

JOINT-STOCK COMPANY "ENERGOCOM"



MD-2012, Chisinau municipality
26 A. Pushkin Street
State identification number
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VAT Code 0205595

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B. C. MOLDOVA-AGROINDBANK S. A.
IBAN MD57AG000000022515569522

BIC AGRNMD2X
Share capital MDL 7784000000



CONSOLIDATED FINANCIAL STATEMENTS
for the accounting period ending on
December 31, 2023

Prepared in accordance with International Financial Reporting Standards

Seal: *National Bureau of Statistics. Republic of Moldova. General Directorate for the Economic Entities
Data Collection. State identification number (IDNO): 1006601000200
August 14, 1024 /signature/*



S.A. ENERGOCOM**Consolidated Statement of Financial Position****as of December 31, 2023***(all amounts are presented in MDL, unless otherwise specified)*

Seal: National Bureau of Statistics. Republic of Moldova. General Directorate for the Economic Entities Data Collection. State identification number (IDNO): 1006601000200

ASSETS	Note	December 31, 2023	December 31, 2022 (Restated*)	January 01, 2022 (Restated*)
Long-term assets				
Tangible fixed assets		2.529.563	230.687	173.089
Intangible fixed assets		458.125	88.222	-
Long-term receivables	9	1.468.665.634	1.424.547.840	1.330.621.614
Deferred tax receivables	24	40.002.213	5.774.649	52.043
Total long-term assets		1.511.655.535	1.430.641.400	1.330.846.747
Current assets				
Inventories	11	3.834.411.022	5.489.066.803	38.011
Trade and other receivables	9	1.593.571.369	2.865.336.539	519.417.989
Advance payments granted	12	182.694.771	331.801.137	44.277
Loans granted	13	-	1.093.984.932	-
Cash and cash equivalents	14	2.586.345.946	653.657.163	242.984.034
Current tax receivables		33.869.677	26.035.061	1.034.360
Other current assets	10	8.061.575	248.934.818	15.337
Total current assets		8.238.954.360	10.708.816.453	763.534.008
Total assets		9.750.609.895	12.139.457.853	2.094.380.755
Equity and liabilities				
Equity				
Share capital	15	6.784.000.000	7.784.000.000	1.701.000.000
Currency translation reserves		28.124	(11.275)	-
Reserves	15	130.526.199	63.092.231	60.768.853
Retained earnings	15	(148.995.317)	141.401.288	7.330.160
Total equity		6.765.559.006	7.988.482.244	1.769.099.013
Long-term liabilities				
Deferred income		2.733.604	-	-
Total long-term liabilities		2.733.604	-	-
Current liabilities				
Loans	13	2.067.164.942	3.347.032.356	-
Employee benefits	16	1.233.910	662.239	260.606
Trade and other payables	17	880.564.625	674.833.157	325.021.136
Liabilities related to contracts with customers (contract liabilities)	19	32.844.738	99.352.139	-
Deferred income		509.070	-	-
Provisions		-	29.095.718	-
Total current liabilities		2.982.317.285	4.150.975.609	325.281.742
Total liabilities		2.985.050.889	4.150.975.609	325.281.742
Total equity and liabilities		9.750.609.895	12.139.457.853	2.094.380.755

* Comparative information has been restated following the correction of some errors. See Note 5

The attached Notes are an integral part of these financial statements.

These financial statements were approved for issuance by the Acting General Director on August 13, 2024.

Victor Binzari
Acting General Director

/signature/
Seal: Ministry of Economy and Trade of the Republic of Moldova. Joint Stock Company "ENERGOCOM". Chisinau municipality, 78 V. Alecsandri Street, "ENERGOCOM"
S.A. State identification number (IDNO): 1004600074938

Drawn up by
Budeanu Ludmila
Chief Accountant, Head of Finance and Accounting Directorate

/signature/
Seal: KPMG. Initialized for identification. August 13, 2024

S.A. ENERGOCOM**Consolidated Statement of Profit or Loss and Other Comprehensive Income**for the accounting period ending on **December 31, 2023***(all amounts are presented in MDL, unless otherwise specified)*

	Note	2023	2022 (Restated*)
Income	19	17.216.676.972	8.730.465.474
Cost of sales	20	(17.602.145.717)	(8.805.797.980)
Gross loss		(385.468.745)	(75.332.506)
Other income	21	45.293.852	243.979.340
Distribution expenses		(17.649.480)	(31.206.818)
Administrative expenses	22	(15.385.960)	(23.045.513)
Other expenses		(6.291.793)	(2.208.354)
Profit/(loss) from operating activity		(379.502.126)	112.186.149
Financial income	23	370.076.976	56.969.539
Financial expenses	23	(173.250.348)	(32.917.911)
Financial result		196.826.628	24.051.628
Profit/(loss) before tax		(182.675.498)	136.237.777
Profit tax	24	34.221.793	5.722.606
Net profit/(loss)		(148.453.705)	141.960.383
Other comprehensive income			
Currency translation differences		39.399	(11.275)
Total comprehensive income		(148.414.306)	141.949.108

* Comparative information has been restated following the correction of some errors. See Note 5

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Victor Binzari
Acting General Director

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S.A. ENERGOCOM**Consolidated Cash Flow Statement for the accounting period ending on December 31, 2023***(all amounts are presented in MDL, unless otherwise specified)*

Seal: National Bureau of Statistics. Republic of Moldova. General Directorate for the Economic Entities Data Collection. State identification number (IDNO): 1006601000200

	Note	2023	2022 (Restated*)
Cash flow from operating activity			
Net profit/(loss)		(148.453.705)	141.960.383
<i>Adjustments for:</i>			
Depreciation and amortization		172.909	111.985
Interest income	23	(207.411.228)	(56.969.539)
Interest expenses	23	173.250.348	28.853.223
Foreign Exchange Gain/(Loss)	23	(162.665.747)	4.064.688
Profit tax	24	(34.221.793)	(5.722.606)
		(379.329.216)	112.289.134
<i>Changes in:</i>			
Inventories		1.654.655.781	(5.864.838.714)
Trade and other receivables		1.281.012.245	(2.064.132.254)
Advance payments granted		146.651.768	(331.756.861)
Other current assets		240.607.347	(248.626.614)
Employee benefits		571.671	327.142
Trade and other payables		66.942.335	509.133.128
Liabilities related to contracts with customers (contract liabilities)		(66.507.401)	99.352.139
Provisions		(29.095.718)	29.095.718
Deferred income		3.242.674	-
Long-term receivables		(44.117.794)	-
Subtotal		2.874.633.692	(7.759.148.182)
Profit tax paid	18	(7.840.269)	(25.000.700)
Interest paid		(137.093.769)	(5.381.532)
Net cash from/(used in) operating activity		2.729.699.654	(7.789.530.414)
Cash flow from investing activity			
Payments for purchases of intangible fixed assets		(405.270)	(97.863)
Payments for purchases of tangible fixed assets		(2.436.417)	(159.942)
Loans granted	13	-	(1.050.000.000)
Loans received	13	1.050.000.000	-
Interest received		251.396.160	12.984.608
Net cash from/(used in) investing activity		1.298.554.473	(1.037.273.197)
Cash flow from financing activity			
Loan drawdown (disbursement)	18	4.802.369.063	3.739.759.576
Commissions paid		-	(59.377.786)
Loan repayments	18	(5.807.885.521)	(504.159.931)
Proceeds from the issuance of shares	15	-	6.083.000.000
Withdrawn capital	15	(1.000.000.000)	-
Dividends paid		(71.250.997)	(4.195.990)
Net cash from/(used in) financing activity		(2.076.767.455)	9.255.025.869
Net increase in cash and cash equivalents		1.951.486.672	428.222.258
Cash and cash equivalents on January 01	14	653.657.163	242.984.034
Effect of exchange rate variations on cash		(18.797.890)	(17.549.130)
Cash and cash equivalents on December 31	14	2.586.345.946	653.657.163

* Comparative information has been restated following the correction of some errors. See Note 5

The attached Notes are an integral part of these financial statements.

Victor Binzari
Acting General Director/signature/
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Budeanu Ludmila
Chief Accountant, Head of Finance and Accounting Directorate/signature/
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S.A. ENERGOCOM
Consolidated Statement of Changes in Equity for the accounting period ending on December 31, 2023
(all amounts are presented in MDL, unless otherwise specified)

	Share capital	Currency translation reserves	Legal reserves	Other reserves	Retained earnings	Total
Balance on January 01, 2022 previously reported	307.216.000	-	1.023.249	59.745.604	7.330.160	375.315.013
Effect of accounting errors correction (Note 5*)	1.393.784.00		-	-	-	1.393.784.000
Balance restated on January 01, 2022	1.701.000.000	-	1.023.249	59.745.604	7.330.160	1.769.099.013
Net profit (restated)					141.960.383	141.960.383
Currency translation differences (restated)		(11.275)				(11.275)
Total comprehensive income (restated)		(11.275)			(141.960.383)	141.949.108
<i>Contributions and distributions</i>						
Issuance of shares	6.083.000.00					6.083.000.00
Distribution of dividends					(4.195.990)	(4.195.990)
Total transactions with shareholders	6.083.000.00				(4.195.990)	6.078.804.010
<i>Other changes in equity</i>						
Establishment of reserves			525.614	2.290.608	(2.816.220)	-
Others				(492.844)	(877.045)	(1.369.889)
Balance on December 31, 2022 (restated*)	7.784.000.00	(11.275)	1.548.864	61.543.367	141.401.288	7.988.482.244
Balance on January 01, 2023	7.784.000.00	(11.275)	1.548.864	61.543.367	141.401.288	7.988.482.244
Net loss					(148.453.705)	(148.453.705)
Currency translation differences		39.399				39.399
Total comprehensive income		39.399			(148.453.705)	(148.414.306)
<i>Contributions and distributions</i>						
Withdrawn capital	(1.000.000.000)					(1.000.000.000)
Distribution of dividends					(71.250.997)	(71.250.997)
Total transactions with shareholders	(1.000.000.000)				(71.250.997)	(1.071.250.997)
<i>Other changes in equity</i>						
Establishment of reserves			14.250.199	56.441.704	(70.691.903)	-
Use of reserves				(3.257.935)		(3.257.935)
Balance on December 31, 2023	6.784.000.000	28.124	15.799.062	114.727.137	(148.995.317)	6.765.559.006

* Comparative information has been restated following the correction of some errors. See Note 5

The attached Notes are an integral part of these financial statements.

Victor Binzari
Acting General Director

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S.A. ENERGOCOM

Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

(all amounts are presented in MDL, unless otherwise specified)

Note 1. Reporting entity

The open Joint-Stock Company “Energocom”, hereinafter referred to as “Company”) with Tax Code 1004600074938, VAT code-02025595 as of June 05, 2006, is registered by the State Registration Chamber of the Information Technology Department at the address: Chisinau municipality, 26 A. Pushkin Street, Republic of Moldova, MD-2012.

“Energocom” is a public interest entity based according to the criteria established by the Law No. 287 on Accounting and Financial Reporting as of December 15, 2017, a joint-stock company with a 100% State share, in accordance with Government Decision No. 1467 as of September 30, 2004.

This financial information is the consolidated financial information of the Energocom S.A. (the “Company”) and its branch (hereinafter referred together to as the “Group”).

The Company’s main types of activity:

The purpose of the Company consists in the import and export of electricity and natural gas. According to the Government Decision No. 885/2017, “Energocom” S.A. started its activity as a central electricity supplier on April 01, 2018.

The electricity trading activity consists of:

- commercial and financial management of electricity import contracts for the needs of the domestic electricity market of the Republic of Moldova;
- entering into direct electricity supply contracts from domestic and imported generation sources with electricity supply companies, electricity distribution networks, system operators and economic agents (eligible electricity consumers);
- commercial and financial management of electricity export contracts from domestic generation sources;
- commercial and financial management of contracts for reserve capacities.

According to the Government Decision No. 589/2022 on Imposing a Public Service Obligation for Ensuring Natural Gas Supply Security in Emergency Situations, “Energocom” as the enterprise holding the license for natural gas supply, within the limits of the territory authorized by the system operators’ licenses, has the obligation to ensure the security of natural gas supply in emergency situations, by making purchases and/or ensuring natural gas stocks.

The natural gas supply activity consists of:

- commercial and financial management of natural gas import contracts as a natural gas supplier for the domestic market needs of the Republic of Moldova;
- entering into direct natural gas supply contracts from import sources as a supplier with natural gas supply companies and transmissions operators, etc.;
- commercial and financial management of contracts for reserve capacities.

The creation and maintenance of natural gas security stocks consists of:

- procuring and maintaining natural gas stocks;
- presenting calculations according to the Methodology for determining the amount of financial contributions paid by retail natural gas market suppliers to cover security stock costs.

Energocom holds licenses issued by the National Agency for Energy Regulation:

- License for conducting electricity supply activity, valid until January 01, 2028;
- License for conducting natural gas supply activities, valid until January 16, 2043.

Energocom branch

In 2022, based on Minutes No. 11 as of August 08, 2022 of the Energocom S.A. Board of Directors, the Energocom S.A. Chisinau Otopeni Romania Branch was established, fact confirmed by the Certificate issued under the art. 171 para. (1) of Romanian Law No. 359/2022.

ENERGOCOM S.A. Chisinau Otopeni Romania holds:

- License for conducting electricity trading activities, initially valid until September 04, 2023, subsequently extended until 2030;
- License for conducting natural gas supply activities, initially valid until September 04, 2023, subsequently extended until 2030.

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S.A. ENERGOCOM

Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

(all amounts are presented in MDL, unless otherwise specified)

Energocom Gas & Power SRL Branch

In 2023, according to the Decision No. 61/05 as of April 21, 2023 of the sole shareholder of Energocom S.A. and the Decision No. 01.07/23-EGCGP of Energocom S.A. as the sole associate for the newly established company, on May 19, 2023 the limited liability company ENERGOCOM GAS & POWER SRL was established, with its headquarters in Ilfov County, Romania, registration certificate No. 4744699. The Company's main activity is the marketing of gaseous fuels through pipelines.

Corporate governance

General Meeting of Shareholders

The sole founder and holder of 100% of the Company's shares is the Public Property Agency. The rights and obligations of the shareholder are provided for by the legislation, the Articles of Associations, and the Corporate Governance Code of the Company.

The Company makes every effort to facilitate the dialogue between the shareholder and the members of the Board and of the executive body, as well as to fully exercise the shareholder's rights. The Company has created a special "Transparency" section on its website where relevant information regarding the convocations of the General Meeting of Shareholders is published.

The General Meeting of Shareholders is the supreme governing body of the Company. The decisions of the General Meeting of Shareholders on matters within its competence are binding on the responsible persons. The Company convenes the annual ordinary General Meeting of Shareholders at least once a year, while the extraordinary ones - whenever necessary. In 2023, the General Meeting of Shareholders was convened only once.

During the annual General Meeting of Shareholders, the following issues were examined and approved: changes in the structure, duties and composition of the Governing Bodies, payment of securities income, the reports of the Council, the Board of Statutory Auditors, and the Audit Committee.

During the extraordinary General Meeting of Shareholders, the issues examined were related to the early termination of powers of the Audit Committee members and the election of new members, as well as the determination of the amount of remuneration of the Board of Directors, the Board of statutory auditors and the Audit Committee, the approval of the loan refinancing agreement intended for realization of the "Natural gas supply security" project conclusion.

Board of Directors

The Board of Directors represents the interests of the shareholders and, within its competence, controls and regulates the Company's activities. The Board operates based on complete information, in good faith, and in the interests of the Company and its shareholders, having the obligation to exercise its mandate with prudence and diligence. Additionally, the Board members are obliged to ensure the avoidance of any direct or indirect conflict of interest with the Company. In the event of such a conflict, they must abstain from debating and voting on the issues in questions in accordance with the applicable legal provisions. Furthermore, the Board is the main governing body responsible for the proper implementation of the provisions mentioned in the Company's Corporate Governance Code.

The rights and obligations of the Board members, as well as the aspects concerning the conduct of Board meetings, are detailed in the Company's Articles of Associations and in the Energocom S.A. Board Regulations.

The Board of Directors is composed of 5 members elected for a term of 1 year by the General Meeting of Shareholders, one of whom is appointed as the Chairman of the Board. The composition of the Board complies with the criteria and conditions imposed by the Law No. 1134/1997 on Joint-Stock Companies.

The Board meets whenever the Company's interests require discussions on matters within its competence, but no less frequently than once every 3 months. During 2023, the Board of Directors continued to pay special attention to the strategic direction and performance of Energocom S.A. The Board's activities focused on an in-depth analysis of the Company's position and role, including in the context of the complex situation on the energy market. It fulfilled its duties in accordance with the current legislation and the relevant internal regulations of the Company. The Board met in 23 meetings, held physically and through audio and video conferences.

All Board members attended the vast majority of the Board meetings, with an average attendance rate of over 80%.

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S.A. ENERGOCOM

Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

(all amounts are presented in MDL, unless otherwise specified)

Executive Body - General Director

According to the Company's Articles of Associations, the executive body of Energocom S.A. is unipersonal (single-member) - the Acting General Director. The role of the executive body is to ensure the current management of the Company to achieve the strategic commitments and objectives mentioned in the business plan and other operating documents of the Company. At the same time, it shall ensure the continuity of operations, implying that the Company will continue to function normally for at least 12 months from the reporting date, without any intention or need to liquidate or significantly reduce its activity. The executive body is supervised by the sole shareholder and the Board of Directors. In exercising its duties, the executive body acts in the interests of the Company and its shareholders.

Board of Statutory Auditors

The Board of statutory auditors is composed of 3 members elected by the General Meeting of Shareholders for a term of 2 years. The Board of statutory auditors exercises mandatory control over the Company's economic and financial activities for one year and is subordinated only to the General Meeting of Shareholders. The objective of the Board of statutory auditors is to ensure the efficient and successful operation of the Company and to identify deficiencies and risks in the Company's management. The functions and responsibilities of the Board of statutory auditors are specified in detail in the legislation, the Company's Articles of Association, and the Regulations of Energocom S.A. Board of statutory auditors available on the Company's website.

Audit Committee

As a public interest entity, Energocom S.A. has an Audit Committee. The committee assists the Board in fulfilling its responsibilities related to internal and external audits. It also has an advisory role regarding the Company's strategy and policy on the internal control system, internal/external audit, and risk management, as well as overseeing the external financial audit of the annual financial statements.

The functions and responsibilities of the Audit Committee are detailed in the legal framework and the Articles of Associations of the Company, as well as in the Regulations of Energocom S.A. Audit Committee available on the Company's website.

The activity of the Audit Committee is regulated by the Law No. 1134 as of April 02, 1997 on Joint Stock Companies as well as the Law No. 271 as of December 15, 2017 on the audit of financial statements.

Internal Auditor

In 2023, the following internal acts regulating the internal audit activity were approved: the Internal Audit Charter, the Internal Audit Manual, the Internal Auditor's Code of Conduct, the Strategic Plan for Internal Audit Activity, the Annual Internal Audit Activity Plan and the Program for Quality Assurance and Improvement of Internal Audit Activity.

According to the Annual Internal Audit Activity Plan the following audit missions were planned:

- Evaluation of the low-value procurement process;
- Evaluation of the Commission for Emergency Situations provisions achievement degree;
- Evaluation of the efficiency of business trips abroad.

As a result of these internal audit missions, 17 recommendations for strengthening the managerial internal control system related to these processes were provided, for which Action Plans on the implementation of the recommendations were approved as well as duly monitored and reported by FAI.

Legislative framework

The activity in the energy sector is regulated by the National Energy Regulatory Authority ("ANRE"). ANRE's main responsibilities include licensing of entities operating in the energy sector, issuing regulations applicable to the electricity market, approving regulated prices and tariffs, and issuing methodologies for establishing regulated prices and tariffs.

Additionally, according to Parliament Decision No. 41 as of February 24, 2022 regarding the declaration of the state of emergency, "Energocom" S.A. implemented the provisions of the Commission for Emergency Situations of the Republic of Moldova, which were mandatory and enforceable for the leaders of central and local public administration authorities, economic agents, public institutions, as well as for citizens and other persons on the territory of the Republic of Moldova. As a designated entity with the public service obligation, "Energocom" S.A. executed the provisions of the Commission for Emergency Situations.

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S.A. ENERGOCOM

Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

(all amounts are presented in MDL, unless otherwise specified)

The activity of “Energoecom” S.A. is largely regulated by the following legal framework:

- Law No. 107/2016 on Electricity;
- Law No. 10/2016 on the Promotion of the Use of Energy from Renewable Sources;
- Law No. 174/2017 on Energy;
- Law No. 108/2016 on Natural Gas;
- Law No. 206 as of July 15, 2022 on the Ratification of the Loan Agreement between the Republic of Moldova and the European Bank for Reconstruction and Development for the implementation of the “Natural Gas Supply Security” project;
- Government Decision No. 668 as of September 29, 2022 on the Creation and Maintenance of Natural Gas Security Stocks;
- Government Decision No. 589 as of August 10, 2022 on Imposing a Public Service Obligation for Ensuring Natural Gas Supply Security in Emergency Situations;
- Law No. 1134 as of April 02, 1997 on Joint Stock Companies.

Conflict of interest and transactions with the parties involved

The conflict-of-interest policy within Energoecom S.A. is established in accordance with the provisions of the Law No. 1134/1997 on Joint-Stock Companies, the Law No. 82/2017 on Integrity, the Law No. 325/2013 on Institutional Integrity Assessment, and other normative acts, and it is also internally regulated by the provisions of the Corporate Governance Code and the Code of Ethics. In the case of transactions with affiliated parties, these transactions shall be reported, analyzed, and approved by the Board in the absence of the interested party, unanimously by the disinterested elected board members.

In this regard, in 2023 a new organizational structure approved within Energoecom S.A. in 2022 was in force (published on the Energoecom S.A. website), establishing new positions to strengthen the compliance, integrity, and anticorruption climate within the Company, including the positions of Compliance Officer and Risk Manager. During the same period, relevant internal procedures were developed to establish the general framework for the new functions, such as the Guide on the Duties and Responsibilities of the Compliance Function (approved in 2022 and in force in 2023), the Guide on Setting Up the Risk Management Function, and the Risk Management Procedure.

Note 2. Accounting basics

These consolidated financial statements for the accounting period ending on December 31, 2023 (hereinafter referred to as the “financial statements” or the “consolidated financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

Details regarding the Company’s accounting policies are included in Note 6 to these financial statements. The Company has consistently applied the accounting policies in all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis.

These financial statements have been prepared based on a going concern principle.

Following the approval of the Company’s statutory financial statements for the accounting period ended on December 31, 2022 and their submission to the National Bureau of Statistics of the Republic of Moldova (respectively on May 03, 2023), the management identified certain necessary adjustments to the respective financial statements and, therefore, prepared in addition to the respective set, another set of restated financial statements, prepared with the aim of complying with the reporting requirements provided for by the “Natural Gas Supply Security” Project Contract No. 53417 as of July 12, 2022 concluded between the Company and the European Bank for Reconstruction and Development, restated financial statements authorized by the Acting General Director Victor Binzari on July 18, 2024 and published on the Company’s website. In the financial statements restated, the management has made certain adjustments to the financial statements as of and for the reporting periods ended on December 31, 2022 and on December 31, 2021, which are described in Note 5 to those financial statements.

Due to the laws and regulations of the Republic of Moldova, the Company was unable to restate its previously issued statutory financial statements for the year 2022 and replace them with the restated financial statements. Therefore, these statutory consolidated financial statements include the restatement of comparative information based on the previously issued statutory financial statements submitted to the National Bureau of Statistics of the Republic of Moldova.

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S.A. ENERGOCOM

Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

(all amounts are presented in MDL, unless otherwise specified)

Note 3. Functional Currency and Presentation Currency

These financial statements are presented in Moldovan Lei (MDL), which represents the functional and presentation currency of the financial statements. All amounts have been rounded to the nearest unit unless otherwise stated.

When translating the functional currencies of the branch and subsidiary into the presentation currency MDL, IAS 21 provides for the translation of assets and liabilities by using the exchange rate at the end of each reporting period. Income and expenses are translated using the exchange rates valid on the transaction date. Equity elements, other than profit or loss for the financial year and foreign currency translation reserve, are translated using the historical exchange rate at the transaction date.

Note 4. Use of Estimates and Professional Judgments

In preparing these financial statements, the Company's management has developed professional judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

1. Professional judgements

Information regarding critical professional judgments in the application of accounting policies that have the most significant effects on the amounts recognized in the financial statements are presented below:

a) Contracts for sale and purchase of electricity and natural gas

According to IFRS 9 "Financial Instruments", a contract to buy or sell a non-financial item (including electricity or gas) may be classified and recognized as a financial instrument. Pursuant to paragraphs 2.4 and 2.6 of IFRS 9, if contracts to buy or sell non-financial items can be settled net in cash or another financial instrument, or by exchanging financial instruments, including when the underlying asset can be easily converted into cash, they fall within the scope of IFRS 9. The standard provides an exception from IFRS 9 application for contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements ("own use scope exception").

Electricity is an asset that can easily be converted into cash, and therefore management has performed an analysis in order to determine whether the own use scope exception applies to its contracts.

The main considerations are:

- According to regulations in force, the Company shall sell all the electricity it purchases to retail suppliers in order to cover the consumption of the suppliers' final customers. The Company does not sell electricity on a wholesale market to other electricity traders. There are no electricity sales other than sales to retail suppliers that are imposed by law.
- The Company is obliged to purchase all the electricity produced on the regulated market and sell it to retail suppliers based on their market share, and the electricity purchased on the regulated market is not enough to cover the country's consumption.
- The Company cannot influence the purchase and sale price on the regulated market, because the price is set by National Agency for Energy Regulation of the Republic of Moldova (ANRE).
- Based on the foregoing, the Company is not exposed to price and volume risk on the regulated market.
- The company does not purchase electricity on the unregulated market before concluding contracts for the sale of electricity to retail suppliers (or not prior to the consumption estimate received from retail suppliers). The Company ordinarily sells electricity on the unregulated market at cost plus a margin.
- The Company is not exposed to volume risk on the unregulated market (all imbalances on both regulated and unregulated market are settled between manufacturers and retail suppliers).
- Unlike traditional dealers/brokers, whose purchases and sales are determined by expected market price trends or market opportunities, the Company's sales are determined by the Company's legal obligations and function.

Gas is an asset that can easily be converted into cash, and therefore management has performed an analysis in order to determine whether the own use scope exception applies to its contracts.

The main considerations are:

- The Company made procurements based on the decisions of the Commission for Emergency Situations (CSE), as well as based on the decisions of the sole shareholder - the Public Property Agency.
- The Company had the "single buyer" and "single seller" status on the Republic of Moldova's market.
- The Company did not settle these contracts net in cash or with other financial instruments.

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The Company has concluded that the own-use exception applies to all of its contracts for sale and purchase of electricity and natural gas in 2023, 2022 and therefore does not fall within the scope of IFRS 9.

b) Government subsidies for regulated electricity sales

For March 2022, according to the Commission for Emergency Situations (CSE) Decision, the universal and/or last-option services providers purchased electricity from the Central Electricity Supplier - S.A. "EnergoCom" at the price of 1.23 MDL/kWh (excluding VAT). The amount was below the sale price of 3.24 MDL/kWh set by the National Agency for Energy Regulation of the Republic of Moldova (ANRE). According to CSE Order No. 10 dated March 15, 2022, the price difference has been covered by the Ministry of Infrastructure and Regional Development in the form of subsidies.

Management has analyzed whether this subsidy is of equity (shareholder contribution) or Government subsidies nature/profit or loss account (IAS 20). Although formally the subsidy is granted to the Company, its economic essence consists in reducing the financial burden on end consumers, being intended to compensate the Company for the difference between the sale price approved by National Agency for Energy Regulation of the Republic of Moldova (ANRE) for the Company for March 2022 and the price provided for by the Commission for Emergency Situations (CSE) Decision. Accordingly, management has concluded that this subsidy is of Government subsidies nature (IAS 20) and has recognized the amounts in the profit or loss account.

2. Assumptions and Estimation Uncertainties

Information regarding assumptions and estimation uncertainties that could result in significant adjustments in the next financial year have been included in the following notes:

- Note 8 - financial risk management - credit risk.

Note 5. Restatements for error correction

As described in Note 2, management carried out the following adjustments to the financial statements as of and for the accounting periods ended on December 31, 2022 as well as on December 31, 2021 in order to ensure the traceability of the corresponding figures as of and for the accounting periods ended on December 31, 2022 with the financial statements previously submitted to the National Bureau of Statistics of the Republic of Moldova.

Restatement of the statement of financial position

	Note	Previously reported December 31, 2022	Adjustments	December 31, 2022 Restated
Assets				
Long-term assets				
Tangible fixed assets		230.687	-	230.687
Intangible fixed assets		88.223	(1)	88.222
Deferred tax receivables		5.774.649	-	5.774.649
Long-term receivables	a	1.330.621.614	93.926.226	1.424.547.840
Long-term prepaid expenses	c	53.859.336	(53.859.336)	-
Total long-term assets		1.390.574.509	40.066.891	1.430.641.400
Current assets				
Inventories	a	5.864.771.710	(375.704.907)	5.489.066.803
Current tax receivables	j	43.701.655	(17.666.594)	26.035.061
Trade and other receivables	a, c, j	3.069.971.539	(204.635.000)	2.865.336.539
Advance payments granted	f	93.947.999	237.853.138	331.801.137
Loans granted		1.093.984.932	-	1.093.984.932
Cash and cash equivalents		606.447.903	47.209.260	653.657.163
Other current assets	g	25.176	248.909.642	248.934.818
Total current assets	h	10.772.850.914	(64.034.461)	10.708.816.453
Total assets		12.163.425.423	(23.967.570)	12.139.457.853
Equity and liabilities				
Equity				
Share capital		7.784.000.000		7.784.000.000

S.A. ENERGOCOM**Notes to the consolidated financial statements for the accounting period ending on December 31, 2023***(all amounts are presented in MDL, unless otherwise specified)*

	Note	Previously reported December 31, 2022	Adjustments	December 31, 2022 Restated
Currency translation reserves		-	(11.275)	(11.275)
Reserves		63.092.231	-	63.092.231
Retained earnings	k	141.942.901	(541.613)	141.401.288
Total equity		7.989.035.132	(552.888)	7.988.482.244
Long-term liabilities				
Loans	b	3.383.027.070	(3.383.027.070)	-
Total long-term liabilities		3.383.027.070	(3.383.027.070)	-
Current liabilities				
Loans	b, c, d	-	3.347.032.356	3.347.032.356
Employee benefits		287.065	375.174	662.239
Trade and other payables	i	643.832.630	31.000.527	674.833.157
Liabilities related to contracts with customers (contract liabilities)		99.352.139	-	99.352.139
Provisions	d	47.891.387	(18.795.669)	29.095.718
Current liabilities		791.363.221	3.359.612.388	4.150.975.609
Total equity and liabilities		4.174.390.291	(23.414.682)	4.150.975.609
Total equity and liabilities		12.163.425.423	(23.967.570)	12.139.457.853

a) Reclassification of security stock from inventories into long-term receivables in the amount of MDL 93.926.226 and trade and other receivables in the amount of MDL 281.778.680 (see Note 9 for details).

b) The outstanding loan amount of MDL 3.383.027.070 has been reclassified from a long-term loan to a short-term loan according to the contractual terms.

c) Long-term prepaid expenses in the amount of MDL 53.859.336, representing the commission paid to the EBRD for the loan agreement, have been reclassified to the loan account and accounted for using the effective interest method.

d) The provisions were reduced mainly by the amount of MDL 17.864.622, representing the interest related to outstanding loans, which were reclassified in the loan accounts.

e) Trade and other receivables were reduced by the amount of MDL 566.724.841, representing the balances of Energocom S.A. with its own branch - Otopeni Branch. Prior to the adjustments, the Company registered the advanced payments granted, cash and bank guarantees from its branch on the receivables account.

f) The account of advance payments granted was corrected with the amount of MDL 237.853.138, representing the advance payments granted by the Otopeni Branch to foreign suppliers. Previously these amounts were included in the receivables with affiliated parties account.

g) The cash and cash equivalents account was corrected with the amount of MDL 47.209.260, representing the cash held by the Otopeni Branch in the bank accounts. Previously these amounts were included in the receivables with affiliated parties account.

h) Other current assets account has been corrected with the amount of MDL 248.909.642, representing the bank guarantees registered by the Otopeni Branch. Previously these amounts were included in the receivables with affiliated parties account.

i) The trade and other payables account has been corrected by the amount of MDL 31.000.527, representing the trade payables of the Otopeni Branch. Previously these amounts were included in the receivables with affiliated parties account.

j) The Company has presented in current tax receivables only profit tax receivables. Other receivables from other taxes and duties have been recognized in trade and other receivables. Thus, the current tax receivables account was decreased after correction by MDL 17.666.594, while the trade and other receivables account increased by the same amount.

k) The retained earnings decreased by MDL 541.613, after including the financial result of Otopeni Branch in the financial statements of Energocom S.A. Until corrected, these amounts have not been registered in the Energocom S.A. financial statements.

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Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

(all amounts are presented in MDL, unless otherwise specified)

	Note	January 01, 2022 Previously reported	Adjustments	January 01, 2022 Restated
Assets				
Long-term assets				
Tangible fixed assets		173.089	-	173.089
Deferred tax receivables		52.043	-	52.043
Long-term receivables	a	-	1.330.621.614	1.330.621.614
Total long-term assets		225.132	1.330.621.614	1.330.846.746
Current assets				
Inventories		38.011	-	38.011
Current tax receivables		8.634.123	(7.599.763)	1.034.360
Trade and other receivables		511.818.227	7.599.763	519.417.989
Other current receivables	a	1.330.665.890	(1.330.665.890)	-
Advance payments granted		-	44.278	44.278
Cash and cash equivalents		242.984.034	-	242.984.034
Other current assets		15.337	-	15.337
Total current assets		2.094.155.622	(1.330.621.614)	763.534.008
Total assets		2.094.380.755		2.094.380.755
Equity and liabilities				
Equity				
Share capital	b	307.216.000	1.393.784.000	1.701.000.000
Other reserves		60.768.853	-	60.768.853
Retained earnings		7.330.160	-	7.330.160
Total equity		375.315.013	1.393.784.000	1.769.099.013
Current liabilities				
Current tax receivables		360	(360)	-
Employee benefits		-	260.606	260.606
Trade and other payables		325.020.776	360	325.021.136
Provisions for employee benefits		260.606	(260.606)	-
Payables to owners	b	1.393.784.000	(1.393.784.000)	-
Current liabilities		1.719.065.742	(1.393.784.000)	325.281.742
Total equity and liabilities		2.094.380.755	-	2.094.380.755

a) Correction of an error in presentation of a long-term trade receivable presented in "Trade and other short-term receivables". After the amendments, the Company recognized the receivable with S.A. Termoelectrica in the amount of MDL 1.330.621.614 as "Trade and other long-term receivables", thus decreasing current assets and recording an increase in long-term assets.

b) Correction of an error regarding the subscription of the Company's share capital. Until the correction, the capital contribution in the amount of MDL 1.393.784.000 was recorded as "Payables to owners", and the error was corrected by reclassifying the capital contribution from "Payables to owners" to "Share Capital".

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Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

*(all amounts are presented in MDL, unless otherwise specified)***Restatement of profit or loss statement and other comprehensive income:**

	Note	2022 Previously reported	Adjustments	2022 Restated
Income	a	8.748.389.197	(17.923.723)	8.730.465.474
Cost of sales	a, d	(8.813.350.373)	7.552.393	(8.805.797.980)
Gross loss	b	(64.961.176)	(10.371.330)	(75.332.506)
Other income	d	256.872.783	(12.893.443)	243.979.340
Distribution expenses	c	(42.001.822)	10.795.004	(31.206.818)
Administrative expenses	b	(28.418.560)	5.373.047	(23.045.513)
Other expenses		(53.636.366)	51.428.012	(2.208.354)
Profit from operating activity	b, e	67.854.859	44.331.290	112.186.149
Financial income	b, c, e	231.687.424	(174.717.885)	56.969.539
Financial expenses		(162.762.895)	129.844.984	(32.917.911)
Net financial result		68.924.529	(44.872.901)	24.051.628
Profit before tax	f	136.779.388	(541.611)	136.237.777
Profit tax		5.722.606	-	5.722.606
Net profit		142.501.994	(541.611)	141.960.383
Other comprehensive income				
Currency translation differences		-	11.275	11.275
Total comprehensive income		142.501.994	(552.886)	141.949.108

- a) Application of agent accounting in connection with electricity balancing transactions - the revenues and cost of sales being reduced by the amount of MDL 18.931.581;
- b) Correction of errors in presentation of the exchange rate differences in the other income account in the amount of MDL 12.9 million and other expenses of MDL 51.4 million. Following the corrections, these amounts have been presented net in financial expenses.
- c) Correction of errors in presentation of the commissions related to contracted loans in the amount of MDL 5.5 million in the administrative expenses account. Following the corrections, this amount has been reflected in financial expenses.
- d) Reclassification of electricity expenses in the amount of MDL 10.8 million from distribution expenses to cost of sales.
- e) Correction of errors in presentation of the net financial result. Following the corrections, the impact from exchange rate differences was fully recognized net in financial expenses as a loss from exchange rate differences. Interest expenses for loans were fully reflected in financial expenses. Following the corrections, financial income comprises only interest income registered in the period.
- f) The financial result before tax was reduced by the losses registered by the Otopeni Branch in the amount of MDL 541.611, previously unrecognized.
- g) The other corrections are insignificant.

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Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

*(all amounts are presented in MDL, unless otherwise specified)***Restatement of cash flow statement:**

In preparing these financial statements, the Company has changed the method of drawing up the cash flow statement from direct to the indirect one.

The Company has also corrected certain errors, as follows:

- Errors related to flows from operating activities - following the changes, net cash from operating activities decreased by MDL 3.116.799.829. Receipts from sales, payments for stocks of procured services, payments to employees, other payments and receipts are not presented separately in the cash flow statement but are presented through changes in the appropriate balance sheet accounts: inventories, trade and other receivables, advance payments granted, other current assets, employee benefits, trade and other payables, contract liabilities and provisions.
- Correction of the error related to the presentation of investment flows following the changes, the net cash from investing activities increased by MDL 1.044.216. Following the changes, the interest received increased by MDL 1.302.021 as well as payments for the purchase of tangible and intangible assets in the amount of MDL 257.805 were included.
- Correction of the errors related to the presentation of financing activity flows following the changes, the net cash from financing activity increased by MDL 3.182.683.557. The amounts related to loan drawdowns (disbursements) increased by MDL 3.241.521.326. Loan repayments increased by MDL 5.921.681, commissions paid amounted to MDL 59.377.786, dividends paid decreased by MDL 540.017. The amounts of other receipts (payments) in the amount of MDL 5.921.681 have been distributed to the corresponding elements in the cash flow statement.
- Correction of the error related to the net increase/(decrease) in cash and cash equivalents. Following the aforementioned changes, the net cash increase raised by MDL 66.927.944.
- Correction of the error related to the impact of currency exchange rate variations. Following the changes, the impact of exchange rate variations decreased by MDL 19.718.685
- The cash and cash equivalents balance on December 31 was increased by MDL 47.209.259. Until the corrections, this amount was recognized by the Company in the accounts of advance payments granted to the Otopeni Branch.

The tables below summarize the impact on the Company's financial statements:

	2022 previously reported	Adjustments	2022 Restated
Net cash from operating activities	(4.672.741.860)	(3.116.799.829)	(7.789.541.689)
Net cash from investing activities	(1.038.317.413)	1.044.216	(1.037.273.197)
Net cash from financing activities	6.072.342.312	3.182.683.557	9.255.025.869
Net increase/(decrease) in cash and cash equivalents	361.283.039	66.927.944	428.210.983
Impact of exchange rate changes on cash and cash equivalents	2.180.830	(19.718.685)	(17.537.855)
Cash and cash equivalents on January 01	242.984.035	-	242.984.035
Cash and cash equivalents on December 31	606.447.903	47.209.259	653.657.162

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Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

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Note 6. Significant accounting policies

The significant accounting policies set out below have been applied consistently for all periods presented in these financial statements.

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the parent company Energocom S.A. and the financial statements of its subsidiary and branch controlled by the Company as of December 31, 2023.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to or entitled to variable returns based on its participation in the entity, having the ability to influence the amount of return by using its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements when the control over the subsidiary is obtained and ends when the control over the subsidiary is lost.

(ii) Transactions Eliminated on Consolidation

Balances and transactions within the Group, as well as any unrealized income or expenses resulting from transactions within the Group, are eliminated when preparing the consolidated financial statements.

(b) Foreign currency transactions

Foreign Currency Transactions

Foreign currency transactions are translated into the Company's functional currency at the official exchange rates on the transaction dates.

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate on the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currency are translated into the functional currency at the exchange rate on the date fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not translated. Foreign exchange differences are recognized in the profit or loss.

Operations Abroad

Assets and liabilities related to operations abroad are converted at the exchange rate of the last day of the month. Revenues and expenses related to operations abroad are converted from RON to MDL. Foreign exchange differences are recognized in other comprehensive income.

(c) Sales revenue recognition

Revenue is measured based on the consideration specified in the contracts with customers. The Company recognizes revenue when it transfers control of a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

	Nature and performance of contractual obligations	Revenue recognition
Sale of electricity	<p>The Company's sales transactions are concluded with local electricity suppliers based on the regulations for electricity market participants. Sales prices are regulated or unregulated, depending on the energy source purchased.</p> <p>Tax invoices for the electricity delivered are issued in the month following the month of delivery.</p> <p>Contract terms - payment in advance, divided in 2 tranches until the 11th and 22nd-31st of the month. The term of payment for adjusting the final amount is until the 13th-14th day of the month following the accounting month.</p>	<p>Revenues are recognized over time as the customer simultaneously receives and consumes the benefits as the Company delivers electricity - electricity generation and consumption are simultaneous because electricity is not stored.</p> <p>Advance payments received from customers for future sales of electricity are recognized as contract liabilities.</p> <p>The Company acts as an agent in the transactions carried out as a Balance Responsible Party ("BRP"). Thus, in its quality of an agent, the Company does not charge any commission from the participants of the balance group, it does not recognize income in</p>

		<p>exchange for facilitating the transfer of goods or services. Any holder of a production/supply/distribution license must be established as a Balance Responsible Party or must delegate this responsibility to a Balance Responsible Party. By delegating this responsibility to a BRP, there exists the benefit of imbalance aggregation in the meaning of Balancing Market cost reduction by comparison with the situation where the producer/supplier/distributor would act itself as a Balancing Responsible Party.</p> <p>The company acts as BRP for a large number of participants, both electricity producers and electricity suppliers as well as thermal power plants. For the settlement of imbalances, BRP Energocom is using the “method of internal redistribution of payments”, thus ensuring benefits of imbalance aggregation for all the participants included in the BRP. BRP Energocom provides the transmission of physical notifications to Moldelectica S.A. and its role is to balance the differences between the electricity contracted and the electricity measured at the level of the entire BRP.</p>
<p>Sale of natural gas</p>	<p>The natural gas transactions between the seller and the buyer took place according to the EFET contract terms (with all related individual contracts) and the decisions of the Commission for Emergency Situations issued in the reference period for each delivery period (in our case - monthly) where the corresponding price and the necessary average quantities were determined, which were delivered in daily quantities agreed by the Parties, with the application of an allowable tolerance (%) for deviation from the quantities requested.</p> <ul style="list-style-type: none"> - By the 10th day of the month following the accounting month, the seller shall send a preliminary payment invoice to the buyer and for the buyer to make a partial payment of the gas cost by applying a preliminary price; - By the 15th day of the month following the month of delivery, the TSO shall draw up the necessary documents confirming the monthly volume transported; - By the 20th day of the month following the accounting month, the seller and the buyer shall sign the Act of delivery and acceptance of natural gas, which shall reflect the calculation of the quantity and final price of gas delivered during the reporting period; - Pursuant to this Act, the seller issued the tax invoice, which had to be paid by the buyer no later than the 20th day of the month following the accounting month. 	<p>Revenue is recognized at a point in time, i.e. when control over the natural gas is transferred, as follows:</p> <ul style="list-style-type: none"> - Each gas day, until 03 p.m., the buyer sends to the seller (via e-mail) a request for the quantities of gas required for the following day. - Similarly, until 4:00 p.m., the seller sends the buyer (via e-mail) a message regarding the acceptance of the request for the amount of gas claimed. - After reserving the necessary capacity, according to the TITLE IV. CAPACITY ALLOCATION MECHANISMS IN NATURAL GAS TRANSPORTATION NETWORKS of the Natural Gas Networks Code approved by the National Agency for Energy Regulation of the Republic of Moldova (ANRE) Decision No. 420/2019 as of November 22, 2019, on a daily basis, the seller nominates the contracted volumes at the entry points into the national network, by transmitting the nominations to the transmission system operator (“TSO”) in the electronic form. - The transfer of ownership rights over the natural gas delivered daily in the network is carried out by sending commercial notifications to the transmission system operator (“TSO”) in the electronic form, according to the Natural Gas Market Regulation, approved by the National Agency for Energy Regulation of the Republic of Moldova (ANRE) Decision No. 534/2019; respectively, the seller makes a trade notification of sale, and the buyer - of purchase, the transfer of ownership operating at the moment of the notifications confirmation by the TSO. Confirmation of trade notifications by the TSO is a primary document certifying the occurrence of transaction. The TSO keeps records of all trade notifications received as well as trade notifications confirmed. - The measurement of natural gas quantities shall be carried out by the TSOs, continuously, at the entry and exit points of the transmission networks, by means of measuring systems and equipment, in compliance with the conditions set out in the Regulation on the method of measuring natural gas for commercial purposes, approved by National Agency for Energy Regulation (ANRE) Decision No. 385/2010, in the Natural Gas Networks Code. At the delivery and acceptance of natural gas, the system operator upstream of the delivery point is responsible for meeting the quality parameters of the natural gas established.

(d) Financial income and expenses

Financial income and expenses include:

- interest income;
- interest expenses;
- gains or losses from exchange rate differences related to financial assets and liabilities;

Interest income or expense is recognized by applying the effective interest method.

“Effective interest rate” is the rate that accurately discounts the estimated future cash payments or receipts over the financial instrument lifecycle to:

- the gross accounting value of the financial asset; or
- the amortized cost of the financial liabilities.

When calculating interest income and expenses, the effective interest rate is applied to the gross carrying amount of the asset (if the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis.

(e) Profit tax

Profit tax comprises current and deferred tax. It is recognized in profit or loss, except to the extent that it relates to a business combination or to items recognized directly in equity or in other comprehensive income.

(i) Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the current financial year and any adjustments to the tax payable or receivable in respect of previous financial years. The amount of current tax expected to be payable or receivable is the best estimate of the tax amount expected to be paid or received, reflecting uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The Company uses the forecast method for payment of profit tax in installments throughout the year (according to art. 84 of the Tax Code of the Republic of Moldova), and economic agents are required to pay, no later than March 25, June 25, September 25, and December 25 of the tax year, amounts equal to 1/4 of:

- a) the amount calculated as the tax to be paid for the respective year
- b) the tax that was due for the previous year.

(ii) Deferred Tax

Deferred tax is recognized for temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the tax bases used for taxation purposes. Deferred tax is not recognized for:

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- temporary differences emerging on initial recognition of assets and liabilities arising from transactions that are not business combinations and that do not affect profit or loss for accounting or tax purposes;
- temporary differences arising from investments in subsidiaries, associated entities or jointly controlled entities; and
- temporary differences arising on initial recognition of goodwill.

Deferred tax liabilities are recognized for unused tax losses, unused tax credits, and deductible temporary differences, only to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized: such reductions are reversed when the probability of future taxable profits increases.

Deferred tax is calculated at the tax rates that are expected to be applied to temporary differences upon their reversal, using tax rates enacted or substantively enacted at the reporting date.

The assessment of deferred tax reflects the tax consequences that would arise from the manner which the Company expects in, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(f) Government subsidies

Subsidies related to assets are initially recognized as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the terms of the subsidy. Subsidies related to assets are recognized as other income or expenses on a systematic basis over the useful life of the assets.

Subsidies related to income for price differences or for expenses incurred are recognized in profit or loss as "Other income" on a systematic basis in the periods which the related expenses are recognized in, unless the conditions for receiving the subsidy are met after the related expenses have been recognized.

(g) Inventories

The Company mainly holds gas inventories stored with third parties. These inventories are valued at cost.

Purchase costs are purchase price, import duties, and other taxes (excluding those the Company can subsequently recover from the tax authorities), transportation costs, handling and commissioning, and other costs directly attributable to the acquisition of finished goods, materials, and services, less trade discounts, rebates, and similar items.

At the exit, the inventories are valued at the accounting value which is determined by applying the weighted average cost method, but also, if necessary, by the FIFO method which is applied in cases when the necessity to follow the history of costs after each entry arises.

(h) Financial instruments

Financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of that instrument.

(i) Initial Recognition and Measurement

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

(ii) Cash and Cash Equivalents

Cash and cash equivalents include cash balances, demand deposits, and deposits with original maturities of three months or less that are subject to an insignificant risk of changes in fair value and are used by the Company in managing short-term commitments.

A financial asset (except trade receivables that do not have a significant financing component) or a financial liability is initially measured at fair value plus or less transaction costs that are directly attributable to its acquisition or issue. A trade receivable that does not contain a significant financing component is initially measured at the transaction price.

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(iii) Subsequent Classification and Measurement

At initial recognition, a financial asset is classified as measured at amortized cost.

Financial assets

At initial recognition, a financial asset is classified into one of the following business models: held to collect contractual cash flows as well as for sale or other purposes.

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 classified as held to collect contractual cash flows and assessed at amortized cost if it meets both of the following conditions:

- 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 of the Company are classified as held to collect contractual cash flows. The Company derecognizes a financial asset when:

- the contractual rights over the cash flows from the financial asset expire; or
- it transfers the contractual rights to receive the cash flows in a transaction in which:
 - i. the majority of the risks and rewards of ownership over the financial asset are transferred; or
 - ii. the Company neither transfers nor retains a majority of the risks and rewards of ownership and does not retain control of the financial asset.

Financial Assets - Subsequent Measurement and Gains and Losses

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Any gain or loss resulting from derecognition is recognized in profit or loss.

(i) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions in which it transfers assets recognized in the statement of financial position but retains all or substantially all of the risks and rewards of ownership of the transferred assets or their part. In these cases, the assets transferred are not derecognized.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss resulting from derecognition is recognized in profit or loss.

(iv) Derecognition

The entity derecognizes a financial liability when its contractual obligations are discharged, canceled, or expired. The Company also derecognizes a financial liability when the terms of the contract are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability is recognized at fair value based on the modified contractual terms.

Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

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(i) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Entity has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Depreciation

(i) Non-derivative Financial Assets

Financial instruments

The Company recognizes adjustments for expected credit losses (“ECL”) for financial assets valued at amortized cost, less for the Termoelectrica receivable.

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 Company’s historical experience and informed credit assessment, including forward-looking information.

The Company considers that the credit risk on a financial asset has increased significantly if it is more than 180 days past due (less for the Termoelectrica receivable - see Note 8).

The Company considers a financial asset to be impaired and insolvent when:

- it is unlikely that the debtor will pay its credit obligations to the Company in full without the Company resorting to actions such as realizing security (if any); or
- the financial asset has an outstanding maturity of more than 360 days.

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

ECL measurement

ECL 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 under 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 the Adjustment for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortized 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 Company does not expect any 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.

(ii) Non-financial Assets

At each reporting date, the entity reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset is estimated.

For impairment testing, the assets are grouped into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGUs”).

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

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An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized in profit or loss.

(i) Share capital

Energocom S.A. recognizes changes in share capital in accordance with applicable legislation and after approval by the sole shareholder, the Public Property Agency and subsequently by the National Financial Market Commission and the Public Services Agency.

Ordinary Shares

Costs directly attributable to the issuance of ordinary shares are recognized as a deduction from equity.

(j) Dividends

Dividends are recognized as a deduction from equity in the period which they are approved in and are recognized as a liability to the extent they are unpaid at the reporting date. Dividends are disclosed in the notes to the financial statements when their distribution is proposed and approved by the sole shareholder after the reporting date.

(k) Employee benefits

(i) Defined Contribution Plans

In the normal course of business, the Company makes payments to the National Office of Social Insurance and the National Health Insurance Company on behalf of its employees for health, pension and unemployment funds. All the Company's employees are members of the state retirement plan and are also legally required to contribute (including social security contributions) to the state retirement plan (a state-defined contribution plan).

Mandatory contributions related to defined contribution plans are recognized as expenses as the related services are rendered. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is possible.

(ii) Short-term Employee Benefits

Short-term employee benefits are assessed on an undiscounted basis and expensed as the related services are rendered. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Short-term employee benefits include salaries and social insurance contributions, annual paid vacation and sick leave, meal vouchers, bonuses for the fulfillment of basic activity indicators paid to the Company's employees and all provisions of the Collective Labor Agreement.

(l) 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 resources 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. Amortization of the discounted value is recognized as finance cost.

(m) Contingent assets and contingent liabilities

A contingent liability is:

- A potential obligation, arising as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, which cannot be entirely under the control of the Company; or
- current obligation that arose as a result of past events, but is not recognized because:
 - a) it is not certain that recourses incorporating economic benefits will be required for the settlement of this obligation;
 - b) the value of the obligation cannot be assessed reliably enough.

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

A contingent asset is a potential asset arising as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, which cannot be entirely under the control of the Company.

A contingent asset is not recognized in the financial statements. Contingent assets are disclosed in the Notes only when an inflow of economic benefits is considered probable.

(n) Subsequent events

Events occurring after the reporting date and up to the date when these financial statements are authorized for issue, which provide additional information about conditions existing at the reporting date (adjusting events), are reflected in these financial statements. Events occurring after the reporting date and up to the date when these financial statements are authorized for issue, which provide information about events that occurred after the reporting date (non-adjusting events), are disclosed in the Notes to the financial statements when significant.

Note 7 - New standards and amendments to standards

The following new and amended standards are effective for annual periods beginning after January 01, 2023, the earlier application being permitted. The Group has not early adopted any of these new and amended standards and does not expect that they will have a significant impact on the financial statements when become effective.

- Amendments to IAS 1: Classification of liabilities into current liabilities or long-term liabilities;
- Amendments to IFRS 16: Lease liability in a sale and leaseback transaction;
- Amendments to IAS 1: Long-term liabilities with commitments;
- Amendments to IAS 7 and IFRS 7: Supplier financing arrangements;
- Amendments to IAS 21: Lack of interchangeability.

Note 8 - Financial risk management

Overview

The Company is exposed to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk
- market risk

This Note provides information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, as well as the Company's capital management procedures.

General Risk Management Framework

The Company's risk management policies are defined to ensure the identification and analysis of risks faced by the Company, the establishment of appropriate limits and controls, as well as the monitoring of risks and compliance with the established limits. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Company's activities. Through its training and management standards and procedures, the Company aims to develop an orderly and constructive control environment, in which all employees understand their roles and responsibilities.

Energocom S.A. is in the process of developing its risk management policy. The process mapping is underway, and based on this, risk mitigation measures will be identified.

(i) Credit Risk

Credit risk is the Company's risk of incurring a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and this risk arises mainly from trade receivables, cash and cash equivalents and guarantees. The Company's financial resources are placed in financial institutions that are considered to have a high credit rating in the Republic of Moldova.

Exposure to Credit Risk

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

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	December 31, 2023	December 31, 2022
Long-term receivables	1.468.665.634	1.424.547.840
Guarantees	8.061.575	248.767.682
Loans granted	-	1.093.984.932
Cash and cash equivalents	2.586.345.946	653.657.163
Trade and other receivables	1.593.571.369	2.865.336.539
Total	5.656.644.524	6.286.294.156

All the Company's receivables except the receivable from Termoelectrica in the amount of MDL 1.330.621.614 are receivables within the contractual maturity term.

Being a state entity, the Company does not directly manage credit risk. Decisions regarding credit risk with other entities controlled by the State or under the significant influence of the State are taken by the Government. For example - the Government Decision No. 380 as of November 26, 2021, and the Public Property Agency (PPA) by which were adopted:

Termoelectrica Receivable

Pursuant to Government Decision No. 380 as of November 26, 2021, the large-scale transaction regarding the assignment to the Company of the receivables held by S.A. "Moldovagaz" towards S.A. "Termoelectrica", with a total nominal value of MDL 1.330.621.614 was concluded, with subsequent payment by S.A. "Energocom" to S.A. Moldovagaz of the corresponding amount in Moldovan Lei. On the date of acquisition of the receivable by the Company, Moldovagaz S.A. receivable towards Termoelectrica S.A. was considerably old. At the decision of the sole shareholder of the Company, no interest or penalties have been calculated for the non-payment of this receivable.

Impairment Losses

In 2022-2023, no depreciation losses were calculated, the reason being the collection of current receivables in the period following the accounting period.

In relation to the aforementioned receivable towards Termoelectrica, in July 2024 the Company signed an agreement with Termoelectrica, thus convening a payment schedule over a period of 15 years (2024-2038).

Cash and cash equivalents

Cash and cash equivalents are placed with a limited number of local financial institutions. Despite the fact that these banks do not have international credit ratings, they are considered reliable partners, having stable positions on the financial markets which they operate in.

On December 31, 2023, the Company held cash and cash equivalents amounting to MDL 2.586.345.946 (2022: MDL 653.657.163), representing the maximum credit risk exposure related to these assets.

(ii) Liquidity Risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting the obligations associated with financial liabilities that are settled by transferring cash or another financial asset. The Company holds significant cash and cash equivalents and short-term investments; thus, it does not face significant liquidity risk.

The Company monitors the level of forecasted cash inflows from the collection of trade receivables, as well as the level of forecasted cash outflows for the payment of borrowings, trade payables, and other liabilities. The Company aims to maintain a level of current bank accounts and bank deposits that exceeds the forecasted cash outflows for the payment of financial liabilities.

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Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

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Exposure to Liquidity Risk

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. Contractual cash flows are shown as gross and undiscounted amounts and include contractual estimated interest payments.

December 31, 2023	Carrying amount	Total contractual cash flow	Up to 3 months	3-12 months	1-5 years	More than 5 years
Cash and cash equivalents	2.586.345.946	2.606.584.097	2.606.584.097	-	-	-
Long-term receivables	1.468.665.634	1.468.665.634	-	-	138.044.020	1.330.621.614
Trade and other receivables	1.593.571.369	1.593.571.369	1.343.327.818	250.243.551	-	-
Guarantees	8.061.575	8.061.575	-	8.061.575	-	-
Loans	(2.067.164.942)	(2.189.934.738)	-	(2.189.934.738)	-	-
Trade and other payables	(880.564.625)	(880.564.625)	(880.564.625)	-	-	-
Employee benefits	(1.233.910)	(1.233.910)	(1.233.910)	-	-	-
Liabilities related to contracts with customers (contract liabilities)	(32.844.738)	(32.844.738)	(32.844.738)	-	-	-
Net exposure	2.674.836.309	2.572.304.664	3.035.268.642	(1.931.629.612)	138.044.020	1.330.621.614
December 31, 2022	Carrying amount	Total contractual cash flow	Up to 3 months	3-12 months	1-5 years	More than 5 years
Cash and cash equivalents	653.657.163	653.899.647	653.899.647	-	-	-
Long-term receivables	1.424.547.840	1.424.547.840	-	-	93.926.226	1.330.621.614
Loans granted	1.093.984.932	1.093.984.932	-	1.093.984.932	-	-
Trade and other receivables	2.865.336.539	2.865.336.539	2.816.207.922	49.128.617	-	-
Guarantees	248.934.818	248.934.818	-	248.934.818	-	-
Loans	(3.347.032.356)	(3.464.667.019)	-	(3.464.667.019)	-	-
Trade and other payables	(675.495.396)	(675.495.396)	(675.492.978)	(2.418)	-	-
Employee benefits	(662.239)	(662.239)	(662.239)	-	-	-
Liabilities related to contracts with customers (contract liabilities)	(99.352.139)	(99.352.139)	(99.352.139)	-	-	-
Net exposure	2.163.919.162	2.046.526.983	2.694.600.213	(2.072.621.070)	93.926.226	1.330.621.614

The concentration risk highlighted by the long-term receivable held by Energocom S.A. from Termoelectrica, which constitutes a major portion of the Company's total receivables amounting to MDL 1.330.621.614, represents a significant financial exposure to a single debtor. This situation brings to the forefront the credit risk and its implications on the financial and operating stability of the Company.

(iii) Market Risk

Market risk is the risk that changes in market prices, such as currency exchange rates and interest rates, will affect the Company's profit or the value of financial instruments held. The Company does not use derivative instruments (such as interest rate or foreign exchange swaps) as hedging tools against risks. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing returns.

(iv) Interest Rate Risk

The Company has short-term borrowings with variable interest rates, which may expose the Company to interest rate risk. At the reporting date, the interest rate profile of interest-bearing financial instruments was as follows:

	December 31, 2023	December 31, 2022
Fixed interest rate instruments		
Financial assets	2.586.345.946	653.657.163
Total fixed interest rate instruments	2.586.345.946	653.657.163
Variable interest rate instruments		
Financial assets	-	1.093.984.932
Financial liabilities	(2.067.164.942)	(3.347.032.356)
Total variable rate instruments	(2.067.164.942)	(2.253.047.424)

S.A. ENERGOCOM**Notes to the consolidated financial statements for the accounting period ending on December 31, 2023***(all amounts are presented in MDL, unless otherwise specified)**Fair Value Sensitivity Analysis of Fixed Interest Rate Instruments*

The Company does not register financial assets and financial liabilities with fixed interest rates recognized at fair value through profit or loss, and the Company does not use derivative instruments (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting dates would not affect profit or loss.

Cash Flow Sensitivity Analysis of Variable Interest Rate Instruments

An increase, respectively decrease in interest rates by 100 basis points at the reporting dates would have increased, respectively decreased the pre-tax loss by MDL 20,671,649 for 2023 and would have decreased, respectively increased equity by the same amount (2022: the pre-tax profit would have decreased, respectively increased by MDL 22,530,474 and the equity would have decreased, respectively increased by the same amount). This analysis assumes that all other variables, especially exchange rates, remain constant. There were no changes in methods and assumptions compared to the previous year.

(v) Currency Risk

The following significant exchange rates were applied during the year:

	December 31, 2023	Average rate 2023	December 31, 2022	Average rate 2022
1 EUR	19.3574	19.64310	20.3792	19.8982
1 USD	17.4062	18.16070	19.1579	18.9032
1 BGN	9.8983	10.04330	10.4204	10.1739
1 UAH	0.4572	0.49290	0.5187	0.585
1 RON	3.8906	3.97150	4.1190	4.035

The Company is exposed to transaction currency risk to the extent that there is an imbalance between the currencies in which sales, purchases, receivables, and loans are denominated and the Company's functional currency. The Company's functional currency is the Moldovan Leu (MDL).

The Company is exposed to currency risk from sales, purchases and loans that are denominated in a currency other than the functional currencies. The currencies which these transactions are mainly denominated in are EUR, MDL and RON. The Company does not use any financial instruments to mitigate currency risk.

The summary of quantitative information regarding the Company's exposure to currency risk is as follows:

	MDL	EUR	RON	BGN	USD	Total
December 31, 2023						
Assets						
Trade and other long-term receivables	1.468.665.643	-	-	-	-	1.468.665.634
Cash and cash equivalents	2.001.076.271	377.378.447	207.880.676	10.553	-	2.586.345.946
Trade and other short-term receivables	1.591.774.748	-	1.796.621	-	-	1.593.571.369
Guarantees	-	-	7.072.039	989.535	-	8.061.575
Total monetary assets	5.061.516.653	377.378.447	216.749.336	1.000.088	-	5.656.644.524

	MDL	EUR	RON	BGN	USD	Total
Liabilities						
Loans	-	(2.067.164.942)	-	-	-	(2.067.164.942)
Trade and other payables	(711.728.386)	(163.180.700)	(5.417.944)	-	(237.595)	(880.564.625)
Liabilities related to contracts with customers (contract liabilities)	(32.844.738)	-	-	-	-	(32.844.738)
Employee benefits	(1.233.911)	-	-	-	-	(1.233.911)
Total monetary liabilities	745.807.034	(2.230.345.642)	(5.417.944)	-	(237.595)	(2.981.808.214)
Net exposure	4.315.709.619	(1.852.967.195)	211.331.391	1.000.088	(237.595)	2.674.836.310

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	MDL	EUR	RON	UAH	Total
December 31, 2022					
Assets					
Trade and other long-term receivables	1.424.547.840	-	-	-	1.424.547.840
Loans granted	1.093.984.932	-	-	-	1.093.984.932
Cash and cash equivalents	165.592.873	458.494.257	29.570.033	-	653.657.163
Trade and other short-term receivables	2.865.336.539	-	-	-	2.865.336.539
Guarantees	-	-	248.767.682	-	248.767.682
Total monetary assets	5.549.462.184	458.494.257	278.337.715	-	6.286.294.156

Liabilities					
Loans	-	(3.347.032.356)	-	-	(3.347.032.356)
Trade and other payables	(671.952.700)	(1.714.745)	(585.458)	(580.254)	(674.833.157)
Liabilities related to contracts with customers (contract liabilities)	(99.352.139)	-	-	-	(99.352.139)
Employee benefits	(662.239)	-	-	-	(662.239)
Total monetary liabilities	(771.967.078)	(3.348.747.101)	(585.458)	(580.254)	(4.121.879.891)
Net exposure	4.777.495.106	(2.890.252.844)	277.752.257	(580.254)	2.164.414.265

The currency which these transactions are denominated in is mainly MDL. Certain liabilities are denominated in currencies such as EUR, UAH, RON, BGN and USD.

The Company's risk management policy is to primarily use local currency.

To effectively address currency risk in the absence of available currency hedging instruments in Moldova, the Company uses electronic Request for Quote (RFQe) on the Bloomberg platform. This methodology allows the Company to actively request foreign exchange quotes from three top banks (Moldincombank S.A., Moldova Agroindbank S.A., Victoriabank S.A.) that have agreed to participate in the matching process on this platform. This strategy ensures obtaining the most competitive and advantageous foreign exchange rates available at the time of the transactions. Through this procedure, the Company intends to minimize the impact of exchange rate fluctuations on its operations and finances, without resorting to foreign exchange hedging instruments.

Sensitivity Analysis

A 10% appreciation of the exchange rate of EUR against MDL or RON would have increased the pre-tax loss by MDL 185.296.719 for 2023 and decreased the equity by the same amount (2022: would have decreased the pre-tax profit by MDL 289.025.284 as well as decreased the equity by the same amount).

This analysis is based on exchange rate variations that the Company considered to be reasonably possible at the reporting dates. The analysis assumes that all other variables, especially interest rates, remain constant. The analysis was carried out on the same basis for the years 2023 and 2022, although the exchange rate variations were reasonably different. There were no changes in methods and assumptions compared to the previous year.

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S.A. ENERGOCOM**Notes to the consolidated financial statements for the accounting period ending on December 31, 2023***(all amounts are presented in MDL, unless otherwise specified)***Note 9. Trade and Other Receivables**

On December 31, 2023 and December 31, 2022, trade and other receivables and long-term receivables are as follows:

	December 31, 2023	December 31, 2022
<i>Financial receivables</i>		
Long-term receivables		
Termoelectrica S.A.	1.330.621.614	1.330.621.614
Security stock contributions	138.044.020	93.926.226
Total long-term receivables	1.468.665.634	1.424.547.840
Current receivables		
Trade receivables	1.192.114.196	2.538.541.425
Security stock contributions	340.696.225	281.778.680
Total current receivables	1.532.810.421	2.820.320.105
Total financial receivables	3.001.476.055	4.244.867.944
<i>Non-financial receivables</i>		
Current receivables		
VAT to be recovered	57.073.782	43.102.093
Other receivables	3.687.166	1.914.341
Total non-financial receivables	60.760.948	45.016.434
Long-term receivables	1.468.665.634	1.424.547.840
Short-term receivables	1.593.571.369	2.865.336.539
Total trade and other receivables	3.062.237.003	4.289.884.379

Trade receivables represent receivables from the sale of electricity and natural gas on the wholesale market.

For details regarding the Termoelectrica receivable - see Note 8.

Security Stock Contributions

According to Government Decision No. 668 as of September 29, 2022 with subsequent amendments, regarding the creation and maintenance of natural gas security stocks, in 2022 and 2023 the Company procured and stored natural gas in the amount of 45.6 million m³ which is the object of the security stocks, being used, in whole or in part, only on the basis of the Commission for Emergency Situations of the Republic of Moldova decision adopted in the event of an emergency situation, including in case of declaring a state of emergency. For the creation and maintenance of security stocks, the Company shall submit to the National Agency for Energy Regulation of the Republic of Moldova (ANRE) for approval the reasoned and documented calculation of its annual costs for security stocks for the previous calendar year according to the Method for Determining the Amount of Financial Contributions Paid by Natural Gas Retail Market Suppliers for Covering Security Stock Costs approved by the National Agency for Energy Regulation of the Republic of Moldova (ANRE) Board Decision No. 277 dated May 19, 2023.

Within 30 working days from the submission by the Company of the documents concerning the costs of creating and maintaining security stocks, the National Agency for Energy Regulation of the Republic of Moldova (ANRE) confirmed the calculations performed and issued the National Agency for Energy Regulation of the Republic of Moldova (ANRE) Resolution No. 649/2023 on the Approval of the Monthly Financial Contributions for the Security Stocks Cost for 2022 with subsequent amendments by the National Agency for Energy Regulation of the Republic of Moldova (ANRE) Resolution No. 773/2023 where the quantities of natural gas were approved, on the basis of which the share of the monthly financial contributions, the cost of the security stock for 2022 in the amount of MDL 375.704.907 for the quantity of 22.8 million m³ and the amount of the monthly financial contribution of MDL 31.308.742 (MDL 375.704.907/12 months) to be paid by the suppliers on the natural gas retail market.

The calculations regarding the cost of the Security stock formed in 2023, according to the Method for Determining the Amount of Financial Contributions Paid by Natural Gas Retail Market Suppliers for Covering Security Stock Costs, were presented and approved in 2024 and will be applied starting from October 2024. The cost of the Security Stock in the amount of 22.8 million m³ procured in 2023 was selected from the total of procurements carried out in 2023 according to the "lowest procurement price" principle in the amount of MDDL 165.652.825.

These monthly contributions were presented according to their maturity in the financial statements. On December 31, 2023, the long-term contributions receivable that shall be collected equals to MDL 138.044.021 (2022: MDL 93.926.226) representing the amounts due in 2025 (2022: 2024), and the short-term receivables constitute MDL 340.696.225 (2022: MDL 281.778.680), which will be recovered in 2024 (2022: 2023).

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In the event that some consumers on the retail market will migrate from one supplier to another, the Company recalculates the monthly distribution quotas by updating the data according to the quantities of natural gas consumed by the respective consumers during 2023, based on the data presented by distribution system operators. The collection of data from the distribution system operators is carried out on a monthly basis by receiving the migration confirmation letters until the invoices (bills) are issued. By the 15th day of each month, the Company shall issue an invoice (a bill) to suppliers on the natural gas retail market. Payment of the financial contributions by the suppliers on the natural gas retail market shall be carried out within 10 working days from the date of its receipt. Quarterly, S.A. Energocom submits reports to ANRE regarding the payment of financial contributions by the suppliers on the natural gas retail market.

Note 10 - Other Current Assets

On December 31, 2023 and December 31, 2022, other current assets include guarantees, being as follows:

	December 31, 2023	December 31, 2022
Letter of bank guarantee - OPCOM	-	206.311.557
Guarantee - Transelectrica	7.026.424	-
Guarantee - Regional Booking Platform	19.354	42.242.968
Other guarantees	1.015.797	380.293
Total	8.061.575	248.934.818

Note 11 - Inventories

On December 31, 2023 and December 31, 2022 inventories are as follows:

	December 31, 2023	December 31, 2022
Raw materials	-	14.303
Packaging materials	1.210	960
Other consumables	314.024	152.817
Fuel	522	223
Natural gas	3.834.095.265	5.488.898.500
Total inventories	3.834.411.022	5.489.066.803

In 2022, the Company started the activity of procurement/sale of natural gas. On December 31, 2023, the Company had 4.173.221 MWh (December 31, 2022: 2.770.843 MWh) of natural gas stored in warehouses in Ukraine. These quantities do not include the security stock presented in Note 9.

Note 12 - Advance Payments Granted

	December 31, 2023	December 31, 2022
Advance payments granted	182.694.771	331.801.137
Total	182.694.771	331.801.137

On December 31, 2023, advance payments granted primarily include advance payments for the purchase of natural gas, natural gas transport and electricity.

Note 13 - Loans Granted

On December 31, 2023 and December 31, 2022, the situation of granted loans was as follows:

	Currency	Interest rate	Maturity year	December 31, 2023		December 31, 2022	
				Long-term	Current	Long-term	Current
"Moldovagaz" S.A.	MDL	NBM base rate	2023	-	-	-	1.093.984.932
Total loans granted				-	-	-	1.093.984.932

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The loan was granted to "Moldovagaz" S.A. by the Commission for Emergency Situations Decision No. 49 as of October 2022, providing for the amount of MDL 1.050.000.000.000. It was granted on October 20, 2022 with maturity until May 01, 2023. The loan was guaranteed by "Moldovagaz" S.A. through 100% shares held in the share capital of SRL "Moldovatrangaz" as well as the totality of the movable assets that are part of the natural gas transportation network (transport networks, equipment, installations and other related fixed assets) which, on October 19, 2022, were transferred under economic management to SRL "Moldovatrangaz" by S.A. "Moldovagaz".

The interest rate applied is equal to the base rate of the National Bank of Moldova in force on each day of loan use until full repayment. The effective rate for the period is 4.19%.

The loan and the calculated interest were fully collected in the period of February-April 2023.

Note 14 - Cash and Cash Equivalents

On December 31, 2023 and December 31, 2022 cash and cash equivalents are as follows:

	December 31, 2023	December 31, 2022
Bank accounts	2.586.345.946	653.656.983
Cash in cash register	-	180
Total cash and cash equivalents	2.586.345.946	653.657.163

Note 15 - Equity

Share Capital

On December 31, 2023 and December 31, 2022 the share capital structure is as follows:

	December 31, 2023	December 31, 2022
Number of shares	6.784.000	7.784.000
Nominal value/share (MDL/share)	1.000	1.000
Total share capital (MDL)	6.784.000.000	7.784.000.000
Number of shares held by	Public Property Agency	Public Property Agency
Representative	100%	100%

The share capital of the Company consists of 6.784.000 shares with a nominal value of MDL 1.000 per share (December 31, 2022: 7.784.000 shares). All shares have the same classification. No preference shares or share options were issued. All shares issued were fully paid.

According to art. 5.3. of the Articles of Association, the main sources of the share capital are determined by the amount of the contributions received on account of the payment of the shares and is equal to the sum of the nominal value of the shares placed.

During 2023 the Company's share capital was decreased in accordance with the p. 5.1. of the Commission for Emergency Situations Disposition No. 81 as of September 13, 2023, in three tranches with a total value of 1.000.000 own shares at nominal price MDL 1.000 per share. The Public Property Agency as the sole shareholder adopted the Resolution No. 170/06 as of November 06, 2023 related to the procedure of the acquisition by Energocom S.A. of 1.000.000 shares placed by the Public Property Agency.

Reserves

On December 31, 2023 and December 31, 2022, the reserves are as follows:

	December 31, 2023	December 31, 2022
Statutory (legal) reserves	15.799.062	1.548.863
Other reserves	114.727.137	61.543.368
Total	130.526.199	63.092.231

S.A. ENERGOCOM**Notes to the consolidated financial statements for the accounting period ending on December 31, 2023***(all amounts are presented in MDL, unless otherwise specified)**Statutory Reserves*

According to art. 45 para. (2) of the Law No. 1134/1997 on Joint Stock Companies, the legal reserves are established at the General Meeting of Shareholders and constitute not less than 5% of the net profit of the Company.

Other Reserves

Other reserves have been established by the General Meeting of Shareholders from the annual deductions from net profit.

Note 16 - Employee Benefits

On December 31, 2023 and December 31, 2022, the liabilities regarding employee benefits were as follows:

	December 31, 2023	December 31, 2022
Liabilities to employees	435.923	187.268
Liabilities regarding unused leave	797.987	474.971
Total employee benefits liabilities	1.233.910	662.239

In the year ended on December 31, 2023, the average number of employees was 29 (2022: 19).

Employee benefits expenses include basic salaries, mandatory medical contribution, mandatory social contribution and performance bonuses.

Management remuneration is presented in Note 25.

Employee benefits expense is included in the following items of the profit or loss statement:

	2023	2022
Distribution expenses	7.095.117	1.512.509
Administrative expenses (Note 22)	11.731.405	7.699.204
Retained earnings	3.029.419	306.956
Total employee benefits expenses	21.855.941	9.518.669

Note 17 - Trade and Other Payables

On December 31, 2023 and December 31, 2022, trade and other payables are as follows:

	December 31, 2023	December 31, 2022
<i>Financial liabilities</i>		
Trade liabilities	346.526.753	122.986.879
Trade payables of affiliated parties (Note 25)	534.037.872	551.846.278
Total financial liabilities	880.564.625	674.833.157

For more information concerning the Company's exposure to foreign currency and liquidity risk, see Note 8.

Note 18 - Loans

This Note provides information on the contractual terms of the Company's interest-bearing loans. These are valued at amortized cost. For more information concerning the Company's exposure to interest rate, currency and liquidity risk, see Note 8.

	December 31, 2023	December 31, 2022
<i>Current liabilities</i>		
EBRD	2.067.164.942	3.347.032.356
Total short-term loans	2.067.164.942	3.347.032.356

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In July 2022, Energocom S.A. became the beneficiary of a loan aimed at implementing the “Natural Gas Supply Security” Project. The project targets the strengthening of the energy security of the Republic of Moldova by implementing a short- and medium-term financing mechanism to prevent/mitigate potential risks of natural gas supply disruptions. Its implementation will allow for the creation of strategic natural gas reserves and support the diversification of suppliers and sources of supply in accordance with the provisions of Law No. 108/2016 on natural gas.

In this regard, the re-crediting contract No. 1 was signed between the Ministry of Finance and Energocom S.A. as the implementing unit of the aforementioned project, financed by the European Bank for Reconstruction and Development (EBRD). The EUR 300 million loan is composed of two tranches: EUR 100 million Diversification tranche and EUR 200 million Emergency tranche. They are used for both emergency back-up gas purchases as well as diversification purposes.

The loan has a duration of 3 years (2022 - 2025) and includes a “Revolving” facility (repayment-reuse).

For the diversification tranche, the outstanding amounts are repaid in two tranches, on May 1 - 35% of the main amount and on July 01 of each year all the amounts within the tranche. All amounts within the diversification tranche including interest and fees will be repaid by July 01, 2025.

For the emergency tranche, the repayment of the amounts is carried out in two tranches, as follows: on August 01 - 35% of the main amount and on October 01 of each year all other amounts within the tranche. All amounts within the emergency tranche including interest and fees shall be repaid by October 01, 2025.

The amounts of each tranche repaid each year may be re-lent at the end of the relevant compliance periods during 2023 and 2024. Re-crediting of each tranche for use in the second and third loan cycle will be at the sole discretion of the Bank, upon a written request from the borrower to the lender, provided no later than the fifth business day prior to the end of the compliance period.

At the same time, in 2022 the Company paid the bank a one-time commission in the amount of 1% of the main amount of the diversification tranche within seven days after the effective date of the loan agreement as well as for the emergency tranche the one-time commission was paid within 3 working days after the date on which the EBRD has confirmed in written form that it has made the emergency tranche available.

The interest rate applied for the disbursed tranches will be announced by the EBRD (6-month EURIBOR rate plus 1% margin, if the 6-month EURIBOR rate is negative, the EURIBOR rate will be considered 0%). For the diversification tranche, the interest will be paid on May 01 and June 01, and for the emergency tranche on August 01 and October 01. The date of disbursement of financial means from the bank account will serve as the basis for interest calculation.

According to the contractual terms, the Company also pays a commission fee at a rate of 0.5% annually of the non-disbursed amount on May 01 and July 01 for the diversification tranche and on August 01 and October 01 for the emergency tranche. The commitment commission will be calculated for the diversification tranche after 60 days from the date of signing the agreement and for the emergency tranche from the date the bank confirms in written form that it will make the tranche available.

According to the contract, the applied interest rate is 6-months EURIBOR plus 1% margin. In case the 6-month EURIBOR rate is negative, the EURIBOR rate will be considered 0%. Commitment commission - 0.5% annually calculated from the unused EBRD loan balance.

Pledged or Mortgaged Assets

On December 31, 2023, the Company has no pledged or mortgaged assets. On December 31, 2022, the Company had pledged or mortgaged receivables in the amount of MDL 500.000.000 and inventories in the amount of MDL 204.456.000 to B.C. Moldova Agroindbank S.A.

The movement of liabilities related to loans on 31 December 2023 and 31 December 2022 is as follows:

	2023	2022
Balance on January 01	3.347.032.356	-
Loans received	4.802.369.063	3.739.759.576
Commissions paid	-	(59.377.786)
Loans disbursed	(5.807.885.521)	(504.159.931)
Interest expenses (Note 23)	173.250.348	28.853.223
Interest paid	(137.093.769)	(5.381.532)
Effect of exchange rate variation	(310.507.535)	147.338.806
Balance on December 31	2.067.164.942	3.347.032.356

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Note 19 - Revenue

	2023	2022
Sales - electricity at regulated prices	2.837.296.074	2.132.626.247
Sales - electricity at unregulated prices	4.612.877.902	4.386.005.099
Total revenue from the sale of electricity	7.450.173.976	6.518.631.345
Revenue from the sale of natural gas	9.766.502.996	2.211.834.129
Total revenue	17.216.676.972	8.730.465.474
Moment of revenue recognition		
	2023	2022
Revenue recognized over time	7.450.173.976	6.518.631.345
Revenue recognized at a point in time	9.766.502.996	2.211.834.128
Total	17.216.676.972	8.730.465.474

Electricity sales, both in 2023 and 2022, took place entirely in the Republic of Moldova.

In 2023, the Company sold 99.9% of natural gas on the territory of the Republic of Moldova. 0.1% of the revenues from the sale of natural gas represents the commission obtained from the SWAP contracts concluded by the Company. They consisted of 2 transactions: delivery/acceptance of natural gas at the interconnection points and simultaneous delivery/acceptance of natural gas in the warehouse of the storage system operator - Ukrtransgaz (Ukraine).

In 2022, the Company recorded revenues from sales with the European Union companies in the amount of 5% of the total value of natural gas sales or MDL 194.758.686. 95% of sales took place to suppliers from the Republic of Moldova - MDL 2.017.075.443.

Liabilities related to contracts with customers (contract liabilities):

	December 31, 2023	December 31, 2022
Advance payments received for electricity sales	32.844.738	99.352.139
Total	32.844.738	99.352.139

Note 20 - Cost of Sales

	2023	2022
Electricity at regulated prices	2.771.807.680	2.353.036.538
Electricity at unregulated prices	4.504.559.403	4.340.743.452
Electricity	7.276.367.083	6.693.779.990
Cost of natural gas	10.163.658.567	1.991.161.259
Natural gas transport	61.321.673	113.086.972
Natural gas storage	100.798.394	7.769.758
Natural gas	10.325.778.634	2.112.017.990
Total cost of sales	17.602.145.717	8.805.797.980

Note 21 - Other Income

	2023	2022
Government subsidies	11.070	243.627.569
Other income	45.282.782	351.771
Total	45.293.852	243.979.340

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According to point 6.1 of the Decision of the Commission for Emergency Situations No. 02 dated February 25, 2022 with subsequent amendments according to the Decision of the Commission for Emergency Situations No. 10 dated March 15, 2022, Energocom S.A. was allocated funds in the amount of MDL 243.627.569 in order to cover the price difference occurred in March 2022 for the supply of electricity at regulated prices. The difference between the procurement price of 1.23 MDL/kWh without VAT - established by the Decision of the Commission for Emergency Situations (CSE) and 3.24 MDL/kWh without VAT - regulated price approved by National Energy Regulatory Authority ("ANRE"). The difference of 2.01 MDL/kWh was subsidized by the Ministry of Infrastructure and Regional Development in favor of the Company.

Note 22 - Administrative Expenses

	2023	2022
Employee benefits (Note 16)	11.731.405	7.699.204
Repairs and maintenance	131.786	111.985
Taxes and duties	236.801	223.386
Protocol expenses	101.769	7.401
Business travel	665.031	59.030
National Energy Regulatory Agency (ANRE) electricity fee	-	5.948.065
National Commission for Financial Markets (CNPF) fee - emission (issue) registration	20.195	6.698.920
Other administrative expenses	2.498.973	2.297.522
Total administrative expenses	15.385.960	23.045.513

In 2023, the National Energy Regulatory Agency (ANRE) fee in the amount of MDL 25.828.778 was included in the cost of sales, as follows: MDL 11.179.149 in the cost of electricity and MDL 14.649.629 in the cost of natural gas.

Note 23 - Financial Result

	2023	2022
Interest income	207.411.228	56.969.539
Foreign exchange gains	162.665.747	-
Financial income	370.076.976	56.969.539
Interest expenses (Note 18)	(173.250.348)	(28.853.223)
Foreign exchange loss	-	(4.064.688)
Financial expenses	(173.250.348)	(32.917.911)
Net financial result	196.826.628	24.051.628

According to point 1.7 of the Commission for Emergency Situations Decision No. 43 dated October 19, 2022, a loan agreement was concluded on October 19, 2022 between Energocom S.A. and Moldovagaz S.A. for the provision of a loan amounting to MDL 1.050.000.000, and according to point 1.7.4, interest was applied at a rate equal to the rate of the National Bank of Moldova. For the year 2023 the interest amounting to MDL 35.779,364 (2022: MDL 43 million) was calculated.

For the year 2023, the Company registered interest from current accounts balances placed with banks in the amount of MDL 172 million (2022: MDL 12 million).

Interest expenses relates to the EBRD loan presented in Note 18.

Note 24 - Profit Tax

The profit tax rate in the Republic of Moldova was 12% for the years 2022 and 2021 and 16% in Romania. Deferred tax has been calculated based on tax rates (and laws) enacted or substantially enacted at the reporting date that are expected to be in effect when the deferred profit tax asset is realized or the deferred profit tax liability is settled.

	2023	2022
Current profit tax	5.770	-
Deferred profit tax	(34.227.563)	(5.722.606)
Profit tax - expenses/(benefit)	(34.221.793)	(5.722.606)

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The effective tax rate reconciliation for the financial years ended on December 31, 2023 and December 31, 2022 is the following:

	2023		2022 (Restated)	
Profit/(loss) before tax		(182.675.498)		136.237.777
Tax calculated by applying the Company's tax rate	12.00%	(21.921.060)	12.00%	16.348.533
<i>Tax effect of:</i>				
- Non-taxable income	0%	(6.039)	-21.47%	(29.245.943)
- Non-deductible expenses	0%	-	0%	114.480
- Tax losses which a deferred tax asset has not been recognized for	0%	-	5.18%	7.060.323
- Use of previous tax losses for	6,73%	(12.294.695)	-	-
Profit tax - expenses/(benefit)	18.73%	(34.221.793)	-4.20%	(5.722.606)

Non-taxable income refers mainly to the income from subsidiaries.

Deferred tax receivables or liabilities on December 31, 2023 are generated by temporary differences within the following items:

Deferred tax receivables or liabilities on December 31, 2022 as well as on December 31, 2023, are generated by the temporary differences in the following items that had the following changes:

	December 31, 2022	Recognized in profit or loss	December 31, 2023	Deferred tax receivables	Deferred tax liabilities
Tangible fixed assets	27.682	(65.970)	(38.288)	-	(38.288)
Employee benefits	70.676	25.082	95.760	95.760	-
Provisions	3.382.351	(3.382.351)	-	-	-
Inventories	-	10.246.175	10.246.175	10.246.175	-
Tax losses	-	24.592.218	24.592.218	24.592.218	-
Trade liabilities	150.185	941.170	1.091.355	1.091.355	-
Loans and liabilities under loan agreements	2.143.755	1.871.238	4.014.993	4.014.993	-
Total	5.774.649	34.227.563	40.002.213	40.040.501	(38.288)
Compensation				(38.288)	38.288
Deferred tax receivables/(liabilities)				40.002.213	-

	December 31, 2021	Recognized in profit or loss	December 31, 2022	Deferred tax receivables	Deferred tax liabilities
Tangible fixed assets	20.770	6.912	27.682	27.682	-
Employee benefits	31.273	39.403	70.676	70.676	-
Provisions	-	3.382.351	3.382.351	3.382.351	-
Trade liabilities	-	150.185	150.185	150.185	-
Loans and liabilities under loan agreements	-	2.143.755	2.143.755	2.143.755	-
Total	52.043	5.722.606	5.774.649	5.774.649	-
Compensation				-	-
Deferred tax receivables/(liabilities)				5.774.649	-

Deferred tax receivables have been recognized on December 31, 2023 (2022: no deferred tax receivables have been recognized) in respect of tax loss that will expire as follows:

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	2023	2022
Up to 1 year	-	-
Between 1 and 2 years	-	-
Between 2 and 3 years	1.309.299	
Between 3 and 4 years	7.060.323	1.309.299
Between 4 and 5 years	16.222.596	7.060.323
	24.592.218	8.369.622

The tax losses were fully recovered in the financial year ending on December 31, 2023.

Note 25 - Affiliated Parties**a) Transactions with key management personnel**

	2023	2022
Salaries of the Board of statutory auditors and Internal Auditors	295.956	170.864
Salaries of the members of the Board of Directors	274.444	273.000
Salaries of the key management personnel	908.481	744.692
Total	1.484.481	1.188.556

b) Entities which the State has control or significant influence in

	Balance receivables/(liabilities)	
	December 31, 2023	December 31, 2022
CET NORD S.A.		
Trade receivables	45.904	42.359
Trade liabilities	(70.659.606)	(88.037.045)
FFE NORD		
Trade receivables	142.764.584	256.400.611
S.A. MOLDELECTRICA		
Trade receivables	22.276.197	14.319.319
Trade liabilities	(911.484)	(4.103.576)
S.A. MOLDOVAGAZ		
Trade receivables	553.118.281	1.673.876.186
Loan granted		1.050.000.000
Calculated interest		43.984.932
MOLDOVATRANSGAZ		
Trade liabilities		(13.235.996)
RED NORD S.A.		
Trade receivables	2.251.527	18.682.564
TERMoeLECTRICA		
Trade liabilities	(463.360.635)	(446.469.661)
Long-term receivables	1.330.621.614	1.330.621.614
Total	2.586.009.832	4.939.773.861

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Notes to the consolidated financial statements for the accounting period ending on December 31, 2023

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	Sales/(purchases)	
	2023	2022
CET NORD S.A.		
Electricity purchases	(443.288.769)	(313.309.220)
FFE NORD		
Electricity sales	1.706.086.880	1.564.853.063
S.A. MOLDELECTRICA		
Electricity sales	232.796.521	178.795.826
S.A. MOLDOVAGAZ		
Gas sales	9.755.886.304	2.012.848.320
Gas purchases		(1.806.363.618)
Loan collected (granted)	1.050.000.000	(1.050.000.000)
Calculated interest	35.779.364	43.984.932
Interest received	79.764.296	
MOLDOVATRANSGAZ		
Purchase of gas transport services	(83.787.986)	(15.855.300)
RED NORD S.A.		
Electricity sales	95.635.026	96.278.951
TERMOELECTRICA		
Electricity purchases	(2.172.210.047)	(1.929.989.253)
Total	15.655.235.594	9.012.278.483

Note 26 - SUBSEQUENT EVENTS

The conclusion of strategic collaboration agreements with the Greek companies GASTRADE and DEPA underlines the Company's commitment to innovation and diversification in the energy industry. These key partnerships have had a significant impact on regional energy market positioning. The collaboration with GASTRADE, the project manager of the liquefied natural gas (LNG) terminal in Alexandroupolis - Greece, will bring access to a strategic source of liquefied natural gas.

The grant agreement between the Republic of Moldova and the European Bank for Reconstruction and Development for the realization of the "Natural Gas Supply Security" Project was signed on October 13, 2023, whereby in 2024 the Company received a grant in the amount of EUR 34.026.156.

The Amendment Agreement No. 1 to the Loan Agreement between the Republic of Moldova and the European Bank for Reconstruction and Development for the realization of the project "Natural Gas Supply Security" Project as of October 13, 2023 was signed, approving the third tranche of the Loan in the amount of EUR 165.000.000. In this way, in 2024, upon activation of cycle III of the EBRD loan, Energocom S.A. can benefit from EUR 465.000.000.

Victor Binzari
Acting General Director

/signature/
Seal: Ministry of Economy and Trade of the Republic of Moldova. Joint Stock Company "ENERGOCOM". Chisinau municipality, 78 V. Alecsandri Street, "ENERGOCOM" S.A. State identification number (IDNO): 1004600074938

Drawn up by
Budeanu Ludmila
Chief Accountant, Head of Finance and Accounting Directorate

/signature/
Seal: KPMG. Initialized for identification. August 13, 2024

Seal: National Bureau of Statistics. Republic of Moldova. General Directorate for the Economic Entities Data Collection. State identification number (IDNO): 1006601000200

Undersigned, **Rudac Liubovi**, authorized translator of the English language certifies the authenticity of the translation which corresponds to the text of authentic document which was signed by me

On 30.10.2024

Subsemnata, **Rudac Liubovi**, traducător autorizat în limba Engleză certifică autenticitatea traducerii cu textul înscrisului autentic care a fost vizat de mine.



REPUBLICA MOLDOVA

BIROU DE TRADUCERI: SC „PROIRVAS” SRL

SEDIUL BIROULUI: municipiul Chișinău, str. Alexandr Pușkin nr. 26

Tel.: 079-172-413; 069-541-003; 022-226-454

Anul două mii douăzeci și patru, luna octombrie, ziua treizeci

Eu, Administrator, *Mitru Irina*, confirm semnătura traducătorului **Rudac Liubovi** în baza specimenului de semnătură depus la biroul de traduceri, care îmi este cunoscut.

Corectitudinea traducerii de către birou nu se verifică, Biroul de Traducere PROIRVAS nu poartă răspundere pentru corectitudinea traducerii.

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S-a înregistrat în registru cu nr. **5699/2024-RE1**

Administrator



Mitru Irina