13,593)	(11,082)
Taxes, fees, and insurance	(7,456)	(6,097)
Agency workers	(4,513)	(3,156)
Auditors' remuneration	(321)	(447)
Other operating expense	(13,215)	(8,426)
Total	**(159,760)**	**(130,340)**

8.5 DEPRECIATION AND AMORTISATION

EUR '000

Depreciation and amortisation	For the six months ended 30 June	
	2025	2024
Intangible assets	(15,654)	(11,284)
Property, plant, and equipment	(22,923)	(18,948)
Right-of-use assets	(54,930)	(49,011)
Total	**(93,507)**	**(79,243)**

8.6 INVESTING PROFIT

EUR '000

Investing profit	Note	For the six months ended 30 June	
		2025	2024
Interest income from loans provided to related parties	8.25	41,378	35,615
Net foreign exchange gain / (loss) from investing activities		5,252	(2,799)
Other interest income		886	1,896
Total		**47,516**	**34,712**

[6] Professional fees also include acquisition related costs in the amount of EUR 79 thousand (30 June 2024: EUR 41 thousand).

8.7 FINANCING LOSS

EUR '000

Financing loss	Note	For the six months ended 30 June	
		2025	2024
Interest expense on bank and other borrowings	8.26	(25,874)	(31,898)
Interest expense on loans provided by related parties	8.25, 8.26	(15,162)	(11,841)
Interest expense on bonds	8.26	(21,892)	(17,004)
Interest expense on lease liabilities	8.26	(17,321)	(15,127)
Subtotal Interest expense		**(80,249)**	**(75,870)**
Amounts reclassified from OCI in relation to cash-flow hedges	8.21	4,017	12,266
Bank charges		(4,942)	(4,622)
Net foreign exchange gain / (loss) from financing activities		(4,721)	2,767
Net other finance expense		(1,522)	(3,869)
Subtotal Other finance income / (expense)		**(7,168)**	**6,542**
Total		**(87,417)**	**(69,328)**

8.8 INCOME TAX EXPENSE

EUR '000

Income tax expense	For the six months ended 30 June	
	2025	2024
Current tax expense	(32,395)	(25,337)
Deferred tax benefit	837	2,061
Other tax expense[7]	(1,616)	(5,005)
Total	**(33,174)**	**(28,281)**

Income tax expense for the six months period ended 30 June 2025 has been recognised based on management's best estimate of the weighted-average effective income tax rate applied to the profit before tax for the interim period. The effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

EUR '000

Weighted-average income tax rate	For the six months ended 30 June	
	2025	2024
Profit before tax	86,739	74,716
Income tax expense	(33,174)	(28,281)
Effective tax rate	**38.25%**	**37.85%**

OECD GloBE Model Rules

The Group is within the scope of the OECD Pillar Two model rules. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

[7] *Other tax expense primarily consists of effect of hybrid tax in Romania. The fiscal provision of the Romanian Fiscal Law stipulates that taxpayers with a turnover of over EUR 50,000 thousand and the corporate income tax lower than the minimum turnover tax are obliged to pay corporate income tax at the level of the minimum turnover tax.*

8.9 GOODWILL

EUR '000

Goodwill	Note	Total
COSTS		
Balance as at 1 January 2024		679,560
Acquisition of a subsidiary		25,710
Exchange difference		(1,351)
Balance as at 31 December 2024		**703,919**
Acquisition of a subsidiary	7.1	16,247
Exchange difference		(973)
Balance as at 30 June 2025		**719,193**
ACCUMULATED IMPAIRMENT		
Balance as at 1 January 2024		(18,933)
Exchange difference		8
Balance as at 31 December 2024		**(18,925)**
Exchange difference		(7)
Balance as at 30 June 2025		**(18,932)**
NET BOOK VALUE		
Balance as at 31 December 2024		**684,994**
Balance as at 30 June 2025		**700,261**

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

8.10 INTANGIBLE ASSETS

The most significant additions to intangible assets during the six months period ended 30 June 2025 were represented mostly by development of new software and by investments into pharmacy licenses. There were no intangible assets acquired through business combinations.

Out of the total balance of category "Other patents and licenses" of EUR 156,432 thousand (31 December 2024: EUR 152,037 thousand), the amount of EUR 150,828 thousand (31 December 2024: EUR 147,067 thousand) relates to pharmacy licenses with indefinite useful life.

EUR '000

Intangible assets	Software	Brand name	Customer relationships	Other patents and licenses	Other intangible assets	Intangible assets under construction and prepayments	Total
Costs	165,016	21,999	30,123	163,487	7,196	22,486	410,307
Accumulated amortisation and impairment	(121,507)	(15,880)	(23,817)	(7,055)	(5,728)	-	(173,987)
Net book value as at 30 June 2025	**43,509**	**6,119**	**6,306**	**156,432**	**1,468**	**22,486**	**236,320**

EUR '000

Intangible assets	Software	Brand name	Customer relationships	Other patents and licenses	Other intangible assets	Intangible assets under construction and prepayments	Total
Costs	150,625	22,473	30,790	158,569	6,396	18,777	387,630
Accumulated amortisation and impairment	(108,598)	(16,199)	(22,665)	(6,532)	(5,190)	-	(159,184)
Net book value as at 31 December 2024	**42,027**	**6,274**	**8,125**	**152,037**	**1,206**	**18,777**	**228,446**

8.11 PROPERTY, PLANT AND EQUIPMENT

The most significant additions to property, plant and equipment during the six month period ended 30 June 2025 were mainly attributable to investments in new technologies and equipment for pharmacies and warehouses and ongoing warehouse construction activities.

Property, plant and equipment acquired through business combinations during the six months period ended 30 June 2025 amounted to EUR 184 thousand (30 June 2024: EUR 222 thousand).

Property, plant and equipment with a net book value of EUR 1,696 thousand (30 June 2024: EUR 1,386 thousand) were disposed by the Group during six months period ended 30 June 2025, resulting in a net gain on disposal of EUR 1,175 thousand (30 June 2024: EUR 732 thousand).

EUR '000

Property, plant and equipment	Land, buildings and leasehold improvement	Fixtures, fittings, tools, equipment and vehicles	Tangible assets under construction and prepayments	Total
Costs	162,957	273,729	18,947	455,633
Accumulated depreciation and impairment	(68,878)	(154,123)	-	(223,001)
Net book value as at 30 June 2025	**94,079**	**119,606**	**18,947**	**232,632**

EUR '000

Property, plant and equipment	Land, buildings and leasehold improvement	Fixtures, fittings, tools, equipment and vehicles	Tangible assets under construction and prepayments	Total
Costs	156,490	258,082	27,591	**442,163**
Accumulated depreciation and impairment	(63,900)	(142,425)	-	**(206,325)**
Net book value as at 31 December 2024	**92,590**	**115,657**	**27,591**	**235,838**

8.12 RIGHT-OF-USE ASSETS

The Group has lease contracts for rent of commercial spaces, motor vehicles and other equipment used in its operations. Leases of commercial spaces typically have an average lease term of 8 years, while motor vehicles and equipment generally have average lease terms of 4 years. The Group's lease obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options and variable lease payments.

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

During the six months ended 30 June 2025 the Group entered into new lease agreements and signed amendments for existing lease agreements, resulting in the recognition of right-of-use asset in the amount of EUR 102,806 thousand (30 June 2024: EUR 75,699 thousand).

Right-of-use assets acquired through business combinations during the six months period ended 30 June 2025 amounted to EUR 381 thousand (30 June 2024: EUR 1,255 thousand).

EUR '000

Right-of-use assets	Leasehold improvements and land and buildings	Fixtures, fittings, tools, equipment and vehicles	Total
Costs	1,038,662	112,658	**1,151,320**
Accumulated depreciation and impairment	(384,420)	(44,671)	**(429,091)**
Net book value as at 30 June 2025	**654,242**	**67,987**	**722,229**

EUR '000

Right-of-use assets	Leasehold improvements and land and buildings	Fixtures, fittings, tools, equipment and vehicles	Total
Costs	958,533	114,947	**1,073,480**
Accumulated depreciation and impairment	(348,883)	(44,378)	**(393,261)**
Net book value as at 31 December 2024	**609,650**	**70,569**	**680,219**

8.13 LOANS PROVIDED

EUR '000

Loans provided	Note	30 June 2025	31 December 2024
Non-current assets			
Loans provided to related parties	8.25	1,288,241	1,429,793
Subtotal		**1,288,241**	**1,429,793**
Current assets			
Loans provided to related parties	8.25	241,191	126,818
Subtotal		**241,191**	**126,818**
Total		**1,529,432**	**1,556,611**

The key terms of Loans provided to related parties are as follows:

EUR '000

Nature	Currency	Interest rate type	Interest rate	Maturity date	30 June 2025
Loans provided to immediate parent company	EUR	Variable	2.3% – 4.5%	30 June 2029	764,288
Loans provided to immediate parent company	EUR	Fixed	2.9% – 9.4%	2025 – 2030	327,518
Loans provided to immediate parent company	CZK	Fixed	5.4% – 8.9%	2026 – 2029	305,736
Loans provided to other related parties	EUR	Fixed	3.2%	29 December 2025	131,676
Loans provided to other related parties	CZK	Fixed	2.5%	30 December 2030	214
Loans provided to related parties					**1,529,432**

EUR '000

Nature	Currency	Interest rate type	Interest rate	Maturity date	31 December 2024
Loans provided to immediate parent company	EUR	Variable	3.0% – 4.8 %	30 June 2029	868,893
Loans provided to immediate parent company	EUR	Fixed	2.9% – 9.4%	2025 – 2030	308,585
Loans provided to immediate parent company	CZK	Fixed	5.4% – 8.9%	2026 – 2029	290,225
Loans provided to immediate parent company	CZK	Fixed	5.1%	27 February 2025	5,898
Loans provided to other related party	EUR	Fixed	3.2%	29 December 2025	82,785
Loans provided to other related party	CZK	Fixed	2.5%	31 December 2030	225
Loans provided to related parties					**1,556,611**

Fair values

For information on fair values of loans **9.2 Fair values**.

8.14 TRADE AND OTHER RECEIVABLES

EUR '000

Trade and other receivables	Note	30 June 2025	31 December 2024
Non-current assets			
Other receivables and prepayments from third parties[8]		20,110	18,759
Subtotal		**20,110**	**18,759**
Current assets			
Trade receivables from third parties		662,120	626,693
Trade receivables from related parties	8.25	13,509	12,384
Supplier bonuses accruals		53,630	54,437
Factoring		20,303	19,102
VAT and other taxes receivables		39,447	21,110
Other receivables and prepayments from third parties		42,824	45,505
Allowance for expected credit losses		(11,063)	(11,567)
Subtotal		**820,772**	**767,664**
Total		**840,882**	**786,423**

Fair values

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

8.15 INVENTORIES

EUR '000

Inventories	30 June 2025	31 December 2024
Raw material	15,732	17,155
Work in progress	631	161
Finished products and merchandise stock	775,586	699,389
Inventories at cost	**791,949**	**716,705**
Impairment	**(22,775)**	**(22,108)**
Total inventories at the lower of cost and net realisable value	**769,174**	**694,597**

8.16 CASH AND CASH EQUIVALENTS

EUR '000

Cash and cash equivalents	30 June 2025	31 December 2024
Cash in hand	11,565	8,113
Cash at bank	146,176	229,173
Total	**157,741**	**237,286**

[8] *The balance mainly consists of rent deposits in the amount of EUR 9,361 thousand (31 December 2024: EUR 8,216 thousand).*

Reconciliation of amounts presented in statement of financial position and cash flow statement is presented below.

EUR '000

Cash and cash equivalents reconciliation	30 June 2025	31 December 2024
Balances per Consolidated statement of financial position	157,741	237,286
Balances per Consolidated statement of cash flows	157,741	237,286
Difference	**-**	-

Fair values

The fair value of cash and cash equivalents equal their carrying amounts as at 30 June 2025.

8.17 EQUITY

Share capital and Share premium

Authorised capital	30 June 2025		31 December 2024	
	Number of shares	Shares value	Number of shares	Shares value
Ordinary shares of EUR 1,00 each	26,000	26	26,000	26
Redeemable preference shares of EUR 0,1 each	50,000	5	50,000	5
Total	**76,000**	**31**	**76,000**	**31**

Issued, called up and fully paid share capital	30 June 2025		31 December 2024	
	Number of shares	Shares value	Number of shares	Shares value
Ordinary shares of EUR 1,00 each	25,631	26	25,631	26
Redeemable preference shares of EUR 0,1 each	46,000	4	46,000	4
Total	**71,631**	**30**	**71,631**	**30**

EUR '000

	Number of shares	Share capital	Share premium
Balance as at 30 June 2025	71,631	30	540,110
Balance as at 31 December 2024	71,631	30	540,110

Transactions under common control

Impact of historical transactions under common control is recognised in Consolidated statement of financial position within line "Accumulated losses".

For more information on impact refer to note **9.3 Capital risk management.**

Dividend

There were no dividends recognized as distributions to owners during the current nor previous period.

Non-controlling interests

There was no non-controlling interest recognised during the six months ended 30 June 2025 nor in 2024.

8.18 INTEREST-BEARING LOANS AND BORROWINGS

EUR '000

Interest-bearing loans and borrowings	Note	30 June 2025	31 December 2024
Non-current liabilities			
Bank borrowings	8.26	964,134	1,012,527
Loans from related parties	8.25, 8.26	344,799	752,638
Corporate bonds and other debt securities	8.26	496,032	528,095
Subtotal		**1,804,965**	**2,293,260**
Current liabilities			
Bank borrowings	8.26	92,321	87,323
Revolving facility	8.26	12	3
Loans from related parties	8.25, 8.26	352,841	-
Corporate bonds and other debt securities	8.26	110,908	49,363
Other borrowings	8.26	1	4
Subtotal		**556,083**	**136,693**
Total		**2,361,048**	**2,429,953**

Bank borrowings and overdraft

EUR '000

Nature	Currency	Interest rate type	Interest rate	Maturity date	30 June 2025
Other borrowings	RSD	Variable	1M BELIBOR + 4.2%	16 July 2025	1
Revolving facility	EUR	Fixed	0.5%	31 December 2025	12
Long term facility[9]	EUR	Fixed	3M EURIBOR + 1.9%	30 June 2029	162,362
Long term facility[9]	EUR	Fixed	3M EURIBOR + 1.9%	30 June 2029	527,281
Long term facility[9]	EUR	Fixed	3M EURIBOR + 1.9%	30 June 2029	134,650
Long term facility[9]	EUR	Fixed	3M EURIBOR + 1.9%	30 June 2029	232,162
Issued bonds[10]	CZK	Fixed	5.2% – 8.5%	2026	33,948
Issued bonds[10]	CZK	Fixed	8.5%	21 December 2028	202,496
Issued bonds	CZK	Fixed	5.2% – 8.5%	2026 – 2029	51,355
Issued bonds	CZK	Fixed	6.75%	15 November 2029	50,941
Issued bonds	EUR	Fixed	4.1% – 9.0%	2025 – 2030	268,200
Total interest-bearing loans and borrowings from third parties					**1,663,408**
Loans provided by other related parties	EUR	Fixed	5.1%	21 March 2026	160,505
Loans provided by other related parties	EUR	Fixed	4.4%	18 June 2026	192,336
Loans provided by other related parties	EUR	Fixed	3.6% – 5.9%	2028 – 2030	315,888
Loans provided by other related parties	CZK	Fixed	4.7% – 8.5%	2026 – 2028	28,911
Total interest-bearing loans and borrowings from related parties					**697,640**
Total					**2,361,048**

*[9] Borrowing is hedged against interest-rate exposure, therefore interest rate type presented as fixed. For more information see note **8.21 Derivative financial instruments**.*
*[10] Issued bonds denominated in CZK are hedged against currency risk exposure, therefore no currency risk expected. For more information see note **8.21 Derivative financial instruments**.*

EUR '000

Nature	Currency	Interest rate type	Interest rate	Maturity date	31 December 2024
Other borrowings	RSD	Variable	1M BELIBOR + 4.2%	16 June 2025	4
Bank overdrafts	EUR	Fixed	0.5%	31 December 2025	3
Long term facility[11]	EUR	Fixed	3M EURIBOR + 2.1%	30 June 2029	549,988
Long term facility[11]	EUR	Fixed	3M EURIBOR + 2.1%	30 June 2029	240,757
Long term facility[11]	EUR	Fixed	3M EURIBOR + 2.1%	30 June 2029	169,288
Long term facility[11]	EUR	Fixed	3M EURIBOR + 2.1%	30 June 2029	139,817
Issued bonds	CZK	Fixed	4.9%	27 February 2025	5,852
Issued bonds[12]	CZK	Fixed	5.2% – 8.5%	2025 - 2026	45,576
Issued bonds	CZK	Fixed	8.5%	21 December 2028	199,007
Issued bonds	CZK	Fixed	5.2% – 8.5%	2026 – 2029	39,505
Issued bonds	CZK	Fixed	6.8%	15 November 2029	50,060
Issued bonds	EUR	Fixed	3.8% – 9.0%	2025 – 2030	237,458
Total interest-bearing loans and borrowings from third parties					**1,677,315**
Loans provided by other related parties	EUR	Fixed	5.0%	21 March 2026	213,384
Loans provided by other related parties	EUR	Fixed	4.4%	18 June 2026	217,967
Loans provided by other related parties	CZK	Fixed	8.2%	20 December 2026	54
Loans provided by other related parties	CZK	Fixed	8.5%	31 December 2027	1,433
Loans provided by other related parties	EUR	Fixed	5.9%	2 November 2028	124
Loans provided by other related parties	EUR	Fixed	3.9%	27 December 2028	11,423
Loans provided by other related parties	CZK	Fixed	5.8%	31 December 2028	15,795
Loans provided by other related parties	CZK	Fixed	5.8%	31 December 2028	12,268
Loans provided by other related parties	EUR	Fixed	3.4%	31 December 2029	14,688
Loans provided by other related parties	EUR	Fixed	3.4%	31 December 2029	36,584
Loans provided by other related parties	EUR	Fixed	3.4%	31 December 2029	184,277
Loans provided by other related parties	EUR	Fixed	4.4%	11 May 2030	44,641
Total interest-bearing loans and borrowings from related parties					**752,638**
Total					**2,429,953**

As of 30 June 2025, the undrawn borrowing facilities amounted to EUR 50,668 thousand (31 December 2024: EUR 62,178 thousand).

For more information on cash and non-cash movements refer to note **8.26 Reconciliation of liabilities arising from financing activities.**

For information on fair value of interest-bearing loans and borrowings with fixed interest rate refer to the note **9.2 Fair values**.

Long-term facilities are subject to bank covenants. Corporate bonds are subject to bond covenants. For more information refer to note **9.3 Capital risk management.**

Assets pledged

As at 30 June 2025 bank borrowings and bank overdrafts in the amount of EUR 1,056,455 thousand (31 December 2024: EUR 1,099,850 thousand) have been provided by UniCredit Bank Czech Republic and Slovakia a.s., UniCredit Bank S.A., Komerční Banka a.s., BRD – GROUPE SOCIETE GENERALE S.A., Bank of China (Central and Eastern Europe) Limited, ING Bank N.V., Prague Branch, ING Bank N.V., pobočka zahraničnej banky, PKO Bank Polski S.A., Česká spořitelna, a.s., Slovenská sporiteľňa, a.s., Industrial and Commercial Bank of China Limited, Prague Branch, odštěpný závod, Tatra banka, a.s., Raiffeisenbank a.s., Československá obchodní

[11] *Borrowing is hedged against interest-rate exposure, therefore interest rate type presented as fixed. For more information see note **8.21 Derivative financial instruments**.*
[12] *Issued bonds denominated in CZK are hedged against currency risk exposure, therefore no currency risk expected. For more information see note **8.21 Derivative financial instruments**.*

banka, a.s. and Santander Bank Polska S.A. ("Lending parties") to the subsidiaries ČESKÁ LÉKÁRNA HOLDING, a.s. and Baramoore International s.r.o.

The above bank borrowings are secured by:

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

For more information and breakdowns about pledges see the last annual financial statements.

8.19 PROVISIONS

EUR '000

Provisions	30 June 2025	31 December 2024
Non-current provisions		
Provisions for legal claims	70	70
Other provisions	199	383
Subtotal	**269**	**453**
Current provisions		
Provisions for legal claims	342	2,250
Provisions for onerous contracts	1,639	1,624
Other provisions	309	349
Subtotal	**2,290**	**4,223**
Total	**2,559**	**4,676**

During the six-month period ended 30 June 2025, the Group resolved a legal dispute with a former customer. As a result, the Group released a provision for legal claims amounting to EUR 1,883 thousand.

The Group did not recognise any restructuring reserves as of 30 June 2025 nor 31 December 2024.

8.20 EMPLOYEE BENEFIT OBLIGATIONS

EUR '000

Employee benefit obligations	30 June 2025	31 December 2024
Non-current employee benefits		
Provision for long term incentive	11,111	9,399
Employee bonuses	338	-
Other employee benefits	7,206	6,621
Subtotal	**18,655**	**16,020**
Current employee benefits		
Provision for long term incentive	915	5,459
Employee bonuses and unused vacation	27,757	28,312
Other employee benefits	186	184
Subtotal	**28,858**	**33,955**
Total employee benefits	**47,513**	**49,975**
Wages and salaries including social and health insurance	79,103	65,136
Total employee benefit obligations	**126,616**	**115,111**

8.21 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments that meet the hedge accounting criteria are classified as "hedging derivates" and are measured at fair value through other comprehensive income. Derivative financial instruments that do not qualify for hedge accounting are classified as "held for trading" and are accounted for at fair value through profit or loss. The Group has the following hedging and held for trading derivative financial instruments:

EUR '000

Derivate financial assets	30 June 2025	31 December 2024
Hedging derivatives		
- thereof non-current	-	-
- thereof current	1,685	5,999
Derivatives held for trading		
- thereof non-current	-	-
- thereof current	962	6
Total	**2,647**	**6,005**

EUR '000

Derivate financial liabilities	30 June 2025	31 December 2024
Hedging derivatives		
- thereof non-current	5,402	6,664
- thereof current	2,276	12
Derivatives held for trading		
- thereof non-current	-	-
- thereof current	273	873
Total	**7,951**	**7,549**

Hedged item and hedging instrument

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

The Group decided not to hedge Revolving facility due to its flexible characteristics and possibility to repay and redraw the funds as and when required, according to Group`s needs. For more information on Senior Term and Revolving Facilities see note **8.18 Interest-bearing loans and borrowings**.

The Group concluded cross-currency swaps (CCS) with KB Bank to hedge its foreign exchange exposure related to issued corporate bonds denominated in Czech crowns.

Economic relationship

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the interest rate or foreign exchange rate, amount, and timing of their respective cash flows. The Group assesses whether the derivatives designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

Sources of ineffectiveness

There are no known sources of ineffectiveness as following parameters match:

(i) timing of repayment of hedged items (bank facilities, corporate bonds) and settlement of hedging instruments (IRS, CCS),
(ii) interest rate / foreign exchange rate of hedged items with relevant rate per hedging instruments and
(iii) the notional amounts match.

See the Hedging reserve movement table for more information on (i) the change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness and (ii) the balance in the cash flow hedge reserve.

The notional amount, maturity, hedge ratio and the related currency for the interest rate swaps presented as the hedging derivates are included in the tables below:

EUR '000

Derivate financial instruments (Notional amount)	Currency	Maturity date	Underlying	Hedge ratio	Notional amount as at 30 June 2025	Fair value as at 30 June 2025
Interest rate swap [1][13]	EUR	31 December 2025	3M EURIBOR	100%	98,335	788
Interest rate swap [2][13]	EUR	31 December 2025	3M EURIBOR	100%	112,000	894
Interest rate swap [3]	EUR	31 March 2029	3M EURIBOR	100%	100,000	(616)
Interest rate swap [4]	EUR	29 June 2029	3M EURIBOR	100%	135,075	(2,582)
Interest rate swap [5]	EUR	29 June 2029	3M EURIBOR	100%	250,915	(1,052)
Interest rate swap [6]	EUR	29 June 2029	3M EURIBOR	100%	200,000	(835)
Interest rate swap [7]	EUR	29 June 2029	3M EURIBOR	100%	32,500	(3)
Interest rate swap [8]	EUR	30 June 2029	3M EURIBOR	100%	130,000	(421)
Subtotal					**1,058,825**	**(3,827)**
Interest rate swap [9][13]	EUR	29 March 2029	3M EURIBOR	100%	100,000	(861)
Interest rate swap [10][13]	EUR	30 June 2029	3M EURIBOR	100%	100,000	(480)
Subtotal					**200,000**	**(1,341)**
Total					**1,258,825**	**(5,413)**

EUR '000

Derivate financial instruments (Notional amount)	Currency	Maturity date	Underlying	Hedge ratio	Notional amount as at 31 December 2024	Fair value as at 31 December 2024
Interest rate swap [1][14]	EUR	31 December 2025	3M EURIBOR	100%	105,260	1,898
Interest rate swap [2][14]	EUR	31 December 2025	3M EURIBOR	100%	128,000	2,232
Interest rate swap [3]	EUR	31 March 2029	3M EURIBOR	100%	100,000	(655)
Interest rate swap [4]	EUR	29 June 2029	3M EURIBOR	100%	140,400	(2,359)
Interest rate swap [5]	EUR	29 June 2029	3M EURIBOR	100%	259,940	(113)
Interest rate swap [6]	EUR	29 June 2029	3M EURIBOR	100%	200,000	(170)
Interest rate swap [7]	EUR	29 June 2029	3M EURIBOR	100%	33,920	129
Interest rate swap [8]	EUR	29 June 2029	3M EURIBOR	100%	135,680	76
Subtotal					**1,103,200**	**1,038**
Interest rate swap [9][14]	EUR	31 March 2029	3M EURIBOR	100%	100,000	(107)
Interest rate swap [10][14]	EUR	30 June 2029	3M EURIBOR	100%	100,000	(394)
Subtotal					**200,000**	**(501)**
Total					**1,303,200**	**537**

[13] IRS [1] and IRS [2] cover future cash flows on the interest payments till 31 December 2025 and are followed by IRS [9] and IRS [10] entered into during reporting period to cover the rest of the cashflows till the maturity date of the related bank borrowings.
[14] IRS [1] and IRS [2] cover future cash flows on the interest payments till 31 December 2025 and are followed by IRS [9] and IRS [10] entered into during reporting period to cover the rest of the cashflows till the maturity date of the related bank borrowings.

The notional amount, maturity, fair values and currency pairs for the cross currency swaps presented as the hedging derivates are included in the tables below:

EUR '000

Derivate financial instrument	Currencies C1 / C2	Maturity	Notional amount as at 30 June 2025	Fair value as at 30 June 2025
Cross currency swaps	CZK / EUR	18 March 2026 – 14 August 2026	32,966	(825)

EUR '000

Derivate financial instrument	Currencies C1 / C2	Maturity	Notional amount as at 31 December 2024	Fair value as at 31 December 2024
Cross currency swaps	CZK / EUR	25 April 2025 - 14 August 2026	44,935	(1,214)

Changes in the fair value of derivative financial instruments are classified as Level 2 in the fair value hierarchy under IFRS 13 as they are based on observable market data such as currency forward rates and interest rate yield curves, but are not directly quoted in active markets.

EUR '000

Hedging reserve of IRS and CCS	2025
Balance as at 1 January	**(877)**
Add: Change in fair value of hedging instrument recognised in OCI	(1,177)
Less: reclassified from OCI to profit or loss[15]	(4,017)
Less: Deferred tax	1,077
Balance as at 30 June	**(4,994)**

EUR '000

Hedging reserve of IRS and CCS	2024
Balance as at 1 January	**14,167**
Add: Change in fair value of hedging instrument recognised in OCI	1,712
Less: reclassified from OCI to profit or loss[16]	(20,806)
Less: Deferred tax	4,050
Balance as at 31 December	**(877)**

Following amounts were recognised in Consolidated statement of financial performance within financial statement line "Other gains and losses" in relation to held-for-trading derivatives:

EUR '000

Amounts recognized in Consolidated statement of financial performance	Six months ended 30 June 2025	Six months ended 30 June 2024
Fair value gain - unrealised	1,556	2,354
Fair value gain / (loss) - realised	157	(4,274)

[15] Amount presented in Consolidated statement of financial performance within financial statement line "Financing loss", as part of note line "Amounts reclassified from OCI in relation to cash-flow hedges".
[16] Amount presented in Consolidated statement of financial performance within financial statement line "Financing loss", as part of note line "Amounts reclassified from OCI in relation to cash-flow hedges".

8.22 LEASE LIABILITIES

EUR '000

Lease liabilities	30 June 2025	31 December 2024
Lease liabilities – non-current	639,978	597,778
Lease liabilities – current	95,510	88,560
Total	**735,488**	**686,338**

Cash outflows related to lease liabilities for the six months period ended 30 June 2025 amounted to EUR 64,033 thousand (30 June 2024: EUR 59,687 thousand).

Non-cash movements from new contracts and modifications related to lease liabilities amounted to EUR 92,939 thousand (30 June 2024: EUR 72,313 thousand). Non-cash additions for the six months period ended 30 June 2025 arising from acquisition amounted to EUR 381 thousand (30 June 2024: EUR 1,255 thousand).

For more information on cash and non-cash movements refer to note **8.26 Reconciliation of liabilities arising from financing activities.**

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

8.23 CREDITORS AND ACCRUALS

EUR '000

Creditors and accruals	Note	30 June 2025	31 December 2024
Non-current liabilities			
Deferred and contingent purchase consideration from business combinations	7.1	185	232
Other payables and accruals		679	609
Subtotal		**864**	**841**
Current liabilities			
Trade payables to third parties		1,377,389	1,357,047
Trade payables to related parties	8.25	5,367	7,590
VAT and other tax payables		44,861	30,540
Deferred and contingent purchase consideration from business combinations	7.1	15,616	12,793
Other payables and liabilities[17]		38,345	28,786
Subtotal		**1,481,578**	**1,436,756**
Total		**1,482,442**	**1,437,597**

Fair values

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

[17] *The balance of the line "Other payables and liabilities" contains also supplier finance arrangements.*

8.24 CONTINGENCIES AND COMMITMENTS

Letter of credit and bank guarantees

For the overview of letter of credit and bank guarantees see the table below.

EUR '000

Entity name	Type of agreement	30 June 2025	31 December 2024
Dr. Max Romania Group	Rental agreement, supplier guarantees and other business-related letters of credit	48,456	38,498
AsterFarm d.o.o. Beograd Group	Supplier guaranties	1,997	2,000
ČESKÁ LÉKÁRNA HOLDING, a.s. Group	Rental agreements	186	4,008
Lidea SpA – Group	Rental agreement, supplier guarantees and other business-related letters of credit	1,452	1,452
MagnaPharm Holdings Limited Group	Rental agreement, supplier guarantees and other business-related letters of credit	396	1,877
Dr. Max Holding SK, a.s. Group	Supplier and rental guarantees	37,391	-
Dr. Max Sp. z o.o.	Rental agreements	4,451	4,559
ViaPharma s.r.o.	Rental agreements	44	43
Total		**94,373**	**52,437**

Commitments

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

EUR '000

Capital commitments	30 June 2025	31 December 2024
Intangible assets	6	2,475
Right-of-use assets	-	3,386
TOTAL	**6**	**5,861**

8.25 RELATED PARTY BALANCES AND TRANSACTIONS

Set out below is the overview of transactions with related parties made during the current and previous reporting period and outstanding balances as at 30 June 2025 and 31 December 2024 accordingly. All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Transaction with key management personnel

Key management personnel are defined as follows:

- Management board,
- CEOs[18] of consolidated subsidiaries and subgroups[19] and their immediate subordinates.

Key management personnel compensation recognised as expense during the reporting period comprised the following:

EUR '000

Compensation of key management personnel	For the six months ended 30 June	
	2025	2024
Short-term employee benefits	11,163	10,255
Other long-term benefits	4,329	3,981
Termination benefits	229	39
Total	**15,721**	**14,275**

[18] *For more information see note **1.4 Directors of the company and group board and local CEO.***
[19] *For more information on overview of consolidated subsidiaries and subgroups refer to note **1.2 CONSOLIDATED SUBSIDIARIES AND GROUP ENTERPRISES**.*

Outstanding balances to key management personnel presented in Consolidated statement of financial position within Other financial liabilities was in the amount of EUR 6,880 thousand (30 June 2024: EUR 5,460 thousand). For more information on cash and non-cash movements refer to Note **8.26 Reconciliation of liabilities arising from financing activities**.

Transactions with Immediate parent company and other related parties

EUR '000

Transactions with related parties as at 31 December	Note	30 June 2025			31 December 2024		
		Immediate parent company	Other related parties	Total	Immediate parent company	Other related parties	Total
Long-term loans provided	8.13	1,288,047	194	**1,288,241**	1,429,604	189	**1,429,793**
Short-term loans provided	8.13	109,495	131,696	**241,191**	43,997	82,821	**126,818**
Short-term trade and other receivables[20]	8.14	913	12,596	**13,509**	394	11,990	**12,384**
Total assets		**1,398,455**	**144,486**	**1,542,941**	**1,473,995**	**95,000**	**1,568,995**
Long-term interest-bearing loans and borrowings[21]	8.18	-	344,799	**344,799**	-	752,638	**752,638**
Short-term interest-bearing loans and borrowings[21]	8.18	-	352,841	**352,841**	-	-	**-**
Short-term trade and other payables	8.23	4,583	784	**5,367**	5,121	2,469	**7,590**
Total liabilities		**4,583**	**698,424**	**703,007**	**5,121**	**755,107**	**760,228**

EUR '000

Transactions with related parties for the period from 1 January to 30 June	Note	2025			2024		
		Immediate parent company	Other related parties	Total	Immediate parent company	Other related parties	Total
Operating income and expenses							
Income		-	72,584	**72,584**	-	67,526	**67,526**
Expenses		(18)	(1,772)	**(1,790)**	-	(3,748)	**(3,748)**
Total net income/(expense)		**(18)**	**70,812**	**70,794**	**-**	**63,778**	**63,778**
Interest income and expense							
Income	8.6	40,110	1,268	**41,378**	34,512	1,103	**35,615**
Expenses	8.7	-	(15,162)	**(15,162)**	-	(11,841)	**(11,841)**
Total net income/(expense)		**40,110**	**(13,894)**	**26,216**	**34,512**	**(10,738)**	**23,774**
Purchase of tangible and intangible asset		**-**	**167**	**167**	**-**	**3,257**	**3,257**

[20] No loss allowance for expected credit losses has been recognised in the current year nor prior year in respect of outstanding balances from related parties.
*[21] Subordinated interest-bearing loans and borrowings in compliance with Senior term and revolving facility agreement, refer to note **8.18 Interest-bearing loans and borrowings** for more information.*

8.26 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

EUR '000

Reconciliation of liabilities arising from financing activities	Interest bearing loans and borrowings	Corporate bonds	Lease liabilities	Derivate financial instrument	Other financial liabilities	Total
Balance as at 1 January 2025	**1,852,495**	**577,458**	**686,338**	**1,544**	**6,390**	**3,124,225**
Changes from financing cash flows:						
Proceeds	132,268	45,834	-	4,248	-	**182,350**
Repayments and repurchases	(214,919)	(23,852)	(46,601)	-	-	**(285,372)**
Interest paid	(57,220)	(20,483)	(17,432)	-	-	**(95,135)**
Cash changes from financing activities	**(139,871)**	**1,499**	**(64,033)**	**4,248**	**-**	**(198,157)**
Changes arising from acquisitions:	**-**	**-**	**381**	**-**	**-**	**381**
Other changes:						
Changes in fair value	-	-	-	(536)	418	**(118)**
New leases, modifications and reassessments	-	-	92,939	-	-	**92,939**
Interest expense	41,036	21,892	17,321	-	-	**80,249**
Other non-cash movements	-	(7)	-	-	-	**(7)**
Exchange difference	448	6,098	2,542	48	73	**9,209**
Non-cash changes from financing activities	**41,484**	**27,983**	**112,802**	**(488)**	**491**	**182,272**
Balance as at 30 June 2025	**1,754,108**	**606,940**	**735,488**	**5,304**	**6,881**	**3,108,721**

EUR '000

Reconciliation of liabilities / (assets) arising from financing activities	Interest bearing loans and borrowings	Corporate bonds	Lease liabilities	Derivate financial instrument	Other financial liabilities	Total
Balance as at 1 January 2024	**1,561,036**	**519,232**	**633,437**	**(13,978)**	**7,009**	**2,706,736**
Changes from financing cash flows:						
Proceeds	301,926	65,623	-	10,552	-	**378,101**
Repayments and repurchases	(87,565)	(39,505)	(45,099)	(4,274)	(1,541)	**(177,984)**
Interest paid	(33,096)	(17,374)	(14,588)	-	-	**(65,058)**
Cash changes from financing activities	**181,265**	**8,744**	**(59,687)**	**6,278**	**(1,541)**	**135,059**
Changes arising from acquisitions:	**606**	**-**	**1,255**	**-**	**-**	**1,861**
Other changes:						
Changes in fair value	-	-	-	(16,207)	49	**(16,158)**
New leases, modifications and reassessments	-	-	72,313	-	-	**72,313**
Interest expense	43,740	17,003	15,127	-	-	**75,870**
Other non-cash movements	-	-	-	22	-	**22**
Exchange difference	(652)	(2,703)	(1,982)	177	(57)	**(5,217)**
Non-cash changes from financing activities	**43,088**	**14,300**	**85,458**	**(16,008)**	**(8)**	**126,830**
Balance as at 30 June 2024	**1,785,995**	**542,276**	**660,463**	**(23,708)**	**5,460**	**2,970,486**

For more information on balances in the above table refer to note **8.18 Interest-bearing loans and borrowings, 8.21 Derivative financial instruments** and **8.22 Lease liabilities.**

9. FINANCIAL RISK MANAGEMENT

9.1 FINANCIAL RISK FACTORS

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

9.2 FAIR VALUES

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

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

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

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

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

The Group`s management considers that:

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

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

EUR '000

Fair value	Fair value hierarchy	30 June 2025		31 December 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Fixed-interest rate Loans provided	Level 3	765,144	802,343	687,718	720,812
Financial liabilities					
Fixed-interest rate Interest-bearing loans and borrowings[22]	Level 3	1,304,592	1,358,549	1,330,099	1,354,602

[22] *Long-term facility hedged against interest-rate exposure not included.*

Methods of determining fair values of financial instruments as at 30 June 2025 and 31 December 2024

The fair value of interest-bearing loans and borrowings or loans provided is calculated as present value of their future contractual cash-flows. Future cash-flows are discounted using discount rate derived from the euro area yield curve based on AAA-rated government bonds, which is regularly produced by the ECB, adjusted by credit risk of the Group or the Borrowers.

There were no transfers between Level 1, Level 2 and Level 3 in the period 6 months ended 30 June 2025.

9.3 CAPITAL RISK MANAGEMENT

9.3.1 Objective of capital risk management and definition of capital

For the purposes of the Group's capital management, capital includes issued capital, share premium, all other equity reserves attributable to the equity holders of the parent and all intercompany loans due from and to direct shareholder and other shareholder entities.

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

The Group's capital management aims to ensure that Group meets financial covenants. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants as of 30 June 2025:

- leverage ratio which is Net debt to Adjusted EBITDA must not be more than 4.0
- debt service cover ratio, which is Cashflow[23] to Debt Service[24] must be more than 1.1.

Under the terms of the bonds issuance, the Group's leverage ratio (i.e. Net debt to Adjusted EBITDA) must be lower than 5.95 as of 30 June 2025.

For more information on definition of Net debt and Adjusted EBITDA refer to note **9.3.2 Management-defined performance measures.**

The Group has complied with these covenants at 30 June 2025 as well as throughout the reporting period. No changes were made in the policies or processes for managing capital during the period ended 30 June 2025 nor 31 December 2024.

[23] *Cashflow means EBITDA plus several adjustment (for example: changes in working capital, provisions, movement regarding dividends or other profit distribution, capital expenditures, income tax paid, etc.).*
[24] *Debt service mainly consists of finance charges, all repayment of borrowings and part of lease's repayment (according to contract with bank).*

9.3.2 Management defined performance measures

The Management assess the performance of the Group using a variety of performance measures. These measures are not defined by IFRS Accounting Standards and therefore may not be directly comparable with similar titled measures used by other entities.

Management defined performance measures ("MDPMs") used for business performance analysis, planning, reporting and decision-making include:

- (i) Operating profit before depreciation & amortisation and impairment ("EBITDA"), (ii) Operating profit and (iii) Revenues that are monitored by management on monthly basis,
- Adjusted operating profit before depreciation & amortisation and impairment ("Adjusted EBITDA") that is monitored by management on consolidated level on quarterly basis and
- Profit before financing and taxes.

EBITDA and Adjusted EBITDA are the key management metrics.

EBITDA is the key measure used to evaluate the performance of Group's operations, develop budgets, and measure Group's performance against those budgets. The table below provides a reconciliation of EBITDA to the lines of the Consolidated statement of financial performance.

Consolidated statement of financial performance	Formula
Revenue from contracts with customers	A
Goods for resale and direct costs	(B)
Other operating income	C
Personnel costs	(D)
Received services and other operating expenses	(E)
Impairment gains / (losses) of financial assets	F
(Addition), reversal and usage of provisions	(G)
Other gains / (losses)	H
Operating profit before depreciation & amortisation and impairment (EBITDA)	**I = A + B + C + D + E + F + G + H**

Adjusted EBITDA is used in covenant calculation, specifically in leverage ratio that is calculated as Net debt to Adjusted EBITDA.

Reconciliation of Adjusted EBITDA to the most comparable subtotal from the Consolidated statement of financial performance, i.e. EBITDA is presented below. Main difference is arising from conversion from IFRS 16 to IAS 17 presentation. IFRS 16 impact on Consolidated statement of financial performance is excluded and finance lease liabilities from lessee point of view as defined by the previous standard IAS 17 are added back.

Adjusted EBITDA reconciliation for the period ended 30 June	2025		Impacting Consolidated statement of financial performance on line
	Gross amount	Income tax impact[25]	
Operating profit before depreciation & amortisation and impairment of non-financial assets (EBITDA)	**220,136**		
Conversion of IFRS 16 to IAS 17	(62,501)	(1,326)	Received services and other operating expenses
Excluding net creation of accrual for long-term employee incentives	4,206	-	Personnel costs
Excluding unrealised gain / (loss) from changes in fair value of derivative financial instruments not designated as a hedge	(1,556)	327	Other gains and losses
Excluding gain / (loss) on disposal of fixed assets	(1,171)	206	Other gains and losses
Excluding other exceptional, non-recurring expenses[26]	630	(146)	Received services and other operating expenses
Operating profit before depreciation & amortisation and impairment of non-financial assets (Adjusted EBITDA)	**159,744**		

Net debt is a useful measure of the progress in generating cash and strengthening of the Group's balance sheet position, and is a measure widely used by banks. The table below provides a reconciliation of net debt partly to the lines of the Consolidated statement of financial position. As for lease liabilities, they include only amounts that would have been in compliance with the previous standard IAS 17 (i.e. finance lease liabilities). Therefore, this one line cannot be reconciled to the Consolidated statement of financial position.

Net debt reconciliation	Formula	Description
Interest bearing loans and borrowings	J	Line of Consolidated statement of financial position
Lease liabilities	K	Calculated item, not reconcilable to the Consolidated statement of financial position
Cash and cash equivalents	(L)	Line of Consolidated statement of financial position
Net debt	**M = J + K + L**	

[25] *At the statutory tax rates applicable to the transactions in the respective tax jurisdictions.*
[26] *For example acquisition related costs.*

10. SUBSEQUENT EVENTS

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