AUCTOR HOLDING, a.s. and its subsidiaries

CONSOLIDATED ANNUAL REPORT
TOGETHER WITH INDEPENDENT AUDITORS’ REPORT
for the year ended 31 December 2024

CONTENT

MANAGEMENT BOARD REPORT
FOR 2024

1. INTRODUCTION

Auctor Holding, a.s. (hereinafter: “**Company or Auctor Holding**”) is the parent holding company of the Auctor Group (hereinafter: “Group” or “Auctor Group”). Its main activities consist of holding shares in its subsidiary companies and activities relating to financing of the Auctor Group companies.

The Auctor Group is active mainly in the tourism/hospitality business via its share in Aminess d.d, and other tourism companies (Hoteli Njivice d.o.o., Romana d.o.o., Nova Camping d.o.o. and HTP Orebic and HTP Korcula d.d.) and in distribution of pharmaceuticals and medical supplies through its holdings in Medika d.d.

In the period from 1 January to 31 December 2024 the Auctor Group generated consolidated revenue of EUR 938 million with a consolidated EBITDA in amount of EUR 65 million. The Group is active solely in Croatia, only the holding company, Auctor Holding and its direct and indirect subsidiary Auctor Alfa a.s. and Marbera Holding, a.s. are located in the Czech Republic and its subsidiary Auctor Finance, s.r.o. is located in Slovak Republic.

Unless stated otherwise data regarding key performance indicators were based on management reporting of respective Group companies.

In the year 2024, the Auctor Group companies employ on average more than 2 100 employees, whereas Auctor Holding itself does not have any employees. Main employers are Medika d. d. with average number of employees 1 015, while tourism companies (Aminess Group) employed on average 1 140 employees during 2024 and more than 1 550 employees during peak season in July/August.

2. COMPANY INFORMATION

Basic information:

Business Company:	Auctor Holding, a.s.
Registration No:	083 64 028
Registered office:	Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic
Legal form:	Joint stock company

Place of registration and Registration Number:

The Company is registered by Commercial register maintained by Municipal court in Prague, file No. B 24583.

Date of establishment:

The Company was founded on 18th July 2019. The Founder simultaneously issued the Articles of association and member of Board of Directors and member of Supervisory Board were appointed. The Company was registered by Commercial register on 24th July 2019.

Scope of business and activity:

Scope of business of the Company: Manufacturing, business and services not included in the Annexes 1 to 3 of the Trade Licensing Act.

Scope of activity of the Company: Own property management.

Board of Directors of the Company as of 31st December 2024:

Members of Management Board:	Oleg Usković (from 24 July 2019, re-elected on 25 October 2024)
	Josef Pilka (from 16 September 2020)

Supervisory Board of the Company as of 31st December 2024:

Chairman of Supervisory Board:	Libor Kaiser (member from 14 October 2021 and chairman from 4 February 2022)
Member of Supervisory Board:	Tanja Kragulj Mežnarić (from 24 July 2019, re-elected on 25 October 2024)

Registered capital and shares

The Company’s registered capital as at 31 December 2024 amounts to CZK 2,000,000 (two million Czech Crowns) and is distributed into:

- Global Share No. 001, with nominal value of the global share CZK 100 000, which replaces 100 000 pieces of certificated registered shares of the Company, with numerical code 1 to 100 000, nominal value CZK 1 each;

- Global Share No. 002, with nominal value of the global share CZK 800 000, which replaces 800 000 pieces of certificated registered shares of the Company, with numerical code 1 200 001 to 2 000 000, nominal value CZK 1 each;

- Global Share No. 003, with nominal value of the global share CZK 20 000, which replaces 20 000 pieces of certificated registered shares of the Company, with numerical code 100 001 to 120 000, nominal value CZK 1 each;

- Global Share No. 004, with nominal value of the global share CZK 20 000, which replaces 20 000 pieces of certificated registered shares of the Company, with numerical code 120 001 to 140 000, nominal value CZK 1 each;

- Global Share No. 005, with nominal value of the global share CZK 20 000, which replaces 20 000 pieces of certificated registered shares of the Company, with numerical code 140 001 to 160 000, nominal value CZK 1 each;

- Global Share No. 006, with nominal value of the global share CZK 20 000, which replaces 20 000 pieces of certificated registered shares of the Company, with numerical code 160 001 to 180 000, nominal value CZK 1 each;

Global Share No. 008, with nominal value of the global share CZK 20 000, which replaces 20 000 pieces of certificated registered shares of the Company, with numerical code 180 001 to 200 000, nominal value CZK 1 each;

Global Share No. 009, with nominal value of the global share CZK 100 000, which replaces 100 000 pieces of certificated registered shares of the Company, with numerical code 200 001 to 300 000, nominal value CZK 1 each;

Global Share No. 010, with nominal value of the global share CZK 100 000, which replaces 100 000 pieces of certificated registered shares of the Company, with numerical code 300 001 to 400 000, nominal value CZK 1 each;

Global Share No. 011, with nominal value of the global share CZK 200 000, which replaces 200 000 pieces of certificated registered shares of the Company, with numerical code 400 001 to 600 000, nominal value CZK 1 each;

Global Share No. 012, with nominal value of the global share CZK 200 000, which replaces 200 000 pieces of certificated registered shares of the Company, with numerical code 600 001 to 800 000, nominal value CZK 1 each;

Global Share No. 013, with nominal value of the global share CZK 200 000, which replaces 200 000 pieces of certificated registered shares of the Company, with numerical code 800 001 to 1 000 000, nominal value CZK 1 each;

Global Share No. 014, with nominal value of the global share CZK 200 000, which replaces 200 000 pieces of certificated registered shares of the Company, with numerical code 1 000 001 to 1 200 000, nominal value CZK 1 each.

Ownership structure

Auctor Prime d.o.o. with 50% share and JTPEG Croatia Investments, a.s. with 50% share.

On 30 December 2020 shareholders concluded shareholders agreement. According to this agreement the Company is under joint control of Shareholders.

Expected development of the entity´s activities

In 2025, the Group will continue to focus its activities on the management of its own assets through the ownership of a shareholding in subsidiaries.

Expenditure on research and development

The Group did not incur any research and development expenses during the reporting period.

Environmental protection activities

The Group did not carry out any environmental protection activities in the monitored accounting period.

Acquisition of own shares

The Group did not acquire any own shares.

Data on organizational units of the Company in abroad

The Group did not have any organizational units in abroad.

3. HISTORY AND DEVELOPMENT

Auctor Holding is the controlling company of the Auctor Group. The Company was established as a joint-stock company on 18 July 2019 under the laws of the Czech Republic and subsequently came into existence on 24 July 2019, based on its registration in the Commercial Register maintained by the Municipal Court in Prague. Following an acquisition in 2019, the Company became the parent company of the Auctor Group. As part of the reorganization, the former owners of three Group holding companies – Auctor d.o.o. (Auctor), Lipa-Promet d.o.o. (Lipa-Promet) and Auctor Kapital d.o.o. (Auctor Kapital), sold their shares in the companies.

Auctor Group is under joint control of shareholders AUCTOR PRIME d.o.o. and JTPEG Croatia Investments, a.s.

The Group is a financial group operating in Croatia the Czech Republic and Slovakia. It consists of multiple holding companies without operational activities. Main non-operating holding companies are Auctor, Auctor Kapital and Auctor Alfa, which hold shares in the two main operating companies of the Group – Medika (pharma segment) and Aminess (hospitality segment). Auctor Alfa was incorporated as a project company for acquiring and developing new hospitality projects. At present, it holds shares in two project companies - Romana d.o.o. and Nova Camping d.o.o. – as owner of greenfield projects completed by Auctor in 2022 and 2024., and operated by Aminess Hospitality Group d.o.o. In addition, as of 31 December 2024, the Auctor Holding also holds direct stakes in operating companies Aminess d.d., Aminess Hospitality Group d.o.o., Adriatic Hotel Management d.o.o., Meeting Point Croatia d.o.o. (renamed to Rocket DMC Adriatic d.o.o.) as well as the Slovak company Auctor Finance s.r.o. (Auctor Finance), a special purpose company established for the purpose of issuing publicly traded notes to finance the business activities of the Group.

In 2020, the Group issued publicly traded notes to further finance the Group’s development. The notes with total nominal value of EUR 80,000,000, due 24 November 2025, ISIN: SK4000018149, were issued on 24 November 2020 on the Bratislava Stock Exchange through its subsidiary Auctor Finance. As of 31 December 2024 Auctor Finance’s bond issue has been fully subscribed.

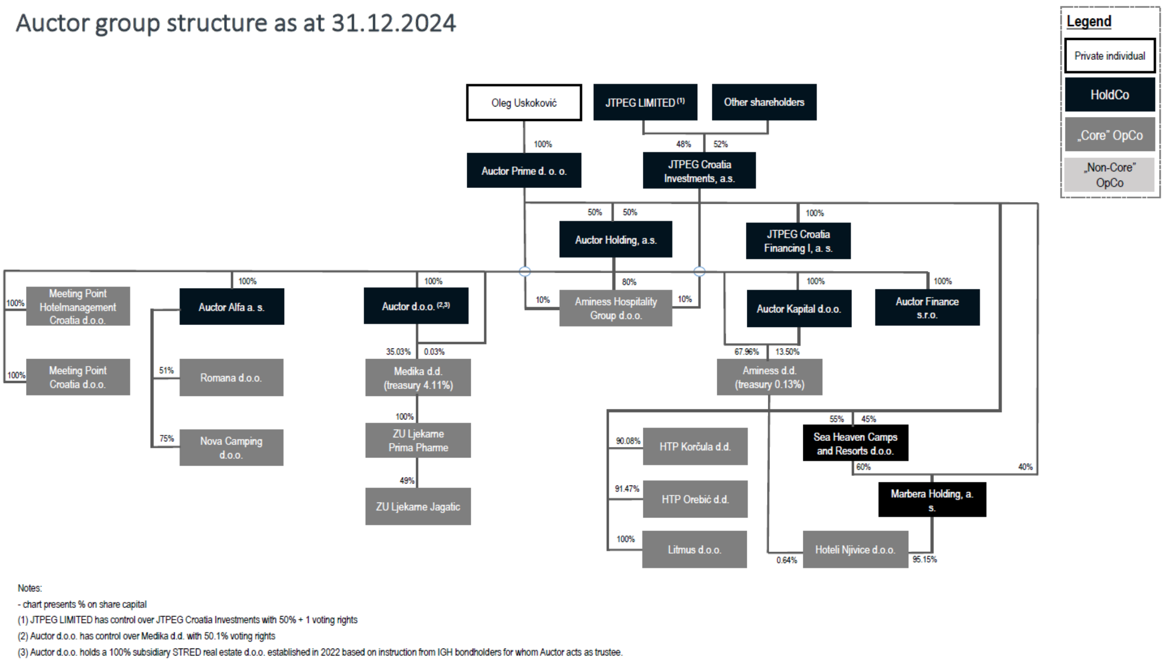
The notes are secured by a guarantee (without limitation), issued by Auctor Holding (the Guarantor) in favour of the security agent (J&T BANKA).

Under the guarantee, the Guarantor undertakes that if, for any reason, Auctor Finance fails to meet any of the secured obligations at the time of their maturity and such failure is not remedied within 10 days, the Guarantor will pay unconditionally such amount upon written request from the security agent.

The net proceeds of the Auctor Finance issue, after the payment of all fees and costs, were used to finance the Group, in particular the acquisition of the hotel companies HTP Korčula and HTP Orebić and the refinancing of the acquisition loan for the purchase of the Group.

The only holding entity employing staff is Auctor d.o.o.

The graphic below shows the companies comprising the Group as at 31 December 2024.



Hospitality segment of Group is operated through Aminess Hospitality Group d.o.o. (AHG) which is hotel management company managing operating companies within Aminess Group - Aminess d.d, Hoteli Njivice d.o.o., HTP Korčula d.d., HTP Orebić d.d. Romana d.o.o., Nova Camping d.o.o. Aminess Group is the fourth largest hospitality group by consolidated revenues in FY24 in Croatia (after Valamar, Maistra and Plava Laguna). Group portfolio of properties covers 3 regions and 10 different destinations throughout coastal Croatia.

Portfolio also consists of various other facilities (restaurants, swimming pools, football pitches, souvenir shops, bars, etc.). Aminess Group promotes its accommodation under its main brand Aminess while new specific subbrands which would cater specific guest segment, are just being developed and introduced to the market.

AHG was established with the aim to provide hotel management services under the Aminess brand to Group companies and external clients. The first management contract was concluded by AHG for the management of the new 5* hotel Aminess Khalani owned by Romana d.o.o. As of 31 December 2024, AHG is providing hotel management services to:

- Hotels and camps owned by Auctor Group (portfolio of 21 properties)
- Hotels leased by the Group through Adriatic Hotel Management (Velaris Hotel 4*, Senses Hotel 4*)
- Three external hotels owned by 3rd parties (Hotel Lišanj 4*, Hotel Mediteran 3*, Hotel Narrivi 5*).

Pharma segment of Group is operated through Medika, which is mainly engaged in the wholesale, storage and distribution of human and veterinary medicines, medical products and supplies, dental fillings and dietetic, cosmetic and hygiene products and other products related to health care.
Medika is the leading pharmaceutical wholesaler and retailer in Croatia which employs almost 1,100 professionals. It is publicly listed with shares traded on the Zagreb Stock exchange. Medika demonstrated growth pattern through well-established business model and experienced management team which allowed the company to grow profitably and maintain significant dividend capacity. Medika has nationwide coverage, with 4 distribution centers enabling efficient reach to all parts of Croatia representing entry barriers to any potential competitors. Pharmacy network across country solidifies Medika's position on the market and also provides additional expansion potential. Medika also operates a large chain of 81 pharmacies in Croatia operated under Prima Pharme brand and 10 pharmacies through affiliated company of Prima Pharme (Ljekarne Jagatic).

4. PRINCIPAL MARKETS

Relevant markets for the Auctor Group are the markets of its two core companies – i.e. the Croatian tourism/hospitality market for Aminess Group and pharmaceutical and medicinal supplies market for Medika. The description of each of the mentioned relevant markets is provided below.

Further comments relating to portfolio managed by Aminess Hospitality Group and Medika describe their performance for the whole year 2024 based on their statutory (consolidated) financial statements and annual reports.

AMINESS GROUP

Tourism segment of the Group is organized under Aminess Group, one of the leading tourism companies in Croatia. Aminess Group is operating under Aminess Hotels & Resorts brand. Aminess has witnessed significant growth in recent years, especially after the acquisition of Auctor Group by new owners in 2019.

Aminess owns diversified portfolio of own assets covering all market segments, from economy to premium, operating camps and hotels. Aminess Group is currently 4th biggest hospitality company in Croatia, based on FY24 revenues.

Detailed overview of the Aminess Group's assets is shown in table below:

Asset overview

List of assets	**Categ**	**Units**	**Location**
Aminess Maestral Hotel	4*	306	Novigrad
Aminess Laguna Hotel	3*	204	Novigrad
Aminess Grand Azur Hotel	4*	199	Orebić
Aminess Lume Hotel	4*	82	Brna, Korčula
Aminess Maravea Campsite	4*	1.100	Novigrad
Aminess Sirena Campsite	4*	600	Novigrad
Total Aminess d.d.		2.491	
Aminess Magal Hotel	3*	371	Njivice, Krk
Aminess Veya Hotel	3*	219	Njivice, Krk
Aminess Gaia Green Villas	3*/4*	80	Njivice, Krk
Aminess Atea Camping Resort	4*	667	Njivice, Krk
Totel Hoteli Njivice d.o.o.		1.337	
Marko Polo by Aminess	4*	103	Korčula

Aminess,Liburna Hotel	4*	112	Korčula
Aminess Korčula Heritage Hotel	4*	20	Korčula
Aminess port 9 Hotel	4*	274	Korčula
Aminess port 9 Camp	4*	142	Korčula
Total HTP Korčula d.d.		651	
Orsan Hotel by Aminess	3*	98	Orebić
Aminess Bellevue Hotel	4*	38	Orebić
Aminess Bellevue Casa	4*	86	Orebić
Aminess Bellevie Village	4*	34	Orebić
Total HTP Orebić d.d.		256	
Aminess Khalani Hotel	5*	299	Makarska
Total Romana d.o.o.		299	
Aminess Avalona Camping Resort	5*	582	Povljana, Pag
Total Nova Camping d.o.o.		582	
Sub-total		5.617	
Aminess Hopitality Group d.o.o.			
Mediteran Hotel by Aminess	3*	140	Crikvenica
Aminess Younique Narrivi Hotel	5*	40	Crikvenica
Aminess Hotel Lišanj	4*	168	Novi Vinodolski
Aminess Casa Lišanj	3*	58	Novi Vinodolski
Total Managed		406	
Aminess Velaris Hotel	4*	102	Brač
Aminess Velaris Casa	3*	75	Brač
Aminess Senses Resort	4*	182	Hvar
Total Leased and Managed		359	
Total		**6.382**	

AHG was established in 2022. as the management company providing Hotel Management Agreements (HMAs) based on best market practices, tailored to specific asset and owner needs for the benefit of both parties. Besides managing assets owned by Group, AHG is also managing third-party properties under the Aminess brand and already filling a market gap on the Croatian market. AHG was established with a goal of providing a proven capital-light growth avenue going forward, thus giving numerous asset owner/investors in Croatia opportunity for management services by professional local operator.

Aminess Group has a track record of acquiring and integrating new businesses as well as successfully executing development projects across hotel and campsite segments since 2019. An Unmatched track record in successfully implementing the growth strategy has led to the Aminess Group becoming one of the leaders in Croatian hospitality.

2024 performance

Summer season 2024 brought record result for whole Aminess group – Aminess, Hoteli Njivice, HTP Korcula, HTP Orebic, Romana and Nova Camping in terms of revenues and EBITDA. All companies have witnessed further growth in revenues and EBITDA while Nova Camping (Aminess Avalona Camping Resort 5*) sucessfully opened and started operating in April 2024.

Record results came from strong tourism activity in Croatia and demand from key markets. Higher average bednight rate (ABR) and TRevPAR were achieved as key indicators across Group portfolio of properties.

Aminess hotels and camps are spreading alongside the Croatian coast. Due to portfolio dispersion there are also unique drivers which are impacting Aminess portfolio in specific destinations. Northern destinations in Istria and Krk, which rely more on guests from car destinations compared to the southern destinations (Orebić and Korčula), which are still somewhat dependent on-air travel. Northern destinations also have slightly longer season due to their location and proximity to key markets.

Inflationary pressure continued to ease through 2024. following global trends on inflation.

Consolidated Aminess Group achieved revenues of EUR 121,5m € and EBITDA of 37,7m€ in 2024.

Aminess generated EUR 48,3m € thousand revenues and EBITDA of EUR 12,8m €, Hoteli Njivice generated revenues of 22,3m € EBITDA of 7,6m €, HTP Korcula generated revenues of EUR 12,4m and EBITDA of EUR 2,8m, HTP Orebic generated revenues of EUR 4,9m and EBITDA of EUR 1,1m.

Aminess Khalani Beach Hotel achieved revenues of EUR 15,1m and EBITDA of EUR 5,5m after management fees, indicating strong demand for 5* luxury product and an excellent breakthrough for the group in the 5-star segment.

Nova Camping (Aminess Avalona Camping Resort) generated 9.1m€ of revenues and 3.7m€ of EBITDA in 1st year of operations.

Aminess Hospitality Group kicked off with management operations in July 2023. and in through 2024. generated revenues of EUR 9,5m (fees charged) and ETBIDA of EUR 4,0m.

2025 bookings

Preliminary bookings for 2025 indicate ongoing and robust demand growth and another strong summer season. Aminess Group is also focused on earlier opening of properties and prolonging the season. The group is intensifying efforts to enhance both pre-season and post-season activities. Overall early booking status provides reassurance that 2025 season will also be another excellent year for the tourism sector of the Auctor Group's portfolio.

MEDIKA

Founded in 1922, Medika is the oldest and leading wholesaler of pharmaceuticals and medical products in Croatia, whose main activity is the sale, storage and distribution of human and veterinary medicines, medical products, equipment and dental supplies, dietetic, cosmetic, hygiene and other related products. The company supplies pharmacies, medical facilities, hospitals, polyclinics, outpatient clinics, surgeries, wholesalers and specialized stores with the widest range of products.

Medika generates revenue both through wholesale and retail channels.

Within the wholesale channel, Medika’s customers are divided into the following segments:

- Wholesale to pharmacies
- Wholesale to hospitals

- Wholesale to other customers (health centres, clinics, dental clinics, veterinary clinics and farms).

Sales in the retail channel take place through the Prima Pharme network of 91 pharmacies, which is the largest pharmacy network in Croatia employing more than 400 professionals. Pharmacies are concentrated mainly in larger cities and surrounding areas (Zagreb, Rijeka, Zadar, Split, Dubrovnik).

PrimaPharme launched a digital marketplace Pharmeria in 2022, expanding the largest network of pharmacies also to digital markets.

2024 performance

In 2024, the Medika Group (the "Group") generated consolidated revenue in the amount of EUR 832,447 thousand, which is EUR 81,959 thousand more than in the previous year. Consolidated operating profit amounts to EUR 23,317 thousand, which is EUR 81 thousand less than in the previous year.

Consolidated profit before tax basis amounts to EUR 24,830 thousand, and consolidated net profit amounts to EUR 20,311 thousand, which is EUR 231 thousand more than the result achieved in 2023.

By analysing the individual operating segments, 45.5% of total consolidated income was generated in pharmacies (2023: 45.0%), of which 10.7% in own pharmacies (2023: 10.5%). At the same time, 40.5% of total consolidated income was generated in hospitals (2023: 42.7%).

Total consolidated assets amount to EUR 478,587 thousand and recorded an increase of 7.4% from the prior year. In the structure of consolidated assets, the amount of fixed assets increased by 7.4% compared to the prior year, which was the most significantly affected by the increase in assets with the right to use. The amount of consolidated current assets increased by 7.5% which was the most significantly affected by increase in trade receivables and inventories. Consolidated current assets account for 81.5% of total assets. Accounts receivable and other receivables are the most significant item of total consolidated assets and are higher by 18.6% compared to the previous year.

Total consolidated loan debt amounts to EUR 35,205 thousand and relates entirely to short-term borrowing.

The equity-to-assets ratio is 26% and shows that the Medika Group finances 26% of its total assets from own resources.

5. RISK FACTORS RELATING TO THE GROUP

Risk factors relating to the Issuer have been classified into the following categories:

- risk factors associated with the business and financial situation of the Group;
- legal, regulatory and macroeconomic risks affecting the Group; and
- risk factors associated with the Group’s operation and internal control.

Risk factors associated with the business and financial situation of the Group:

Competition in the Pharmaceutical Distribution Segment and in the Hospitality and Leisure Sector

The Group’s principal activities are concentrated in Croatia, in the segments of pharmaceutical distribution, hotel and hospitality segment.

In the pharmaceutical distribution business, the Group’ principal subsidiary Medika competes with other three main wholesalers while having the biggest market share of all. Medika as well as the other competitors are well established companies with long term presence on the market. The market shares of the “big four” are relatively stable over time, and the Group does not face immediate increased competition in this area. However, changes in legislation or the loss of key personnel could cause Medika to lose important supplier contracts, which would adversely affect Medika’s business and its financial results.

Medika also operates a large chain of pharmacies in Croatia through its subsidiary ZU Ljekarne Prima Pharme and its affiliated company ZU Ljekarne Jagatić. Prima Pharme ensures the supply and production of pharmaceuticals and the supply of medical products to citizens, healthcare facilities, and other legal entities as well as private healthcare professionals. The supply of pharmaceuticals and medicinal products refers to the retail sale of medicinal products. According to Medika’s internal analysis, Prima Pharme is the company with the highest market share, reaching approximately 7%.

Pharmacy activities are carried out within the primary healthcare network in accordance with the Croatian Pharmacy Act. The abolition of defined criteria for opening pharmacy operations would significantly affect the expansion of the pharmacy network. The expansion of the pharmacy network can only be achieved through acquisitions due to legal restrictions, which is also one of Medika’s strategic goals.

The risk within retail may arise from changes in legislation that would allow new competitors to enter the market in Croatia. Additionally, a shortage of qualified workforce may limit growth, contribute to increased personnel costs, and cause a decline in the profitability of pharmacies.

Regarding the hotel business, there are several large hotel operators (such as Valamar, Maistra, Plava Laguna, or Arena Hospitality Group), as well as a large number of private property owners offering accommodation in Croatia. Therefore, there is significant competition in the market; on the other hand, high demand for accommodation services from incoming tourists has historically maintained high occupancy rates during the peak season and even before the season.

Other long-term interested parties in the Croatian hotel market also include foreign investors from private equity funds or international hotel groups, who complement the demand from domestic investors. These investors may strengthen their market share in the Croatian accommodation market in the future, develop and modernise purchased assets in new locations, and thus worsen the position of Aminess d.d.

Similarly, given that the Group has a very limited share of guests from Ukraine, Belarus, and Russia, the current war in Ukraine does not have a significant impact on the Group's business, except for indirect effects such as rising inflation and similar factors.

Credit Risk and Counterparty Default

The Group's companies enter into contracts with various counterparties, including state institutions (such as hospitals) and private companies. The Group is exposed to the risk that a counterparty may breach the contract or delay fulfilling its contractual obligations, and that guarantees, including performance guarantees related to these obligations, may not be honoured. The Group's counterparties may breach the contract or delay fulfilling their obligations for various reasons, such as bankruptcy, lack of liquidity, or operational failure. Any breach of contract or delay in fulfilling contractual obligations by the Group's counterparties may expose the Group to reputational risk, business continuity risk, the risk of losing important contracts, or the risk of increased financing costs. Additionally, the Group may be forced to pay contractual penalties or seek alternative counterparties.

The long maturity period of trade receivables represents a significant market risk for the Group. This is particularly true for Medika's trade receivables towards state and/or county hospitals. Therefore, a considerable amount of the Group's working capital needs to be allocated, which affects the Group's cash flows. Any payment delays result in additional financing costs for Medika. Since the risk of contract breach is relatively low in the case of state-owned or municipal entities, the risk of non-payment or contract breach remains higher with private law counterparties. Conversely, state-owned entities have a higher risk of delayed payments.

There is no or minimum counterparty default risk in hospitality business as Aminesse's share of individual guests is continuously growing with agency business being structured via upfront guarantee deposits.

Interest Rate Risk

The Group's interest rate risk arises from its short-term and long-term borrowings at both fixed and floating rates. The risk associated with changes in market interest rates primarily concerns the Group companies' long-term liabilities with floating interest rates.

Adverse movements in interest rates may lead to higher financing costs and may therefore have an adverse impact on the business of the Group companies, their economic results, and financial situation.

Risk Associated with Traded Shares (Medika)

The main company of the Group, Medika, has its shares listed on the regulated market of the Zagreb Stock Exchange (ISIN HRMDKARA0000). As of 31 December 2024, the Group owned 35.06% of Medika's shares, with the market value of one share on that date reaching EUR 5,500. The market value of shares, as the most risky class of assets, can be extremely volatile, especially if the capital market fluctuates, if there are changes in the macroeconomic environment, if there are discrepancies between the expectations of financial analysts and the achieved/published results, if there is an unstable dividend policy, if mergers and acquisitions occur, if there is instability in the company's business model, as well as fluctuations in the company's financial results. A decline in the value of the shares of Medika can significantly adversely affect the value of the Group's assets.

The Group may not be able to successfully implement its strategy or achieve its financial targets or investment objectives.

The Group undertakes strategies, estimates, and valuations that affect reported results, including the valuation of selected assets and liabilities, setting measures for loan loss provisions, legal proceedings, regulatory actions, accounting for goodwill, provisions, intangible assets, evaluating the ability to realize deferred tax assets, and evaluating equity-based compensation. These estimates are based on the assessment of information and the availability of information, and the Group's actual results may differ significantly from the original estimates. The Group's estimates and valuations are based on models and procedures for predicting economic conditions and market and other events that may affect the ability of counterparties to meet their obligations to the Group or impact the value of assets. The reliability of individual models and procedures may be inaccurate in the event of unexpected market conditions in terms of liquidity and volatility and the ability to make accurate estimates and valuations. Worse-than-expected investment performance or unforeseen liabilities may also result from the failure to uncover certain facts during the due diligence process.

The Group faces risks associated with strategic transactions such as mergers, acquisitions and investments

The Group occasionally evaluates potential strategic acquisitions or investment opportunities, some of which the Group executes. Given the Group's continuous growth, the Group plans to continue in investments in pharma and leisure sectors and is also considering diversification via new business verticals. Any significant transaction that the Group enters into could be significant for its financial condition and operating results. The acquisition of assets, the integration of another company or technology could cause unforeseen operational problems and expenses and could lead to unforeseen liabilities for which the Group may not obtain compensation under the relevant transaction agreements or otherwise.

Legal, Regulatory and Macroeconomic Risks Affecting the Group

Macroeconomic and Political Conditions in Croatia and Europe

The main business activities of the Group are located in Croatia; however, tourism is highly dependent on economic conditions throughout Europe, as Croatia's main trading partners are Germany, Slovenia, and Austria. These countries are also the primary sources of visitors to Croatia. Consequently, the Group's financial results are influenced by the economic and political conditions in these countries, which may be affected by, among other things:

- Macroeconomic events, including external economic shocks and economic difficulties in the European Economic Area, which may generally lead to higher unemployment, lower purchasing power of the population, and a cooling interest in the tourism services provided by the companies within the Group.

- State budget deficits or other fiscal difficulties (this pertains to Medika), which may lead to extended payment terms by state-owned entities in the Croatian healthcare system (such as selected hospitals, pharmacies, or the Croatian Health Insurance Fund (HZZO) fund) and subsequently worsen the financial position of Medika.

- Social or political instability in Croatia, which may lead to further emigration of the workforce abroad in an already tight Croatian labour market.

Should any of these risks materialise, it could have a significant adverse impact on the business, financial results, and financial condition of the Group.

Risk of government policies

The risks associated with government policy primarily concern changes in the tax environment. Frequent changes in fiscal and similar regulations in recent years have negatively impacted business operations in Croatia, particularly with regard to VAT and the constant changes in the middle rates in the hospitality sector. These frequent changes concerning fiscal and similar payments, which the Group implements into its policies and budgets, can deteriorate the financial position and financial planning of the Group. On a positive note, the corporate income tax rate in Croatia was reduced from 20% to 18% in 2017 and has remained at this level. For small businesses with revenues of up to one million EUR, the rate was reduced to 10%.

The Group is subject to complex tax regulation in Croatia, which in some cases is only effective for a short period, is frequently amended, supplemented, and inconsistently enforced. Inefficient tax collection or an overall economic downturn and budget deficits may result in the continuous introduction of new taxes in an effort to increase tax revenues. Therefore, there is a risk that the companies of the Group may be subject to arbitrary and unilaterally disadvantageous taxation in the future.

Weather impact risk

The weather has always significantly influenced the results of the Group within the hospitality segment. Clients in various accommodation facilities respond according to climatic conditions, especially tourists in campsites, who flexibly move to places with currently favorable conditions. Hotel clients take advantage of favorable cancellation policies and may cancel their stay in case of an unfavorable forecast. An advantage of Croatia's geographical location is that from spring to autumn, i.e., during the main season, the weather is consistently stable.
Adverse weather also affects the investment implementation process, where primarily construction work in the exterior can be slowed down and may jeopardize the quality of work as well as the timely opening of capacities before the upcoming season.

Regulatory risk in the pharmaceutical sector

The wholesale and pharmacy sector is subject to demanding and stringent regulations, where insufficient compliance with regulatory requirements could seriously affect the business of the Group. The Agency for Medicinal Products and Medical Devices of Croatia (HALMED) or the European Commission grants marketing authorisations for medicinal products in Croatia. For the purpose of placing a medicinal product on the market, its quality, safety, and efficacy must be determined. HALMED grants marketing authorisations within the framework of national procedures, mutual recognition procedures, and decentralised procedures. The decision that concludes the authorisation procedure is issued based on the Medicinal Products Act ("Zakon o lijekovima", NN 76/13) (the Medicinal Products Act) and related regulations. Croatia can be a reference or concerned state in the mutual recognition and decentralised procedures.

The Medicinal Products Act sets out detailed criteria for determining the maximum allowed wholesale price of prescription medicines in Croatia and the calculation of these prices by HALMED. The calculation by HALMED is generally mandatory and is carried out: (i) when products are first introduced to the Croatian market; and (ii) once a year, starting from the first working Monday in February. Wholesale prices of products that are higher than the new maximum prices calculated by HALMED will need to be reduced to the new prices determined by HALMED, while prices that are lower than the new prices calculated by HALMED will remain the same. This Act also provides the possibility, in specific cases and under specific conditions, to request HALMED's permission to have/set product prices higher than the new maximum allowed wholesale prices.

The continuing decline in the prices of prescription medicines on the HZZO list and the administrative approach of HZZO in determining prices and margins may have a negative impact on the financial results of the Group.

Regulatory risk in the hospitality sector

Operators in the hospitality industry are exposed to risks associated with concessions and their granting, particularly for land in close proximity to the coastal "maritime area" (approximately 10 metres from the coast, although this distance depends on the specific location), certain lands around hotels, and lands where campsites are located. Concessions for the use of coastal lands are granted through tenders organised by the relevant municipality. The duration of concessions varies, as does their scope. There is a risk that the current concession holder (e.g., a hotel) may lose the concession and it may be granted to another operator. However, access to the sea cannot be restricted under any circumstances, as it cannot be denied to anyone. The loss of a concession for the use of coastal lands thus primarily affects the right to operate refreshment stands, sunbeds, etc. Revenues from these operations are insignificant in terms of the Group's hotel revenues.

In the area of regulation of certain lands around hotels and campsites, this issue is governed by the Law on Tourist Land (Zakon o neprocijenjenom građevinskom zemljištu). The law concerns lands that are used by accommodation operators but are owned by the state or municipality. Often, these lands are within campsites, hotel complexes, or tourist resorts, and the operation of the facility would be impossible without the use of the relevant state land. The aim of the law is to set the conditions for the use of these lands; however, the situation is not yet fully resolved, as the amount of rent for lands in different locations has not yet been determined, and it is unclear when this will happen. Additionally, the exact scope/area of the lands that each company will be able to use has not been established. Generally, it is expected that the new legislation will increase the fees for renting these lands, but it is unclear by how much. In any case, given the importance of tourism to the Croatian economy, it is likely that any increase in rent will not have a significant negative impact on the hotel sector or the Group.

Risks related to global financial, political and economic conditions and other market factors

The Group's performance is also influenced by the global political situation and economic conditions, the dynamics in the global financial markets, perceptions of those conditions and future economic prospects. The outlook for the global economy over the near to medium term remains uncertain.

In Europe specifically, many countries continue to generate large budget deficits and face rising or maintain elevated levels of public debt. This may raise concern of the market participants that some of these countries may in the future have difficulty in obtaining funds or refinancing their obligations as they become due, especially if the market conditions were to become more volatile or fail to function altogether. The international credit rating agencies have recently downgraded the credit ratings of many of those countries and have also withdrawn the AAA rating of certain core European sovereigns. Austerity measures to reduce debt levels and fiscal deficits may too result in an economic slowdown accompanied by a marked rise in unemployment. Persistently high unemployment and high public debt levels have historically resulted in unusually high political risk and polarisation of society which can boost anti-European Union (the EU) sentiment.

The political landscape in the US has undergone a shift with the election of president Donald Trump, who has been in office since January 2025. The Trump administration has introduced and may continue to introduce new policies and executive orders, bringing uncertainties and potential risks to the global and EU economies. Such measures may include trade tariffs, immigration restrictions, and regulatory changes. These changes may create an environment of uncertainty and unpredictability, potentially affecting international trade, regulatory frameworks, and economic stability, and may lead to retaliatory measures from affected third countries. Such a scenario may disrupt global supply chains, increase the cost of goods, and reduce international trade volumes. Uncertainty in international relations can also lead to volatility in financial markets, affecting investor confidence and economic stability. Additionally, certain initiatives of the Trump administration may also give rise to territorial and investment disputes, increasing volatility in diplomatic and commercial relations. The EU, with its interconnected economies, may be particularly vulnerable to such volatility.

Each of these factors can change the overall demand for the Group's products and services, the credit quality of its customers, debtors and counterparties, the net interest rate margin between lending and borrowing costs and the value of its investment and trading portfolios and can materially influence its operations, profitability and financial position and the Issuer's ability to meet the obligations under the Notes.

Risks related to the war in Ukraine and the conflict between Israel and Hamas

Throughout 2021, the Russian military build-up along the border of Ukraine escalated tensions between Russia and Ukraine and strained bilateral relations. These events unfolded early in 2022 with Russia commencing a full-scale military invasion of Ukraine on 24 February 2022 (the Invasion of Ukraine).

Following the Invasion of Ukraine, the EU, the US, the UK, Switzerland, Canada, Japan, Australia and certain other countries announced a broad array of sanctions (including, among others, asset freezes, travel restrictions, restriction on access to the EU capital markets, restrictions on imports and exports and SWIFT ban for certain Russian and Belarusian banks) many of which have since been implemented.

The Invasion of Ukraine and the subsequent sanctions imposed on Russia also accelerated the trend of rapidly rising commodity prices when many EU countries had to tackle their dependence on Russia for oil and gas supplies. Even though the EU as a whole largely replaced Russian gas with imports from other countries, the Invasion of Ukraine has brought about a considerable uncertainty for the future, in particular with regards to energy and food prices, and continues to pose a major risk for the economic growth in many EU countries.

The Group has reviewed its portfolios to identify assets with direct exposure to Russia and/or Belarus and concluded that there is not any direct exposure.. The only exposure is indirect due to guests from Ukraine and Russia whose share in total overnights is negligible. The Invasion of Ukraine may, however, have an indirect impact on the Group's operations by affecting the EU economy and financial markets due to, among other things, imposition of sanctions and the effects of the war, including price volatility, increased inflation and currency depreciation.

On 7 October 2023, Hamas launched a combined rocket and ground attack on Israeli territory and civilian targets, which went down as unofficial beginning of Israel's renewed armed conflict with Hamas. After clearing Hamas militants from its territory, the Israeli military embarked on an aerial bombardment of the Gaza Strip followed by a large-scale ground invasion. On 28 August 2024, Israel launched a military operation into the northern West Bank.

On 15 January 2025, an agreement was announced between Israel and Hamas, mediated by Qatar, in which Hamas agreed to release a number of Israeli hostages held in the Gaza Strip since the 7 October 2023 attack in exchange for Hamas militants and other Palestinian prisoners held in Israeli prisons. The two parties also agreed to a ceasefire for the second time during the war; it came into effect on the morning of 19 January 2025. On 18 March 2025, Israel launched surprise airstrikes on Gaza, breaking the ceasefire with Hamas. Further developments of the conflict and their consequences are uncertain. Furthermore, given the repeated clashes between Israel on the one hand and Iran and Hezbollah on the other, as well as the instability in Syria, there is a continuing risk of the conflict spreading into the broader region.

Even though the Group does not directly operate in the Middle East region, this conflict may, similarly to the Invasion of Ukraine, have an indirect impact on the Group's operations by affecting EU economy and financial markets due to, among other things, imposition of sanctions and the effects of the war, including price volatility, increased inflation and currency depreciation.

Therefore, depending on the future development of the Invasion of Ukraine and the conflict between Israel and Hamas, it is not possible to exclude negative effects with respect to the Group. The realization of any of these and other risks may have material adverse effects on the Issuer's business, results of operations, financial condition, liquidity, capital base, prospects or reputation.

Risk factors associated with the Group's operation and internal control:

The Group depends on its top management and the expertise of its key personnel and may not be able to attract and retain a highly qualified and experienced workforce

The risk of losing key personnel represents the risk that the Group will not be able to sufficiently motivate and retain individuals who are crucial to the Group's ability to create and implement key strategies. The loss of key personnel is also associated with the risk of potential leakage of information about the Group's strategy, its projects, or other aspects of its operations. The quality of management and key employees, as well as the protection of information, is crucial for achieving the Group's strategic goals. In this regard, the ability to retain existing employees and attract new ones plays an important role.

Key persons in the Group are:

Members of the Board of Directors of Aminess: Mladen Knežević, Dino Hrelja, Ivica Sulje

Members of the Board of Directors of Medika: Jasminko Herceg, Jakov Jaki Redošević, Matko Galeković

Members of the Board of Directors of the Auctor Holding: Oleg Uskoković, Josef Pilka

All the above-mentioned individuals have long-term experience in their positions and within their fields (pharmaceutical distribution, hotel operations, finance, and investment management). The departure of not only the aforementioned key employees could negatively impact the business activities, financial position, and economic results of the Group, which could indirectly negatively affect the ability to meet obligations arising from the Notes.

STATEMENT OF RESPONSIBILITIES OF MANAGEMENT AND SUPERVISORY BOARD

STATEMENT OF THE MANAGEMENT BOARD'S RESPONSIBILITIES

The Group's Management Board must make sure that the 2024 financial statements were prepared in accordance with the Accounting Act and International Financial Reporting Standards, approved by the European Union, so as to give a true and fair view of the Group's financial position, financial performance, and changes in equity and cash flows for the period.

Based on the conducted analysis, the Management Board has a reason to believe that the Group possesses adequate resources to continue its operations. In the light of the above, the Management Board prepared the consolidated financial statements on a going concern basis.

In preparing consolidated financial statements, the Management Board is responsible for:

- Selecting and consistently applying appropriate accounting policies;
- Making reasonable and prudent judgements and estimates;
- Implementing applicable financial reporting standards, and disclosing and providing explanations in the financial statements of any material departures; and
- Preparing consolidated financial statements on a going concern basis, unless such a premise is inappropriate.

The Management Board is responsible for keeping correct accounting records, which disclose the Group's financial position and financial performance with reasonable accuracy at any time, and which must comply with the Accounting Act and the International Financial Reporting Standards applicable in the European Union.

The Management Board is responsible for safeguarding the Group's assets and also for taking reasonable steps to prevent and detect fraud and other irregularities. Furthermore, the Management Board is responsible for the preparation and content of management reports, in accordance with the Czech Act No. 563/1991 Coll., on Accounting. The Management Board approved the Management Report for publication.

The financial statements set out on pages 24 to 92 were authorised by the Management Board for submission to the Supervisory Board on 5 June 2025, in witness whereof they have been signed below.

Signed on behalf of the Management Board on 5 June 2025 by:

Oleg Usković Member of the Board of Directors	Josef Pilka Member of the Board of Directors

(Translation of a report originally issued in Czech)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Auctor Holding, a.s.:

Opinion

We have audited the accompanying consolidated financial statements of Auctor Holding, a.s. (hereinafter also the "Company") and its subsidiaries (the Group) prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated the statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information. For details of the Group, see Note 1 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the consolidated Annual Report other than the consolidated financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and

- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Company's Board of Directors and Supervisory Board for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Company's Supervisory Board is responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Company's Supervisory Board and Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Audit, s.r.o.
License No. 401

Artem Žiganov, Auditor
License No. 2613

5 June 2025
Prague, Czech Republic

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2024

(in thousands of EUR)	**Note**	**2024**	**2023**
Revenue	5	938,148	840,569
Other income	6	6,324	5,268
Cost of goods sold		(767,135)	(691,125)
Staff expenses	7	(54,915)	(47,832)
Depreciation and amortisation		(24,677)	(22,728)
Other expenses	8	(57,351)	(56,385)
Profit from operations		**40,394**	**27,767**
Finance income	9	6,973	3,279
Finance costs	9	(22,587)	(13,666)
Net finance gain/(loss)		**(15,614)**	**(10,387)**
Share in profits of associates	14	512	431
Gain from bargain purchase	25	3,097	-
Profit before tax		**28,389**	**17,811**
Income tax expense	10	(6,958)	(5,598)
Profit for the period		**21,431**	**12,213**
Other comprehensive income for the period			
Equity securities – at FVOCI - net of tax		32	22
Other comprehensive income for the period		**32**	**22**
Total comprehensive income for the period		**21,463**	**12,235**
Profit attributable to:			
Owners to the Company		8,447	2,562
Non-controlling interests	26	13,016	9,651
		21,463	**12,213**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

(in thousands of EUR)	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	11	291,978	280,141
Right-of-use assets	12	39,367	9,636
Intangible assets	13	39,882	39,297
Investments in associates	14	3,349	3,482
Other investments	15	246	183
Trade and other receivables	17	9,510	8,761
Deferred tax assets	24	1,835	1,262
Total non-current assets		**386,167**	**342,762**
Current assets			
Inventories	18	93,728	79,481
Trade and other receivables	17	297,930	283,719
Income tax receivable		463	529
Cash and cash equivalents	19	31,079	29,623
Total current assets		**423,200**	**393,352**
Total assets		**809,367**	**736,114**
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	21	77	77
Capital reserves	21	13,084	13,084
Fair value reserve		71	45
Translation reserve		725	725
Retained earnings		31,125	6,201
Equity attributable to owners of the Company		**45,082**	**20,132**
Non-controlling interest	27	114,935	121,016
Total equity		**160,017**	**141,148**
Non-current liabilities			
Borrowings	23	142,385	214,341
Lease liabilities	12	31,645	7,285
Trade and other payables	22	6,338	6,344
Provisions	25	4,708	6,253
Deferred tax liabilities	24	15,561	16,053
Total non-current liabilities		**200,637**	**250,276**
Current liabilities			
Borrowings	23	125,191	32,835
Lease liabilities	12	3,888	2,462
Trade and other payables	22	317,058	306,521
Income tax payable		2,032	2,729
Provisions	25	544	143
Total current liabilities		**448,713**	**344,690**
Total equity and liabilities		**809,367**	**736,114**

AUCTOR HOLDING a.s. and its subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2024

(in thousands of EUR)	Issued capital	Capital reserves	Fair value reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at the beginning of prior period	**77**	**11,497**	**33**	**725**	**3,959**	**16,291**	**115,221**	**131,512**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	2,562	**2,562**	9,651	**12,213**
Other comprehensive income for the period	-	-	12	-	-	**12**	10	**22**
	-	**-**	**12**	**-**	**2,562**	**2,574**	**9,661**	**12,235**
Contributions and distributions								
Capital contributions	-	1,587	-	-	-	1,587	**-**	**1,587**
Dividends*	-	-	-	-	-	-	(3,949)	**(3,949)**
	-	**1,587**	**-**	**-**	**-**	**1,587**	**(3,949)**	**(2,362)**
Changes in ownership interests								
Disposal of interest without loss of control	-	-	-	-	307	**307**	243	**550**
Acquisition of NCI without change in control	-	-	-	-	(138)	(138)	(159)	**(297)**
Other changes	-	-	-	-	(489)	(489)	(1)	**(490)**
	-	**-**	**-**	**-**	**(320)**	**(320)**	**83**	**(237)**
Balance at the end of prior period	**77**	**13,084**	**45**	**725**	**6,201**	**20,132**	**121,016**	**141,148**
Balance at the beginning of current period	**77**	**13,084**	**45**	**725**	**6,201**	**20,132**	**121,016**	**141,148**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	8,421	**8,421**	13,010	**21,431**
Other comprehensive income for the period	-	-	26	-	-	**26**	6	**32**
	-	-	**26**	-	**8,421**	**8,447**	**13,016**	**21,463**
Contributions and distributions								
Capital contributions	-	-	-	-	-	**-**	**-**	**-**
Dividends*	-	-	-	-	-	-	(3,674)	**(3,674)**
	-	**-**	**-**	**-**	**-**	**-**	**(3,674)**	**(3,674)**
Changes in ownership interests								
Disposal of interest without loss of control	-	-	-	-	-	**-**	-	**-**
Acquisition of NCI without change in control	-	-	-	-	15,422	**15,422**	(15,422)	**-**
Other changes	-	-	-	-	1,081	**1,081**	-	**1,081**
	-	**-**	**-**	**-**	**16,503**	**16,503**	**(15,422)**	**1,081**
Balance at the end of current period	**77**	**13,084**	**71**	**725**	**31,125**	**45,082**	**114,935**	**160,017**

*Dividend per share amounted to EUR 200 (2023: EUR 215.00)

AUCTOR HOLDING a.s. and its subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(in thousand EUR)	**Note**	**2024**	**2023**
Cash flow from operations			
Profit for the period		**21,431**	**12,213**
Adjustments for:			
Income tax	10	6,958	5,598
Depreciation and amortisation	11, 12, 13	24,677	22,728
Gain on disposal of property, plant and equipment	6	(638)	(1,092)
Impairment loss on receivables	8	287	2,092
Impairment loss on inventories	18	1,091	813
Interest expense	9	18,627	13,525
Interest income	9	(3,398)	(2,605)
Change in fair value of investments	9	362	(545)
Unrealised exchange differences	9	29	17
Change in provisions		(1,547)	3,424
Share of profit of equity-accounted investees, net of tax	14	(512)	(431)
Gain from bargain purchase	25	(3,097)	-
Other adjustments		988	-
Cash flow from operating activities before changes in net working capital		**65,258**	**55,737**
Changes in:			
Inventories		(15,290)	(17,296)
Trade and other receivables		(42,883)	(77,855)
Trade and other payables		5,140	51,356
Cash generated from operating activities		**12,225**	**11,942**
Interest paid		(12,682)	(11,179)
Income taxes paid		(8,552)	(8,840)
Net cash from operating activities		**(9,009)**	**(8,077)**

AUCTOR HOLDING a.s. and its subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	2024	2023
Cash flow from investing activities			
Acquisition of property, plant and equipment		(31,900)	(42,697)
Acquisition of intangible assets		(1,205)	(1,056)
Proceeds from sale of property, plant and equipment		996	3,457
Proceeds from sale of intangible assets		234	91
Acquisition of subsidiaries, net of cash acquired	25	691	(3,143)
Proceeds from sale of other investments		-	536
Purchase of financial assets		(399)	-
Proceeds from deposits matured/withdrawn	17	32,000	-
Interest received	9	3,398	-
Dividends received	9, 14	651	404
Net cash outflow from investment activities		**4,466**	**(42,408)**
Cash flow from financial activities			
Loans received	22	242,797	157,710
Repayment of loans	22	(230,159)	(144,067)
Repayment of leases	12	(2,965)	(2,639)
Transactions with non-controlling interest	26	-	253
Dividends paid		(3,674)	(3,949)
Net cash inflow from financial activities		**5,999**	**7,308**
Net cash inflow		1,456	(43,177)
Cash and cash equivalents at the beginning of year		29,623	72,800
Cash and cash equivalents at the end of year	19	**31,079**	**29,623**

NOTE 1 – GENERAL DATA

Name of the issuer:	**Auctor Holding, a.s.**
Registered office:	**Sokolovská 700/113a, Karlín, 186 00 Prague 8, Czech Republic**
Legal form:	**joint stock company**
Registration No:	**083 64 028**
Registered by:	**Commercial Register maintained by Municipal court in Prague, file No. B 24583**

Auctor Holding, a.s. was established by notarial deed NZ 893/2019 as a Joint stock company on 18th July 2019 and was registered by Commercial register in Prague on 24th July 2019. The Company changed its registered office in 2021 from Pobřežní 297/14 to Sokolovská 700/113a.

In July 2019, Company acquired subsidiaries in Croatia – Auctor d.o.o. and Auctor Kapital d.o.o. with its subsidiaries. The principal activities of the Company and its subsidiaries in Croatia is the wholesale and retail distribution of pharmaceutical products, hospitality services. The Company is headquartered in Prague.

Control over acquired companies was established on 25 July 2019 by gaining ownership and changing of management board members in holding companies Auctor d.o.o., Auctor Kapital d.o.o. and Lipa-Promet d.o.o., as well as changes made in Supervisory Boards of subsidiaries.

In 2020, subsidiary Aminess d.d. (former name: Laguna Novigrad d.d.) acquired 100% shares in Dalmacija hoteli d.o.o., an SPV holding company, holding a stake in hospitality companies HTP Korčula d.d. and HTP Orebić d.d., as well as Adriatic kampovi d.o.o., tourist agency operating in lease of mobile homes in several camp sites in Croatia. Subsequently in 2021 a company Adriatic kampovi d.o.o. was sold and in 2022 a company Dalmacija hoteli d.o.o. was merged into Aminess d.d..

In 2021, a newly incorporated subsidiary Auctor Alfa a.s. acquired 51% shares in Romana d.o.o., a hospitality company with hotel under construction with intention to change it in a project of 5* resort under Aminess brand – Aminess Khalani Beach Resort. Hotel was opened in June 2022.

At the beginning of 2022, subsidiary Aminess d.d. acquired 55% of share capital in Sea Heaven Camps and Resorts d.o.o.. With this acquisition, subsidiaries Marbera Holding a.s. and Hoteli Njivice d.o.o. were also acquired. Marbera Holding, a. s. was established for planned financing and acquiring a stake in Hoteli Njivice d.o.o..

In the middle of 2022, subsidiary Auctor Alfa a.s. acquired 75% of share capital in Nova Camping d.o.o. a company developing camp on the island of Pag which opened in April 2024.

In June 2023, Auctor Holding sold 10% of Aminess Hospitality Group's shares to its shareholder JTPEG Croatia Investments, a.s., and 10% to its shareholder AUCTOR PRIME d.o.o.

In July 2023, Auctor Holding acquired additionally 3,125 shares of Aminess which represents 0.36% of share capital and voting rights.

In August 2023, Aminess acquired 78 shares of HTP Korčula representing 0.003% of share capital and voting rights, and 10,609 shares of HTP Orebić representing 2.23% of share capital and voting rights.

In May and October 2023, Medika acquired 100% ownership of the Institution with 2 pharmacies and 1 pharmacy.

NOTE 1 – GENERAL DATA (continued)

Between March and May 2024, Auctor Holding increased the share capital of Aminess by subscribing to 4,424,778 new shares. Following the capital increase, Auctor Holding held an 82.24% stake in Aminess. Simultaneously with this increase in Auctor Holding's stake in Aminess, Auctor Kapital's share in Aminess decreased from 83.49% to 13.5%.
In June 2024, Auctor Holding sold 14.28% of its shares in Aminess and, at the same time, acquired a 41.5% stake in Auctor Kapital.

In December 2024, Auctor Holding acquired 100% ownership of the companies Adriatic Hotel Management d.o.o. and Meeting Point Croatia d.o.o.. For details please see Note 25.

The Group is comprised of the Company and the subsidiaries listed in following table. The Group also holds associates listed below. Percentages listed reflect ownership of the intermediary company in case there is intermediary company between subsidiary and ultimate parent.

The ownership structure of the Group with indicated relevant shares in the registered capital and the voting rights is shown below:

GROUP STRUCTURE

SUBSDIDIARIES	2024 Equity share	2024 Voting rights	2023 Equity share	2023 Voting rights	Consolidation scope	Principal market	The principal place of business
Auctor Holding a.s.							Czech Republic
Medika d.d. with subsidiaries*	35.03%	50.10%	35.03%	50.10%	Consolidation	Pharmaceutical supplies	Croatia
ZU Ljekarne Prima Pharme*	100.00%	100.00%	100.00%	100.00%	Consolidation	Pharmaceutical supplies	Croatia
Primus Nekretnine d.o.o.*	100.00%	100.00%	100.00%	100.00%	Consolidation	Other	Croatia
Aminess d.d.*	81.46%	81.56%	83.49%	84.15%	Consolidation	Tourism/hospitality	Croatia
Litmus d.o.o.*	100.00%	100.00%	100.00%	100.00%	Consolidation	Tourism/hospitality	Croatia
Aminess hospitality d.o.o.	80.00%	80.00%	80.00%	80.00%	Consolidation	Tourism/hospitality	Croatia
HTP Korčula d.d.*	90.08%	90.08%	90.08%	90.08%	Consolidation	Tourism/hospitality	Croatia
HTPOrebić d.d.*	91.47%	91.47%	91.47%	91.47%	Consolidation	Tourism/hospitality	Croatia
Auctor d.o.o.	100.00%	100.00%	100.00%	100.00%	Consolidation	Other	Croatia
Auctor Kapital	100.00%	100.00%	58.50%	58.50%	Consolidation	Other	Croatia
Auctor Finance	100.00%	100.00%	100.00%	100.00%	Consolidation	Other	Slovakia
Auctor Alfa	100.00%	100.00%	100.00%	100.00%	Consolidation	Other	Czech Republic
Romana d.o.o.*	51.00%	51.00%	51.00%	51.00%	Consolidation	Tourism/hospitality	Croatia
Sea Heaven Camps and Resorts d.o.o.*	55.00%	55.00%	55.00%	55.00%	Consolidation	Tourism/hospitality	Croatia
Marbera Holding a.s.*	60.00%	60.00%	60.00%	60.00%	Consolidation	Tourism/hospitality	Czech Republic
Hoteli Njivice*	95.15%	95.15%	95.15%	95.15%	Consolidation	Tourism/hospitality	Croatia
Nova Camping*	75.00%	75.00%	75.00%	75.00%	Consolidation	Tourism/hospitality	Croatia
Meeting Point Croatia d.o.o.	100.00%	100.00%	-	-	Consolidation	Tourism/hospitality	Croatia
Adriatic Hotel Management d.o.o.	100.00%	100.00%	-	-	Consolidation	Tourism/hospitality	Croatia

* Equity share and voting rights in subsidiaries are shown from the perspective of immediate owner, while Auctor Holding total share and voting rights could be different because of the indirect ownership.

Associates	2024 Equity share	2024 Voting rights	2023 Equity share	2023 Voting rights	Consolidation scope	Principal market
Zdravstvena ustanova Ljekarne Jagatić	49.00%	49.00%	49.00%	49.00%	Equity method	Pharmaceutical supplies

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION

Set out below are the principal accounting policies adopted in the preparation of these consolidated financial statements.

2.1 Basis of preparation

(i) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards adopted by the European Union ("EU IFRS"). Financial statements are presented for the Group. The financial statements of the Group comprise the consolidated financial statements of the Company and its subsidiaries.

These consolidated financial statements have been prepared in Czech and in English. In all matters of interpretation of information, views or opinions, the Czech version of the consolidated financial statements takes precedence over the English version.

(ii) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the following items which are measured on an alternative basis on each reporting date.

Items	***Measurement bases***
Financial instruments at FVTPL	Fair value
Debt and equity instruments at FVOCI	Fair value

Methods used for fair value measurement are explained in note 3.3.

(iii) Functional and presentation currency - change in accounting policies

The consolidated financial statements are presented in euros (EUR) which is Group's functional currency.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(iv) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 New Accounting Pronouncements

The following amended standards became effective from 1 January 2024, they have been endorsed by the EU, but did not have a material impact on the Group:

- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.*
- *Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument*

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 New Accounting Pronouncements (continued)

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024). In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements.*

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, which have been endorsed by the EU and which the Group has not early adopted:

- *Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).*

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's financial statements.

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, which have not been endorsed by the EU and which the Group has not early adopted.

- *Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).*
- *Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).*
- *Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).*
- *IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).*
- *Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.*

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's financial statements.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Consolidation

The consolidated financial statements of the Group incorporate the financial statements of Auctor Holding a.s. and entities controlled by Auctor Holding a.s. (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also considered contractual rights in determining control over certain subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

(ii) Associates and joint ventures (equity accounted investees)

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investment in associates are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

The Group’s share of its associates’ post-acquisition profits or losses is recognised in the profit and loss statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed in the statement of comprehensive income as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Consolidation (continued)

(iii) Business combinations (continued)

The excess of consideration transferred, the amount of any non-controlling interest in the acquiree and acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the enterprise. Unrealised gains arising from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.4 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of an asset.

Subsequent expenditure is included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group, and the cost of the asset can be measured reliably. The carrying amount of a replaced part is derecognised. All other investment and maintenance costs are charged to the profit and loss account in the financial period they incurred in.

Land and assets under development are not depreciated. Depreciation of other assets is provided using the straight-line method so as to write down the cost of an asset over its estimated useful life. Depreciation is provided on an individual asset basis until the asset is fully written off or written down.

The estimated useful lives are as follows:

Buildings	10–40 years
Equipment	2–20 years

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset, less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group expects to use the asset until the end of its useful life. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

If the carrying amount of an asset exceeds its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses arisen on disposal are determined by comparing the proceeds with carrying amount, and are recognised within “Other gains/(losses) – net” in the income statement.

2.6 Intangible assets

(i) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business, less accumulated impairment loss, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 Intangible assets (continued)

(ii) Licences

Licenses represent valuable intangible asset primarily in the subsidiary Medika d.d. with its subsidiaries PrimaPharme and other health institutions, as they grant permission to operate pharmacies in Croatia. The licenses are granted by Ministry of Health without any fee, when certain criteria are met by the applicant. The licenses can also be purchased either separately or as a part of an asset deal and have indefinite useful life.

Cost incurred by the Group in obtaining pharmacy operation licences, without which no pharmacy activities can be performed, are capitalised to the extent that future economic activities are probable. Impairment testing is made on an annual basis.

No similar or particular licences are needed in the hospitality sector.

(iii) Software

Software licences are capitalised based on the cost of purchase and costs incurred in bringing software into a working condition for its intended use. The cost is amortised over the useful life of the assets, which ranges from 5 to 10 years.

(iv) Other rights

Other rights are shown at historical cost, they have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of other rights over their estimated useful lives (5 years).

2.7 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (apart from inventories and deferred taxes) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and other intangible assets are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is expensed immediately.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Impairment of non-financial assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as an income immediately.

2.8 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position of the Group when the Group becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs which may be directly attributed to the acquisition or issuing the financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of financial assets and financial liabilities at initial recognition, where appropriate. Transaction costs which may be directly attributed to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

Financial assets

In line with IFRS 9, all recognised financial assets are subsequently entirely measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, depending on the business model and characteristics of contracted cash flows of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividends clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The Group classifies its financial assets in a category measured at amortised cost, using the effective interest rate method, within a business model whose aim is to collect contracted cash flows and according to which the cash inflow is made solely for payments of principal and interest on the principal amount outstanding (IFRS 9).

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial instruments (continued)

Financial assets (continued)

The Group classifies a debt instrument as FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has elected to classify its equity instruments that are not held for trading as FVOCI.

All other financial assets that are classified as amortised cost or FVOCI are measured at FVTPL.

At each reporting date the Group performs a review to identify any objective evidence that a financial asset may be impaired. Impairment testing of trade and loan receivables is described in note 2.9.

Financial assets are reported in the current assets, except for non-trading equity investments and debt instruments which mature more than 12 months after the date of statement of financial position. Such assets are classified as non-current assets.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognised in profit or loss.

Amortized cost and effective interest rate method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, aside from purchased or incurred credit-impaired financial assets (i.e. assets which were credit-impaired during the initial recognition), the effective interest rate is a rate that accurately discounts the estimated future cash inflow (including all fees and points paid or received, which constitute an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding the expected credit losses, during the expected life of a debt instrument or, where appropriate, during a shorter period, to gross carrying amounts of the debt instrument at initial recognition. For purchased or incurred credit-impaired financial assets, the effective interest rate adjusted to the loan is calculated by discounting estimated future cash flows, including expected credit losses, to the depreciated cost of the debt instrument at initial measurement.

The amortized cost of financial assets is the amount at which the financial instrument is measured at initial recognition, less of payments of principal and plus accrued interest, using the effective interest rate method for any difference between the opening amount and amount at maturity, adjusted for any loss. Gross carrying amount of financial assets is the amortized cost of financial assets before adjustments for any loss.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial instruments

Financial assets (continued)

Amortized cost and effective interest rate method (continued)

Interest income is recognised by applying the effective interest rate for debt instruments, which are subsequently measured at amortized cost. For financial assets, other than purchased or incurred credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, aside for the financial assets which subsequently became credit-impaired.

For financial assets which subsequently became credit-impaired, interest income is recognised by applying the effective interest rate to the amortized cost of financial assets.

If, in the following reporting periods, the credit risk for the credit-impaired financial instrument improves in the way that the financial instrument is no longer credit-impaired, the interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial assets.

For the purchased or incurred credit-impaired financial assets, the Group recognises interest income by using the effective interest rate adjusted by the credit risk to the amortized cost of financial assets at initial recognition. The calculation is not returned to a gross basis, even if the credit risk of the financial assets subsequently improves so that the financial assets are no longer credit-impaired.

Interest income are recognised in the profit and loss account, and are included in the item “Financial income – interest income”

Impairment of financial assets

The Group recognises the provisions for expected credit losses of trade receivables and debt instruments measured at amortized cost. The amount of expected credit losses is calculated at every reporting date in order to reflect the changes in the credit risk since the initial recognition of an individual financial instrument.

The Group always recognises life-long expected credit losses (ECL) for trade receivables based on a selected simplified approach. The expected credit losses for these financial assets are described in note 2.9. The Group currently does not adjust the loss rate for future macroeconomic conditions, since it has not performed an analysis of the impact of macroeconomic factors on historical loss rates, including the time value of money, where appropriate.

For the given loans, the Group recognises the life-long ECL in case of a significant increase in credit risk since initial recognition. However, if the credit risk for the financial instrument has not significantly increased since the initial recognition, the Group measures the loss for this financial instrument in the amount equal to a 12-month ECL.

Life-long ECL represents expected credit losses resulting from all potential cases of default during the expected lifetime of the financial instrument. By contrast, a 12-month ECL represents a part of the life-long ECL, on account of the probability of a default status in the 12 months following the reporting date.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial instruments (continued)

Financial assets (continued)

(i) Significant increase in credit risk

When assessing whether the credit risk for the financial instrument significantly increased since the initial recognition, the Group compares the risk of default on the reporting date to the risk of default of the financial instrument on the date of initial recognition. During the assessment, the Group considers both quantitative and qualitative information which are reasonable and available, including the historical experience, which can be accessed without unnecessary costs or engagements.

In particular, for the loans given, the Group relies on days of default when assessing significant credit risk deterioration. If the debtor is in default more than 30 days, then the Group assumes that there is a significant increase in credit risk.

Despite the aforementioned, we assume that the credit risk for the financial instrument has not significantly increased since the initial recognition if we determine that the financial instrument has a low credit risk at the reporting date. We conclude that the financial instrument has a low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong ability to settle his/her contractual obligations in the short term; and
- Adverse changes in economic and business conditions in the long term may, but do not necessarily have to, decrease the lessee's ability to meet his/her contractual cash flow obligations.

However, the Group does not currently use the simplification of a low credit risk when assessing the significant increase in credit risk.

The Group regularly monitors the efficiency of criteria used to determine whether there has been a significant increase in credit risk and reviews them so that the criteria may identify a significant increase in credit risk before any default occurs.

(ii) Definition of default status

The following facts, which represent a case of default for internal credit risk management purposes are data that are internally developed or obtained from external sources, indicating that it is unlikely that the debtor will pay his/her creditors, including the Group, in full (without considering any collateral held by the Group).

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial instruments (continued)

Financial assets (continued)

(iii) Credit-impaired financial assets

Financial assets are credit-impaired when one or more events with an adverse effect on estimated future cash flows and financial assets occurred. Proof of credit impairment of the financial asset includes data available on the following events:

- Significant financial difficulties of the issuer or debtor;
- Default status (as defined above);
- When the issuer, due to the debtor's financial difficulties, grants the debtor a concession, which he would otherwise not consider;
- It becomes probable that the debtor will go into bankruptcy or undertake another type of financial restructuring;
- The disappearance of an active market for a specific financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off financial assets when there are data pointing to the fact that the debtor is in serious financial difficulties and that there is no real chances of return, for example when the debtor has gone into liquidation or bankruptcy. Written-off financial assets can still be subject to enforcement activities within the Group recovery procedures, with regard to the relevant legal advice, where appropriate. Recovery is recognised in the profit or loss account.

(v) Measurement and recognition of expected credit losses

Measurement of expected credit losses represents a loss rate function, calculated in line with the model described in note 2.9. In terms of exposure in the moment of default, for the financial assets it represents a gross carrying amount of the assets at the reporting date.

For the financial assets, the expected credit loss is assessed as the difference between all contractual cash flows maturing in line with the contract and all expected cash flows, discounted at the original effective interest rate.

If the Group measured provisions for expected loan losses for financial instruments in the amount equal to life-long ECL in the previous reporting period, but at the current reporting date it determined that the life-long ECL conditions are no longer met, the Group measures the loss in the amount equal to a 12-month ECL at the current reporting date, except for the assets for which a simplified approach was used (trade receivables).

The Group recognises impairment gains and losses in the profit and loss account for all financial instruments with the appropriate adjustment of the carrying amount through the loss provisions account.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial instruments (continued)

Financial liabilities

Financial liabilities recognized by the Group are trade payables and borrowings.

The Company measures all financial liabilities at depreciated cost.

(a) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. In future periods, borrowings are reported at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a derecognised financial liability and paid fee per liability fee are calculated into profit or loss.

2.9 Trade receivables

The Group always reports the provisions for expected credit losses of trade receivables in the amount equal to the life-long ECL.

Trade receivables without a significant financing component are recognised initially at the transaction price and subsequently measured at amortised cost.

The impairment loss is assessed based on the customer's activity, i.e. the borrower's activity, and based on historical data, the current and expected liquidity of the Health System of the Republic of Croatia, as well as specific assessments of the Sales Sector, depending on the current state of the market and the inability to collect them.

There were no changes in the assessment techniques or material assumptions during the current reporting period.

The impairment losses on trade receivables are recognised in the income statement within "Other operating expenses".

Loans and receivables with maturities greater than 12 months after the reporting date are classified as non-current assets.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid instruments with original maturities of three months or less. Bank overdrafts are included within current liabilities on the consolidated statement of financial position.

2.11 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost includes all costs attributable to the purchase of goods and is calculated based on the weighted average purchase price. Net realisable value represents the estimated selling price in the ordinary course of business less all variable selling costs. Examination of damaged and/or obsolete inventories is preformed continuously and for all such inventories write down to net realisable value is charged to cost of goods sold.

2.12 Share capital

Share capital consists of ordinary shares.

2.13 Employee benefits

(i) Obligations in respect of retirement and other post-employment benefits

In the normal course of business, the Group makes payments, through salary deductions, to mandatory pension funds on behalf of its employees, as required by law. All contributions paid to the mandatory pension funds are recognised as salary expense when accrued. The Group does not have any other pension scheme and consequently, has no other obligations in respect of employee pensions. In addition, the Group is not obliged to provide any other post-retirement benefits.

(ii) Long-term employee benefits

The Group recognises a liability for long-term employee benefits (jubilee awards and retirement benefits for full-age retirement) over the period the benefit is earned based on actual years of service. The long-term employee benefit obligation is determined using assumptions regarding the likely number of staff to whom the benefit will be payable, estimated benefit cost and the discount rate. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.13 Employee benefits (continued)

(iii) Short-term employee benefits

The Group recognises a provision for bonuses, unused annual leave and other benefits when there is a contractual obligation or a past practice giving rise to a constructive obligation.

Short-term liabilities for termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Short-term employee benefits include termination benefits and jubilee awards (stated in paragraph (b) above), which will be paid within a period of 12 months after the reporting date.

2.14 Provisions

Provisions are recognised if the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The amount of provision increases in each period to reflect the passage of time. This increase is presented as interest expense.

2.15 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to profit or loss in the period in which they are incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following text provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers.

(a) Medika CGU - Sales of goods

Sales of goods revenue is recognized when the control of goods is transferred to the customer, i.e. when the goods are delivered to the customer. The delivery is performed when the goods have been dispatched to a specific location, the risk of obsolescence and loss is transferred to the customer, the customer received the goods pursuant to the contract, and the Company has objective proof that all the conditions for the receipt of goods have been met.

Retail revenue is recognized at the time of sale of goods to the buyer. Retail revenue is mostly made in cash or through credit cards. Reported revenue includes credit card fees that are included in other operating expenses.

(b) Aminess CGU and other CGU's-Service revenue

Service revenue is recognized in the accounting period in which service is performed.

Hotel and tourism services are provided based on fixed-price contracts. Revenues from hotel and tourism services are recognised over time when the services are provided. Price lists include the quantities and types of accommodation units and other services and are defined by the period to which service relates. All discounts calculated on the price list represent a decrease in the selling price.

Commission fees to booking agencies represent an additional cost of contract acquisition and are recognized as an expense by the Company at the time of their occurrence and are disclosed within other operating expenses.

(c) All CGU's- Financial income

Financial income represents interest income earned on term deposits with banks and on given loans and is recognised on a time proportion basis using effective interest rate method.

Transactions denominated in foreign currencies are translated into functional currency using the foreign exchange rate valid on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the official foreign exchange rate at the reporting date. Any gains or losses arising from change in applicable exchange rates subsequent to the date of transaction are included in the income statement as part of financial income or financial expense.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Income tax

Current tax is determined on the basis of the tax laws in effect in the Republic of Croatia and Czech Republic at the balance sheet date. From time to time, the Management reviews individual items declared in the tax returns where such items might be subject to various tax interpretations and considers forming provisions, where necessary, based on the amount expected to be paid to the Tax Administration.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the date of the financial statements, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the liability method, whilst taking into account the temporary differences between the tax bases of assets and liabilities and their carrying amounts in financial reports. However, deferred taxes are not recognised if it derives from the initial recognition of assets or liabilities within a transaction which is not a business merger and which has no bearing on the accounting profit or taxable profit (tax loss). Deferred tax assets and liabilities are determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised up to the amount of the future taxable profit which is likely to be available for the use of temporary differences.

The company expects that, given the total amount of revenue on a consolidated basis of the Auctor Holding Group, it will be subject in the future to the top-up tax rules under Pillar 2. The purpose of the top-up tax legislation is to introduce a minimum effective tax rate that must be applied by a group of companies once a specified threshold of consolidated revenue is exceeded. Such a group is required to pay tax on its profit at a level that ensures an effective tax rate of at least 15%.

The calculation of the effective tax rate is based on financial statements and represents the ratio of total taxes to total so-called "qualified profits." This ratio is then compared across all companies within a given country. If the ratio of total taxes to qualified profits is less than 15%, the company is required to pay a top-up tax to "make up" the difference, so that the effective tax rate reaches at least 15%.

2.18 Value added tax

The Tax Authorities require that VAT is settled on a net basis. VAT on sale and purchase transactions is recognised in the statement of financial position on a net basis. Where an amount receivable is impaired, the impairment loss is recognised in the gross amount of the receivable, i.e. including VAT.

2.19 Dividends payable

Dividends payable to the Company’s shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved in the General Meeting of the Company’s shareholders.

2.20 Leases

Subsidiaries in the Group, like Medika d.d. and Aminess d.d. leases certain properties and vehicles. The contracts are concluded for a period of 3 years to 10 years and have the possibility of extension. Contracts may contain lease and non-lease components, allocation of consideration between components is based on their relative stand-alone prices.

Leased property is classified as a right-of-use. At the same time, a lease liability is recognized on the date the underlying asset is available for use. Assets and liabilities from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments: fixed payments less any incentives, variable lease payments that are based on index, initially measured using the index as at commencement date, amounts expected to be payable by the Group under residual value guarantees. Lease payment to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease liabilities are discounted using the interest rates implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated into the principal and the cost of financing. Financing expense is recognized in the income statement over the term of the lease.

Right-of-use assets are recognized using the cost method consisting of the amount of the initial measurement of the lease liability, all payments made before the lease commences and direct costs. Right of use assets are depreciated over the useful life or lease term, whichever is shorter.

All leases that with a remaining lease term of less than 12 months and leases of assets with low v value (with purchase price below EUR 5,000) are recognized in the income statement on a straight-line basis over the term of the lease.

2.22 Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs.

Grants related to property, plant and equipment are recognised in profit or loss over the periods and in the proportions in which depreciation on those assets is recognised. In the statement of financial position, government grant is deducted in arriving at the carrying amount of the underlying asset and is recognised in the profit or loss over the useful life of depreciable asset by way of a reduced depreciation charge.

NOTE 3 - FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to various financial risks: market risk (which includes foreign exchange risk, fair value interest rate risk, interest rate cash flow risks and investment in securities risk), credit risk and liquidity risk.

Medika d.d. as the pharmaceuticals wholesale and pharmacy industry in the Republic of Croatia is highly influenced by the state which plays its role by imposing strict legislation and the health system funding. As the dynamic of funding by the state is beyond control or prediction and given the inability to predict financial market trends, the overall risk management of the Group is focused on reducing the potential adverse impact on the Group's financial position. Risk management within the Group is the responsibility of the Finance Division that, in cooperation with other divisions within the Group, identifies, assesses the risks and proposes risk protection measures.

Aminess and other subsidiaries are actively monitoring credit exposure. The entities are applying a conservative approach when investing (e.g. money market funds, equity instruments). Management considers that the entities are not currently significantly exposed to credit risk due to the low level of trade receivables and sales revenue at the reporting date as most of the properties are closed during the winter season. Within creditworthiness assessments, the entities need to adhere to certain minimum creditworthiness requirements. A maximum individual exposure is also determined. Trade receivables are monitored on a regular basis, i.e. at least once a week.

(a) Market risk

(i) Foreign exchange risk

The Group generates most of its revenue in euro (EUR). Since the euro becomes the official monetary unit and legal tender in the Republic of Croatia on January 1, 2023, the Group has no significant currency risk.

NOTE 3 - FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from its borrowings, which expose the Group to cash-flow interest rate risk. Fixed-rate borrowings expose the Group to the interest-rate fair value risk.

The Group does not use derivative instruments to actively hedge its cash flow and fair value interest rate risk exposure. However, the Group continuously monitors changes in interest rates. Various scenarios are simulated taking into account refinancing, renewal of existing positions and alternative financing.

As at 31 December 2024, if the effective interest rate on borrowings (issued at variable rate) would be 10 bps higher/lower on an annual level, the net profit for the reporting period would be EUR 133 thousand (2023: EUR 156 thousand) lower/higher.

(b) Credit risk

Current assets that expose the Group to credit risk consists mainly of cash and cash equivalents, given loans, long-term deposits, receivables form associates and trade and other receivables. The Group has no significant concentrations of credit risk to an individual customer or group. The Group has sales policies in place to ensure that credit sales are made to customers with an appropriate credit history. With respect to credit risk exposure, customers are grouped into three categories: pharmacies, hospitals and other customers. A higher credit risk is found among pharmacies since they have a potential going concern issue. However, collection period for hospitals is longer, but there is low risk that the receivables will not be recovered, i.e. there is low going concern issue. Other customers are not significant because of dispersion over a large number of customers and individually small balances. A detailed credit risk analysis is presented in Note 17.

For trade receivables, the Group applied a simplified approach to measuring loss for the life-long ECL.

The Group is exposed to one customer from the hospital segment, accounting for 25% (2023: 23%) of total trade receivables.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management implies the maintenance of a sufficient cash level, ensuring the availability of financial assets due to adequate amounts of contracted credit lines and the ability to settle all liabilities. It is the objective of the Group to maintain flexibility in funding, by ensuring availability of the agreed credit lines. The Finance Department of the Company regularly monitors the level of available sources of cash funds. Customers consist largely of those owned by, or dependent of, the Republic of Croatia which mostly relate to Medika d.d.. Hence, the Group's liquidity risk level also depends on the state. The insufficient level of cash from period to period is a direct consequence of the schedule of payments received from the state in settling the state's liabilities concerning the health system. Where the payment periods are extended by the state, the Group negotiates extended payment deadlines with its suppliers. This reciprocity of terms from the state to suppliers has been the approach and normal practice within the industry and is expected to continue as such in the foreseeable future. Any shortfall is covered using lines of credit available at commercial banks.

At 31 December 2024, the balance of cash and cash equivalents amounts to EUR 31,079 thousand (2023: EUR 29,623 thousand), and the Group had free credit lines in the amount of EUR 94,325 thousand (2023: EUR 96,326 thousand) available at demand for liquidity risk management purposes.

The table below analyses financial liabilities of the Group by contractual maturities. The amounts presented below represent undiscounted cash flows.

(in thousands of EUR)	**Up to one month**	**From one month to one year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Total**
31 December 2024						
Borrowings	-	125,191	19,162	123,223	-	**267,576**
Lease liabilities	350	3,538	3,347	6,214	22,084	**35,533**
Trade and other payables	83,192	233,866	6,338	-	-	**323,396**
	83,542	**362,595**	**28,847**	**129,437**	**22,084**	**626,505**
31 December 2023						
Borrowings	5,062	27,772	92,309	122,033	-	**247,176**
Lease liabilities	200	2,262	2,021	3,215	2,049	**9,747**
Trade and other payables	73,666	232,855	6,344	-	-	**312,865**
	78,928	**262,889**	**100,674**	**125,248**	**2,049**	**569,788**

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to ensure returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a ratio of Loan to Value, where Loan refers to liabilities of Auctor Holding excluding shareholder loans and Value refers to the fair value of assets owned by Auctor Holding. The Group aims to keep Loan to Value ratio below 80%.

3.3 Fair value measurement

The Group applies a number of accounting policies and disclosures requiring the measurement of fair value of financial and non-financial assets and liabilities.

Fair values are classified into different levels in the fair value hierarchy based on the input variables used in valuation techniques:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (as the price) or indirectly (derived from prices);
- Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is considered active if the quoted prices are known thanks to the activities of a stock exchange, brokers, an industry group or a regulatory agency, and if they represent actual and regular market transactions under normal trading conditions.

Fair value of financial instruments that are not traded in an active market (e.g. an OTC derivatives market) is determined by way of valuation techniques. These valuation techniques require maximum use of observable market data where possible, and rely as little as possible on entity-specific estimates. If all significant input variables required for fair valuation are observable, a fair value estimate is classified as level 2.

If one or more significant input variables are not based on observable market data, a fair value estimate is classified as level 3.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)

Valuation of FVPL and FVOCI investments

During the reporting period, no transfers from Level 1 to Level 2 or from Level 2 to Level 1 occurred, as there were no changes to the methodology used in determining levels of the fair value hierarchy, while the market activity of financial instruments in the Group's portfolios remained unchanged.

The existence of published prices quotations in an active market is the best evidence of fair value and these quoted prices (Effective Market Quotes) shall therefore be used as the primary method for measuring financial assets and liabilities in the trading portfolio. If the market for a financial instrument is not active, the Group determines the fair value by using a valuation technique. Valuation techniques include:

- using market values which are indirectly connected to the instrument being measured, deriving from products with similar risk characteristics (Comparable Approach);
- valuations conducted using (even only in part) inputs not deriving from parameters observable on the market, for which estimates and assumptions formulated by the assessor are used (Mark-to-Model).

Given the uncertainties of the domestic market, primarily characterized by low liquidity where market conditions do not show active trading but rather inactive, the Group primarily uses valuation techniques based on the following principles:

- Used yield curves are created from interest rate quotations observed on the market;
- An appropriate yield curve (the one that is associated with the same currency in which the security, whose price is modelled, is denominated) is used in discounting of all the security's cash flows in order to determine its present value;
- In determining the fair value of bonds issued by corporate issuers and municipality bonds, the Group additionally uses the spreads associated with the internal credit rating of the issuer, which is then added to the yield curve for valuation thus capturing credit risk and various other counterparty related risks. Estimates for unobservable input was 3.9%. Significant increases in those inputs would result in lower fair values, while significant reduction would result in higher fair values. Considering the relatively small size of the financial instruments classified as Level 3, changing one or more of the assumptions would have insignificant effects on the overall financial statements.

NOTE 4 - KEY ACCOUNTING ESTIMATES

The Group makes estimates that are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair valuation of assets and liabilities in business combination

The Group acquired certain subsidiaries during 2024 listed in Note 1. Valuation was based on the prevailing economic, market and other conditions as of the valuation date. Information about how fair values were measured at the date of acquisition is provided in note 25.

Pharmaceutical licenses impairment

The pharmaceutical licenses with indefinite useful life impairment testing is performed once a year during the reporting period in accordance with the accounting policy explained in notes.

Licenses were tested for impairment at an individual level based on estimated future cash flows. The recoverable amount of an asset or cash generating unit is its value in use. In assessing value in use the estimated future cash flows are discounted to their present values which are based on financial projections for the period of five years approved by the Management.

Management Board set the planned growth rates and gross margins based on past experience and expected market development for individual pharmacies. Terminal growth rate of 2.0% and pre-tax discount rate reflecting specific risks related to relevant business segments, were used in discounted cash flow model. The sensitivity analysis indicates if discount rate is increased by 0.5% (assuming an unchanged terminal growth rate) or terminal growth rate is decreased by 0.5% (assuming an unchanged discount rate), there would be no impairment of other rights.

Control over Medika

In January 2020, Auctor Holding acquired additional 8 shares in mandatory takeover bid and, after takeover bid, in total directly and indirectly held 12,814 of shares, representing 42.44% of share capital and 47.02% of voting rights of Medika d.d. (Medika has 2,940 of treasury shares, representing 9.74% of share capital).

In July 2020, Auctor d.o.o. signed Share purchase and transfer agreements for total 4,172 shares of Medika d.d., designation MDKA-R-A, ISIN: HRMDKARA0000, representing in total 13.82% of share capital and 15.31% of voting rights, with 5 key employees/managers and member of Supervisory board as new equity partners, but nevertheless, non-economic rights pertaining to purchased shares (i.e. 15,31% of voting rights) remained on Auctor for the whole time, as all new equity partners first gave Auctor long term Power of Attorney for participating and voting on General Assembly meetings in their names, and later Agreement on securing the monetary claim by transferring ownership of shares (fiduciary ownership transfer agreement) was signed between Auctor and each of new equity partner. Shares are registered on transactional account opened with Agram brokeri d.o.o. in Central Clearing and Depository agency (SKDD) on Auctor name with non-monetary rights, i.e., voting rights are registered on Auctor.

NOTE 4 - KEY ACCOUNTING ESTIMATES (continued)

During 2021, Auctor acquired 1,700 shares from Medika's treasury shares and 243 shares from Medika's Supervisory board member.

Thus, on 31 December 2021, Auctor Holding, directly and indirectly holds 10,585 shares of Medika d.d., representing 35.06% of share capital and 50.13% of voting rights.

Management has concluded that Auctor d.o.o. controls Medika based on the considerations below:

- Following the acquisition of shares in 2021, Auctor holds more than 50% of the voting rights.
- The majority of the members of the Supervisory Board of Medika (4 out of 7) are recently appointed representatives from the Auctor Group and, under Croatian legislation can only be removed before the end of their term (4 years) with a vote of 75% of the shareholders (which cannot be achieved without the votes of Auctor d.o.o.). Further, under the Croatian legislation, the Supervisory Board of Medika has the sole authority to appoint and remove members of the management board (by simple majority) and through this has power over the relevant activities of Medika.
- In addition, even prior to having more than 50% of the voting rights, voting patterns from past General Assemblies have consistently shown that Auctor d.o.o. has historically had more than 50% of the voting rights in attendance.

Judging control in this situation requires management to exercise judgement in reaching a conclusion of control. Considering all facts and circumstances, management believes that there is sufficient evidence to support a conclusion of control.

Control over Auctor Kapital

On 25 July 2019 and Auctor Holding a.s. acquired 33.5% of the voting shares of Auctor Kapital and since all legal requirements were fulfilled and competent court approvals obtained, Transfer Agreement regarding sale of the 25% of the shares in Auctor Kapital held by the other, at the time, minor, owner to Auctor Holding was consequently executed.

On 12 June 2024 Auctor Holding entered into Share Sale and Purchase Agreement to buy 41,5% shares in Auctor Kapital, as well as Share Transfer Agreement regarding transfer of shares. The agreements entered into force the same day. On the same date Auctor Holding was registered as a shareholder in the Book of shares of the company, while registration in Commercial Court was visible on 17 June 2024.

From this date Auctor Holding is 100% shareholder of Auctor Kapital.

Income tax

Tax calculations are performed based on the Company's interpretation of current tax laws and regulations, these calculations which support the tax return may be subjected to review and approval by the local tax authorities.

Goodwill impairment

Goodwill is tested for impairment annually, or more frequently when there is indication that it may be impaired, as described in the material accounting policy information.

NOTE 4 - KEY ACCOUNTING ESTIMATES (continued)

Goodwill impairment (continued)

Goodwill partly refers to the goodwill arising from the acquisition of the subsidiary Farmis and Farmacon, which were subsequently merged into Medika, partly arises from the acquisition of pharmacies, and from the acquisition of Nova Camping and Meeting Point Croatia. At the end of 2024, an assessment was made of the recoverable value of the stated cash-generating units, i.e. of the goodwill associated with them, based on discounted future cash flows. Recoverable amounts of cash-generating units are determined based on value-in-use calculations. Cash flow forecasts were used for the aforementioned calculations, which are based on financial projections approved by the Management Board and cover a period of five years.

The management has determined the planned growth rates and gross margins based on past experience and expected market development. A terminal growth rate of 2.0% and a pre-tax discount rate that reflects specific risks related to the respective business segment were used when discounting future cash flows.

The sensitivity analysis of the assumptions shows that an increase in the discount rate by 0.5% (with an unchanged terminal growth rate) or a decrease in the terminal growth rate by 0.5% (with an unchanged discount rate) would not result in a decrease in value.

Impairment of property, plant and equipment

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. The material accounting policy information related to the impairment of non-financial assets were disclosed in note 2.7. As of December 31, 2024 there were no impairment indicators identified for property, plant and equipment (2023: no impairment indicatiors).   .

NOTE 5 – REVENUE

(in thousands of EUR)	**2024**	**2023**
Revenue from sales of goods	814,928	735,737
Revenue from sales of goods – related parties	11,396	10,061
Revenue from sale of services	111,703	92,290
Revenue from sale of services – related parties	121	2,481
	938,148	**840,569**

The Group generates revenue primarily from sale of pharmaceutical goods and provision of tourism services through its hotels and campsites.

(in thousands of EUR)	**2024**	**2023**
Wholesale of pharmaceutical goods		
Hospitals	336,906	320,457
Pharmacies	289,472	258,828
Other	111,829	88,343
	738,207	667,628
Retail of pharmaceutical goods - own pharmacies	88,117	78,159
Sale of other goods	-	11
Revenue from sale of goods	**826,324**	**745,798**
Revenues form hotels	73,334	68,630
Revenues from campsites	33,492	24,266
Other services	4,998	1,875
Revenue from sale of services	**111,824**	**94,771**
	938,148	**840,569**

Revenue from other services includes revenues from marketing and distribution services.

NOTE 6 – OTHER INCOME

(in thousands of EUR)	**2024**	**2023**
Government grants	195	160
Rent income	2,534	1,553
Income from insurance claims	344	165
Gain/(loss) on disposal of property and equipment	638	1,092
Other	2,613	2,299
	6,324	**5,268**

Other income, among other, relates to the income from organized trips and transportation services provided to the tourists in the amount of EUR 379 thousand (2023: EUR 410 thousand).

NOTE 7 - STAFF EXPENSES

(in thousands of EUR)	**2024**	**2023**
Net salaries	32,205	27,683
Contributions from and on salaries	12,898	11,392
Taxes and surtaxes	3,308	2,879
Management bonuses	996	826
Share based payments	478	472
Other employee benefits	3,474	3,172
Employee transportation costs	1,453	1,314
Termination benefits	103	94
	54,915	**47,832**

At 31 December 2024, there were 2,214 (2023: 2,118) people employed at the Group.

Pension contributions recognised by the Group as payable to mandatory pension funds during 2024 amount to EUR 7,246 thousand (2023: EUR 6,435 thousand).

NOTE 8 – OTHER EXPENSES

(in thousands of EUR)	**2024**	**2023**
Materials and energy	20,755	19,368
Maintenance, security services and insurance	8,727	7,811
Donations	550	566
Entertainment	569	744
Marketing and promotion	2,397	1,868
Professional training and consultancy services	4,370	3,772
Taxes and contributions unrelated to the result	1,104	938
Rental costs	1,121	894
Bank and payment operation charges	806	818
Telephone, postal and utility services	3,648	5,978
Road tolls and transportation costs	234	343
Impairment of trade and other receivables, net	287	2,092
Other costs	12,783	11,193
	57,351	**56,385**

In 2024, other costs, among other, relate to agent's commissions in the amount of EUR 3,835 thousand (2023: EUR 3,034 thousand).

NOTE 9 - NET FINANCIAL LOSS

(in thousands of EUR)	**2024**	**2023**
Finance income		
Interest income		
Interest income	850	2 501
Penalty interest	2,548	56
Interest income – related parties	-	48
	3,398	**2,605**
Foreign exchange gains – net		
Foreign exchange gains	6	20
	6	**20**
Other finance income		
Dividend income	6	5
Financial assets at FVTPL	3,563	649
	3,569	**654**
	6,973	**3,279**
Finance costs		
Interest expense		
Bank loans	(16,008)	(13,244)
Loans from related parties	(964)	-
Penalty interest	(9)	(13)
Leases	(1,646)	(268)
	(18,627)	**(13,525)**
Foreign exchange losses – net		
Foreign exchange gains	10	16
Foreign exchange losses	(45)	(53)
	(35)	**(37)**
Other finance costs		
Financial assets at FVTPL	(3,925)	(104)
	(3,925)	**(104)**
	(22,587)	**(13,666)**

Out of the total interest received that is presented in cash flow statement, the amount of EUR 2,397 thousand relate to the penalty interest collected from pharma customers during 2024.

NOTE 10 – INCOME TAX

(in thousands of EUR)	**2024**	**2023**
Current tax expense	7,484	7,036
Additional income tax	-	-
Over provision in previous year	-	(154)
Deferred tax (benefit) / expense	(526)	(1,284)
	6,958	**5,598**

Reconciliation of the Group's tax expense as per income statement and the tax at the statutory tax rate is presented in the table below:

(in thousands of EUR)	**2024**	**2023**
Profit before taxation	**28,389**	**17,811**
Income tax at a statutory tax rate	5,774	4,932
Effect of non-taxable income	(894)	(150)
Effect of non-deductible expenses	2,096	899
Over provision in previous year	-	(154)
Tax loss for which deferred tax asset has not been recognized	2	3
Utilisation of tax losses for which deferred tax asset had not been recognised	239	162
Recognition of deferred tax asset on tax losses from previous years	(259)	(94)
Income tax	**6,958**	**5,598**
Effective tax rate	***24.51%***	***31.43%***

Under the local regulations in Croatia, the Tax Authority may at any time inspect the books and records of the Group companies within 3 years following the end of the year in which the tax liability is reported and may impose additional tax assessments and penalties. The Management is not familiar with any circumstances which may lead to contingent liabilities in that respect.

The Group expects that, due to the total amount of revenue on a consolidated basis of the Auctor Holding Group, it will be subject to the top-up tax rules under Pillar 2 in the financial year 2025. The Group does not expect a significant impact from the Pillar 2 tax and does not recognize related deferred tax assets or liabilities. In connection with Pillar 2, the Group recalculates deferred tax on other temporary differences in accordance with IFRS rules and records it for the purposes of the consolidated financial statements, where it is presented on an aggregate basis for all companies in the group.

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

(in thousands of EUR)	Land	Buildings	Plant and equipment	Biological and other assets	Assets under construction and prepayments	Total
Cost						
Balance at beginning of prior period	47,783	184,783	31,165	836	27,877	292,444
Acquisitions through business combinations	-	-	2	-	-	2
Additions	-	54	1,097	-	43,949	45,100
Transfer from assets under construction	-	6,667	5,343	8	(12,018)	-
Transfer from right-of-use-assets	-	-	678	-	-	678
Disposals and write offs	(928)	(1,771)	(2,675)	-	-	(5,374)
Balance at the end of prior period	**46,855**	**189,733**	**35,610**	**844**	**59,808**	**332,850**
Balance at beginning of current period	46,855	189,733	35,610	844	59,808	332,850
Acquisitions through business combinations	-	558	439	-	-	997
Additions	-	-	839	1	31,060	31,900
Transfer from assets under construction	880	50,753	23,627	300	(75,560)	-
Transfer from right-of-use assets	-	-	476	-	-	476
Disposals and write offs	-	(1,369)	(2,433)	-	-	(3,802)
Balance at the end of current period	**47,735**	**239,675**	**58,558**	**1,145**	**15,308**	**362,421**
Accumulated depreciation and impairment						
Balance at beginning of prior period	-	24,306	11,083	395	-	35,784
Charge for the year	-	13,178	5,913	163	-	19,254
Transfer from right-of-use-assets	-	-	678	-	-	678
Disposals and write offs	-	(803)	(2,205)	-	-	(3,008)
Balance at the end of prior period	**-**	**36,681**	**15,469**	**558**	**-**	**52,708**
Balance at beginning of current period	-	36,681	15,469	558	-	52,708
Charge for the year	-	12,907	7,672	124	-	20,703
Transfer from right-of-use assets	-	-	564	-	-	564
Disposals and write offs	-	(1,298)	(2,232)	-	-	(3,530)
Balance at the end of current period	**-**	**48,289**	**21,473**	**682**	**-**	**70,444**
Carrying amount						
Balance at beginning of prior period	47,783	160,477	20,081	441	27,877	256,659
Balance at the end of prior period	**46,855**	**153,052**	**20,141**	**286**	**59,808**	**280,141**
Balance at beginning of current period	46,855	153,052	20,141	286	59,808	280,141
Balance at the end of current period	**47,735**	**191,386**	**37,085**	**463**	**15,308**	**291,978**

Loans (note 22) have been secured by pledges over property and equipment with a carrying amount of EUR 182,142 thousand as at 31 December 2024 (2023: EUR 164,156 thousand).

Assets under construction relate to investment in infrastructure in tourist segment in the amount of EUR 7,775 thousand (2023: EUR 53,153 thousand) and investment in the pharma segment in the amount of EUR 7,366 thousand (2023: 6,439 thousand).

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. As of December 31, 2024 there were no impairment indicators identified for property, plant and equipment (2023: no impairment indicators).

NOTE 12 – LEASES

The Group leases vehicles, business premises and other assets under lease agreements.

/i/ The balance sheet shows the following amounts relating to leases:

Right-of-use assets

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Right-of-use assets:		
Vehicles	1,789	1,959
Business premises	10,620	6,809
Concessions and mobile homes	26,958	868
	39,367	**9,636**

The increase mostly relates to new leases which include touristic land, construction right and new acquisition (for the details on the acquisition please see Note 25).

Lease liabilities

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Lease liabilities:		
Current	3,888	2,462
Non-current	31,645	7,285
	35,533	**9,747**

/ii/ Non-current lease liabilities:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
From 1-2 years	3,347	2,021
From 2-5 years	6,214	3,215
More than 5 years	22,084	2,049
	31,645	**7,285**

/iii/ Lease liabilities are denominated in the following currencies:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
EUR	35,533	9,747
	35,533	**9,747**

NOTE 12 – LEASES (continued)

/iv/ The statement of profit or loss shows the following amounts relating to leases:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Depreciation	2,830	2.463
Interest expense	1,646	268
Rental costs related to short-term leases and low value leases	411	362
Rental costs related to low value leases	21	20
Rental costs related to variable lease payments	36	-
	4,944	**3,113**

Average interest rate amounts to 2.00-4.16% (2023: 2.00-3.91%).

/v/ Movement of lease liabilities is as following:

(in thousands of EUR)	**2024**	**2023**
Balance at beginning of the period	9,747	9,150
Cash transactions		
Leases repaid	(2,965)	(2,639)
Interest repaid	(815)	(268)
Total cash transactions	(3,780)	(2,907)
Non-cash transactions		
Acquisition in the business combination	2,150	-
The effect of changes in foreign exchange rates	0	-
New leases	26,081	3,382
Modifications	(21)	-
Termination of lease	(290)	(146)
Interest expense	1,646	268
Total non-cash transactions	29,566	3,504
Balance at end of the period	**35,533**	**9,747**

NOTE 12 – LEASES (continued)

/vi/ Movement of right-of-use assets is as following:

(in thousand of EUR)	Vehicles	Business premises	Other	Total
Cost				
Balance at beginning of prior period	3,884	8,759	1,614	14,257
Acquisition in the business combination	-	-	-	-
Additions	730	2,776	-	3,506
Modifications	14	(61)	-	(47)
Transfers to property and equipment	(677)	-	-	(677)
Disposals and write offs	(115)	(945)	(66)	(1,126)
Balance at the end of prior period	**3,836**	**10,529**	**1,548**	**15,913**
Balance at beginning of current period	3,836	10,529	1,548	15,913
Acquisition in the business combination	-	-	3,251	3,251
Additions	568	5,489	23,436	29,493
Modifications	(11)	31	-	20
Transfers to property and equipment	(492)	-	-	(492)
Disposals and write offs	(262)	(1,832)	-	(2,094)
Balance at end of current period	**3,639**	**14,217**	**28,235**	**46,091**
Accumulated depreciation				
Balance at beginning of prior period	1,860	3,178	499	5,537
Charge for the year	795	1,487	181	2,463
Disposals and write offs	(101)	(945)	-	(1,046)
Transfers to property and equipment	(677)	-	-	(677)
Balance at the end of prior period	**1,877**	**3,720**	**680**	**6,277**
Balance at beginning of current period	1,877	3,720	680	6,277
Charge for the year	773	1,712	597	3,082
Disposals and write offs	(237)	-	-	(237)
Transfers to property and equipment	(563)	(1,835)	-	(2,398)
Balance at end of current period	**1,850**	**3,597**	**1,277**	**6,724**
Carrying amount				
Balance at beginning of prior period	2,024	5,581	1,115	8,720
Balance at the end of prior period	**1,959**	**6,809**	**868**	**9,636**
Balance at beginning of current period	1,959	6,809	868	9,636
Balance at end of current period	**1,789**	**10,620**	**26,958**	**39,367**

Category “Other” is mostly related to the concession of maritime property. Concession agreements for maritime property contain variable payment terms that are linked to the generated sales revenue related to the maritime property under concession. In 2024, the variable part of the concession agreement amounted to EUR 147 thousand (2023: EUR 72 thousand). Variable part is recognized as an expense in the period when it occurred.

NOTE 13 – INTANGIBLE ASSETS

(in thousands of EUR)	Goodwill	Brand	Licences, concessions patents, software	Assets under construction	Total
Cost					
Balance at beginning of prior period	1,947	1,015	36,854	94	39,910
Acquisitions through business combinations	524	-	2,912	-	3,436
Additions	-	-	259	797	1,056
Transfer from assets under construction	-	-	624	(624)	-
Transfer to right-to-use assets	-	-	-	(34)	(34)
Disposals and write offs	-	-	(734)	-	(734)
Balance at the end of prior period	**2,471**	**1,015**	**39,915**	**233**	**43,634**
Balance at beginning of current period	2,471	1,015	39,915	233	43,634
Acquisitions through business combinations	483	-	22	-	505
Additions	-	-	296	909	1,205
Transfer from assets under construction	-	-	948	(948)	-
Transfer to right-of-use assets	-	-	-	-	-
Disposals and write offs	-	-	(475)	-	(475)
Balance at the end of current period	**2,954**	**1,015**	**40,706**	**193**	**44,868**
Accumulated amortisation and impairment					
Balance at beginning of prior period	-	1,015	2,988	-	4,004
Charge for the year	-	-	1,011	-	1,011
Disposals and write offs	-	-	(677)	-	(677)
Balance at the end of prior period	**-**	**1,015**	**3,322**	**-**	**4,338**
Balance at beginning of current period	-	1,015	3,322	-	4,338
Charge for the year	-	-	891	-	891
Disposals and write offs	-	-	(241)	-	(241)
Balance at the end of current period	**-**	**1,015**	**3,971**	**-**	**4,986**
Carrying amount					
Balance at beginning of prior period	1,947	0	33,865	94	35,907
Balance at the end of prior period	**2,471**	**0**	**36,592**	**233**	**39,297**
Balance at beginning of current period	2,471	0	36,592	233	39,297
Balance at the end of current period	**2,954**	**0**	**36,735**	**193**	**39,882**

Licenses

At the reporting date, pharmacy licenses with an indefinite useful life amount in total to EUR 33,696 thousand (2023: EUR 31,661 thousand). Pharmacy activities cannot be undertaken without pharmacy licenses.

Impairment test of licenses

The Group calculated recoverable amount using value-in-use method. Value in use cash flow projections were based on 5-year business plan. Discount rate of 8.08% (2023: 8.07%) and terminal growth rate of 2.0% (2023: 2.0%) were used for discounting the projected cash flow. In 2024, the recoverable amount exceeds the book value and there were no impairment losses.

NOTE 13 – INTANGIBLE ASSETS (continued)

Brand

At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. As of As of December 31, 2024there were no impairment indicators identified for intangible assets (2023: no impairment indicators).

NOTE 14 – INVESTMENTS IN ASSOCIATES

The Group Medika holds a 49% share in the associate Zdravstvena ustanova Ljekarne Jagatić.

(In thousands of EUR)	**Interest in %, 31 December 2024**	**Interest in %, 31 December 2023**	**31 December 2024**	**31 December 2023**
Zdravstvena ustanova Ljekarne Jagatić	49.00%	49.00%	3,349	3,482
			3,349	**3,482**

	31 December 2024	**31 December 2023**
Balance at the beginning of the period	3,482	3,450
Share of profit (dividend) received	(645)	(399)
Share of profits realised in period	512	431
Balance at the end of the period	**3,349**	**3,482**

Financial information on share in associates is summarised below:

(in thousands of EUR)	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Revenues**	**Net profit**
31 December 2024						
ZU Ljekarne Jagatić	2,377	5,411	169	5,366	17,633	1,044
Total	**2,377**	**5,411**	**169**	**5,366**	**17,633**	**1,044**

(in thousands of EUR)	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Revenues**	**Net profit**
31 December 2023						
ZU Ljekarne Jagatić	2,292	5,099	169	4,586	15,446	879
Total	**2,292**	**5,099**	**169**	**4,586**	**15,446**	**879**

NOTE 15– OTHER INVESTMENTS

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Non-current investments:		
Debt securities – at FVOCI	229	166
Equity securities – at FVOCI	-	-
Equity securities – at FVTPL	17	17
	246	**183**

NOTE 16 – FINANCIAL INSTRUMENTS-FAIR VALUES

The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy. It does not include fair value information for financial instruments not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(in thousands of EUR)	**Level 1**	**Level 2**	**Level 3**	**Total at 31 December 2024**
Financial assets measured at fair value				
Debt securities – at FVOCI	229	-	-	229
Equity securities – at FVOCI	12	5	-	17
	241	**5**	**-**	**246**

(in thousands of EUR)	**Level 1**	**Level 2**	**Level 3**	**Total at 31 December 2023**
Financial assets measured at fair value				
Debt securities – at FVOCI	166	-	-	166
Equity securities – at FVTPL	12	5	-	17
	178	**5**	**-**	**183**

Carrying amount of trade and other receivables and cash and cash equivalents is a reasonable approximation of their fair value due to their mostly short-term nature.

Fair value of bonds issued as of 31 December 2024 amounted to EUR 78,800 thousand (2023: EUR 78,811 thousand) based on stock exchange price. For other borrowings, their carrying amount is a reasonable approximation of their fair value due to alignment of contracted interest rates with market interest rates.

NOTE 17 – TRADE AND OTHER RECEIVABLES

(in thousands of EUR)	31 December 2024	31 December 2023
Non-current receivables		
Loans given	3,300	2,690
Trade receivables	4,175	4,483
Long-term deposits	2,035	1,588
	9,510	**8,761**
Current receivables		
Trade receivables	287,626	240,945
Other current receivables	7,624	8,228
Deposits*	-	32,000
Loans given	1,768	1,936
Loans given – current portion of non-current loans	912	610
	297,930	**283,719**
	307,440	**292,480**

*Current deposits as of 31 December 2023 related to the overnight deposits. As of 31 December 2024, the Group had no such position.

Non-current loans given, as reported in the statement of financial position as at 31 December, are as follows:

(in thousands of EUR)	Effective interest rate	31 December 2024	31 December 2023
Loans given	3.0-5.0%	4,212	3,300
Current portion of non-current loans		(912)	(610)
		3,300	**2,690**

The maturity of long-term loans is as follows:

(in thousands of EUR)	31 December 2024	31 December 2023
From 1 to 2 years	1,928	1,914
From 2 to 5 years	1,330	652
Over 5 years	42	124
	3,300	**2,690**

NOTE 17 – TRADE AND OTHER RECEIVABLES (continued)

Trade receivables, as reported in the statement of financial position at 31 December, are as follows:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Domestic trade receivables	288,396	241,898
Trade receivables – related parties	3,749	3,987
Foreign trade receivables	1,132	1,920
	293,277	**247,805**
Expected credit losses	(1,476)	(2,377)
	291,801	**245,428**

Domestic trade receivables mean the receivables from customers from the country where the group company operates.

Ageing structure of receivables:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Not yet due	117,466	113,098
0-180 days past due	169,962	129,047
181-360 days past due	2,632	176
Over 360 days past due	3,217	5,484
	293,277	**247,805**

Movements in impairment allowance for trade receivables:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Balance at start of the period	1,436	2,296
Increase / (decrease)	283	81
Write-off	(243)	-
Balance at 31 December	**1,476**	**2,377**

NOTE 17 – TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
EUR	307,440	292,461
GBP	-	-
USD	-	19
	307,440	**292,480**

Other receivables, as reported in the statement of financial position as at reporting date, are as follows:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
VAT receivable	1,669	2,293
Prepaid expenses	2,426	3,932
Other	3,529	2,003
	7,624	**8,228**

Current loans reported in the statement of financial position as at reporting date are as follows:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Given loans	1,773	1,949
Impairment allowance	(5)	(13)
	1,768	**1,936**

NOTE 17 – TRADE AND OTHER RECEIVABLES (continued)

Financial assets by category include the following:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Trade receivables	291,801	245,428
Deposits	2,035	33,588
Given cash loans	5,980	4,330
Given commodity loans	-	906
	299,816	**284,252**

Receivables per type of customers are as follows:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Wholesale pharma customers		
Hospitals	176,791	140,901
Pharmacies	75,623	69,504
Other	18,605	16,829
Retail pharma customers	17,693	15,888
Tourism customers	1,974	1,749
Other	1,115	557
Total	**291,801**	**245,428**

NOTE 18 – INVENTORIES

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Trade goods	84,687	71,179
Trade goods – related parties	6,957	5,348
Prepayments made	1,178	2,561
Materials	1,630	1,609
Finished goods	95	53
Impairment allowance on inventories	(819)	(1,269)
	93,728	**79,481**

During the year the Group recognised write-down in the amount of EUR 1,091 thousand (2023: EUR 813 thousand) as an expense, which relates to damaged, expired inventories and inventories withdrawn from the market which is included in the cost of goods sold.

Inventories in the amount of EUR 16,461 thousand (2023: EUR 16,458 thousand) have been pledged as collateral for borrowings (note 22).

During the year total amount of inventories recognised as expense amounted to EUR 767,135 thousand (2023: EUR 691,125 thousand).

NOTE 19 - CASH AND CASH EQUIVALENTS

Cash is held with commercial banks in Croatia, Slovakia and Czech Republic.

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Cash at banks	20,442	21,111
Cash in hand	16	13
Deposits	10,621	8,499
	31,079	**29,623**

The currency structure of cash and cash equivalents is as follows:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
EUR	30,852	29,611
CZK	227	12
	31,079	**29,623**

NOTE 20 - ISSUED CAPITAL

Issued capital of Auctor Holding, Czech Republic amounts to EUR 77 thousand (CZK 2,000 thousand)

Shareholders structure as at 31 December 2024 and 2023 is as follows:

1. JTPEG CI is the owner of 1,000,000 pcs (in words: one million) of regular shares, with nominal value 1,- CZK each, which represents 50 % of the share capital of Auctor Holding, together with all rights attached thereto;
2. AUCTOR PRIME is the owner of 1,000,000 pcs (in words: one million) of regular shares, with nominal value 1,- CZK each, together with all rights attached thereto, which represents 50 % of the share capital of Auctor Holding, together with all rights attached thereto.

NOTE 21 – TRADE AND OTHER PAYABLES

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Non-current liabilities		
Trade payables	4,238	4,244
Other liabilities	2,100	2,100
	6,338	**6,344**
Current liabilities		
Trade payables	301,312	293,579
Other liabilities	15,746	12,942
	317,058	**306,521**

NOTE 21 – TRADE AND OTHER PAYABLES (continued)

Trade payables recognised as at 31 December are as follows:

(in thousands of EUR)	31 December 2024	31 December 2023
Foreign trade payables	216,721	217,345
Domestic trade payables	65,346	60,560
Trade payables - related parties	23,483	19,919
	305,550	**297,823**

The carrying amounts of the Company's trade payables are denominated in the following currencies:

(in thousands of EUR)	31 December 2024	31 December 2023
EUR	305,471	297,808
GBP	74	12
CZK	5	3
	305,550	**297,823**

Other payables recognised as at 31 December are as follows:

(in thousands of EUR)	31 December 2024	31 December 2023
VAT payable	3,011	2,767
Salaries payable	5,366	4,677
Unused annual leave	1,028	1,080
Other taxes and contributions payable	846	707
Liabilities for acquisitions of shares in subsidiaries	2,100	2,100
Other	5,495	3,711
	17,846	**15,042**

NOTE 22 – BORROWINGS

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Long-term:		
Long-term bank loans	135,177	129,389
Bonds	-	79,777
Long-term loans from related parties	7,208	5,175
	142,385	**214,341**
Short-term:		
Short-term bank loans	44,882	31,714
Short term bonds	80,309-	411
Short-term loans from related parties	-	710
	125,191	**32,835**
Total borrowings	**267,576**	**247,176**

Maturity date of the bond is 24 November 2025.

The long-term portion is due and payable as follows:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
1 to 2 years	19,162	92,309
2 to 5 years	123,223	122,032
Over 5 years	-	-
	142,385	**214,341**

The effective interest rates at the reporting date are as follows:

	31 December 2024 %	**31 December 2023 %**
Long-term borrowings		
Bonds	5.15%	5.15%
Long-term bank loans	1.3%-9.86%	1.3%-9.86%
Short-term borrowings		
Short-term bank loans	3.13%-5.90%	0.29%-4.35%

Short-term loans relate to financing from various banks for working capital purposes. They are denominated in euros (EUR), with maturities ranging from three to eleven months.

NOTE 22 – BORROWINGS (continued)

The Company's exposure to changes in the interest rates on the borrowings and the contractual repricing dates at the reporting date is as follows:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
Variable-rate borrowings		
Up to 3 months	180	192
3 to 12 months	4,629	6,729
Over 1 year	128,473	148,655
	133,282	**155,576**
Fixed-rate borrowings		
Fixed-rate borrowings	134,294	91,600
	134,294	**91,600**
Total borrowings	**267,576**	**247,176**

Given that borrowings in the amount of EUR 134,294 thousand (2023: EUR 91,600 thousand) bear interest at fixed rates, there is no exposure to interest rate changes on this part of borrowings.

The currency structure of the borrowings is as follows:

(in thousands of EUR)	**31 December 2024**	**31 December 2023**
EUR	267,576	247,176
	267,576	**247,176**

Loans received are secured by registered lien over the Group's property and equipment (note 11), inventories (note 18) as well as bills of exchange and promissory notes.

NOTE 22 – BORROWINGS (continued)

Reconciliation of borrowings with cash flows from financing activities is as follows:

(in thousands of EUR)	**2024**	**2023**
Balance at beginning of the period	247,176	249,380
Cash transactions		
Loans received	242,797	157,710
Loans repaid	(230,159)	(144,067)
Commissions paid	-	(100)
Interest paid	(11,867)	(10,811)
Total cash transactions	771	2,732
Non-cash transactions		
Exchange rate effect	-	7
Interest expense	16,972	13,244
Compensated	2,621	(20,592)
Other	37	-
Capitalised interest	-	2,405
Total non-cash transactions	19,630	(4,936)
Balance at end of the period	**267,576**	**247,176**

The Group's borrowing arrangements contain various financial and non-financial covenants, such as net debt to EBITDA, debt service coverage ratio or restrictions on dividend payouts or asset sales. The single largest exposure of the Group relates to the 80,000,000 EUR bonds issued by Auctor Finance s.r.o. where the issuer together with Auctor Holding, a.s. committed to comply with debt to value ratio under 80%, restrictions on further indebtedness, periodical asset valuation, subordination of shareholder loans, establishment of sinking fund as well as other covenants.

Failure to comply with covenants could result in the lenders demanding repayment of the loans, increasing interest rates, requiring additional collateral or penalties as specified in the loan agreements. Management closely monitors compliance with these covenants on a regular basis and as at 31.12.2024 and 31.12.2023 the Group was in compliance with all financial and non-financial covenants.

NOTE 23 – DEFERRED TAX

Pursuant to the income tax legislation, deferred tax assets and deferred tax liabilities are measured at the prevailing tax rate of 18%.

Deferred tax assets

(in thousands of EUR)	Inventories	Provisions for employee benefits	Trade receivables	Property, plant and equipment	Tax loss	Right-of-use assets and lease liability	Other	Total
Balance at beginning of prior period	**15**	**58**	**2**	**33**	**778**	**23**	**59**	**969**
Acquired in business combinations	-	-	-	-	-	-	-	-
Tax charged to profit or loss	-	(8)	(2)	(13)	(107)	(1)	-	(131)
Tax credited to profit or loss	33	1	-	-	390	1	-	425
Other	-	-	-	-	-	-	-	-
Balance at the end of prior period	**48**	**51**	**-**	**20**	**1,061**	**23**	**59**	**1,262**
Balance at beginning of current period	48	51	-	20	1,061	23	59	1,262
Acquired in business combinations	-	-	-	-	-	-	-	0
Tax charged to profit or loss	(13)	(4)	-	(20)	(165)	(2)	-	(204)
Tax credited to profit or loss	29	8	-	2	726	12	-	777
Other	-	-	-	-	-	-	-	-
Balance at the end of current period	**64**	**55**	**-**	**2**	**1,622**	**33**	**59**	**1,835**

The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the business plans and budgets for the subsidiaries.

NOTE 23 – DEFERRED TAX (continued)

Deferred tax liabilities

(in thousands of EUR)	Licences	Property, plant and equipment	Equity securities – at FVOCI	Other	Total
Balance at beginning of prior period	5,032	11,504	14	-	16,550
Acquired in business combinations	524	-	-	-	524
Tax credited to profit or loss	(53)	(972)	-	-	(1,025)
Tax charged to other comprehensive income	-	-	-	-	-
Other	-	-	-	4	4
Balance at the end of prior period	**5,503**	**10,532**	**14**	**4**	**16,053**
Balance at beginning of current period	5,503	10,532	14	4	16,053
Acquired in business combinations	-	-	-	-	-
Tax charged to profit or loss	-	198	30	-	228
Tax credited to profit or loss	(43)	(677)	-	-	(720)
Tax credited to other comprehensive income	-	-	-	-	-
Other	-	-	-	-	-
Balance at the end of current period	**5,460**	**10,053**	**44**	**4**	**15,561**

The deferred tax liability arose at the acquisition of the subsidiaries as a result of the difference arising from the measurement of assets and liabilities of subsidiaries in consolidation at fair values.

NOTE 24 – PROVISIONS

(in thousands of EUR)	Employee benefits	Legal disputes	Concession	Other	Total
Long-term portion	313	13	3,327	2,601	6,254
Short-term portion	143	-	-	-	143
Balance at the beginning of the period	**456**	**13**	**3,327**	**2,601**	**6,397**
Increase in provision	214	1	226	403	844
Utilisation of provision	(110)	(1)	(1,367)	(511)	(1,989)
Balance at the end of the period	**560**	**13**	**2,186**	**2,493**	**5,252**
Long-term portion	419	13	2,186	2,090	4,708
Short-term portion	141	-	-	403	544

Employee benefits

This provision comprises estimated long-term employee benefits relating to retirement benefits and jubilee awards, as defined by the Collective Agreement. The non-current portion of the provision relates to the rights estimated to become vested with respect to retirement benefits and jubilee awards that will be paid one year after the date of the statement of financial position. The current portion includes jubilee awards and retirement benefits which will be paid within 12 months after the date of the statement of financial position.

Legal disputes

Provisions are based on assessments of lawyers who represent the Group entities in legal disputes and key management of the Company.

Concession

The Group provides for concession fees on tourist land based on its best estimate and interpretation of current and expected laws and regulations. Where there are uncertainties in respect of the ultimate fees and concession arrangements the management did not account for it under lease.

NOTE 25 – ACQUISITION OF SUBSIDIARIES

In 2024, the Group acquired 100% ownership of the two companies for the agreed amount of EUR 300 thousand. The companies were acquired as of 16th December 2024. Due to the short period of time from the acquisition date to the reporting date and due to the immateriality of changes between acquisition date and the reporting date, the Group consolidated the acquired companies as of 31st December 2024.

The values were calculated by using the accounting policies of the Group. Each acquired company is determined to be separate CGU based on IAS 36 criteria. As the acquired companies are operating under the going concern assumption, the fair value of assets is based on their value in use, rather than on a distress or liquidation basis. Acquired value of net assets, goodwill and bargain purchase gain are as follows:

(in thousands of EUR)	**Adriatic Hotel Management d.o.o.**	**Meeting Point Croatia d.o.o.**
Identifiable assets acquired and liabilities assumed		
Non-current assets		
Property, plant and equipment	941	56
Right of use assets	3,251	-
Intangible assets	-	22
Total non-current assets	**4,192**	**78**
Current assets		
Inventories	48	-
Trade and other receivables	1,117	618
Income tax receivable	-	104
Cash and cash equivalents	845	146
Total current assets	**2,010**	**868**
Total assets	**6,202**	**946**
Non-current liabilities		
Lease liabilities	1,450	-
	1,450	**-**
Current liabilities		
Lease liabilities	700	-
Trade and other payables	495	1,186
Provisions	260	143
	1,455	**1,329**
Total liabilities	**2,905**	**1,329**
Total identifiable net assets acquired	**3,297**	**(383)**
Purchase consideration		
Cash paid	200	100
(Bargain purchase gain) / Goodwill	**(3,097)**	**483**
Purchase consideration – cash outflow/(inflow)		
Purchase consideration	200	100
Cash and cash equivalents acquired	(845)	(146)
Acquisition of subsidiaries, net of cash acquired	**(645)**	**46)**

NOTE 26 – NON-CONTROLLING INTERESTS

The following tables summaries the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 December 2024

(in thousands of EUR)	Medika Group	Aminess Group	HTP Korčula	HTP Orebić	Romana	Auctor Kapital	Sea Heaven Camps and Resorts	Marbera Holding	Hoteli Njivice	NOVA CAMPING	Aminess Hospitality Group	Intra-group eliminations	Total
% of non-controlling interest (%)	**63.44%**	**18.44%**	**26.53%**	**25.39%**	**49.00%**	**-**	**55.14%**	**73.08%**	**74.39%**	**25.00%**	**20.00%**		
Non-current assets	90,639	88,949	29,474	10,516	47,300	-	-	-	66,672	64,406	5,765		
Current assets	389,978	10,980	3,303	2,747	2,654	-	146	241	4,680	3,315	4,490		
Non-current liabilities	(15,545)	(52,353)	(5,044)	(1,690)	(57,990)	-	-	-	(26,950)	(67,546)	(1,977)		
Current liabilities	(340,413)	(12,319)	(1,401)	(446)	(2,589)	-	(2,039)	(1)	(5,763)	(2,716)	(3,488)		
Net assets	**124,659**	**35,257**	**26,332**	**11,127**	**(10,625)**	**-**	**(1,893)**	**240**	**38,639**	**(2,541)**	**4,790**		
Net assets attributable to non-controlling interest	79,083	6,501	6,986	2,825	(5,206)	0	(1,044)	175	28,744	(635)	958	**(3,453)**	**114,935**
Revenues	830,488	47,135	11,863	4,721	14,493	-	-	-	21,881	8,884	9,367		
Profit	20,141	4,141	618	651	(2,803)	-	(101)	(12)	1,771	(4,967)	2,502		
OCI	-	32	-	-	-	-	-	-	-	-	-		
Total comprehensive income	**20,141**	**4,173**	**618**	**651**	**(2,803)**	**-**	**(101)**	**(12)**	**1,771**	**(4,967)**	**2,502**		
Profit allocated to NCI	**12,777**	**763**	**164**	**165**	**(1,373)**	**-**	**(56)**	**(9)**	**1,321**	**(1,242)**	**500**		**13,010**
OCI allocated to NCI	**-**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**6**

Medika Group includes Medika and all entities fully owned by Medika.

Aminess Group includes Aminess and all entities fully owned by Aminess. Entities which are not fully owned by Aminess are shown separately as there is additional non-controlling interest (HTP Korčula, HTP Orebić, Marbera Holding, Sea Heaven Camps and Resorts and Hoteli Njivice).

NOTE 26 – NON-CONTROLLING INTERESTS

31 December 2023

(in thousands of EUR)	Medika Group	Aminess Group	HTP Korčula	HTP Orebić	Romana	Auctor Kapital	Sea Heaven Camps and Resorts	Marbera Holding	Hoteli Njivice	NOVA CAMPING	Aminess Hospitality Group	Intra-group eliminations	Total
% of non-controlling interest (%)	**63.44%**	**46.72%**	**52.01%**	**51.26%**	**49.00%**	**41.50%**	**70.70%**	**82.42%**	**83.27%**	**25.00%**	**20.00%**		
Non-current assets	84,767	65,871	30,110	10,448	49,869	-	-	-	54,763	53,254	5,779		
Current assets	362,899	10,383	2,158	2,049	1,525	1,329	133	253	10,433	4,283	3,047		
Non-current liabilities	(15,921)	(33,564)	(5,054)	(1,602)	(56,551)	(149)	-	-	(23,302)	(53,316)	(4,421)		
Current liabilities	(321,915)	(32,193)	(1,500)	(419)	(2,633)	(759)	(1,925)	(1)	(5,043)	(2,601)	(2,214)		
Net assets	**109,830**	**10,497**	**25,714**	**10,476**	**(7,790)**	**421**	**(1,792)**	**252**	**36,851**	**1,620**	**2,191**		
Net assets attributable to non-controlling interest	69,676	4,904	13,374	5,370	(3,818)	175	(1,267)	208	30,686	405	438	**865**	**121,016**
Revenues	748,989	44,647	10,523	4,393	13,295	-	-	-	20,562	138	4,447		
Profit	19,857	603	152	348	(5,738)	(33)	(89)	(7)	(731)	(1,485)	1,935		
OCI	-	22	-	-	-	-	-	-	-	-	-		
Total comprehensive income	**19,857**	**625**	**152**	**348**	**(5,738)**	**(33)**	**(89)**	**(7)**	**(731)**	**(1,485)**	**1,935**		
Profit allocated to NCI	**12,598**	**282**	**79**	**179**	**(2,812)**	**(14)**	**(63)**	**(6)**	**(608)**	**(371)**	**387**		**9,651**
OCI allocated to NCI	**-**	**10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**10**

Medika Group includes Medika and all entities fully owned by Medika.

Aminess Group includes Aminess and all entities fully owned by Aminess. Entities which are not fully owned by Aminess are shown separately as there is additional non-controlling interest (HTP Korčula and HTP Orebić).

NOTE 26 – NON-CONTROLLING INTERESTS (continued)

Acquisition and disposals of NCI

2024:

Acquisitions and disposal of NCI in 2024 were as follows:

(in thousand of EUR)	Auctor Kapital	Aminess	HTP Korčula	HTP Orebić	SHCR*	Marbera	Njivice	Total
Carrying amount of NCI acquired/(disposed)	175	2,969	6,552	2,710	(279)	24	3,272	15,422
Consideration (paid)/received to/from NCI	(3,500)	3,500	-	-	-	-	-	-
Change in equity attributable to the owners of the Parent	3,325	(6,469)	(6,552)	(2,710)	279	(24)	(3,272)	(15,422)

**Sea Heaven Camps and Resorts*

2023:

Acquisitions and disposal of NCI in 2023 were as follows:

(in thousand of EUR)	HTP Orebić	Aminess	Aminess Hospitality Group	Total
Carrying amount of NCI acquired/(disposed)	122	37	(245)	(86)
Consideration (paid)/received to/from NCI	(138)	(159)	550	253
Change in equity attributable to the owners of the Parent	16	122	(305)	(167)

NOTE 27 - SUBSEQUENT EVENTS AFTER REPORTING DATE

January 2025

On January 27, 2025, the subsidiary Auctor d.o.o. entered into purchase agreements for the acquisition of 1,965 shares of Medika d.d., representing a 6.5% stake in the company. The shares have not yet been transferred.

March 2025

On March 7, 2025, the Company entered into an agreement to sell a 49.81% stake in MEETING POINT CROATIA d.o.o. (later renamed to ROCKET DMC ADRIATIC d.o.o.) and simultaneously signed a shareholder agreement with the new minority owner regarding the rights arising from ownership of the stake in MEETING POINT CROATIA d.o.o. (ROCKET DMC ADRIATIC d.o.o.).

April 2025

In April 2025, the Company established two new entities: Auctor Finance CZ, s.r.o., based in the Czech Republic, and Auctor Finance SK, s.r.o., based in the Slovak Republic, for the purpose of issuing bonds to refinance debt owed to the subsidiary Auctor Finance, s.r.o. – the issuer of bonds maturing on November 24, 2025.

May 2025

On May 24, 2025 Auctor Finance processed the payment of the ninth interest income with a fixed interest rate of 5% p.a. for the interest period from 24th November 2024 to 23rd May 2025 in the amount EUR 2,000,000,- in respect of the Bonds AUCTOR 5,00/2025, ISIN SK4000018149.

As of the date of this report, the Group has initiated the process of merging the companies HTP KORČULA d.d. and HTP OREBIĆ d.d. into Aminess d.d., which holds a majority ownership interest in both companies. The Supervisory Boards of all entities involved have provided their consent to the proposed merger and have granted the respective Management Boards the authority to execute the merger agreement.

Pursuant to the signing of the merger agreement, the subsequent procedural steps include the appointment of a court-appointed auditor, the preparation and submission of all requisite documentation, the convening of general meetings of shareholders, and the registration of the merger with the competent court register. Consequently, the completion of the merger is not expected to occur prior to the end of August 2025.

The aforementioned events do not represent events after the balance sheet date that requires adjustment.

NOTE 28 – RELATED-PARTY TRANSACTIONS

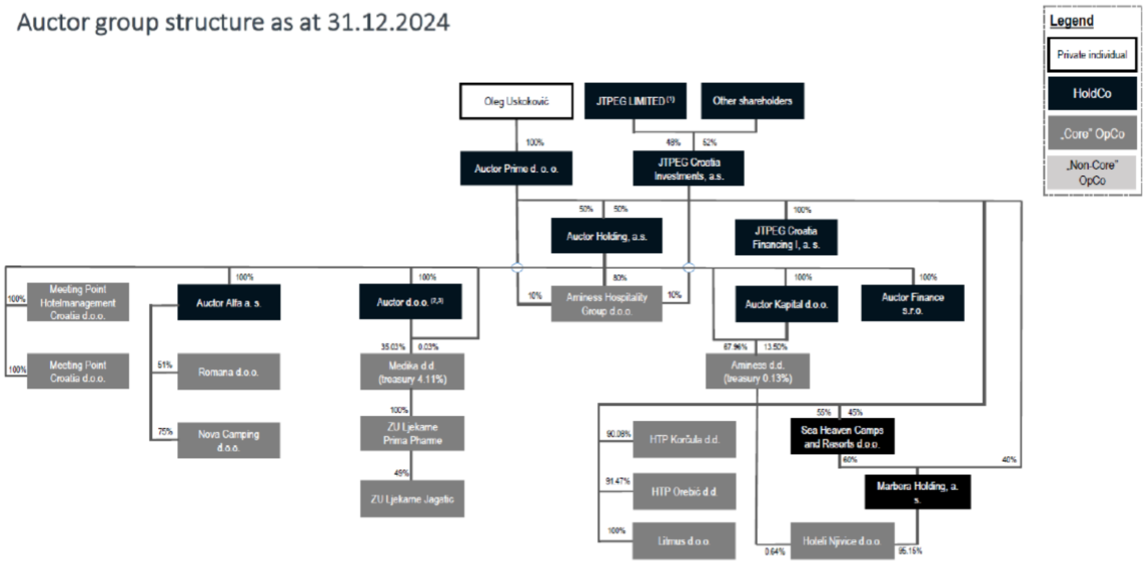
Related parties are those companies, which have the power to exercise control over the other party or are under common control or which have a significant influence on the other party in doing business or making financial decisions or is directly or indirectly involved in the management or supervision.

According to the shareholders concluded on 30 December 2020 between Auctor Prime. d.o.o. and JTPEG Croatia Investments, a.s. the Company is under joint control of Shareholders.

As at 31 December 2024 and 2023 folowing Entities are the Contolling Entities over the Company:

1. Oleg Uskoković, Krešimira Filića 39/B, 42000 Varaždin Croatia
2. J&T PRIVATE EQUITY GROUP LIMITED, registered office: Klimentos, 41-43, KLIMENTOS TOWER, 1st floor, Flat 18, 1061 Nicosia, Republic of Cyprus

In accordance with the provisions of relevant Business Corporation Laws in Czech Republic and Republic of Croatia, Auctor Holding a.s. as Controlled Entity presented relationship structure:



NOTE 28 – RELATED-PARTY TRANSACTIONS (continued)

The following contracts were concluded between Controlling Entities or Entities controlled by the same Controlling Entity and Entities in the Group during 2024:

- concluded Business support services agreement for providing services by JTPEG Advisory, a.s. and JTPEG Advisory CZ, a.s. to Aminess Hospitality Group d.o.o.
- concluded Business support services agreement for providing services by JTPEG Advisory, a.s. to Hoteli Njivice d.o.o. on 1 October 2024
- concluded Business support services agreement for providing services by JTPEG Advisory to Aminess d.d. on 1 October 2024
- concluded Loan Agreement where subsidiary Sea Heaven Camps and Resorts d.o.o. took a loan from Litmus d.o.o. with principal in the amount of 20.000 EUR and interest of 3,25% on 15 April 2024
- concluded legal support services agreement for providing services by USKOKOVIĆ & PARTNERI d.o.o. to Aminess d.d. on 25 July 2024
- concluded legal support services agreement for providing services by USKOKOVIĆ & PARTNERI d.o.o. to Hoteli Njivice d.o.o. on 25 July 2024
- concluded legal support services agreement for providing services by USKOKOVIĆ & PARTNERI d.o.o. to HTP Korčula d.d. on 25 July 2024
- concluded legal support services agreement for providing services by USKOKOVIĆ & PARTNERI d.o.o. to HTP Orebić d.d. on 25 July 2024

Contracts were executed pursuant to usual business terms and conditions and under the Contract, the Company suffered no harm.

NOTE 28 – RELATED-PARTY TRANSACTIONS (continued)

The Group enters into transactions with the following related parties.

1. Associate – ZU Ljekarne Jagatić
2. Auctor Prime
3. JTPEG Croatia Investment a.s.
4. Oleg Uskoković
5. USKOKOVIĆ & PARTNERI d.o.o.
6. Dubrovački zalasci sunca d.o.o.
7. J&T Private Equity B.V
8. JTPEG Advisory CZ, a.s
9. JTPEG Advisory, a.s.
10. FINVEST CORP d.d.
11. VARISO d.o.o.
12. Pliva Hrvatska d.d.
13. Flora Nekretnine d.o.o.

Balances resulting from transactions with the related parties and included in the statement of financial position at 31 December as well as the financial performance amounts for the years then ended were as follows:

NOTE 28 – RELATED-PARTY TRANSACTIONS (continued)

(in thousands of EUR)	**2024**	**2023**
Trade and other receivables		
Associate - ZU Ljekarne Jagatić	4,673	3,936
USKOKOVIĆ & PARTNERI d.o.o.	1	1
JTPEG Advisory CZ, a.s	5	-
Pliva Hrvatska d.d.	-	51
	4 679	**3,988**
Trade and other payables		
Associate - ZU Ljekarne Jagatić	1	-
USKOKOVIĆ & PARTNERI d.o.o.	19	43
JTPEG Advisory, a.s.	14	9
JTPEG Advisory CZ, a.s	-	1
VARISO d.o.o.	2,100	2,100
Pliva Hrvatska d.d.	-	19,991
	2 134	**22,144**
Loans from related parties		
JTPEG Croatia Investment a.s.	4,000	4,000
Flora Nekretnine d.o.o.	2,000	2,000
	6,000	**6,000**

NOTE 28 – RELATED-PARTY TRANSACTIONS (continued)

(in thousands of EUR)	**2024**	**2023**
Revenue from sale of goods		
Associate - ZU Ljekarne Jagatić	11,393	10,041
Pliva Hrvatska d.d.	-	16
	11,393	**10,057**
Revenue from sale of services		
USKOKOVIĆ & PARTNERI d.o.o.	-	6
Pliva Hrvatska d.d.	-	138
	-	**144**
Other revenue		
Auctor Prime	-	275
JTPEG Croatia Investment a.s.	-	275
	-	**550**
Other expenses		
Associate - ZU Ljekarne Jagatić	3	-
Oleg Uskoković	61	-
USKOKOVIĆ & PARTNERI d.o.o.	162	178
JTPEG Advisory, a.s.	45	35
JTPEG Advisory CZ, a.s	83	165
	354	**378**
Interest income		
JTPEG Croatia Investment a.s.	-	2
	-	**2**
Interest expense		
JTPEG Croatia Investment a.s.	-	1,879
Auctor Prime	-	76
Flora Nekretnine d.o.o.	300	107
	300	**2,062**

NOTE 28 – RELATED-PARTY TRANSACTIONS (continued)

Key management compensation

	2024	2023
Salaries and bonuses for Management (2024: eight members of key management; 2023: eight members of key management)	3,128	2,727

More detailed information about related party transactions are in Report on Relations which is annex to Consolidated annual report.

NOTE 29 - CONTINGENT LIABILITIES AND CONTINGENCIES

Contingent liabilities as at 31 December 2024 amounted to EUR 270 thousand (2023: EUR 250 thousand).

Capital commitments as at 31 December 2024 of EUR 20,689 thousand relate to construction contracts signed, mostly to the new campsites under construction (2023: EUR 14,213 thousand).

Guarantees issued as at 31 December 2024 amounted to EUR zero (2023: zero).

NOTE 30 - APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements set out on pages 24 to 92 were approved by the Management Board of the Company on 5 June 2025.

Oleg Usković
Member of the Board of Directors

Josef Pilka
Member of the Board of Directors

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REPORT ON RELATIONS

Prepared by Board of Directors of Controlled company in accordance with the provisions of Section 82 of Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (Act on Business Corporations), as amended (hereinafter referred to as "**BCA**") for the year 2024 (hereinafter „**Report on relations**")

I. Relationship Structure

1. Controlled Entity

Business Company:	Auctor Holding, a.s.
Registered office:	Sokolovská 700/113a, Karlín, 186 00 Praha 8, Czech republic
Registration No.:	083 64 028
Registered by:	Commercial Register maintained by Municipal court in Prague, file No. B 24583

(hereinafter „**Company**" or „**Controlled Entity**")

2. Controlling Entities

For the period from 1.1.2024 to 31.12.2024:

Name:	Oleg Uskoković
Registered office:	Krešimira Filića street 39B, 42000 Varaždin, Croatia
Date of birth:	7.5.1966
Business Company:	J&T PRIVATE EQUITY GROUP LIMITED
Registered office:	Klimentos, 41-43, KLIMENTOS TOWER, 1st floor, Flat/Office 18, 1061 Nicosia, Republic of Cyprus
Registration No.:	HE 327810
Registered by:	Ministry of Energy, Commerce, Industry, Department of Registrar of Companies and Intellectual Property Nicosia

3. Companies controlled by the same Controlling Entities

Entities controlled by Oleg Uskoković for the period from 1.1.2024 to 31.12.2024

ZPRÁVA O VZTAZÍCH

Zpracovaná statutárním orgánem Ovládané osoby v souladu s ustanovením § 82 zákona č. 90/2012 Sb., o obchodních společnostech a družstvech (zákon o obchodních korporacích), ve znění pozdějších předpisů (dále jen „**ZOK**") za účetní období roku 2024

(dále jen „**Zpráva o vztazích**")

I. Struktura vztahů

1. Ovládaná osoba

Obchodní firma:	Auctor Holding, a.s.
Sídlo:	Sokolovská 700/113a, Karlín, 186 00 Praha 8, Česká republika
IČO:	083 64 028
Rejstříkový zápis:	Obchodní rejstřík vedený Městským soudem v Praze, sp. Zn. B 24583

(dále jen „**Společnost**" nebo „**Ovládaná osoba**")

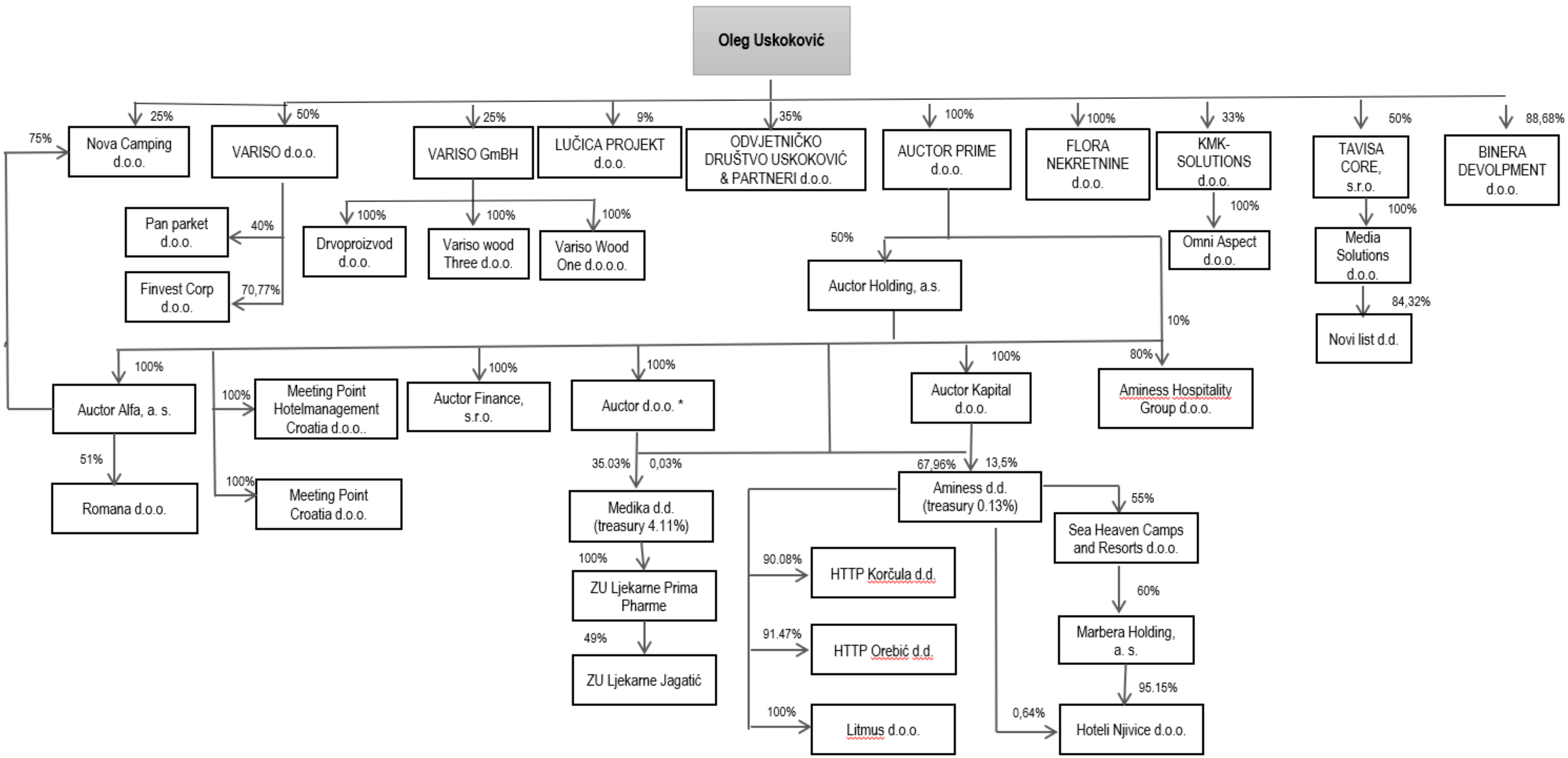
2. Ovládající osoby

V období od 1.1.2024 do 31.12.2024:

Jméno:	Oleg Uskoković
Bydliště:	Krešimira Filića street 39B, 42000 Varaždin, Chorvatsko
Datum narození:	7.5.1966
Obchodní firma:	J&T PRIVATE EQUITY GROUP LIMITED
Sídlo:	Klimentos, 41-43, KLIMENTOS TOWER, 1st floor, Flat/Office 18, 1061 Nikósie, Kyperská republika
Registrační číslo:	HE 327810
Zapsaná v:	Oddělení zápisů společností Ministerstvem energetiky, obchodu, průmyslu, Oddělení registrátora společností a duševního vlastnictví Nikósie

3. Osoby ovládané stejnými Ovládajícími osobami

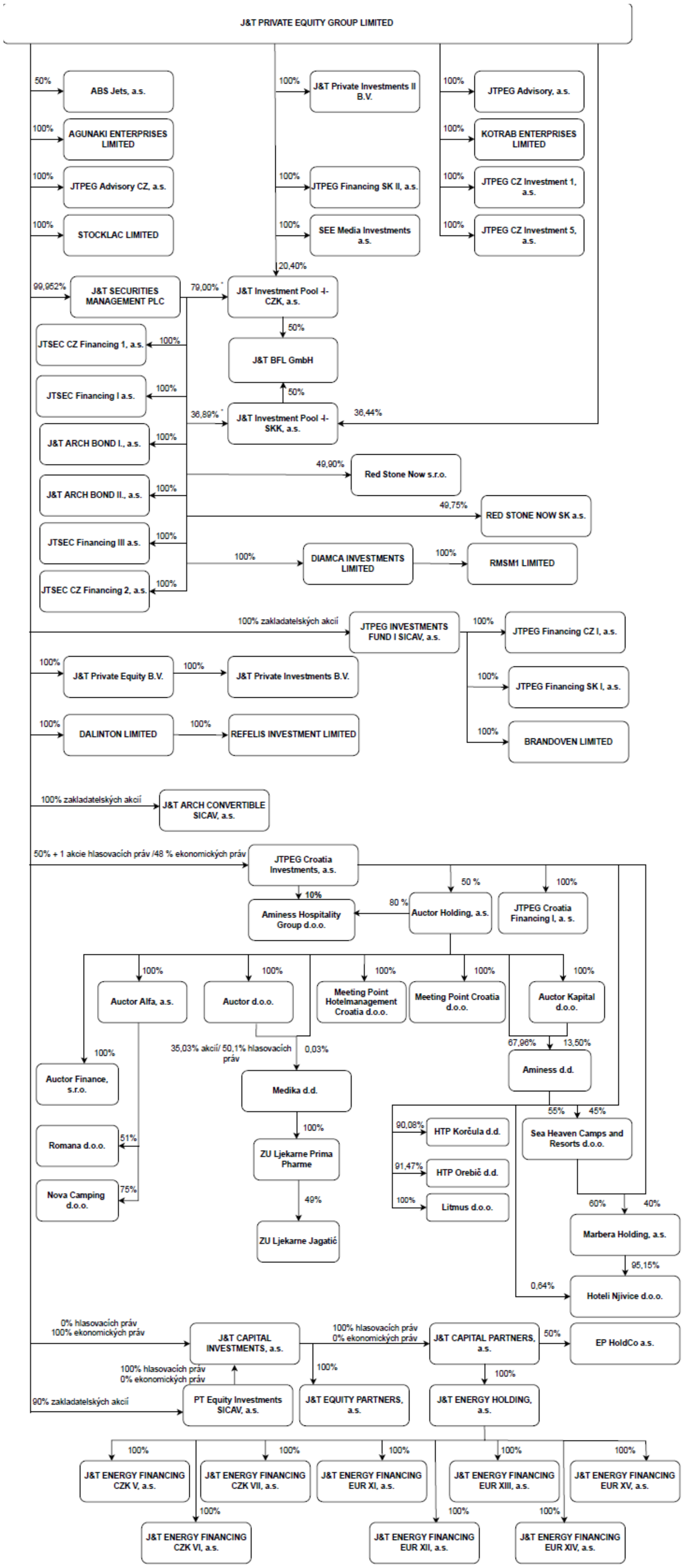
Osoby ovládané Olegem Uskokovićem v období od 1.1.2024 do 31.12.2024:



Notes:
- chart presents % on share capital
(1) Auctor d.o.o. has control over Medika d.d. with 50.1% voting rights
(2) Auctor d.o.o. holds a 100% subsidiary STRED real estate d.o.o. established in 2022 based on instruction from IGH bondholders for whom Auctor acts as trustee.

Entities controlled by J&T PRIVATE EQUITY GROUP LIMITED for the period from 1.1.2024 to 31.12.2024:

Osoby ovládané J&T PRIVATE EQUITY GROUP LIMITED v období od 1.1.2024 do 31.12.2024:



* Mateřská společnost JTPEG má právo (opci) na nákup 79,00 % akcií J&T Investment Pool-I-CZK, a.s. a 36,89 % akcií J&T Investment Pool-I-SK, a.s. Počet akcií je zahmut v opční smlouvě.

II.
Role of the Controlled Company

The Company is an independent and highly autonomous company, which is a controlled entity only in a definitional meaning. The company's role is to search for and implement investment opportunities in the field of tourism, drug distribution and operation of pharmacies in Croatia.

II.
Úloha Ovládané osoby

Společnost je nezávislá a vysoce autonomní společnost, která je pouze definičně ovládanou osobou. Úlohou společnosti je vyhledávat a realizovat investiční příležitosti v oblasti turizmu, distribuce léčiv a provoz lékáren v Chorvatsku.

III.
Way and means of control

The Company is controlled through decisions of General meeting of the Company. On December 30, 2020 Shareholders of the Company concluded Shareholder agreement under which Shareholders have joint control over the Company. No other special Contract has been concluded between Company, Controlling Entities and Entities controlled by the same Controlling Entity and these Entities did not jointly pursue any business and non-business activity.

III.
Způsob a prostředky ovládaní

Společnost není ovládaná jinak než prostřednictvím rozhodnutí Valné hromady Společnosti. Dne 30.12.2020 akcionáři uzavřeli akcionářskou smlouvu na jejichž základě vykonávají společnou kontrolu nad Společností. Mezi Společností, Ovládajícími osobami a/nebo Osobami ovládanými stejnou ovládající osobou není uzavřena žádná jiná speciální smlouva ve vztahu ke způsobům a prostředkům ovládaní a tyto osoby společně nevyvíjeli žádnou podnikatelskou či nepodnikatelskou činnost.

IV.
List of activities according to § 82 par. d) BCA

On December 30, 2020 Shareholders of the Company concluded Shareholder agreement under which Shareholders have joint control over the Company.
During the relevant period, the Company did undertake following activities:

- Concluded Amendment 5 dated 12.4.2024 to the Loan Contract dated 24.10.2019 with AUCTOR d.o.o.,
- Concluded Amendment 2 dated 7.11.2024 to the Loan Contract dated 30.12.2021 with Auctor Alfa a.s.,
- Concluded Amendment 2 dated 27.6.2024 to the Loan Contract dated 5.5.2022 with Auctor Alfa a.s.,
- Concluded Amendment 4 dated 12.4.2024 to the Loan Contract dated 24.10.2019 with AUCTOR KAPITAL d.o.o.,

IV.
Přehled jednání dle § 82 odst. 2 písm. d) ZOK

Dne 30.12.2020 akcionáři uzavřeli akcionářskou smlouvu na jejichž základě vykonávají společnou kontrolu nad Společností.

Společnost v relevantním období učinila následné jednání:

- uzavřela Dodatek č. 5 ze dne 12.4.2024 ke Smlouvě o půjčce ze dne 24.10.2019 se společností AUCTOR d.o.o.,
- uzavřela Dodatek č. 2 ze dne 7.11.2024 ke Smlouvě o půjčce ze dne 30.12.2021 se společností Auctor Alfa a.s.,
- uzavřela Dodatek č. 2 ze dne 27.6.2024 ke Smlouvě o půjčce ze dne 5.5.2022 se společností Auctor Alfa a.s.,
- uzavřela Dodatek č. 4 ze dne 12.4.2024 ke Smlouvě o půjčce ze dne 24.10.2019 se společností AUCTOR KAPITAL d.o.o.,

- concluded an Amendment 2 dated 1.10.2024 to the Bookkeeping Agreement dated 17.2.2020 with JTPEG Advisory, a.s.

- concluded an Option agreement dated 28.6.2024 with Auctor Alfa, a.s.
- on 20.6.2024 concluded Termination agreement of Business Consulting and Mandate Agreement dated 15.12.2020 with JTPEG Advisory CZ, a.s.

During the relevant period, the Company did not undertake any other activities that would have been made at the interest of the Controlling Entities or the Entities controlled by the same Controlling Entity relating to assets exceeding 10% of the Company's equity as determined by the most recent financial statements of period from 1.1.2023 to 31.12.2023.

- uzavřela Dodatek č. 2 ze dne 1.10.2024 ke Smlouvě o vedení účetní evidence ze dne 17.2.2020 se společností JTPEG Advisory, a.s.
- uzavřela Opční smlouvu ze dne 28.6.2024 se společností Auctor Alfa, a.s.
- dne 20.6.2024 uzavřela Dohodu o ukončení Smlouvy o poskytování konzultačních služeb ze dne 15.12.2020 se společností JTPEG Advisory CZ, a.s.

Společnost v relevantním období neučinila žádná jiná jednání, která by byla učiněna na popud nebo v zájmu Ovládajících osob nebo Osob ovládaných stejnou ovládající osobou, týkající se majetku, který přesahuje 10% vlastního kapitálu Společnosti zjištěného podle poslední účetní závěrky, t.j. v účetním období od 1.1.2023 do 31.12.2023.

V.
List of mutual contracts

During the relevant period following contracts were concluded between Controlling Entities or Entities controlled by the same controlling Entity:

V.
Přehled vzájemných smluv

V relevantním období byly uzavřeny následující smlouvy s Ovládajícími osobami nebo Osobami ovládanými stejnou osobou:

Ovládající osoby nebo Společnost ovládaná stejnou ovládající osobou:/Controlling Entities or Entity controlled by the same Controlling Entity:	Smlouva/Contract:
AMINESS d.d. (Laguna Novigrad d.d.)	Smlouva o půjčce ze dne 27.11.2020/Loan Agreement dated 27.11.2020
AMINESS d.d. (Laguna Novigrad d.d.)	Dodatek č. 1 ze dne 10.12.2020 ke Smlouvě o půjčce ze dne 27.11.2020/Amendment 1 dated 10.12.2020 to the Loan Agreement dated 27.11.2020
AMINESS d.d. (Laguna Novigrad d.d.)	Dodatek č. 2 ze dne 30.6.2021 ke Smlouvě o půjčce ze dne 27.11.2020/Amendment 2 dated 30.6.2021 to the Loan Agreement dated 27.11.2020
AMINESS d.d. (Laguna Novigrad d.d.)	Dodatek č. 3 ze dne 30.12.2021 ke Smlouvě o půjčce ze dne 27.11.2020/Amendment 3 dated 30.12.2021 to the Loan Agreement dated 27.11.2020
AMINESS d.d. (Laguna Novigrad d.d.)	Dodatek č. 4 ze dne 30.12.2022 ke Smlouvě o půjčce ze dne 27.11.2020/Amendment 4 dated 30.12.2022 to the Loan Agreement dated 27.11.2020
AMINESS d.d. (Laguna Novigrad d.d.)	Dodatek č. 5 ze dne 8.11.2023 ke Smlouvě o půjčce ze dne 27.11.2020/Amendment 5 dated 8.11.2023 to the Loan Agreement dated 27.11.2020

AUCTOR d.o.o.	Smlouva o půjčce ze dne 24.10.2019/Credit Contract dated 24.10.2019
AUCTOR d.o.o.	Dodatek č. 1 ze dne 20.11.2020 ke Smlouvě o půjčce ze dne 24.10.2019/Amendment 1 dated 20.11.2020 to the Credit Contract dated 24.10.2019
AUCTOR d.o.o.	Dodatek č. 2 ze dne 3.3.2021 ke Smlouvě o půjčce ze dne 24.10.2019/Amendment 2 dated 3.3.2021 to the Credit Contract dated 24.10.2019
AUCTOR d.o.o.	Dodatek č. 3 ze dne 1.3.2022 ke Smlouvě o půjčce ze dne 24.10.2019/Amendment 3 dated 1.3.2022 to the Credit Contract dated 24.10.2019
AUCTOR d.o.o.	Dodatek č. 4 ze dne 14.4.2023 ke Smlouvě o půjčce ze dne 24.10.2019/Amendment 4 dated 14.4.2023 to the Credit Contract dated 24.10.2019
AUCTOR d.o.o.	Dodatek č. 5 ze dne 12.4.2024 ke Smlouvě o půjčce ze dne 24.10.2019/Amendment 5 dated 12.4.2024 to the Credit Contract dated 24.10.2019
Auctor Alfa, a.s.	Smlouva o půjčce ze dne 30.12.2021/Loan Contract dated 30.12.2021
Auctor Alfa, a.s.	Dodatek č. 1 ze dne 30.6.2023 ke Smlouvě o půjčce ze dne 30.12.2021/Amendment 1 dated 30.6.2023 to the Loan Contract dated 30.12.2021
Auctor Alfa, a.s.	Dodatek č. 2 ze dne 7.11.2024 ke Smlouvě o půjčce ze dne 30.12.2021/Amendment 2 dated 7.11.2024 to the Loan Contract dated 30.12.2021
Auctor Alfa, a.s.	Smlouva o půjčce ze dne 14.6.2022/Loan Contract dated 14.6.2022
Auctor Alfa, a.s.	Smlouva o půjčce ze dne 5.5.2022/Loan Contract dated 5.5.2022
Auctor Alfa, a.s.	Dodatek č. 1 ze dne 27.10.2023 ke Smlouvě o půjčce ze dne 5.5.2022/Amendment 1 dated 27.10.2023 to the Loan Contract dated 5.5.2022
Auctor Alfa, a.s.	Dodatek č. 2 ze dne 27.6.2024 ke Smlouvě o půjčce ze dne 5.5.2022/Amendment 2 dated 27.6.2024 to the Loan Contract dated 5.5.2022
Auctor Alfa, a.s.	Smlouva o půjčce ze dne 30.6.2022/Loan Contract dated 30.6.2022
Auctor Alfa, a.s.	Smlouva o půjčce ze dne 25.5.2023/Loan Contract dated 25.5.2023
Auctor Alfa, a.s.	Dodatek č. 1 ze dne 30.6.2023 ke Smlouvě o půjčce ze dne 25.5.2023/Amendment 1 dated 30.6.2023 to the Loan Contract dated 25.5.2023
Auctor Alfa, a.s.	Dodatek č. 2 ze dne 26.7.2023 ke Smlouvě o půjčce ze dne 25.5.2023/Amendment 2 dated 26.7.2023 to the Loan Contract dated 25.5.2023
Auctor Alfa, a.s.	Dodatek č. 3 ze dne 5.12.2023 ke Smlouvě o půjčce ze dne 25.5.2023/Amendment 3 dated 5.12.2023 to the Loan Contract dated 25.5.2023
Auctor Alfa, a.s.	Opční smlouva ze dne 28.6.2024/Option agreement dated 28.6.2024

	25.5.2023/Amendment 3 dated 5.12.2023 to the Loan Contract dated 25.5.2023
Auctor Finance, s.r.o.	Smlouva o úvěru ze dne 19.11.2020/Facility Agreement dated 19.11.2020
Auctor Finance, s.r.o.	Ručitelské prohlášení ze dne 22.10.2020/Guarantee dated 22.10.2022
Auctor Finance, s.r.o.	Dodatek č. 1 ze dne 3.3.2021 ke Smlouvě o úvěru ze dne 19.11.2020/Amendment 1 dated 3.3.2021 to the Facility Agreement dated 19.11.2020
Auctor Finance, s.r.o.	Dodatek č. 2 ze dne 1.7.2021 ke Smlouvě o úvěru ze dne 19.11.2020/Amendment 2 dated 1.7.2021 to the Facility Agreement dated 19.11.2020
Auctor Finance, s.r.o.	Dodatek č. 3 ze dne 15.3.2022 ke Smlouvě o úvěru ze dne 19.11.2020/Amendment 3 dated 15.3.2022 to the Facility Agreement dated 19.11.2020
AUCTOR KAPITAL d.o.o.	Smlouva o půjčce ze dne 24.10.2019/Credit Contract dated 24.10.2019
AUCTOR KAPITAL d.o.o.	Dodatek č. 1 ze dne 20.11.2020 ke Smlouvě o půjčce ze dne 24.10.2019/Amendment 1 dated 20.11.2020 to the Credit Contract dated 24.10.2019
AUCTOR KAPITAL d.o.o.	Dodatek č. 2 ze dne 3.3.2021 ke Smlouvě o půjčce ze dne 24.10.2019/Amendment 2 dated 3.3.2021 to the Credit Contract dated 24.10.2019
AUCTOR KAPITAL d.o.o.	Dodatek č. 3 ze dne 14.4.2023 ke Smlouvě o úvěru ze dne 24.10.2019/Amendment 3 dated 14.4.2023 to the Credit Contract dated 24.10.2019
AUCTOR KAPITAL d.o.o.	Dodatek č. 4 ze dne 12.4.2024 ke Smlouvě o úvěru ze dne 24.10.2019/Amendment 4 dated 12.4.2024 to the Credit Contract dated 24.10.2019
AUCTOR PRIME d.o.o., JTPEG Croatia Investments, a.s., Oleg Uskoković	Akcionářská smlouva ze dne 30.12.2020/Shareholder´s Agreement dated 30.12.2020
AUCTOR PRIME d.o.o., JTPEG Croatia Investments, a.s., Oleg Uskoković	Dodatek č. 1 ze dne 23.6.2022 k Akcionářské smlouvě ze dne 30.12.2020/Amendment 1 dated 23.6.2022 to the Shareholder´s Agreement dated 30.12.2020
JTPEG Advisory, a.s.	Smlouva o vedení účetní evidence ze dne 17.2.2020/Bookkeeping Contract dated 17.2.2020
JTPEG Advisory, a.s.	Dodatek č. 1 ze dne 1.10.2020 ke Smlouvě o vedení účetní evidence ze dne 17.2.2020/Amendment 1 dated 1.10.2020 to the Bookkeeping Contract dated 17.2.2020
JTPEG Advisory, a.s.	Dodatek č. 2 ze dne 1.10.2024 ke Smlouvě o vedení účetní evidence ze dne 17.2.2020/Amendment 2 dated 1.10.2024 to the Bookkeeping Contract dated 17.2.2020

JTPEG Advisory CZ, a.s.	Smlouva o poskytování konzultačních služeb ze dne 15.12.2020/Business Consulting and Mandate Agreement dated 15.12.2020
JTPEG Advisory CZ, a.s.	Dodatek č. 1 ze dne 10.1.2022 ke Smlouvě o poskytování konzultačních služeb ze dne 15.12.2020 /Amendment 1 dated 10.1.2022 to the Business Consulting and Mandate Agreement dated 15.12.2020
JTPEG Advisory CZ, a.s.	Dohoda ze dne 20.6.2024 o ukončení Smlouvy o poskytování konzultačních služeb ze dne 15.12.2020/ Termination agreement dated 20.6.2024 of Business Consulting and Mandate Agreement dated 15.12.2020
MEDIKA d.d.	Smlouva o spolupráci ze dne 1.4.2021/Agreement on cooperation dated 1.4.2021
ROMANA d.o.o.	Smlouva o podpoře projektu ze dne 30.3.2022/Sponsor Agreement dated 30.3.2022
ROMANA d.o.o.	Dodatek č. 1 ze dne 8.11.2023 ke Smlouvě o podpoře projektu ze dne 30.3.2022/Amendment 1 dated 8.11.2023 to the Sponsor Agreement dated 30.3.2022
ROMANA d.o.o.	Smlouva o kompenzaci ze dne 30.3.2022 za poskytnutí podpory projektu ve vztahu k financování projektu společnosti J&T BANKA a.s. /Compensation Agreement dated 30.3.2022 for project support for loan provided by J&T BANKA a.s.
ROMANA d.o.o.	Dodatek č. 1 ze dne 31.8.2022 ke Smlouvě o kompenzaci ze dne 30.3.2022 za poskytnutí podpory projektu ve vztahu k financování projektu společnosti J&T BANKA a.s. /Amendment 1 dated 31.8.2022 to the Compensation Agreement dated 30.3.2022 for project support for loan provided by J&T BANKA a.s.
USKOKOVIĆ & PARTNERI d.o.o.	Smlouva o poskytování právních služeb ze dne 29.8.2022 /Agreement on provision of legal services dated 29.8.2022

Contracts were executed pursuant to usual business terms and conditions and under the Contract, the Company suffered no harm.

Smlouvy byly uzavřeny za obvyklých obchodních podmínek a z titulu smluv Společnosti nevznikla žádná újma.

VI.
Assessment of the occurrence of detriment to the Controlled Entity

Due to the conclusion of the above mentioned Contracts, no detriment incurred to the Controlled Entity, that should be a subject to settlement pursuant to section 71 or 72 of BCA.

VI.
Posouzení vzniku újmy Ovládané osobě

Z titulu uzavření výše uvedených smluv nevznikla Ovládané osobě žádná újma, která by měla být předmětem vyrovnání dle ustanovení § 71 či § 72 ZOK.

VII.
Conclusion

The Board of Directors of the Company has assessed, on the basis of the available information, the advantages and disadvantages of the above relations and has concluded that the Company has not received any particular advantages and / or disadvantages from it, in particular with regard to the minimum connection with the Controlling Entities or Persons controlled by the same Controlling Entity.

The Board of Directors of the Company therefore, after careful consideration, declares that it is not aware of any risks arising from the relations between the Company and the persons described above.

The Board of Directors further declares that this Report on Relations is complete and true and has been prepared on the basis of all available information.

The Report on Relations was submitted to the Supervisory Board for review under Section 83 (1) of the BCA.

VII.
Závěr

Představenstvo Společnosti vyhodnotilo na základě dostupných informací výhody a nevýhody plynoucí z výše uvedených vztahů a dospělo k závěru, že Společnosti z něj neplynuly žádné zvláštní výhody a/nebo nevýhody, a to zejména s ohledem na minimální provázanost s Ovládajícími osobami či Osobami ovládanými stejnou ovládající osobou.

Představenstvo Společnosti po důkladném zvážení proto s péčí řádného hospodáře prohlašuje, že si není vědomo žádných rizik vyplývajících ze vztahů mezi Společností a výše popsanými osobami.

Představenstvo dále prohlašuje, že tato Zpráva o vztazích je úplná a pravdivá a byla vypracována na základě veškerých dostupných informací.

Zpráva o vztazích byla předložena dozorčí radě k přezkumu ve smyslu ustanovení § 83 odst. 1 ZOK.

V Praze dne/ In Prague on: 31.3.2025

Oleg Uskoković,
Member of Board of Directors

Josef Pilka,
Member of Board of Directors

REPORT OF THE BOARD OF DIRECTORS ON THE BUSINESS ACTIVITES AND STATE OF ASSETS FOR THE YEAR 2024

Auctor Holding, a.s.

Registered office:	Sokolovská 700/113a, Karlín, 186 00 Praha 8, Czech republic
Registration No.:	083 64 028
Registered by:	Commercial Register maintained by Municipal court in Prague, file No. B 24583

(hereinafter „**Company**“)

I.

Bodies of the Company in the year 2024

Board of Directors

Member of Board of Directors

Oleg Uskoković (from July 24, 2019 re-elected on 25 October 2024))

Josef Pilka (from September 16, 2020)

Supervisory Board

Member of Supervisory Board

Tanja Kragulj Mežnarić (from July 24,2019 re-elected on 25 October 2024)

Libor Kaiser (from October 14, 2021 and chairman from 4. February 2022)

Board of Directors and Supervisory Board regularly reviewed the Company´s financial results and financial position at its meetings in 2024 and adopted the necessary decisions in the course of carrying out business activities and disposing of the Company's assets.

II.

Business activities and liabilities of the Company

The Company's activities in 2024 focused on the development of its business and asset management. In 2024, the company consolidated the structure of its subsidiaries, focusing on key sectors, ie tourism and drug distribution / pharmacy operation. These activities were covered mostly by external financing.

ZPRÁVA PŘEDSTAVENSTVA O PODNIKATELSKÉ ČINNOSTI A STAVU MAJETKU SPOLEČNOSTI ZA ROK 2024

Auctor Holding, a.s.

Sídlo: Karlín,	Sokolovská 700/113a, 186 00 Praha 8, Česká republika
IČO:	083 64 028
Rejstříkový zápis: vedený	Obchodní rejstřík Městským soudem v Praze, sp. Zn. B 24583

(dále jen „**Společnost**“)

I.

Orgány Společnosti v roce 2024

Představenstvo Společnosti

Člen představenstva

Oleg Uskoković (od 24.7.2019 znovuzvolený 25.10.2024))

Josef Pilka (od 16.9.2020)

Dozorčí rada Společnosti

Člen dozorčí rady

Tanja Kragulj Mežnarić (od 24.7.2019 znovuzvolená 25.10.2024))

Libor Kaiser (od 14.10.2021 a předseda od 4.2.2022)

Představenstvo i Dozorčí rada na svých zasedáních v roce 2024 pravidelně hodnotily hospodářské výsledky a finanční situaci Společnosti a přijímaly potřebná rozhodnutí v rámci realizace podnikatelské činnosti a nakládání s majetkem Společnosti.

II.

Podnikatelská činnost a stav závazků Společnosti

Činnost Společnosti v roce 2024 byla zaměřena zejména na vývoj své podnikatelské činnosti a správy majetku. Společnost v roce 2024 konsolidovala strukturu dceřiných společností se zaměřením se na klíčová odvětvi, tj. turismus/cestovní ruch a distribuce léčiv/provoz lékáren. V této souvislosti bylo zabezpečeno financování akvizice převážně formou cizích zdrojů.

The Company's solvency was stabilized in 2024 and liabilities were paid on an ongoing basis.

Platební schopnost Společnosti byla v roce 2024 stabilizovaná a závazky byly hrazeny průběžně.

As of the date of this report, the Company is not a party to any litigation, arbitration or administrative proceedings that could have a negative impact on the Company's assets. The Company's Board of Directors is not aware of any claim by third parties in relation to the Company's assets.

Ke dni vyhotovení této zprávy není Společnost účastníkem jakýchkoliv soudních sporů, arbitrážního řízení ani správního řízení, které by mohly mít negativní dopad na majetek Společnosti. Představenstvu Společnosti není známo, že by ze strany třetích osob byl vznesen jakýkoli nárok ve vztahu k majetku Společnosti.

The Company's own shares were not acquired during the accounting period.

V průběhu účetního období nedošlo k nabytí vlastních akcií Společnosti.

III.
Business results

The Company's assets are presented in the financial statements prepared as of 31/12/2024, including its annex, which specifies the details of each item. Profit and loss of the Company for the year 2024 is loss in the amount EUR 4.383.574.,95.

III.
Ekonomické výsledky

Stav majetku Společnosti zobrazuje účetní závěrka sestavená ke dni 31.12.2024 včetně její přílohy, která specifikuje podrobnosti k jednotlivým položkám. Hospodářským výsledkem za rok 2024 je ztráta ve výši 4 383 574,95 EUR.

IV.
Ownership interests

The Company has direct ownership interests in these business entities:

IV.
Majetkové účasti

Společnost má přímou majetkovou účast v těchto dalších podnikatelských subjektech:

Obchodní firma/Company	Sídlo/Office	Identifikační číslo/Registration No.	Výše podílu/Share
AUCTOR d.o.o.	Ulica kneza Branimira 71E, 10000 Zagreb Croatia	080081289	100%
AUCTOR KAPITAL d.o.o.	Dežmanova 5, 10000 Zagreb Croatia	080420313	100%
Medika d.d.	Capraška 1, 10000 Zagreb Croatia	080027531	0,03%
Auctor Finance, s.r.o.	Dvořákovo nábrežie8, 811 02 Bratislava, Slovakia	51901811	100%
Aminess d.d.	Škverska 8, Novigrad Croatia	040060543	67,96%
Auctor Alfa, a.s.	Sokolovská 700/113a Prague Czech republic	117 62 543	100%
Aminess Hospitality Group d.o.o.	Ulica kneza Branimira 71E, 10000 Zagreb Croatia	04280873	80%
Meeting Point Hotelmanagement Croatia d.o.o.	Ulica kneza Branimira 71E, 10000 Zagreb Croatia	040388763	100%
Meeting Point Croatia d.o.o.	Dure Šporera 2A, Rijeka, Croatia	040290188	100%

V.
Employees

The company has no employees on 31.12.2024.

V.
Zaměstnanci

Společnost nemá ke dni 31.12.2024 žádné zaměstnance.

VI.
Company´s plan for the year 2025

Board of Directors of the Company recommend to continue in business activities of the Company with consolidation of structure of its subsidiaries and focus on key industries i.e. tourism and drug distribution/pharmacy.

The Company monitors the market for possible further investments.

VI.
Záměr Společnosti pro rok 2025

Představenstvo Společnosti doporučuje pokračovat v činnosti Společnosti, konsolidací struktury nabyté skupiny, se zaměřením na rozvoj klíčových odvětví tj. turismus/cestovní ruch a distribuce léčiv/provoz lékáren.

Společnost monitoruje trh pro případné další investice.

VII.
Important decisions of the Company´s bodies

The decisions of the Company's bodies related to the ordinary agenda connected with the Company's activities performed and to the fulfilment of obligations set forth by the Czech Republic's current legislation and the Company's Articles of Association.

VII.
Důležitá rozhodnutí orgánů Společnosti

Rozhodnutí orgánů Společnosti se týkala běžné agendy spojené s vykonávanou činností Společnosti a plněním povinností stanovených těmto orgánům platnou právní úpravou České republiky a stanovami Společnosti.

V Praze dne/ In Prague on: 5.6. 2025

Oleg Uskoković,
member of Board of Directors

Josef Pilka,
member of Board of Directors