AUCTOR HOLDING, a.s. and its subsidiaries

CONSOLIDATED ANNUAL REPORT
TOGETHER WITH AUDITORS' REPORT
for the year ended 31 December 2023

CONTENT

MANAGEMENT BOARD REPORT

FOR 2023

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 and in distribution of pharmaceuticals and medical supplies through its holdings in Medika d.d.

In the period from 1 January to 31 December 2023 the Auctor Group generated consolidated revenue of EUR 841 million with a consolidated profit in amount of EUR 12 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 2023, the Auctor Group companies employ on average 1.980 employees, whereas Auctor Holding itself does not have any employees. Main employers are Medika d. d. with average number of employees 961, while tourism companies employed on average 1020 employees during 2023 and more than 1400 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 2023:

Members of Management Board:	Oleg Usković (from 24 July 2019)
	Josef Pilka (from 16 September 2020)

Supervisory Board of the Company as of 31st December 2023:

Chairman of Supervisory Board:	Libor Kaiser (member from 14 October 2021 and chairman from 4.2.2022)
Member of Supervisory Board:	Tanja Kragulj Mežnarić (from 24 July 2019)

Registered capital and shares

The Company's registered capital as at 31 December 2023 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 2024, 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 together with all its subsidiaries (the **Auctor Group**) is the holding company of the Auctor Group. Auctor Holding was established as a joint-stock company by the Memorandum of Association dated 18 July 2019 under the laws of the Czech Republic and subsequently incorporated on 24 July 2019 based on its entry in the Commercial Register maintained by the Municipal Court in Prague. On 18 July 2019, Auctor Holding adopted Articles of Association. Auctor Holding became the parent company of the Auctor Group following the acquisitions in 2019. As part of the restructuring, the former owners of three Auctor Group holding companies - Auctor d.o.o., Lipa-Promet d.o.o. and Auctor Kapital d.o.o., 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 Auctor Group is a financial group with activities located in Croatia. It consists of seven holding companies and thirteen operating companies with a business or a project.

HOLDING COMPANIES

Out of seven holding companies Auctor Holding, a.s. (**Auctor Holding)** is the principal entity while Auctor Finance s.r.o. (**Auctor Finance**) serves as the financing arm of the Auctor Group. On 24 November 2020 Auctor Finance (Issuer), with its registered seat in Slovak republic, issued bonds under Bonds Programme. As of 31.12.2023 the total amount of bonds issued were 80 000 thousand EUR.

The obligations of the Issuer under the Bonds are secured by a guarantee (the Guarantee) issued in favour of the Security Agent by Auctor Holding (Guarantor).

Pursuant to the guarantee, the Guarantor undertakes, that if, for any reason, the Issuer or any Pledgor fails to fulfil any of the Secured Obligations when it becomes due and such failure is not remedied within 10 days, the Guarantor shall, upon written request of the Security Agent, pay such amount unconditionally and without any delay instead of the Issuer or relevant Pledgor in accordance with the Guarantee.

The purpose of using the net proceeds from the Issue, after payment of all remunerations, costs and expenses, has been funding of general corporate purposes of the Issuer and Auctor Group, including refinancing of existing debt obligations and financing of new projects via providing loan to Auctor Holding.

Auctor Alfa, a.s. (**Auctor Alfa)**, Auctor d.o.o. (**Auctor)**, Auctor Kapital d.o.o. (**AK**), Sea Heaven Camps and Resorts d.o.o. (**SHCR**) and Marbera Holding, a.s. (**Marbera Holding**) are other holding entities with main activity being ownership of shares and provision of financing.

The only holding entity employing staff is Auctor.

OPERATING COMPANIES

Operations of Auctor Group are covering healthcare and hospitality industry in Croatia.

Activities in healthcare business are performed by Medika d.d. (**Medika**). Medika is primarily engaged in the wholesale, storage and distribution of human and veterinary drugs, medicinal products, equipment and dental supplies, dietetic, cosmetic, hygienic and other healthcare related products. Medika also operates the largest chain of pharmacies in Croatia via its subsidiary ZU Ljekarne Prima Pharme and ZU Ljekarna Šeremet and its associate ZU Ljekarne Jagatić with a total of 88 pharmacies as of 31.12.2023.

Hospitality business of Auctor Group is newly managed by Aminess Hospitality Group d.o.o. (**Aminess Hospitality Group**), a professional hotel & camp operator owning Aminess brand, which is offering services also for external clients since year 2023.

Within Auctor Group, Aminess Hospitality Group operates hotels and camps owned by companies Aminess d.d. (**Aminess**), HTP Korčula d.d. (**HTP Korčula**) and HTP Orebić d.d. (**HTP Orebić**), Hoteli Njivice d.o.o. (**Hoteli Njivice**), Romana d.o.o. (**Romana**) and since 2024 also newly opened camp owned by Nova Camping d.o.o. (**Nova Camping**). Litmus d.o.o. (**Litmus**) owns certain real estate in Novigrad which is leased by Aminess.

The above assets managed by Aminess Hospitality Group represent the fifth biggest hotel and leisure portfolio in Croatia (after Valamar, Maistra, Plava Laguna and Arena Hospitality Group). The portfolio consists of hotels camp sites, mobile homes and various other amenities (restaurants, pools, soccer pitches, souvenir shops, bars, etc.).

In recent years, Auctor Group grew its tourism business via several acquisitions. During 2020, the tourism business grew by acquisition of majority share in HTP Korčula d.d. (**HTP Korčula**) and HTP Orebić d.d. (**HTP Orebić**) with these acquisitions Aminess increased its presence on Pelješac Peninsula and Korčula Island. In December 2021 development of tourism business continued with acquisition of 51% in Romana by Auctor Alfa, a 5-star hotel under construction in Makarska which opened in June 2022. In January 2022 Aminess acquired share in Hoteli Njivice a major hotel and camp resort on island of Krk. In June 2022 Auctor Alfa acquired 75% in Nova Camping , a company developing camp on the island of Pag which was successfully opened and is operating since April 2024.

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 Hospitality 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 2023 based on their statutory (consolidated) financial statements and annual reports.

PORTFOLIO MANAGED BY AMINESS HOSPITALITY GROUP

Aminess has long been a leading player in the development of tourism offer of the Istrian town of Novigrad and the Smokvica Municipality on Korčula, and also one of the leading tourism companies in the town of Orebić on the Pelješac Peninsula.

Aminess has been conducting its business operations under a new umbrella brand “Aminess Hotels & Campsites“ (abbreviated “Aminess“).

Aminess ownes 795 accommodation units in four hotels:

- Aminess Maestral Hotel****, Novigrad
- Aminess Lume Hotel****, Brna, island of Korčula
- Aminess Grand Azur Hotel****, Orebić
- Aminess Laguna Hotel***, Novigrad

In addition to the above facilities, Aminess owns 1,700 accommodation units in the following campsites:

- Aminess Sirena Campsite****, Novigrad
- Aminess Maravea Camping Resort****, Novigrad

Besides Aminess through companies **HTP Korčula** and **HTP Orebić** which were acquired in 2020, holds additional 902 units on Pelješac Peninsula and Korčula Island

- Aminess Korčula Heritage Hotel****, Korčula
- Aminess Liburna Hotel****, Korčula
- Aminess Marco Polo Hotel****, Korčula
- Aminess Port 9 Hotel Hotel****, Korčula
- Aminess Port 9 Residence****, Korčula
- Port 9 Holiday Homes by Aminess, Korčula
- Aminess Bellevue Hotel****, Orebić
- Aminess Casa Bellevue****, Orebić
- Aminess Bellevue Village****, Orebić
- Orsan Hotel by Aminess***, Orebić

During 2022, Aminess acquired majority indirect share in company **Hoteli Njivice** through its subsidiary Sea Heaven Camps and Resorts d.o.o. („SHCR") and its subsidiary Marbera Holding thus growing it's presence on Krk Peninsula, adding some 1,345 units to its portfolio structured as:

599 units in Hoteli Njivice hotels and 666 units in camp and 80 units in villas:

- Magal Hotel by Aminess***, Krk (375 units)
- Veya Hotel by Aminess***, Krk (224 units)
- Aminess Gaia Green Villas****, Krk (80 units)
- Aminess Atea Camping Resort****, Krk (666 units)

Under brand Aminess, a newly built 5* hotel "Aminess Khalani Beach Hotel" has started operating in May 2022 with 299 rooms. Hotel is owned by **Romana** and is managed by Aminess Hospitality Group d.o.o.

The Company bases its steady growth on a continuous service and product quality improvement strategy, expansion of the offer and investments in the existing and new capacities.

2023 performance

Summer season 2023 brought record result for whole Aminess group – Aminess, Hoteli Njivice, HTP Korcula, HTP Orebic and Romana in terms of revenues and EBITDA. Record results came from strong demand rebound after COVID19 and increasing average bednight rate (ABR). ABR increase was due to pricing power cause by strong demand and partially due to overall situation with inflation.

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, experienced a stronger sales growth compared to the southern destinations (Orebić and Korčula), which are still somewhat dependent on-air travel. Northern destinations also have longer season due to their location and proximity to key markets.

Inflationary pressure continued in 2023. with continued increase in energy prices, especially electricity, as well as direct costs of food and beverages. Despite inflation at slower pace, higher prices were still causing downward pressure on margins.

Consolidated Aminess Group achieved revenues of EUR 96,038 thousand and GOP of EUR 35,584 thousand in 2023. Aminess generated EUR 45,619 thousand revenues and GOP of EUR 14,286 thousand, Hoteli Njivice generated revenues of EUR 21,120 thousand and GOP of EUR 8,782 thousand, HTP Korcula generated revenues of EUR 11,089 thousand and GOP of EUR 2,716 thousand, HTP Orebic generated revenues of EUR 4,483 thousand and GOP of EUR 1,058 thousand.

Aminess Khalani Beach Hotel achieved revenues of EUR 13,726 thousand and GOP of EUR 5,820 thousand , indicating strong demand for 5* luxury product and an excellent breakthrough for the group in the 5-star segment.

Aminess Hospitality Group kicked off with management operations in July and generated revenues of EUR 4,527 thousand (fees charged) and GOP of EUR 2,921 thousand.

2024 bookings

Preliminary bookings for 2024 indicate ongoing and robust demand growth and earlier opening of facilities than anticipated initially. The group is intensifying efforts to enhance both pre-season and post-season activities.Overall booking status provides reassurance that 2024 season will also be another excellent year for the tourism sector of the Auctor Group's portfolio.

MEDIKA

Medika established in 1922, is the oldest and leading wholesaler in Croatia, whose primary activity is the sale and storage and also the distribution of drugs for human and veterinary needs, medical devices, equipment and dental aids, dietary, cosmetic, hygienic and other products intended for the healthcare market. In terms of product range, drugs constitute the largest portion of Medika´s turnover, accounting for approximately 85 percent.

Medika supplies pharmacies, healthcare facilities, hospitals, health centres, outpatient facilities, doctors' offices, wholesalers and specialized stores with the widest range of products.

Medika is the whole owner of its subsidiaries Zdravstvena ustanova (ZU) Ljekarne Prima Pharme, Primus nekretnine d.o.o. and ZU Ljekarna Šeremet ("Medika Group")

ZU Ljekarne Prima Pharme has an associate, ZU Ljekarne Jagatić, seated in Zagreb and owning pharmacies in Croatia, in which it holds a share of 49%.

The Medika Group makes sales revenue through wholesale and retail channels, which are further detailed below. The wholesale sales revenue is made in the Company, and the retail sales revenue through the Prima Pharme Group.

Wholesale

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

- pharmacies
- hospitals
- other (health centres, polyclinics, dental clinics and polyclinics, veterinary clinics and farms, other wholesalers).

In its sales programme, Medika holds a wide range of products divided into several lines of products like pharmaceutics, Medicinal Products and Special Products, Dietetics and cosmetics, Dental Department, Veterinary.

The wholesale pharmaceutical and medical supplies market in Croatia is dominated by four players: Medika, Phoenix Farmacija, Medical Intertrade and Oktal Pharma. Besides the so-called big four, there are other wholesalers or distributors with smaller product portfolios (e.g. Pharma-net d.o.o., Kajfešpharm d.o.o., Tomi pharm d.o.o., Medicina promet d.o.o., Hospitalija trgovina d.o.o.) or supplying exclusively a small range of specialised products, such as Naturprodukt d.o.o.

Logistics

Storage, goods manipulation and distribution services to customers are the primary activity of Medika, where it has been continuously invested in new technologies and work processes.

The total storage spaces is 18,550 m2 (corresponding land plots not included). Zagreb Logistics Center is a place where the decisions on the procurement and distribution are made, while in modernly structured distribution and storage centers in Osijek, Rijeka and Split has been organized storage and distribution.

Retail

Retail activities are reflected in the operations of Ljekarne Prima Pharme pharmacy units. Ljekarne Prima Pharme are an indispensable part of the health chain in Croatia. Medika recognized the challenges of digitization and modern processes and in 2022 launched a new digital platform Pharméria. In the last 2 years, Pharméria has the largest pharmacy network of over 280 pharmacy units, with a range exceeding 5000 products. During 2023, Pharméria has become a reliable destination for finding drugstore and pharmacy products. What differs this platform from similar web shops is the possibility of order takeover at the selected pharmacy.

2023 performance

In 2023, the Medika Group (the "Medika Group") generated a consolidated revenue in the amount of EUR 750,488 thousand, EUR 122,392 thousand more than the prior year's figure. The consolidated operating profit amounts to EUR23,398thousand, which is by EUR5,448 thousand higher than the prior year's figure.

The consolidated profit before tax amounts to EUR 24,374 thousand, and the consolidated net profit amounts to EUR 20,080 thousand, which is EUR4,585 thousand more than the 2022 figure.

By analysing the individual operating segments, 45.0% of the total consolidated revenue was generated by pharmacies (2022: 47.1%), of which 10.5% by own pharmacies (2022: 11.3%). At the same time, 42.7% of the total consolidated revenue was generated from hospitals (2022: 41.0%).

Total consolidated assets amount to EUR 445,430 thousand, representing an increase of 9.7% compared to the prior year. The amount of consolidated non-current assets increased by 10.4% compared to the prior year, which was most significantly affected by the increase of receivables from customer. The amount of current assets increased by 9.6%. The consolidated current assets account for 81.5% of the total assets. Trade and other receivables represent the most significant item of the total consolidated assets and decreased by 14.7% from the prior year.

The total consolidated loan debt amounts to EUR 22,355 thousand, which relates to a short-term portion of the long-term borrowing.

The equity-to-assets ratio is 25%, showing that the Group finances 25% of its total assets from own sources.

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 risk factors 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

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 4” are historically relatively stable and the Group does not face imminent increased competition in this area. However, change in legislation or loss of key personnel could cause Medika to lose important supply contracts which in turn would negatively impact Medika's business and its results of operations.

In respect of hotel business, there are some big hotel operators (such as Valamar, Maistra, Plava Laguna or Arena Hospitality Group) as well as large number of private owners of properties offering accommodation in Croatia. The market is therefore highly competitive, on the other hand, large demand for accommodation services from incoming tourists historically kept the occupancy rates elevated during the high season and even in pre-season.

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

Group companies enter into contracts with a range of counterparties, including state institutions (such as hospitals) as well as private companies. Group is subject to the risk that a counterparty will default or be delayed in performing its contractual obligations and that any guarantee or performance bond in respect of such obligations will not be honoured. Group's counterparties may default or delay the performance of their obligations for a number of reasons, including as a result of their bankruptcy, lack of liquidity or operational failure. Any default or delay in the performance of contractual obligations by Group's counterparties may expose the Group to reputational risk, business continuity risk, risk of loss of important contracts or risk of increased costs of financing. In addition, the Group may be required to pay contractual penalties or find alternative counterparties.

Long collection period of trade receivables represents a significant market risk for the Group. This is especially the case for Medika´s trade receivables towards HZZO (Croatian State Health Insurance). Therefore, a significant amount of working capital of the Medika Group has to be deployed, affecting the Medika Group's cash flow. Any delay in payments means additional costs of financing to Medika. While the risk of default is relatively low in case of state or municipality-owned entities, the risk of late payments or default remains higher with privately owned counterparties.

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.

Price risk

A continuing decrease in the prices of prescription medicinal products on the HZZO list and the HZZO administrative approach in determining the prices and margins represents another risk of the Medika Group. To lower this risk, the Medika Group has focused on expanding the lines of products that are not limited by law in respect of the price of the product.

Risk of geographical concentration and foreign currency

The Group concentrates its business activities in Croatia. Therefore, it is dependent on Croatian's macroeconomic and political situation. In accordance with the Decision on the announcement of the introduction of the euro as the official currency in the Republic of Croatia (published in the "Official Gazette" No. 85/22), the euro becomes the official monetary unit and legal tender in the Republic of Croatia on 1 January 2023, and consequently the Company has no significant currency risk.

Interest rate risk

The Group's interest rate risk arises from its short-term and long-term borrowings at both fixed and variable rates. The risk associated with a change in the market interest rates mainly relates to the Group companies' long-term liabilities with a variable interest rate. The Group does not use derivative instruments to actively hedge its cash flow and fair value interest rate risk exposure.

Despite all the measures taken, it is impossible to rule out losses due to adverse interest rate movements which may have an adverse impact on the business of Group companies, their economic results, and financial position.

Risk related to traded shares (Medika, HTP Korčula and HTP Orebić)

As the most risky asset class, the market value of shares can be extremely volatile especially if the capital market is volatile, changes in macroeconomic environment are present, there are gaps in financial analysts' expectations and achieved/published results, there is an unstable dividend policy, activities in the segment of mergers, acquisitions, alliances, instability of the company's business model, as well as fluctuations in the financial results of company. Decline of value of shares in Medika can significantly and negatively impact the value of the assets of the Group.

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

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

The Group implements strategies, estimates and valuations that affect the reported results, including valuation of selected assets and liabilities, determination of measures to mitigate losses from provided credits, litigations, regulatory measures, goodwill accounting, value adjustments, intangible assets, evaluation of the ability to realise deferred tax assets and the evaluation of net assets-based compensations. These estimates are based on an assessment and availability of information, and Group's actual results may differ materially from the original estimates. Group's estimates and valuations are based on models and procedures to predict economic conditions and market and other events that may affect the ability of counterparties to meet their respective obligations to the Group or affect the value of assets. The meaningfulness of individual models and procedures may be limited to the extent of unexpected market conditions in the area of liquidity and volatility and the ability to make accurate estimates and valuations.

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

From time to time, the Group evaluates potential strategic acquisitions or investment opportunities, and from time to time the Group pursues and undertakes certain of those opportunities. Due to its continuous growth, the Group intends to continue or accelerate its investments mainly in hotels/leisure sector. Any significant transactions that the Group enters into could be material to its financial condition and results of operations. The process of acquiring an assets and/or integrating another company or technology could create unforeseen operating difficulties and expenditures and could entail unforeseen liabilities that are not recoverable under the relevant transaction agreements or otherwise.

Legal, regulatory and macroeconomic risk factors affecting the Group

The impact of the war between Ukraine and Russia

The ongoing war conflict in Ukraine may also have an impact on the development of the Group companies from several perspectives.

In hospitality it affects guests' behavior and their willingness to travel in this tense situation (risk of further escalation of the conflict beyond Ukraine, sharp increase in fuel prices due to sanctions). Due to the introduction of sanctions and the sharp depreciation of the ruble, a decrease in tourists from Russia can also be expected, but the share of Russian tourists is insignificant in the context of the number of tourists from other European countries.

On the other hand, there is potential to cover the labor shortage from Ukrainian citizens fleeing the war once they are integrated into the working and social environment. The shortage of workers on the Croatian market has been a problem for the Croatian economy for a long time, mainly due to the departure of Croatian citizens to Western European countries in search of work.

In relation with pharmaceutical part of the group Medika Regarding EU does not have a direct business relationship with entities from Russia or Ukraine, nor is it otherwise directly exposed to those entities in its business.

Nevertheless, the Management estimates that a direct impact on the Group operations is possible due to the impact of the entire economy on global level, mainly due to the increase in the price of the products, both raw materials, interest rates and inflation that have increased further with the Russian invasion of Ukraine. Given the uncertain extent of the impact of the economy, the Group monitors developments and assesses the impact on business financial situation and cash flows.

The Company's management has concluded that there is no material uncertainty regarding the Company's continued operations.

Macroeconomic and political conditions in Croatia and Europe

The Group's principal business activities are located in Croatia, however, notably tourism is highly dependent on economic conditions in the whole Europe as Croatia´s main business partners are Germany, Slovenia and Austria. These countries are also the countries where most of Croatia´s visitors come from. As a result, the Group's results of operations are affected by economic and political conditions in those countries, which in turn can be affected by developments including, but not limited to:

- macroeconomic events, including external economic shocks.
- economic difficulties in European economic area.
- increasing levels of unemployment.
- a governmental budget deficit or other fiscal difficulties (namely applies to Medika);
- instability in the national banking systems; and
- social or political instability in Croatia our neighboring countries.

In addition, political developments in the EU, including any future integration or withdrawal of European countries into or from the EU or changes in the economic policy, currency union, executive authority or composition of the EU and its institutions, may have an adverse effect on the overall economic stability of the EU, including Croatia. Any changes in the political or economic stability of Croatia or other European countries, as well as any political, economic, regulatory, or administrative developments in these countries, could have a material adverse effect on the Group's business, results of operations and financial condition.

If any of these risks materialize, they could have a material adverse effect on the Group's business, results of operations and financial condition.

Government policy risk

Government policy risks mostly relate to changes in the tax environment. Frequent changes in fiscal and parafiscal regulations in recent years negatively affected business in Croatia, especially regarding VAT and constant changes of intermediate rates inside of hospitality industry (several changes in few years: 25% - 10% - 25% - 13%). These frequent changes regarding fiscal and parafiscal contributions after the companies already implement changes in their policies and budgets may deteriorate companies' financial position and financial planning.

On positive side, corporate tax rate was shortened from 20% to 18% in 2017 and it's still kept. For small enterprises up to approximately one million euro of revenues, it was shortened further to 12%, and from 01.01.2021 it's shortened additionally to 10%.

Regulatory risk in pharmaceutical sector

The sector of wholesale drugs and pharmacies are subject to high and strict regulation where inadequate compliance with regulatory requirements would severely affect business. The Croatian Agency for Medicinal Products and Medical Devices ("HALMED" or "Agency") or the European Commission grants marketing authorizations for medicinal products in Croatia. For the purpose of placing a medicinal product on the market, its quality, safety and efficacy have to be determined. The Agency grants marketing authorizations for medicinal products through the national procedure, the mutual recognition procedure and the decentralized procedure by means of the decision which marks the completion of the authorization procedure carried out in accordance with Medicinal Products Act and ensuing regulations. Croatia can be either the reference state or the concerned state in the mutual recognition procedure and decentralized procedure.

The bylaw regulates the detailed criteria for determining the maximum permitted wholesale price of prescription medicinal products in Croatia and the calculation of such prices by HALMED. Clear and transparent criteria for determining the wholesale price of a medicinal product, in accordance with the requirements of Directive 89/105 / EEC, are laid down in the Ordinance on criteria for determining the maximum permitted wholesale price and exceptionally higher than the maximum permitted wholesale price and annual calculation of the medicinal product price (Official Gazette, No. 33/19). Generally, the calculation by HALMED is mandatory and is carried out: (i) when the products are being first placed on the Croatian market; and (ii) for the medicinal products that are already available on the market the maximum permitted wholesale prices are periodically regulated by the annual price calculation procedure carried out by HALMED, starting on the first working Monday in February, in the process called IRP = international referencing procedure, where reference countries for Croatia are primary Italy, Slovenia and Czech Republic, secondary Spain and France. The wholesale prices of the products that are above the new maximum prices calculated by HALMED (will) need to be reduced to the new prices determined by HALMED, while the prices that are below the new prices calculated by HALMED (will) remain the same. The bylaw also provides for the possibility, in specific cases and under specific conditions, to request from HALMED permission to have/set the prices of the products higher than the new maximum permitted wholesale prices, with the prior consent of the Minister of Health.

The highest permitted wholesale price of a medicinal product, ie exceptionally higher than the maximum permitted wholesale price of a medicinal product, represents the highest possible price at which wholesalers and marketing authorization holders may sell a medicinal product, as well as the highest possible price set by the Croatian Health Insurance Institute (HZZO) in the procedure of inclusion in the Reimbursement lists of medicinal products of the Institute, ie in the procedure of adjusting the prices of medicinal products that have already been placed on the Reimbursements lists of medicinal products of the Institute.

Further, a continuing decrease in the prices of prescription medicinal products on the HZZO list and the HZZO administrative approach in determining the prices and margins can have negative impact on the Group´s financial performance.

STATEMENT OF THE MANAGEMENT BOARD'S RESPONSIBILITIES

The Group's Management Board must make sure that the 2023 financial statements were drafted 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, business 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 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 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 business 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 21 to 90 were authorised by the Management Board for submission to the Supervisory Board on 28 June 2024, in witness whereof they have been signed below.

Signed on behalf of the Management Board on 28 June 2024 by:

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

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(Translation of a report originally issued in Czech - see Note 2 to the consolidated financial statements.)

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 statement of financial position as at 31 December 2023, 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 Auctor Holding, a.s. as at 31 December 2023, 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 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 Matters

The prior year consolidated financial statements of Auctor Holding, a.s. Group were audited by another auditor whose report dated 29 June 2023 expressed an unqualified opinion on those statements.

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.

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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 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.

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- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Supervisory Board 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

Roman Hauptfleisch, Auditor
License No. 2009

28 June 2024
Prague, Czech Republic

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2023

(in thousands of EUR)	**Note**	**2023**	**2022**
Revenue	5	840,569	703,953
Other income	6	5,268	4,786
Cost of goods sold		(691,125)	(577,354)
Staff expenses	7	(47,832)	(41,242)
Depreciation and amortisation		(22,728)	(18,718)
Other expenses	8	(56,385)	(44,781)
Profit from operations		**27,767**	**26,644**
Finance income	9	3,279	4,396
Finance costs	9	(13,666)	(11,250)
Net finance gain/(loss)		**(10,387)**	**(6,854)**
Share in profits of associates	14	431	432
Profit before tax		**17,811**	**20,222**
Income tax expense	10	(5,598)	(7,234)
Profit for the period		**12,213**	**12,988**
Other comprehensive income for the period			
Equity securities – at FVOCI - net of tax		22	34
FX translation reserve		-	469
Other comprehensive income for the period		**22**	**503**
Total comprehensive income for the period		**12,235**	**13,491**
Profit attributable to:			
Owners to the Company		2,562	2,166
Non-controlling interests	26	9,651	10,822
		12,213	**12,988**

AUCTOR HOLDING a.s. and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

(in thousands of EUR)	**Note**	**31 December 2023**	**31 December 2022**	**1 January 2022**
ASSETS				
Non-current assets				
Property, plant and equipment	11	280,141	256,659	177,292
Right-of-use assets	12	9,636	8,720	7,336
Intangible assets	13	39,297	35,907	34,302
Investments in associates	14	3,482	3,450	3,432
Other investments	15	183	156	158
Trade and other receivables	17	8,761	4,923	3,945
Deferred tax assets	23	1,262	969	1,904
Total non-current assets		**342,762**	**310,784**	**228,369**
Current assets				
Inventories	18	79,481	62,795	47,676
Trade and other receivables	17	283,719	227,187	183,557
Income tax receivable		529	142	148
Cash and cash equivalents	19	29,623	72,800	33,514
Total current assets		**393,352**	**362,924**	**264,895**
Total assets		**736,114**	**673,708**	**493,264**
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	20	77	77	77
Capital reserves	20	13,084	11,497	11,497
Fair value reserve		45	33	10
Translation reserve		725	725	279
Retained earnings		6,201	3,959	1,793
Equity attributable to owners of the Company		**20,132**	**16,291**	**13,656**
Non-controlling interest	26	121,016	115,221	83,516
Total equity		**141,148**	**131,512**	**97,172**
Non-current liabilities				
Borrowings	22	214,341	188,159	116,527
Lease liabilities	12	7,285	6,776	5,454
Trade and other payables	21	6,344	4,282	3,774
Provisions	24	6,253	2,898	1,783
Deferred tax liabilities	23	16,053	16,550	11,066
Total non-current liabilities		**250,276**	**218,665**	**138,604**
Current liabilities				
Borrowings	22	32,835	61,034	40,978
Lease liabilities	12	2,462	2,375	2,353
Trade and other payables	21	306,521	255,780	212,171
Income tax payable		2,729	4,268	1,941
Provisions	24	143	74	45
Total current liabilities		**344,690**	**323,531**	**257,488**
Total equity and liabilities		**736,114**	**673,708**	**493,264**

AUCTOR HOLDING a.s. and its subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2023

(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**	**10**	**279**	**1,793**	**13,656**	**83,516**	**97,172**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	2,166	**2,166**	10,822	**12,988**
Other comprehensive income for the period	-	-	23	446	-	**469**	34	**503**
	-	**-**	**23**	**446**	**2,166**	**2,634**	**10,856**	**13,491**
Contributions and distributions								
Dividends*	-	-	-	-	-	**-**	(3,413)	**(3,413)**
	-	**-**	**-**	**-**	**-**	**-**	**(3,413)**	**(3,413)**
Changes in ownership interests								
Acquisition of subsidiaries	-	-	-	-	-	**-**	24,262	**24,262**
	-	**-**	**-**	**-**	**-**	**-**	24,262	**24,262**
Balance at the end of prior period	**77**	**11,497**	**33**	**725**	**3,959**	**16,291**	**115,221**	**131,512**
Balance at the beginning of current 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 current period	**77**	**13,084**	**45**	**725**	**6,201**	**20,132**	**121,016**	**141,148**

*Dividend per share amounted to EUR 215.00 (2022: EUR 185.81)

AUCTOR HOLDING a.s. and its subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2023

(in thousand EUR)	**Note**	**2023**	**2022**
Cash flow from operations			
Profit for the period		**12,213**	**12,988**
Adjustments for:			
Income tax	10	5,598	7,234
Depreciation and amortisation	11, 12, 13	22,728	18,718
Gain on disposal of property, plant and equipment	6	(1,092)	(1,223)
Gain on disposal of intangible assets	6	-	(761)
Impairment loss on receivables	8	2,092	152
Impairment loss on inventories	18	813	815
Interest expense	9	13,525	10,089
Interest income	9	(2,605)	(3,062)
Change in fair value of investments	9	(545)	(1,002)
Unrealised exchange differences	9	17	1,279
Change in provisions		3,424	613
Share of profit of equity-accounted investees, net of tax	14	(431)	(432)
Cash flow from operating activities before changes in net working capital		**55,737**	**45,409**
Changes in:			
Inventories		(17,296)	(15,822)
Trade and other receivables		(77,855)	(38,827)
Trade and other payables		51,356	42,136
Cash generated from operating activities		**11,942**	**32,896**
Interest paid		(11,179)	(9,527)
Income taxes paid		(8,840)	(4,513)
Net cash from operating activities		**(8,077)**	**18,856**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	**2023**	**2022**
Cash flow from investing activities			
Acquisition of property, plant and equipment		(42,697)	(30,767)
Acquisition of intangible assets		(1,056)	(637)
Proceeds from sale of property, plant and equipment		3,457	2,929
Proceeds from sale of intangible assets		91	1,107
Acquisition of subsidiaries, net of cash acquired	25	(3,143)	(12,083)
Investment in associate		-	(1)
Proceeds from sale of other investments		536	1,055
Loans given		-	(2,777)
Proceeds from repayment of given loans		-	7,606
Interest received		-	3,880
Dividends received	9, 14	404	419
Net cash outflow from investment activities		**(42,408)**	**(29,269)**
Cash flow from financial activities			
Loans received	22	157,710	125,053
Repayment of loans	22	(144,067)	(69,067)
Repayment of leases	12	(2,639)	(2,873)
Transactions with non-controlling interest	26	253	
Dividends paid		(3,949)	(3,413)
Net cash inflow from financial activities		**7,308**	**49,699**
Net cash inflow		(43,177)	39,286
Cash and cash equivalents at the beginning of year		72,800	33,514
Cash and cash equivalents at the end of year	19	**29,623**	**72,800**

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. For details please see note 25.

NOTE 1 – GENERAL DATA (continued)

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

	2023		2022				
SUBSDIDIARIES	Equity share	Voting rights	Equity share	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.*	83.49%	84.15%	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%	100.00%	100.00%	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%	89.25%	89.25%	Consolidation	Tourism/hospitality	Croatia
Auctor d.o.o.	100.00%	100.00%	100.00%	100.00%	Consolidation	Other	Croatia
Auctor Kapital	58.50%	58.50%	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

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

	2023		2022			
Associates	Equity share	Voting rights	Equity share	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 presentation currency.

Accounting policies were applied consistently, except for the part related to the change in the functional currency. On January 1, 2023, the euro ("EUR"), instead of the previous Croatian kuna ("HRK"), became the official monetary unit and legal tender in the Republic of Croatia.

The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency. As the Financial statements of the previous period were presented in Croatian kunas ("HRK"), the change in the presentation currency of the comparative period in this year's Financial statements represents a change in the Group's accounting policy.

Accordingly, in this year's Financial statements, the Group presents current period and two comparative periods in the Statement of financial position - as of 1 January 2022, 31 December 2022 and 31 December 2023. As the conversion rate for two comparative periods shown in the Statement of financial position Group used prescribed fixed conversion rate, which was HRK 7,5345 for one euro. The same rate was used for the conversion of comparative period shown in Statement of comprehensive income, Statement of changes in equity, Statement of cash flows and Notes to the financial statements.

During 2022, there was no significant EUR/HRK fluctuation so the Group deems it appropriate under these circumstances to apply the fixed conversion rate to the statement of profit or loss. During 2023, there was no impact of the application of new accounting policies. A summary of material accounting policy information can be found in Note 2.

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 2023, they have been endorsed by the EU, but did not have a material impact on the Group:

- *IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023*
- *Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).*
- *Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).* IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group applied the amendments stated above in its consolidated financial statements.
- *Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).*
- *Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023).*

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 New Accounting Pronouncements (continued)

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2023 or later, which have been endorsed by the EU and which the Group has not early adopted:

- *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).*
- *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).*

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 2024 or later, which have not been endorsed by the EU and which the Group has not early adopted:

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023).*
- *Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023).*
- *IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2024).*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024).*

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, 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 of 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.

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.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Leases (continued)

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 value 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 2023, 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 156 thousand (2022: EUR 97 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 23% (2022: 27%) 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 2023, the balance of cash and cash equivalents amounts to EUR 29,621 thousand (2022: EUR 72,800 thousand), and the Group had free credit lines in the amount of EUR 96,326 thousand (2022: EUR 60,151 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 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**
31 December 2022						
Borrowings	211	60,822	11,367	160,650	16,143	**249,193**
Lease liabilities	183	2,192	2,140	3,220	1,416	**9,151**
Trade and other payables	50,455	205,325	4,282	-	-	**260,062**
	50,849	**268,339**	**17,789**	**163,870**	**17,559**	**518,407**

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 subsidiaries listed in Note 1 during 2023. 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 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.

Thus Auctor Holding holds 58.5% of shares and voting rights in Auctor Kapital, while Oleg Usković acts as single director, representing solely and individually.

No shareholders or similar agreements, nor any special rights are agreed or existing between Auctor Holding or other shareholder Mr. Nenad Pavletić, holding 41.5% of shares and voting rights.

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. At the end of 2023, 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, 2023 there were no impairment indicators identified for property, plant and equipment.

NOTE 5 – REVENUE

(in thousands of EUR)	**2023**	**2022**
Revenue from sales of goods	735,737	615,197
Revenue from sales of goods – related parties	10,061	9,346
Revenue from sale of services	92,290	79,350
Revenue from sale of services – related parties	2,481	60
	840,569	**703,953**

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

(in thousands of EUR)	**2023**	**2022**
Wholesale of pharmaceutical goods		
Hospitals	320,457	257,436
Pharmacies	258,828	224,519
Other	88,343	71,852
	667,628	553,807
Retail of pharmaceutical goods - own pharmacies	78,159	70,458
Sale of other goods	11	279
Revenue from sale of goods	**745,798**	**624,544**
Revenues form hotels	68,630	54,726
Revenues from campsites	24,266	21,961
Other services	1,875	2,722
Revenue from sale of services	**94,771**	**79,409**
	840,569	**703,953**

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

NOTE 6 – OTHER INCOME

(in thousands of EUR)	**2023**	**2022**
Government grants	160	97
Rent income	1,553	1,660
Income from insurance claims	165	40
Gain/(loss) on disposal of property and equipment	1,092	1,223
Gain/(loss) on disposal of intangibles	-	761
Other	2,299	1,005
	5,268	**4,786**

Other income relates mostly to the income from organized trips and transportation services provided to the tourists in the amount of EUR 2,200 thousand (2022: EUR 963 thousand).

NOTE 7 - STAFF EXPENSES

(in thousands of EUR)	**2023**	**2022**
Net salaries	27,683	24,059
Contributions from and on salaries	11,392	9,980
Taxes and surtaxes	2,879	2,374
Management bonuses	826	638
Share based payments	472	449
Other employee benefits	3,172	2,557
Employee transportation costs	1,314	1,108
Termination benefits	94	77
	47,832	**41,242**

At 31 December 2023, there were 2,118 (2022: 1,762) persons employed at the Group.

Pension contributions recognised by the Group as payable to mandatory pension funds during 2023 amount to EUR 6,435 thousand (2022: EUR 5,654 thousand).

NOTE 8 – OTHER EXPENSES

(in thousands of EUR)	**2023**	**2022**
Materials and energy	19,368	18,142
Maintenance, security services and insurance	7,811	6,787
Donations	566	523
Entertainment	744	723
Marketing and promotion	1,868	1,497
Professional training and consultancy services	3,772	4,029
Taxes and contributions unrelated to the result	938	881
Rental costs	894	665
Bank and payment operation charges	818	802
Telephone, postal and utility services	5,978	3,852
Road tolls and transportation costs	343	292
Provisions for litigations	-	496
Impairment of trade and other receivables, net	2,092	152
Other costs	11,193	5,940
	56,385	**44,781**

In 2023, other costs mostly relate to agents' commissions in the amount of EUR 3,034 thousand (2022: EUR 2,707 thousand).

NOTE 9 - NET FINANCIAL LOSS

(in thousands of EUR)	**2023**	**2022**
Finance income		
Interest income		
Interest income	2,501	2,870
Penalty interest	56	3
Interest income – related parties	48	189
	2,605	**3,062**
Foreign exchange gains – net		
Foreign exchange gains	20	130
	20	**130**
Other finance income		
Dividend income	5	4
Financial assets at FVTPL	649	1,200
	654	**1,204**
	3,279	**4,396**
Finance costs		
Interest expense		
Bank loans	(13,244)	(9,871)
Loans from related parties	-	(20)
Penalty interest	(13)	(2)
Leases	(268)	(196)
	(13,525)	**(10,089)**
Foreign exchange losses – net		
Foreign exchange gains	16	-
Foreign exchange losses	(53)	(963)
	(37)	**(963)**
Other finance costs		
Financial assets at FVTPL	(104)	(198)
	(104)	**(198)**
	(13,666)	**(11,250)**

NOTE 10 – INCOME TAX

(in thousands of EUR)	**2023**	**2022**
Current tax expense	7,036	5,621
Additional income tax	-	1,371
Over provision in previous year	(154)	-
Deferred tax (benefit) / expense	(1,284)	242
	5,598	**7,234**

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)	**2023**	**2022**
Profit before taxation	**17,811**	**20,222**
Income tax at a statutory tax rate	4,932	3,640
Effect of non-taxable income	(150)	(97)
Effect of non-deductible expenses	899	1,483
Over provision in previous year	(154)	-
Additional income tax	-	1,371
Tax loss for which deferred tax asset has not been recognized	3	822
Utilisation of tax losses for which deferred tax asset had not been recognised	162	(11)
Recognition of deferred tax asset on tax losses from previous years	(94)	11
Impact of different tax rates	-	(55)
Other	-	70
Income tax	**5,598**	**7,234**
Effective tax rate	***31.43%***	***35.77%***

2023: no additional income tax was paid during 2023.

2022: the Group was a subject to additional income tax based on achievement of threshold revenue of more than EUR thousand 39,816.84. Additional income tax was paid on the determined tax base, which is the positive difference between the taxable profit of the tax period and the average taxable profit of previous tax periods increased by 20%. The previous tax periods was the tax periods of 2018, 2019, 2020, 2021 and 2022. Additional profit tax was paid on the determined tax base at a rate of 33%. The Group declared a liability for additional income tax in the amount of EUR 1,371 thousand in 2022.

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.

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	40,802	99,680	19,574	1,222	38,435	199,713
Acquisitions through business combinations	7,229	47,647	2,107	148	8,467	65,599
Additions	292	306	1,153	8	29,007	30,767
Transfer from assets under construction	(292)	39,087	9,755	(542)	(48,008)	-
Disposals and write offs	(249)	(1,937)	(1,425)	-	(24)	(3,635)
Balance at the end of prior period	**47,783**	**184,783**	**31,165**	**836**	**27,877**	**292,444**
Balance at beginning of current 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)	-	-	(5,347)
Balance at the end of current period	**46,855**	**189,733**	**35,610**	**884**	**59,808**	**332,850**
Accumulated depreciation and impairment						
Balance at beginning of prior period	-	14,562	7,639	220	-	22,421
Charge for the year	-	10,383	4,734	175	-	15,292
Disposals and write offs	-	(639)	(1,289)	-	-	(1,928)
Balance at the end of prior period	**-**	**24,306**	**11,083**	**395**	**-**	**35,784**
Balance at beginning of current 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 current period	**-**	**36,681**	**15,469**	**558**	**-**	**52,708**
Carrying amount						
Balance at beginning of prior period	40,802	85,118	11,935	1,002	38,435	177,292
Balance at the end of prior period	**47,783**	**160,477**	**20,081**	**441**	**27,877**	**256,659**
Balance at beginning of current period	47,783	160,477	20,081	441	27,877	256,659
Balance at the end of current period	**46,855**	**153,052**	**20,140**	**286**	**59,808**	**280,141**

Loans (note 22) have been secured by pledges over property and equipment with a carrying amount of EUR 164,156 thousand as at 31 December 2023 (2022: EUR 105,115 thousand).

Assets under construction relate to investment in infrastructure in tourist segment in the amount of EUR 53,153 thousand (2022: EUR 21,354 thousand) and investment in the new headquarter and distribution center in pharma segment in the amount of EUR 6,439 thousand (2022: 6,307 thousand).

During 2023, the interest in the amount of EUR 2,405 thousand was capitalised in assets under construction which relates to the loans for the camp construction on island Pag.

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, 2023 there were no impairment indicators identified for property, plant and equipment.

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 2023**	**31 December 2022**
Right-of-use assets:		
Vehicles	1,959	2,024
Business premises	6,809	5,581
Concessions and mobile homes	868	1,115
	9,636	**8,720**

Lease liabilities

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Lease liabilities:		
Current	2,462	2,375
Non-current	7,285	6,776
	9,747	**9,151**

/ii/ Non-current lease liabilities:

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
From 1-2 years	2,021	2,140
From 2-5 years	3,215	3,220
More than 5 years	2,049	1,416
	7,285	**6,776**

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

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
EUR	9,747	9,151
	9,747	**9,151**

NOTE 12 – LEASES (continued)

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

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Depreciation	2,463	2,423
Interest expense	268	196
Rental costs related to short-term leases and low value leases	362	284
Rental costs related to low value leases	20	62
	3,113	**2,964**

Average interest rate amounts to 2.00-3.91% (2022: 2.00-2.75%).

/v/ Movement of lease liabilities is as following:

(in thousands of EUR)	**2023**	**2022**
Balance at beginning of the period	9,150	7,806
Cash transactions		
Leases repaid	(2,639)	(2,873)
Interest repaid	(268)	(193)
Total cash transactions	(2,907)	(3,066)
Non-cash transactions		
Acquisition in the business combination	-	770
The effect of changes in foreign exchange rates	-	17
New leases	3,382	3,556
Termination of lease	(146)	(127)
Interest expense	268	196
Total non-cash transactions	3,504	4,411
Balance at end of the period	**9,747**	**9,151**

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	2,905	7,673	1,707	12,285
Acquisition in the business combination	1,282	1,900	1,129	4,310
Additions	-	-	770	770
Modifications	(10)	-	-	(10)
Transfers to property and equipment	-	-	(1,129)	(1,129)
Disposals and write offs	(292)	(814)	(863)	(1,969)
Balance at the end of prior period	**3,884**	**8,759**	**1,614**	**14,257**
Balance at beginning of current 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 end of current period	**3,836**	**10,529**	**1,548**	**15,913**
Accumulated depreciation				
Balance at beginning of prior period	1,423	2,508	1,017	4,948
Charge for the year	712	1,367	345	2,423
Disposals and write offs	(276)	(696)	(863)	(1,834)
Balance at the end of prior period	**1,860**	**3,178**	**499**	**5,537**
Balance at beginning of current 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 end of current period	**1,877**	**3,720**	**680**	**6,277**
Carrying amount				
Balance at beginning of prior period	1,481	5,165	690	7,337
Balance at the end of prior period	**2,024**	**5,581**	**1,115**	**8,720**
Balance at beginning of current period	2,024	5,581	1,115	8,720
Balance at end of current period	**1,959**	**6,809**	**868**	**9,636**

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 2023, the variable part of the concession agreement amounted to EUR 72 thousand (2022: EUR 79 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	1,245	1,015	34,460	705	37,427
Acquisitions through business combinations	757	-	1,558	-	2,315
Additions	-	-	119	529	648
Transfer from assets under construction	-	-	896	(907)	(11)
Disposals and write offs	(55)	-	(180)	(234)	(469)
Balance at the end of prior period	**1,947**	**1,015**	**36,854**	**94**	**39,910**
Balance at beginning of current 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 of use assets	-	-	-	(34)	(34)
Disposals and write offs	-	-	(734)	-	(734)
Balance at the end of current period	**2,471**	**1,015**	**39,915**	**233**	**43,634**
Accumulated amortisation and impairment					
Balance at beginning of prior period	-	1,015	2,109	-	3,124
Charge for the year	-	-	1,003	-	1,003
Disposals and write offs	-	-	(124)	-	(124)
Balance at the end of prior period	**-**	**1,015**	**2,988**	**-**	**4,004**
Balance at beginning of current 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 current period	**-**	**1,015**	**3,322**	**-**	**4,338**
Carrying amount					
Balance at beginning of prior period	1,245	-	32,352	705	34,302
Balance at the end of prior period	**1,947**	**-**	**33,865**	**94**	**35,907**
Balance at beginning of current period	1,947	-	33,865	94	35,907
Balance at the end of current period	**2,471**	**-**	**36,592**	**233**	**39,297**

Licenses

At the reporting date, pharmacy licenses with an indefinite useful life amount in total to EUR 31,661 thousand (2022: EUR 30,519 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 8.07% (2022: 8.41%) and terminal growth rate of 2.0% (2022: 2.5%) were used for discounting the projected cash flow. In 2023, the recoverable amount exceeds the book value and there were no impairment losses.

NOTE 13 – INTANGIBLE ASSETS (continued)

Brand

Brand Laguna Novigrad d.d. was fair valued at acquisition date. The value of brand was estimated at EUR 1,015 thousand with useful life of four years. During 2021 there was the change in estimate of useful life of the brand. Laguna Novigrad changed its name and decided not use brand name in 2022 so the brand was fully amortised in 2021. The effect of change in estimate was additional amortization of EUR 402 thousand in 2021.

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 December 31, 2023 there were no impairment indicators identified for intangible assets.

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 2023	Interest in %, 31 December 2022	31 December 2023	31 December 2022
Zdravstvena ustanova Ljekarne Jagatić	49.00%	49.00%	3,482	3,450
			3,482	**3,450**

	31 December 2023	31 December 2022
Balance at the beginning of the period	3,450	3,432
Share of profit (dividend) received	(399)	(414)
Share of profits realised in period	431	432
Balance at the end of the period	**3,482**	**3,450**

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 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**

(in thousands of EUR)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenues	Net profit
31 December 2022						
ZU Ljekarne Jagatić	2,358	4,593	169	4,097	14,062	881
Total	**2,358**	**4,593**	**169**	**4,097**	**14,062**	**881**

NOTE 15– OTHER INVESTMENTS

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Non-current investments:		
Debt securities – at FVOCI	166	-
Equity securities – at FVOCI	-	140
Equity securities – at FVTPL	17	16
	183	**156**

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 2023**
Financial assets measured at fair value				
Debt securities – at FVOCI	166	-	-	166
Equity securities – at FVTPL	12	5	-	17
Equity securities – at FVTPL	-	-	-	-
	178	**5**	**-**	**183**

(in thousands of EUR)	**Level 1**	**Level 2**	**Level 3**	**Total at 31 December 2022**
Financial assets measured at fair value				
Equity securities – at FVOCI	135	5	-	140
Equity securities – at FVTPL		16	-	16
	135	**21**	**-**	**156**

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

Fair value of bonds issued as of 31 December 2023 amounted to EUR 78,811 thousand (2022: EUR 79,611 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 2023	31 December 2022
Non-current receivables		
Loans given	2,690	2,659
Trade receivables	4,483	376
Long-term deposits	1,588	1,888
	8,761	**4,923**
Current receivables		
Trade receivables	240,945	214,661
Other current receivables	8,228	6,348
Deposits	32,000	-
Loans given	1,936	5,506
Loans given – current portion of non-current loans	610	672
	283,719	**227,187**
	292,480	**232,110**

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 2023	31 December 2022
Loans given	3.0-5.0%	3,300	3,331
Current portion of non-current loans		(610)	(672)
		2,690	**2,659**

The maturity of long-term loans is as follows:

(in thousands of EUR)	31 December 2023	31 December 2022
From 1 to 2 years	1,914	281
From 2 to 5 years	652	2,378
Over 5 years	124	-
	2,690	**2,659**

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 2023**	**31 December 2022**
Domestic trade receivables	241,898	211,948
Trade receivables – related parties	3,987	3,510
Foreign trade receivables	1,920	1,865
	247,805	**217,323**
Expected credit losses	(2,377)	(2,286)
	245,428	**215,037**

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 2023**	**31 December 2022**
Not yet due	113,098	100,460
0-180 days past due	129,047	109,731
181-360 days past due	176	614
Over 360 days past due	5,484	6,518
	247,805	**217,323**

Movements in impairment allowance for trade receivables:

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Balance at start of the period	2,296	1,537
Increase / (decrease)	81	1,028
Write-off	-	(279)
Balance at 31 December	**2,377**	**2,286**

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 2023**	**31 December 2022**
EUR	292,461	232,109
GBP	-	1
USD	19	-
	292,480	**232,110**

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

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
VAT receivable	2,293	1,361
Prepaid expenses	3,932	1,127
Other	2,003	3,860
	8,228	**6,348**

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

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Given loans	1,949	5,507
Impairment allowance	(13)	(1)
	1,936	**5,506**

NOTE 17 – TRADE AND OTHER RECEIVABLES (continued)

Financial assets by category include the following:

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Trade receivables	245,428	215,037
Deposits	33,588	1,888
Given cash loans	4,330	8,837
Given commodity loans	906	-
	284,252	**225,762**

Receivables per type of customers are as follows:

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Wholesale pharma customers		
Hospitals	140,901	132,645
Pharmacies	69,504	51,965
Other	16,829	14,450
Retail pharma customers	15,888	13,830
Tourism customers	1,749	1,716
Other	557	431
Total	**245,428**	**215,037**

NOTE 18 – INVENTORIES

(in thousands of EUR)	31 December 2023	31 December 2022
Trade goods	71,179	56,535
Trade goods – related parties	5,348	4,675
Prepayments made	2,561	888
Materials	1,609	792
Finished goods	53	28
Impairment allowance on inventories	(1,269)	(123)
	79,481	**62,795**

During the year the Group recognised write-down in the amount of EUR 813 thousand (2022: EUR 816 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 16,458 thousand (2022: EUR 17,254 thousand) have been pledged as collateral for borrowings (note 22).

During the year total amount of inventories recognised as expense amounted to EUR 691,125 thousand (2022: EUR 577,354 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 2023	31 December 2022
Cash at banks	21,111	72,016
Cash in hand	13	6
Deposits	8,499	778
	29,623	**72,800**

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

(in thousands of EUR)	31 December 2023	31 December 2022
EUR	29,611	72,785
CZK	12	15
	29,623	**72,800**

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 2023 and 2022 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.

There were no changes in shareholders structure in 2023, while the following changes occurred in 2022:

- On June 23rd 2022 Auctor Prime exercised the Call Option and triggered the transfer of 100,000 pcs of the ordinary certificated registered shares, with nominal value 1,- CZK, issued by Auctor Holding a.s., which represents 5% of the share capital of Auctor Holding a.s., together with all rights attached thereto from the other shareholder JTPEG CI to Auctor Prime.
- On June 23rd 2022 Auctor Prime as the Seller sold and transferred 200,000 pcs of the ordinary certificated registered shares, with nominal value 1,- CZK, issued by Auctor Holding a.s., which represents 10% of the share capital of Auctor Holding a.s., together with all rights attached thereto to the other shareholder JTPEG CI as the Purchaser.

NOTE 21 – TRADE AND OTHER PAYABLES

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Non-current liabilities		
Trade payables	4,244	4,250
Other liabilities	2,100	32
	6,344	**4,282**
Current liabilities		
Trade payables	293,579	242,699
Other liabilities	12,942	13,081
	306,521	**255,780**

NOTE 21 – TRADE AND OTHER PAYABLES (continued)

Trade payables recognised as at 31 December are as follows:

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Foreign trade payables	217,345	177,646
Domestic trade payables	60,560	52,934
Trade payables - related parties	19,919	16,368
	297,823	**246,949**

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

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
EUR	297,808	246,912
GBP	12	15
CZK	3	22
	297,823	**246,949**

Other payables recognised as at 31 December are as follows:

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
VAT payable	2,767	2,570
Salaries payable	4,677	3,734
Unused annual leave	1,080	883
Other taxes and contributions payable	707	761
Liabilities for acquisitions of shares in subsidiaries	2,100	2,100
Other	3,711	3,065
	15,042	**13,114**

NOTE 22 – BORROWINGS

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
Long-term:		
Long-term bank loans	129,389	108,670
Bonds	79,777	79,489
Long-term loans from related parties	5,175	-
	214,341	**188,159**
Short-term:		
Short-term bank loans	31,714	59,545
Short term bonds	411	411
Short term loans from unrelated companies	-	360
Short-term loans from related parties	710	718
	32,835	**61,034**
Total borrowings	**247,176**	**249,193**

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

(in thousands of EUR)	**31 December 2023**	**31 December 2022**
1 to 2 years	92,309	11,367
2 to 5 years	122,032	160,650
Over 5 years	-	16,142
	214,341	**188,159**

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

(in thousands of EUR)	**31 December 2023 EUR %**	**31 December 2022 EUR %**
Long-term borrowings		
Bonds	5.15%	5.15%
Long-term bank loans	1.3%-9.86%	1.3%-6.15%
Long-term loans from related and unrelated parties	5.37%-13.98%	5.8%
Short-term borrowings		
Short-term bank loans	0.29%-4.35%	0.25%-6.00%
Short-term loans from related and unrelated parties	2.4%-12.5%	10.0%

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 2023	31 December 2022
Variable-rate borrowings		
Up to 3 months	192	-
3 to 12 months	6,729	10,747
Over 1 year	148,655	86,570
	155,576	**97,317**
Fixed-rate borrowings		
Fixed-rate borrowings	91,600	151,876
	91,600	**151,876**
Total borrowings	**247,176**	**249,193**

Given that borrowings in the amount of EUR 91,600 thousand (2022: EUR 151,876 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 2023	31 December 2022
EUR	247,176	249,193
	247,176	**249,193**

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)	**2023**	**2022**
Balance at beginning of the period	249,380	157,505
Cash transactions		
Loans received	157,710	125,053
Loans repaid	(144,067)	(69,067)
Commissions paid	(100)	-
Interest paid	(10,811)	(9,334)
Total cash transactions	2,732	46,652
Non-cash transactions		
Acquired in business combinations	-	31,346
Exchange rate effect	7	102
Interest expense	13,244	9,891
Compensated	(20,592)	3,697
Capitalised interest	2,405	-
Total non-cash transactions	(4,936)	45,036
Balance at end of the period	**247,176**	**249,193**

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 31.12.2023 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	25	46	-	58	1,459	22	294	1,904
Acquired in business combinations	-	-	-	-	211	-	-	211
Tax charged to profit or loss	(15)	(11)	-	(34)	(892)	(1)	(3)	(957)
Tax credited to profit or loss	5	23	2	-	-	2	-	32
Other	-	-	-	9	-	-	(232)	(223)
Balance at the end of prior period	**15**	**58**	**2**	**33**	**778**	**23**	**59**	**969**
Balance at beginning of current 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 current period	**48**	**51**	**-**	**20**	**1,061**	**23**	**59**	**1,262**

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	4,832	6,205	29	-	11,066
Acquired in business combinations	266	5,971	-	-	6,237
Tax credited to profit or loss	(58)	(624)	-	-	(682)
Tax charged to other comprehensive income	-	-	(15)	-	(15)
Other	(8)	(48)	-	-	(57)
Balance at the end of prior period	**5,032**	**11,504**	**14**	**-**	**16,550**
Balance at beginning of current 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 credited to other comprehensive income	-	-	-	-	-
Other	-	-	-	4	4
Balance at the end of current period	**5,503**	**10,532**	**14**	**4**	**16,053**

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	294	6	1,810	789	2,899
Short-term portion	57	14	-	3	74
Balance at the beginning of the period	**351**	**20**	**1,810**	**792**	**2,972**
Increase in provision	150	7	2,318	1,812	4,287
Utilisation of provision	(45)	(14)	(802)	(3)	(864)
Balance at the end of the period	**456**	**13**	**3,326**	**2,601**	**6,396**
Long-term portion	313	13	3,326	2,601	6,253
Short-term portion	143	-	-	-	143

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 2023, the Group acquired 100% ownership of the Institution with 2 pharmacies and 1 pharmacy for the agreed amount of EUR 3,179 thousand.

From the date of acquisition to the date of the financial statements, the Group generated revenues in the amount of 1,658 thousand euros and a profit in the amount of 62 thousand euros based on the newly acquired subsidiaries. In case the acquisition was realized on 1 January 2023, the Group would achieve revenues in the amount of 3,629 thousand euros and a profit in the amount of 111 thousand euros based on the newly acquired subsidiaries. The subsidiaries were acquired on May 1, 2023. and October 1, 2023. The values were calculated by using the accounting policies of the Group. Acquired value of net assets and goodwill are as follows:

(in thousands of EUR)	**Medika Group**
Identifiable assets acquired and liabilities assumed	
Non-current assets	
Property, plant and equipment	2
Intangible assets	2,912
Trade and other receivables	832
Total non-current assets	**3,746**
Current assets	
Inventories	203
Cash and cash equivalents	36
Total current assets	**239**
Total assets	**3,985**
Non-current liabilities	
Deferred tax liabilities	524
	524
Current liabilities	
Trade and other payables	802
Income tax payable	4
	806
Total liabilities	**1,330**
Total identifiable net assets acquired	**2,655**
Share of net assets acquired	**2,655**
Purchase consideration	
Cash paid	3,179
Liabilities for acquisitions of shares in subsidiaries	
Total purchase consideration	**3,179**
Goodwill	**524**
Purchase consideration – cash outflow/(inflow)	
Purchase consideration	3,179
Cash and cash equivalents acquired	(36)
Acquisition of subsidiaries, net of cash acquired	**3,143**

NOTE 25 – ACQUISITION OF SUBSIDIARIES (continued)

In 2023, the Group allocated the purchase price to identified assets, including intangible assets that are not identified in the companies' balance sheets, in accordance with IAS 38 Intangible assets. The Group's management has identified and valued the license for the provision of pharmacy services as a form of intangible asset that arises during acquisitions of health institutions/pharmacies.

Assets were valued at fair value on the date of acquisition using the net present value of the company's cash flows resulting from the use of identified intangible and tangible assets of the company and which can be directly attributed to them.

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 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**

The Group recognised non-controlling interest in the newly acquired subsidiaries in 2023 at the non-controlling interest's proportionate share of the acquiree's net assets.

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 2022

(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	Intra-group eliminations	Total
% of non-controlling interest (%)	**63.44%**	**47.08%**	**52.33%**	**52.77%**	**49.00%**	**41.50%**	**70.89%**	**82.53%**	**83.38%**	**25.00%**		
Non-current assets	77,260	65,405	30,943	9,596	51,985	-	-	-	56,882	16,116		
Current assets	331,129	14,333	2,212	2,540	2,985	1,313	350	259	9,578	2,584		
Non-current liabilities	(17,288)	(36,466)	(5,361)	(1,639)	(54,769)	-	-	-	(24,953)	(1,321)		
Current liabilities	(295,375)	(33,258)	(2,232)	(369)	(2,253)	(859)	(2,052)	(1)	(3,966)	(14,274)		
Net assets	**95,726**	**10,014**	**25,562**	**10,128**	**(2,053)**	**454**	**(1,702)**	**258**	**37,541**	**3,105**		
Net assets attributable to non-controlling interest	60,728	4,714	13,376	5,345	(1,006)	188	(1,207)	213	31,302	776	**790**	**115,221**
Revenues	626,928	37,051	9,191	3,652	9,972	-	-	-	17,546	-		
Profit	15,246	1,577	60	993	(3,983)	(35)	746	(25)	2,951	(560)		
OCI	-	43	-	-	-	-	-	17	-	-		
Total comprehensive income	**15,246**	**1,620**	**60**	**993**	**(3,983)**	**(35)**	**746**	**(8)**	**2,951**	**(560)**		
Profit allocated to NCI	**9,672**	**742**	**31**	**520**	**(2,002)**	**(14)**	**529**	**(7)**	**1,485**	**(140)**	**7**	**10,822**
OCI allocated to NCI	**-**	**20**	**-**	**-**	**-**	**-**	**-**	**14**	**-**	**-**	**-**	**34**

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

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)

2022:

There was no acquisitions or disposals of NCI in 2022.

NOTE 27 - SUBSEQUENT EVENTS AFTER REPORTING DATE

March - April 2024

During March to April 2024, the company Auctor Holding, a.s. drew a loan of EUR 20,000,000 from J&T banka d.d. for the repayment of newly subscribed shares in the company Aminess d.d.. On 14.5.2024 the loan was repaid.

This event do not represent and event after the balance sheet date that requires adjustment.

May 2024

Business company AMINESS d.d. at the company's general meeting held on June 30, 2023, adopted a decision to increase the share capital and issue shares in AMINESS d.d. with cash contributions for all existing shareholders of the Company.

Increase of share capital in Aminess d.d. took place between March and May 2024. The share capital increase was registered on 3 May 2024. Share capital was increased from EUR 3,964,333.80 to final amount EUR 24,513,835 EUR.

Shares in amount EUR 20,000,000 EUR was subscribed within the group.

On May 2nd 2024, the general assembly of Medika made a decision of distribution of dividend in amount 200 EUR per share. Total amount of dividend declared was EUR 5,791 thousand. The dividend was paid on May 7th 2024.

On 24.5.2024 Auctor Finance processed the payment of the seventh interest income with a fixed interest rate of 5% p.a. for the interest period from 24th November 2023 to 23rd May 2024 in amount EUR 2,000,000,- in respect of the Bonds AUCTOR 5,00/2025, ISIN SK4000018149.

June 2024

On June 12, 2024, Auctor Holding, a.s. concluded an agreement for the sale of 14.28% of the shares of AMINESS d.d. to a minority shareholder of the subsidiary Auctor Kapital d.o.o. and at the same time concluded a share purchase agreement for the purchase of a 41.5% share in the company Auctor Kapital d.o.o. from minority shareholder Auctor Kapital d.o.o.. At the same time, Auctor Holding, a.s. concluded a shareholder agreement with the new owner of a 14.28% of shares in AMINESS d.d. in relation to the rights arising from the ownership of a share in AMINESS d.d.

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

NOTE 28 – RELATED-PARTY TRANSACTIONS

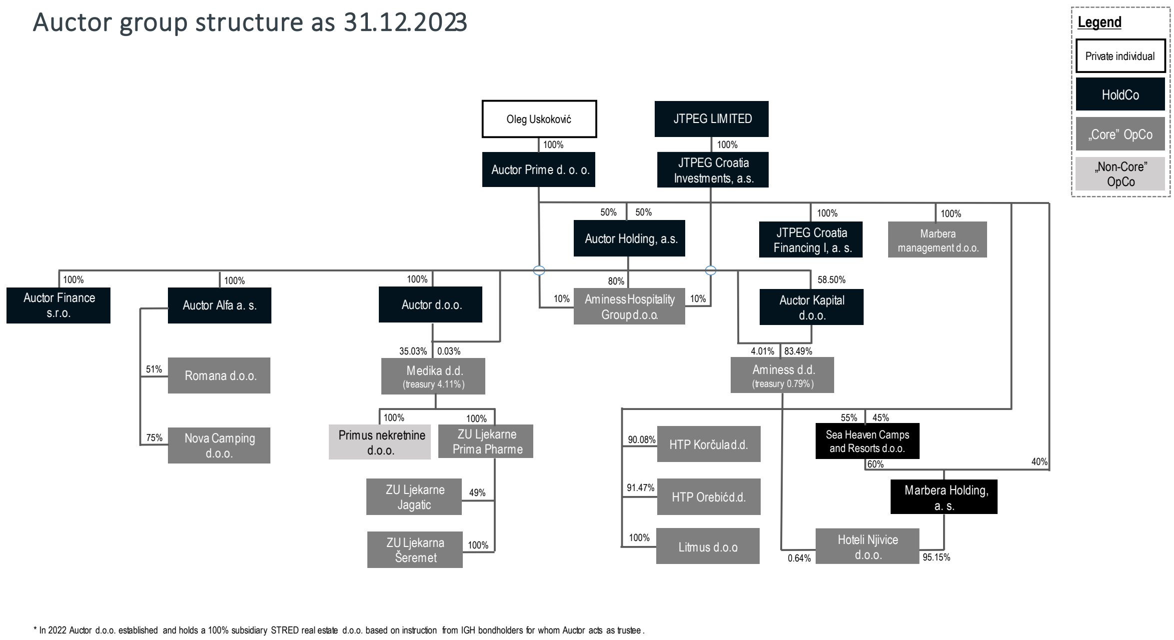
Related parties are those companies, which have the power to exercise control over the other party or are under common control or which have a significant influence on the other party in doing business or making financial decisions or is directly or indirectly involved in the management or supervision.

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 2023 and 2022 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, 2nd floor, Flat 22, 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 2023:

- made amendments to the Loan Agreement between Marbera Holding, a.s. as borrower with JTPEG Croatia Investments, a.s. as lender concluded during 2018 with following conditions: principal in amount EUR 61,813, interest 5% p.a. and maturity 30.9.2023.
- made amendments to the Loan Agreement between Nova Camping d.o.o. as borrower with JTPEG Croatia Investments, a.s. as lender concluded during 2022 with the following conditions: principal in amount of EUR 700,000 interest 12.00% p.a. and maturity 31.12.2023.
- concluded Loan Agreement where subsidiary Nova Camping d.o.o. took a loan from JTPEG Croatia Investments, a.s. with the following conditions: on 28.2.2023. a loan with principal in amount of EUR 15,000,000 interest 12.00% p.a. and maturity prolonged by amendments till 31.12.2023, secured by promissory note and pledge over 100% of Nova Camping shares.
- concluded Loan Agreement where subsidiary Nova Camping d.o.o. took a loan from JTPEG Croatia Investments, a.s. with the following conditions: on 15.8.2023. a loan with principal in amount of EUR 3,000,000 interest 6M EURIBOR + 10,0% p.a. but not less than 15% and maturity prolonged by amendment till 31.12.2030.
- concluded Loan Agreement where subsidiary Nova Camping d.o.o. took a loan from JTPEG Croatia Investments, a.s. with the following conditions: on 26.9.2023. a loan with principal in amount of EUR 1,000,000 interest 6M EURIBOR + 10,0% p.a. but not less than 15% and maturity prolonged by amendment till 31.12.2030.
- Auctor Holding, a.s. concluded Share Purchase Agreement and Share Transfer agreement dated 29.6.2023 with AUCTOR PRIME d.o.o.
- Auctor Holding, a.s. concluded Assignment Agreement dated 28.11.2023 with AUCTOR PRIME d.o.o.,
- Auctor Holding, a.s. concluded Agreement on contribution to equity, acknowledgement of debt and set-off dated 28.11.2023 with AUCTOR PRIME d.o.o.,
- Auctor Holding, a.s. concluded Share Purchase Agreement and Share Transfer agreement dated 29.6.2023 with JTPEG Croatia Investments, a.s.
- Auctor Holding, a.s. concluded Assignment Agreement dated 28.11.2023 with JTPEG Croatia Investments, a.s.,
- Auctor Holding, a.s. concluded Agreement on contribution to equity, acknowledgement of debt and set-off dated 28.11.2023 with JTPEG Croatia Investments, a.s.,
- Auctor Alfa, a.s. made amendment to the Share Purchase Agreement dated 30.6.2022 with Variso d.o.o.

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. Hotel Romana (joint venture sold in 2023)
8. J&T Private Equity B.V
9. JTPEG Advisory CZ, a.s
10. JTPEG Advisory, a.s.
11. FINVEST CORP d.d.
12. VARISO d.o.o.
13. Pliva Hrvatska d.d.
14. 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)	**2023**	**2022**
Trade and other receivables		
Associate - ZU Ljekarne Jagatić	3,936	3,470
USKOKOVIĆ & PARTNERI d.o.o.	1	1
Auctor Prime	-	66
Pliva Hrvatska d.d.	51	36
	3,988	**3,573**
Trade and other payables		
USKOKOVIĆ & PARTNERI d.o.o.	43	27
JTPEG Advisory, a.s.	9	9
JTPEG Advisory CZ, a.s	1	4
VARISO d.o.o.	2,100	2,100
Pliva Hrvatska d.d.	19,991	16,386
	22,144	**18,479**
Loans to related parties		
JTPEG Croatia Investment a.s.	-	66
Hotel Romana	-	2,718
	-	**2,784**
Loans from related parties		
JTPEG Croatia Investment a.s.	4,000	716
Auctor Prime	-	699
Flora Nekretnine d.o.o.	2,000	-
	6,000	**1,415**

NOTE 28 – RELATED-PARTY TRANSACTIONS (continued)

(in thousands of EUR)	**2023**	**2022**
Revenue from sale of goods		
Associate - ZU Ljekarne Jagatić	10,041	9,312
Pliva Hrvatska d.d.	16	26
	10,057	**9,338**
Revenue from sale of services		
USKOKOVIĆ & PARTNERI d.o.o.	6	-
Pliva Hrvatska d.d.	138	59
	144	**59**
Other revenue		
Auctor Prime	275	-
JTPEG Croatia Investment a.s.	275	5
	550	**5**
Other expenses		
USKOKOVIĆ & PARTNERI d.o.o.	178	74
JTPEG Advisory, a.s.	35	36
JTPEG Advisory CZ, a.s	165	168
	378	**278**
Interest income		
Oleg Uskoković	-	17
JTPEG Croatia Investment a.s.	2	3
Hotel Romana - new - joint venture	-	189
	2	**209**
Interest expense		
J&T Private Equity B.V	-	91
JTPEG Croatia Investment a.s.	1,879	16
Auctor Prime	76	19
Flora Nekretnine d.o.o.	107	-
	2,062	**127**

NOTE 28 – RELATED-PARTY TRANSACTIONS (continued)

Key management compensation

	2023	2022
Salaries and bonuses for Management (2023: eight members of key management; 2022: eight members of key management)	2,727	2,136

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 2023 amounted to EUR 250 thousand (2022: EUR zero).

Capital commitments as at 31 December 2023 of EUR 14,213 thousand relate to construction contracts signed, mostly to the new campsites under construction (2022: EUR 42,379 thousand).

Guarantees issued as at 31 December 2023 amounted to EUR zero (2022: zero).

NOTE 30 - APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements set out on pages 21 to 90 were approved by the Management Board of the Company on 28 June 2024.

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 2023 (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 1.1.2023 to 31.12.2023:

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 1.1.2023 to 31.12.2023

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 2023

(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**")

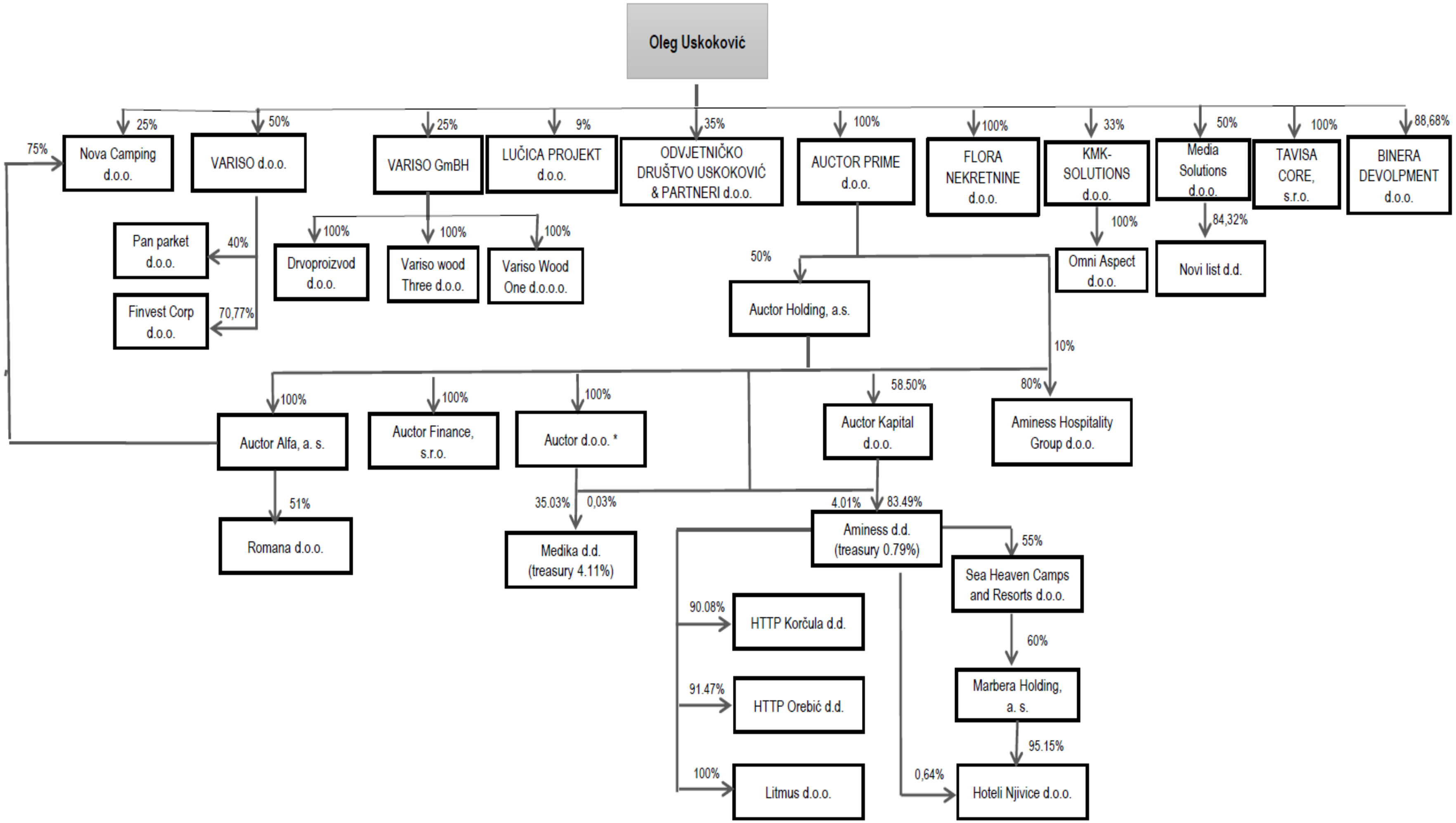
2. Ovládající osoby

V období od 1.1.2023 do 31.12.2023:

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

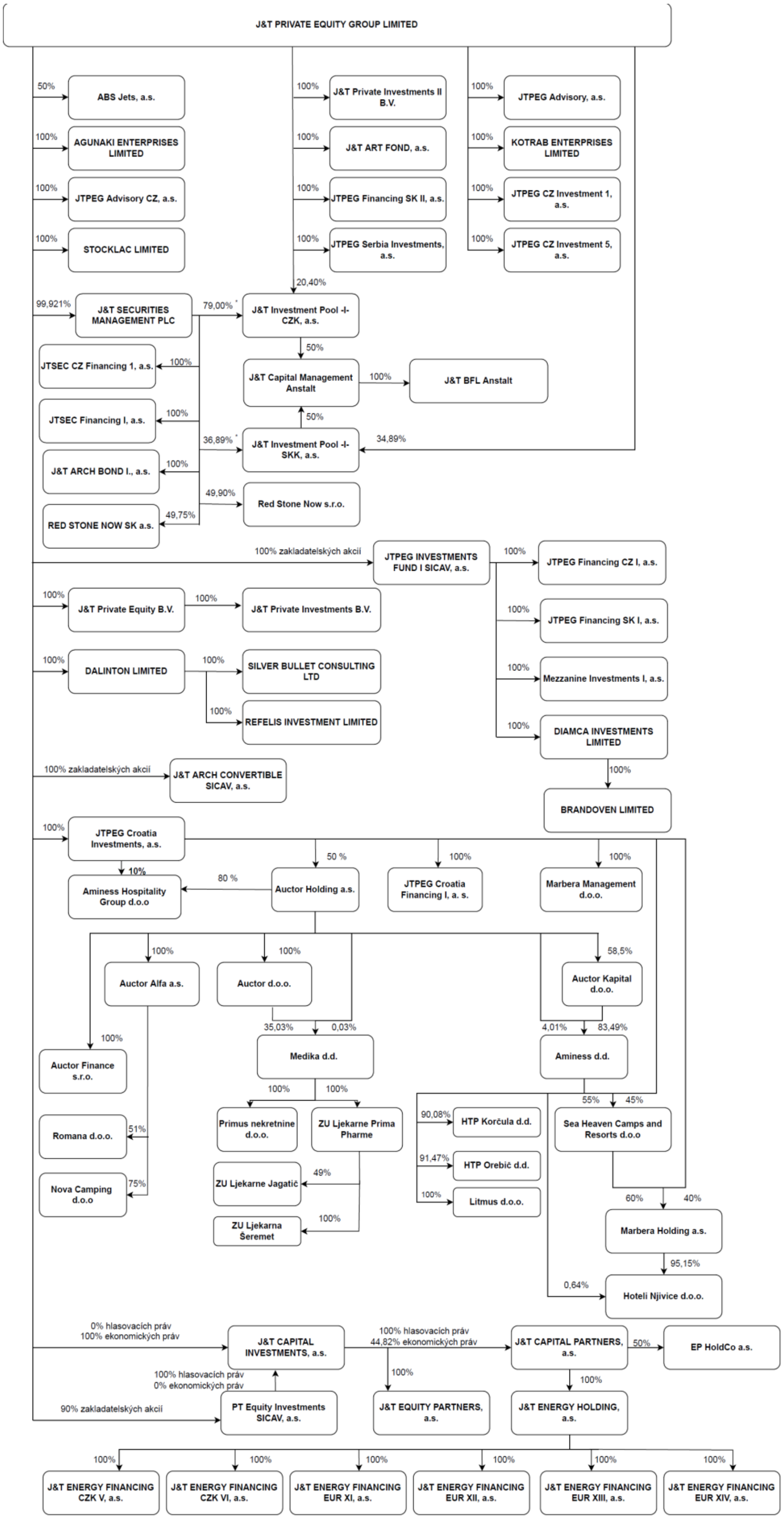
Osoby ovládané Olegem Uskokovićem v období od 1.1.2023 do 31.12.2023:



* In 2022 Auctor d.o.o. established a 100% subsidiary STRED real estate d.o.o. 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 1.1.2023 to 31.12.2023:

Osoby ovládané J&T PRIVATE EQUITY GROUP LIMITED v období od 1.1.2023 do 31.12.2023:



* 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 zahrnut 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 8.11.2023 to the Loan Agreement dated 27.11.2020 with AMINESS d.d.,
- Concluded Amendment 4 dated 14.4.2023 to the Loan Contract dated 24.10.2019 with AUCTOR d.o.o.,
- concluded Loan Contract dated 25.5.2023 with Auctor Alfa a.s.,
- Concluded Amendment 1 dated 30.6.2023 to the Loan Contract dated 25.5.2023 with Auctor Alfa a.s.,

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 8.11.2023 ke Smlouvě o půjčce ze dne 27.11.2020 se společností AMINESS d.d.,
- uzavřela Dodatek č. 4 ze dne 14.4.2023 ke Smlouvě o půjčce ze dne 24.10.2019 se společností AUCTOR d.o.o.,
- uzavřela Smlouvu o půjčce ze dne 25.5.2023 se společností Auctor Alfa a.s.,
- uzavřela Dodatek č. 1 ze dne 30.6.2023 ke Smlouvě o půjčce ze dne 25.5.2023 se společností Auctor Alfa a.s.,

- Concluded Amendment 2 dated 26.7.2023 to the Loan Contract dated 25.5.2023 with Auctor Alfa a.s.,
- Concluded Amendment 3 dated 5.12.2023 to the Loan Contract dated 25.5.2023 with Auctor Alfa a.s.,
- Concluded Amendment 1 dated 30.6.2023 to the Loan Contract dated 30.12.2021 with Auctor Alfa a.s.,
- Concluded Amendment 1 dated 27.10.2023 to the Loan Contract dated 5.5.2022 with Auctor Alfa a.s.,
- Concluded Assignment Agreement dated 28.11.2023 with Auctor Alfa a.s., for assignment of receivable towards Nova Camping d.o.o. acquired from Auctor Prime d.o.o.
- Concluded Assignment Agreement dated 28.11.2023 with Auctor Alfa a.s., for assignment of receivable towards Nova Camping d.o.o. acquired from Auctor Prime d.o.o.
- Concluded Amendment 3 dated 14.4.2023 to the Loan Contract dated 24.10.2019 with AUCTOR KAPITAL d.o.o.,
- Concluded Share Purchase Agreement dated 29.6.2023 with AUCTOR PRIME d.o.o.
- Concluded Assignment Agreement dated 28.11.2023 with AUCTOR PRIME d.o.o.,
- Concluded Agreement on contribution to equity, acknowledgement of debt and set-off dated 28.11.2023 with AUCTOR PRIME d.o.o.,
- Concluded Share Purchase Agreement dated 29.6.2023 with JTPEG Croatia Investments, a.s.
- Concluded Assignment Agreement dated 28.11.2023 with JTPEG Croatia Investments, a.s.,
- Concluded Agreement on contribution to equity, acknowledgement of debt and set-off dated 28.11.2023 with JTPEG Croatia Investments, a.s.,
- concluded Amendment 1 dated 8.11.2023 to the Sponsor Agreement dated 30.3.2022 with ROMANA d.o.o..

- uzavřela Dodatek č. 2 ze dne 26.7.2023 ke Smlouvě o půjčce ze dne 25.5.2023 se společností Auctor Alfa a.s.,
- uzavřela Dodatek č. 3 ze dne 5.12.2023 ke Smlouvě o půjčce ze dne 25.5.2023 se společností Auctor Alfa a.s.,
- uzavřela Dodatek č. 1 ze dne 30.6.2023 ke Smlouvě o půjčce ze dne 30.12.2021 se společností Auctor Alfa a.s.,
- uzavřela Dodatek č. 1 ze dne 27.10.2023 ke Smlouvě o půjčce ze dne 5.5.2022 se společností Auctor Alfa a.s.,
- uzavřela Smlouvu o postoupení pohledávek ze dne 28.11.2023 se společností Auctor Alfa a.s., na postoupení pohledávek vůči Nova Camping, d.o.o. získané postoupením od Auctor Prime d.o.o.
- uzavřela Smlouvu o postoupení pohledávek ze dne 28.11.2023 se společností Auctor Alfa a.s., na postoupení pohledávek vůči Nova Camping, d.o.o. získané postoupením od JTPEG Croatia Investments, a.s.
- uzavřela Dodatek č. 3 ze dne 14.4.2023 ke Smlouvě o půjčce ze dne 24.10.2019 se společností AUCTOR KAPITAL d.o.o.,
- uzavřela Kupní smlouvu na prodej akcií ze dne 29.6.2023 se společností AUCTOR PRIME d.o.o.,
- uzavřela Smlouvu o postoupení pohledávek ze dne 28.11.2023 se společností AUCTOR PRIME d.o.o.,
- uzavřela Smlouvu o příplatku mimo základní kapitál, uznání dluhu a započtení ze dne 28.11.2023 se společností AUCTOR PRIME d.o.o.,
- uzavřela Kupní smlouvu na prodej akcií ze dne 29.6.2023 se společností JTPEG Croatia Investments, a.s.,
- uzavřela Smlouvu o postoupení pohledávek ze dne 28.11.2023 se společností JTPEG Croatia Investments, a.s.,
- uzavřela Smlouvu o příplatku mimo základní kapitál, uznání dluhu a započtení ze dne 28.11.2023 se společností JTPEG Croatia Investments, a.s.,
- uzavřela Dodatek č. 1 ze dne 8.11.2023 ke Smlouvě o poskytnutí podpory projektu ze dne 30.3.2022 se společností ROMANA d.o.o..

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

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%

10% of the Company's equity as determined by the most recent financial statements of period from 1.1.2022 to 31.12.2022.

vlastního kapitálu Společnosti zjištěného podle poslední účetní závěrky, t.j. v účetním období od 1.1.2022 do 31.12.2022.

V.
List of mutual contracts

V.
Přehled vzájemných smluv

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

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 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.	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.	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.	Smlouva o postoupení pohledávek ze dne 28.11.2023/Assignment Agreement dated 28.11.2023
Auctor Alfa, a.s.	Smlouva o postoupení pohledávek ze dne 28.11.2023/Assignment Agreement dated 28.11.2023
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 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
AUCTOR PRIME d.o.o.	Kupní smlouva na akcie ze dne 29.6.2023/Share Purchase Agreement dated 29.6.2023
AUCTOR PRIME d.o.o.	Smlouva o postoupení pohledávek ze dne 28.11.2023/Assignment Agreement dated 28.11.2023
AUCTOR PRIME d.o.o.	Smlouva o příplatku mimo základní kapitál, uznání dluhu a započtení ze dne 28.11.2023/Agreement on contribution to equity, acknowledgement of debt and set-off dated 28.11.2023
JTPEG Croatia Investments, a.s.	Kupní smlouva na akcie ze dne 29.6.2023/Share Purchase Agreement dated 29.6.2023
JTPEG Croatia Investments, a.s.	Smlouva o postoupení pohledávek ze dne 28.11.2023/Assignment Agreement dated 28.11.2023
JTPEG Croatia Investments, a.s.	Smlouva o příplatku mimo základní kapitál, uznání dluhu a započtení ze dne 28.11.2023/Agreement on contribution to equity, acknowledgement of debt and set-off dated 28.11.2023
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 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
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.
ROMANA d.o.o.	Smlouva o kompenzaci ze dne 30.3.2022 za poskytnutí podpory projektu ve vztahu k financování projektu společnosti J&T Mezzanine, a.s./Compensation Agreement dated 30.3.2022 for project support for loan provided by J&T Mezzanine, 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 Mezzanine, 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 Mezzanine, 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

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 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.

neplynuly žádné zvláštní výhody a/nebo nevýhody, a to zejména s ohledem na minimální provázanost s Ovládajícími osobami či Osobami ovládanými stejnou ovládající osobou.

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.

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.

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.

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

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

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

V Praze dne/ In Prague on: 28.3.2024

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 2023

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 2023

Board of Directors

Member of Board of Directors

Oleg Uskoković (from July 24, 2019)

Josef Pilka (from September 16, 2020)

Supervisory Board

Member of Supervisory Board

Tanja Kragulj Mežnarić (from July 24,2019)

Libor Kaiser (from October 14, 2021)

Board of Directors and Supervisory Board regularly reviewed the Company´s financial results and financial position at its meetings in 2023 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 2023 focused on the development of its business and asset management. In 2023, 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.

The Company's solvency was stabilized in 2023 and liabilities were paid on an ongoing basis.

ZPRÁVA PŘEDSTAVENSTVA O PODNIKATELSKÉ ČINNOSTI A STAVU MAJETKU SPOLEČNOSTI ZA ROK 2023

Auctor Holding, a.s.

Sídlo:	Sokolovská 700/113a, Karlín, 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 2023

Představenstvo Společnosti

Člen představenstva

Oleg Uskoković (od 24.7.2019)

Josef Pilka (od 16.9.2020)

Dozorčí rada Společnosti

Člen dozorčí rady

Tanja Kragulj Mežnarić (od 24.7.2019)

Libor Kaiser (od 14.10.2021)

Představenstvo i Dozorčí rada na svých zasedáních v roce 2023 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 2023 byla zaměřena zejména na vývoj své podnikatelské činnosti a správy majetku. Společnost v roce 2023 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.

Platební schopnost Společnosti byla v roce 2023 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

III.
Ekonomické výsledky

The Company's assets are presented in the financial statements prepared as of 31/12/2023, including its annex, which specifies the details of each item. Profit and loss of the Company for the year 2023 is loss in the amount CZK 71.838.691,72.

Stav majetku Společnosti zobrazuje účetní závěrka sestavená ke dni 31.12.2023 včetně její přílohy, která specifikuje podrobnosti k jednotlivým položkám. Hospodářským výsledkem za rok 2023 je ztráta ve výši 71.838.691,72 Kč.

IV.
Ownership interests

IV.
Majetkové účasti

The Company has direct ownership interests in these business entities:

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	58,5%
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	4,01%
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%

V.
Employees

V.
Zaměstnanci

The company has no employees on 31.12.2023.

Společnost nemá ke dni 31.12.2023 žádné zaměstnance.

VI.
Company´s plan for the year 2024

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.

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.

VI.
Záměr Společnosti pro rok 2024

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.
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: 28.6. 2024

Oleg Uskoković,
member of Board of Directors

Josef Pilka,
member of Board of Directors