ATTICA EVA AD

FINANCIAL STATEMENT

For Consolidation in Attica Publication SA Group financial statements

31 December 2023

(All amounts in Euro/000)

GENERAL INFORMATION

Directors:
Elena Nikolova- Executive Director
Enrico Vigano
Milena Popova – Blaskova
Stanka Krusharska
Nikolaos Panopoulos

Seat and registered office
23 Mizia str.
1000 Sofia
Bulgaria

Register and registration number
Sofia, UIC 203710235

(All amounts in Euro/000)

DESCRIPTION OF THE ACTIVITY

The principal activity of the Company is the publication of monthly magazines on a Bulgarian language. The titles published are: Grazia, Eva, and the websites - eva.bg, missbloom.bg, graziaonline.bg

Structure of the registered capital

The Company was registered as a joint-stock company on 24th September 2015 in Sofia, with capital of BGN 1,178 thousand, consisting of 11,780 shares with nominal value of BGN 100 each, which are held as at 31 December 2022 asdfollows:

Shareholder	Shareholding	Number of shares	Nominal value BGN'000
Attica Media Bulgaria OOD	65%	7,657	766
Milena Popova-Blaskova	7%	824	82
Nova Broadcasting Group AD	28%	3299	330

The registered capital is fully paid in. During 2023, there have been no changes in the registered capital of the Company compared to previous year.

Management

Attica Eva AD (The Company) is a joint-stock company, established in Sofia on 24 September 2015 registered under Unified Identification Code (UIC) 203710235. The Company's seat and business address is 1000 Sofia, 23, Mizia Street,, Sofia Region, Bulgaria and its fiscal year ends 31 December.

In 2015 Attica Media Bulgaria OOD and Agency Eva decided to merge their Bulgarian businesses by setting up a new entity Attica Eva AD. On 24 September 2015, Attica Eva AD was established as a subsidiary of Attica Media Bulgaria OOD. After Attica Eva AD's establishment both entities, Attica Media Bulgaria OOD and Agency Eva have merged their businesses (including almost all of their assets and liabilities) in the newly established entity in exchange for the issued shares. The aim of this transformation was to combine the management expertise of the two entities in order to achieve cost optimization and future synergies.

In 2018,Agency Eva Ltd. was liquidated and deleted in the Commercial Register and its assets were absorbed proportionally by Milena Popova - Blaskova and Nova Broadcasting Group AD.

As at 31 December 2023 the Company is managed and represented by Ms. Elena Nikolova, Executive Director. The Company does not have any branches.

ATTICA EVA AD
FINANCIAL STATEMENTS for consolidation purposes
31 DECEMBER 2023
(All amounts in Euro/000)

	2023	2022
Revenue	735	662
Cost of sales	(344)	(374)
Gross profit	**391**	**288**
Administrative expenses	(127)	(111)
Selling expenses	(180)	(153)
Operating profit/(loss)	**85**	**24**
Finance costs	(1)	(1)
Profit/(loss) before income tax	**84**	**23**
Income tax expense	(1)	(1)
Profit/(loss) for the year	**83**	**22**
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**83**	**22**

The financial statements are approved on 28.04.2024

Executive Director:
Enrico Vigano

Finance director:
Elena Nikolova

ATTICA EVA AD
FINANCIAL STATEMENTS for consolidation purposes
31 DECEMBER 2023

(All amounts in Euro/000)

	2023	2022
ASSETS		
Non-current assets		
Property, plant and equipment		7
Intangible assets		
Total non –current assets		**7**
Current assets		
Trade and other receivables	144	134
Cash and cash equivalents	29	44
Total current assets	**173**	**178**
Total assets	**173**	**185**
EQUITY		
Share capital	18	18
Retained earnings	(121)	(143)
Net profit/(loss)	83	22
Total equity	**(20)**	**(103)**
LIABILITIES		
Current liabilities		
Trade and other payables	170	256
Deferred revenue	23	32
Total current liabilities	**193**	**288**
Total liabilities	**193**	**288**
Total equity and liabilities	**173**	**185**

The financial statements from page 5 to page 35 are approved on 28.04.2024

Executive Director:

Enrico Vigano

Finance director:

Elena Nikolova

(All amounts in Euro/000)

	Share Capital	Retained earnings /(loss)	Total
Balance as at 1 January 2022	**18**	**(143)**	**(125)**
Profit/(loss) for the year	-	22	22
Balance as at 31December 2022	**18**	**(121)**	**(103)**
Profit/(loss) for the year	-	83	83
Balance as at 31December 2023	**18**	**(38)**	**(20)**

The financial statements from page 5 to page 35 are approved on 28.04.2024

Executive Director:
Enrico Vigano

Finance director:
Elena Nikolova

1. Corporate information

Attica Eva AD (The Company) is a joint-stock company, established in Sofia on 24 September 2015 registered under Unified Identification Code (UIC) 203710235. The Company's seat and business address is 1000 Sofia, 1, Hristo Belchev Street, 6th floor, Sofia Region, where the fiscal year ends 31 December.

In 2015 Attica Media Bulgaria OOD and Agency Eva OOD decided to merge their Bulgarian businesses by setting up a new entity Attica Eva AD. On 24 September 2015, Attica Eva AD was established as a subsidiary of Attica Media Bulgaria OOD. After Attica Eva AD's establishment both entities, Attica Media Bulgaria OOD and Agency Eva have contributed their businesses (including almost all of their assets and liabilities) in the newly established entity in exchange for the issued shares. The aim of this transformation was to combine the management expertise of the two entities in order to achieve cost optimization and future synergies.

In 2018, Agency Eva Ltd was liquidated and deleted in the Commercial Register and its assets were absorbed in proportion to Milena Popova - Blaskova and Nova Broadcasting Group AD.

The operations of Attica EVA AD include publication of monthly magazines. The Company publishes "Grazia" and "EVA" magazines.

Management of the Company includes its Board of Directors, Elena Nikolova - Executive Director, who is also reponsible for the supervision of the financial reporting of the Company.

2.1.1. Basis of preparation

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

The financial statements are presented in Bulgarian Leva (BGN) and all values are rounded to nearest thousand (EUR'000) except when otherwise stated.

Statement of compliance

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards, as adopted for use in the European Union (IFRS as adopted for use in the EU). Reporting framework "IFRS as adopted by the EU" is essentially the defined national basis of accounting "IAS, as adopted by the EU", specified in the Bulgarian Accountancy Act and defined in paragraph 8 of its Additional provisions.

2.2. Foreign currency transactions

The financial statements are presented in Bulgarian Leva (BGN), which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency at the end of each month at the closing exchange rate of the Bulgarian National Bank for the last working day of the respective month. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions (date of acquisition).

2.3. Revenue

Untill 31 December 2017, revenue is recognized to the extent that it is probable that future economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of the remuneration received or due based on agreed payment terms net of discounts, rebates and other taxes on sales.

Effective 1 January 2018 The Company recognizes revenue complying with the principle that the revenue recognition shall reflect the transfer of contractual goods or services to customers at the amount of the consideration that the Company has the right to receive in exchange of these goods or services. Revenues are recognized by applying a five- step model to customer contracts.

The Company recognizes revenue from contracts with customers only when all of the following criteria are met:

a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

b) the Company can identify each party's rights regarding the goods or services to be transferred;

c) the Company can identify the payment terms for the goods or services to be transferred;

d) the contract has commercial substance (ie the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and

e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the Company will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Sales of goods
Revenue from the sales of magazines is recognized upon dispatch of the magazines on the basis of the estimated circulation (delivered magazines less estimated returns) of the respective magazine. Some magazines are launched in the market in the month prior to the cover month. The revenues from these magazines are recognized in the month of their issue, irrespectively of their cover month.

Rendering of services
Till 31 December 2017, revenue from services rendered is recognized by reference to the state of completion of the transaction as at the reporting period, if that stage can be reliably measured, as well as to the costs incurred on and the estimated costs to complete the transaction. After this date, revenue from rendering of services is recognized when the services are rendered. The revenue is recognized on the base of the consideration to which the Company is entitled in exchange for the services provided.
Revenues from advertisement services are recognized when the respective advertisements are published, which is the month of issue of the magazines in circulation.

Barter transactions
Barter transaction to provide advertising services in exchange for receiving advertising services from customers are recognized at the fair value. As such revenues from barter transactions are only recognized

in relation to the barter transactions that also involve receipt of material goods or other non-advertising revenues.

Interest
Interest income is recognized as the interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

2.4. Taxes

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes are recognized depending on the transaction associated with them either directly in equity or in other comprehensive income.

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

Value Added Tax (VAT)
Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

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

2.5. Employee benefits

Short-term employee benefits include salaries, social security contributions and paid annual leave of current employees expected to be settled wholly within twelve months after the end of the reporting period. They are recognised as an employee benefit expense in the profit or loss or included in the cost of an asset when service is rendered to the Company and measured at the undiscounted amount of the expected cost of the benefit.

The Company operates defined benefit plan arising from the requirement of the Bulgarian labour legislation to pay two or six gross monthly salaries to its employees upon retirement, depending on the length of their service. If an employee has worked for the Company for 10 years, the retirement benefit amounts to six gross monthly salaries upon retirement, otherwise, two gross monthly salaries. These retirement benefits are unfunded. The cost of providing benefits under the retirement benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises restructuring-related costs.

Interest expense is calculated by applying the discount rate to the defined benefit liability. The Company recognises the following changes in the defined benefit obligation in profit or loss for the period:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements within “Employee benefits expense”
- Interest expense within “Finance costs”.

2.6. Financial instruments

Financial assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

Initial recognition and valuation
The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost
This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through OCI (debt instruments)
The debt instruments are measured at fair value through OCI if both of the following conditions are met:
- The financial asset is held within a business model with the objective of both holding to collect

contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Company has no financial assets at fair value through OCI.

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

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has no financial assets in this category.

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

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

Impairment of financial assets

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

Financial assets at fair value through other comprehensive income (equity instruments)

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, and derivative financial instruments.

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss..
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

2.7. Trade and other receivables

Unill 31 December 2017, trade and other receivables are stated at amortized cost less the allowance for impairment and uncollectability. As these receivables bear no interest, their amortized cost is the same as their nominal value. The allowance for impairment and uncollectability of receivables is determined after balances review at the end of the reporting period and is accrued individually for certain items for which there are indications for impairment and uncollectability.

Effective 1 January 2018, expected credit losses (ECLs) are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). Management assesses the appropriateness of this allowance based on the ageing analysis of the receivables, historical experience as to the write-off rates of bad debts, as well as an analysis of the solvency of the respective customer, changes in the contractual payment terms, etc. If the financial position and performance of the customers deteriorate (in excess of the expected), the amount of the receivables to be written off in the next reporting periods may be higher than the one estimated at the current statement of financial position.

2.8. Trade and other payables

Trade and other payables are stated at amortized cost. As these payables bear no interest, their amortized cost is the same as their nominal value.

2.9. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount recognised in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.10. Equipment and vehicles

Equipment and vehicles are stated at cost, less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of equipment and vehicles when that cost is incurred and borrowing costs on long¬term construction contracts, if the recognition criteria are met. When a major inspection of an item of plant and/or equipment is performed, its cost is recognised in the carrying amount of the respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income for the period in which they were incurred.

Depreciation is calculated on a straight line basis over the useful life of the assets.

	Useful life	*Depreciation rates*
Computer equipment	2 years	50 %
Transport vehicles	4 years	25 %
Fixtures and fittings	6-7 years	15%

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

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if the expectations differ from the previous estimates.

2.11. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible asset. Amortization is calculated on a straight line basis over the estimated useful life of the asset.

Intangible assets with indefinite useful lives (brand name) are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss for the period when the asset is derecognized.

2.12. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exist s, the Company estimates the asset's or cash-generating unit's recoverable amount.

(All amounts in Euro/000)

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss for the period unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. The impairment loss reversal is recognized in the statement of comprehensive income.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill
Goodwill is tested for impairment by assessing the recoverable amount of the cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

2.13. Inventories

Inventories are valued at the lower of cost or net realizable value. Costs incurred to bring a product to its current condition are included in the cost as follows:

- goods - cost is accounted for on weighted-average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.14. Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less..

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

2.15. Cash dividend and non-cash distribution to the owners

The Company recognizes a liability to make cash distributions to the owners when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Corporate Act in Bulgaria, a distribution is authorized when it is approved by the owners. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at fair value of the assets subject of distribution and subsequent valuations are recognized directly in equity.

For actual distribution of non-cash assets difference between the carrying amount of the liability recognized and the value of assets distributed is recognized in profit or loss for the period.

2.16. Leases

IFRS 16 Leases has been adopted by the Company in 2019. The Standard is applicable for annual reporting periods commencing 1 January 2019 on which date the Company expects to apply the Standard for the first time. The Company has applied the exemptions relating to low – value rights of use assets and short term lease agreements. The company has applied modified retrospective transition approach according to IFRS 16 where the right-of-use asset will be recognised at the date of initial application (1 January 2019) at an amount equal to the lease liability, using the entity's current incremental borrowing rate. Comparative figures are not restated.

2.17. Provisions

General

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

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to it, except when there is a probability that the cash outflow of economic benefits to be remote. Contingent assets are not recognised in the financial statements but are disclosed when there is a probable cash inflow of economic benefits.

2.18. Fair value measurement

The Company does not report any financial instruments, such as, derivatives and non-financial assets at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in Note 24.

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring fair value measurement.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The management, in conjunction with the valuation experts, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.19. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are recognized in profit or loss for the period.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 Financial Instruments: Recognition and Measurement either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the consideration transferred over the entity's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs because either the fair values to be assigned to the acquiree's identifiable assets and liabilities assumed or the amount of consideration transferred or the amount of any non-controlling interest can be determined only provisionally, the Company accounts for the combination using those provisional values. The Company recognises any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date and retrospectively from the acquisition date.

2.20. Group reorganisations

In the absence of an IFRS that specifically applies to business contributions from parent company the management has applied the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and used current sources (to the extent that these do not conflict with the Framework or any other IFRS or Interpretation) to develop its own accounting policy to account for such transactions. In choosing the appropriate accounting policy the management considers the substance of the transaction and the needs of the key users of the financial statements. Although IFRIC 17 Distribution of non-monetary assets to equity holders scopes out non-monetary distributions under common control, the Company has assessed a subsidiary that receives net assets from its parent will recognize assets acquired and liabilities assumed at their fair values as at the date of the business contribution following the acquisition method.

2.21. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There are no significant judgments which have material effect on the amounts recognized in the financial statements.

Judgments

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

Contributions of businesses

The Company's management considers that the business contributions of Attica Media Bulgaria OOD and Agencia Eva OOD are interrelated and assessed that the whole transaction has substance for the Company (taken as a whole and as a separate business contributions). Following that for both business contributions, the management considers that the Company has acquired businesses and applies the acquisition method of accounting to account for these business contributions.

Estimation and assumptions

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

Retirement benefit obligation

The cost of retirement benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, staff turnover and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The Company retirement benefits obligation at 31 December 2022 is BGN zero (31 December 2021 is BGN 1 thousand). Further details are provided in Note 14.

Write down of inventories

Inventories are usually written down to net realizable value. Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, about the amount at which the inventories are expected to realize. Estimates of net realizable value also take into consideration the purpose for which the inventory is held. A new assessment is made of net realizable value in each subsequent period.

3. Revenue

	2023	2022
Revenue from advertising	346	324
Revenue from sales of magazines	86	103
Trademark and events revenue	303	235
	735	**662**

4. Cost of sales

	2023	2022
Editorial fees and production costs	(159)	(198)
Personnel costs	(185)	(176)
	(344)	**(374)**

5. Administrative expenses

	2023	2022
Hired services	(72)	(47)
Personnel costs	(49)	(55)
Depreciation expenses	(6)	(9)
	(127)	**(111)**

6. Selling expenses

	2023	2022
Personnel costs	(55)	(67)
Hired services	(125)	(85)
	(180)	**(153)**

7. Finance income/(expense), net

	2023	2023
Interest expenses	1	1
Exchange gains/(losses) net	-	-
	1	**1**

8. Trade and other receivables

	2023	2022
Trade receivables	144	134
Less: provision for impairment of receivables	-	-
Trade receivables - net	**144**	**134**

The trade receivables are not pledged, are non-interest bearing and are generally settled on 60 days terms.

9. Deferred expenses

Deferred expenses as at 31 December 2023 are related to car insurance where the expense is recognized in 2024.

10. Cash and cash equivalents

	2023	2022
Cash in banks	29	44
Total	**29**	**44**

Cash at bank accounts earns interest of floating rates based on daily bank deposit rates - 0,01%. Cash and cash equivalents are in BGN and EUR. The fair value of the cash and cash equivalents as of 31 December 2022 is BGN 87 thousand (2021 is BGN 97 thousand).

11. Share capital

As at 31 December 2023 the Company's capital - authorized and fully paid, amounts to BGN 1,178 thousand and is allocated as follows:

	Equity %	2023	2022
Attica Media Bulgaria OOD	65%	766	766
Milena Popova - Blaskova	7%	82	82
Nova Broadcasting Group AD	28%	330	330
	100%	**1178**	**1178**

The registered capital of the Company as at 31 December 2023 consisted of 11,780 shares having a BGN 100 (one hundred leva) nominal value each.

The shareholders are entitled to dividend allocation and have one voting right at the General Meeting of the Company for each share held.

(All amounts in Euro/000)

12. Deferred income

Deferred income comprise prepayment subscriptions for magazines and prepayment advertising in Eva and Grazia magazine concerning 2024.

13. Commitments and contingencies

Litigation and claims
As at 31 December 2023 the Company has no pending law suits.

The Company's management believes that no material risks exist as a result of the dynamic fiscal and regulatory environment in Bulgaria, which might require adjustments to the financial statements for the period ended 31 December 2023.

Capital commitments

There are no capital commitments as at 31 December 2023.

14. Post balance sheet events

For the period after the balance sheet date to the date of preparation of the annual financial statements the Company has not identified significant or adjusting events that are related to its activities in 2023 and which should be separately disclosed or require changes in the financial statements as of December 31 2023