TOKIĆ | GRUPA

TOKIĆ d.o.o. and subsidiaries

Annual statement of the Company and consolidated annual statement of the Group
for the year that ended 31 December 2024

1. Content

2. General information about the company

Company name:	TOKIĆ d.o.o.
Seat:	Sesvete, Ulica 144. Brigade Hrvatske vojske 1a
Registered in the Commercial Court:	Zagreb, 17 October 1990 Company registration number (MBS): 080313914
Activity:	Wholesale and retail trade, parts and accessories for motor vehicles, export-import, representation
NKD code:	4690, non-specialized wholesale trade
Share capital:	EUR 31.150.000,00
Representation of the Company:	Members of the Management Board Ivan Šantorić - president of the Management Board, represents the Company individually and independently Dražen Jurković - member of the Management Board, represents the Company individually and independently
Supervisory Board:	Ilija Tokić - president of the Supervisory Board Ruža Tokić - member of the Supervisory Board Zvonimir Šego - employee representative
Audit Committee:	Ivan Beljan, president of the Audit Committee
Company size:	Large enterprise
Company PIN (OIB):	74867487620
Giro accounts:	HR8524020061100079669, Erste&Steiermärkische bank d.d., Rijeka HR7023400091100194212, Privredna banka, Zagreb HR2824070001100201873, OTP banka d.d., Split HR2623600001102446321, Zagrebačka banka d.d., Zagreb HR0424840081135133659, Raiffeisenbank Austria d.d., Zagreb HR7323900011101404069, Hrvatska poštanska banka d.d.

	Tokić d.o.o.	Bartog d.o.o.	Group
Number of employees as at 1 January 2024	947	252	1199
Number of employees as at 31 December 2024	1049	264	1313

3. Management Board's note

The past year has been extremely challenging for the automotive industry. With continued geopolitical tensions and supply chain disruptions, the sector has faced pressures from rising raw material and logistics costs. In parallel, the stagnation of new vehicle sales in Europe, the transition to electric vehicles, as well as the restructuring of large corporations, have destabilized vehicle manufacturers and their suppliers. In such circumstances, the aftermarket has still recorded growth, and the Tokić Group took advantage of the opportunity to further strengthen its market position.

In 2024, we generated consolidated revenues from sales of EUR 229 million, representing a growth of 10.4 percent compared to the previous year. On the other hand, EBITDA amounted to EUR 19.5 million and was 11.9 percent higher than last year. Successful operating results were achieved through organic growth, primarily thanks to the development of the sales network, the expansion and improvement of the product range, and the continuation of significant investment in people and technology.

Likewise, during the year, we continued to invest in the sales network, opening new Tokić and Bartog branches adapted to the specifics of local markets. The tire operations in Croatia recorded record sales and achieved significant market share growth, and revenue growth continued in the Slovenian market. In parallel with that, the logistics and storage capacities were expanded, including the opening of an additional logistics center in Zagreb, which contributed to greater distribution efficiency and service quality.

Technological innovation is an important part of our strategy. By automating the ordering process and using advanced demand prediction algorithms, we have achieved an optimal balance between inventory and sales, which resulted in better range management and a significant increase in operating cash flow in 2024.

In addition, we ensured sales growth, increased capital investments, and at the same time maintained financial stability by reducing the level of indebtedness.

We also continued to develop our relationship with customers, through separate loyalty programs for professionals and drivers, which include more than 230,000 members, and the previously launched mobile app has attracted more than 30,000 new users over the past year. The TEC Technical Education Center has been additionally strengthened by investments in equipment and personnel, and thus, in addition to higher quality of service, it is also prepared for new technological trends.

We are particularly proud of the organization of the largest regional auto industry fair 'Tokić & Bartog Expo 2024', which drew more than 120 international exhibitors and almost all professionals from Croatia and Slovenia. This event further confirmed our value and role in the regional aftermarket ecosystem, as well as the responsibility we bear as a distributor in the process of technological and educational transition.

Social responsibility and investment in the community remain a key part of our identity. In coexistence with the society, during 2024, we made almost 100 donations directed to local initiatives and organizations. The successes of the Tokić Racing Team, with national racing support, have once again brought our name far beyond the borders of Croatia and Slovenia, primarily by winning the European Mountain Racing Championship title and a notable performance at the 'Isle of Man TT', which we see as part of our broader contribution to the sport and community.

We are entering 2025 with great ambitions. We are launching the largest investment cycle in the history of the Group, the construction of a new logistics and distribution center near Zagreb, and we are implementing a new advanced ERP system.

In addition to all of the above, in 2025 we will also mark 35 years of existence and successful growth of the Tokić brand, which we will celebrate and commemorate with our employees, partners, and customers through a series of activities throughout the year.

Ivan Šantorić
President of the Management Board

4. Organizational governance structure of the Tokić Group

The organizational structure of the Group is divided into two main areas:

I. OPERATIONS

Sale
• Retail
• Wholesale
• Tire operations
• Export sales
• Call center
• Online sales channels
• Special sales channels:
  - Commercial range
  - Tools and repair equipment
  - Industrial range
  - Education center and quality control
  - Auto Check Center

Procurement
• Central procurement
• Price management
• Category management

Supply chain
• Transport and distribution
• Central warehouse
• WMS department
• Inventory management

II. SUPPORT DEPARTMENTS

Technology
• IT
• ICT infrastructure
• Digital transformation
• Business intelligence

Finance
• Finance, accounting and controlling

Business development

Marketing

Corporate governance, communications and PR

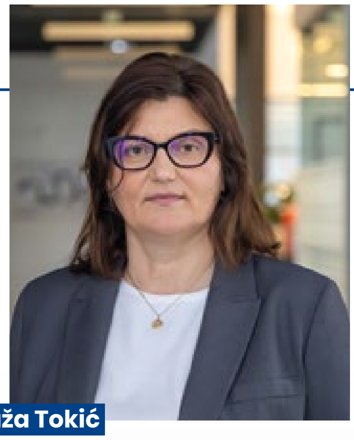
Human resources

Maintenance and investments

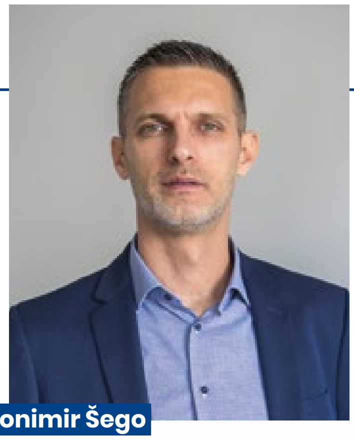
4.1. Supervisory Board and Management Board

NADZORNI ODBOR

Ilija Tokić
Founder and co-owner,
president of the Supervisory Board

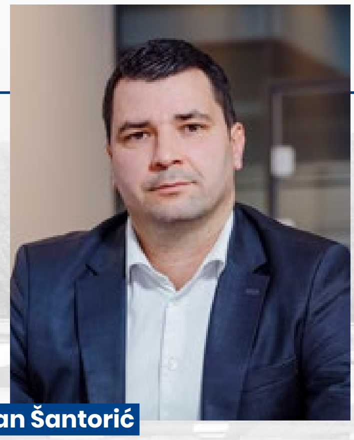


Ruža Tokić
Co-owner and deputy president
of the Supervisory Board

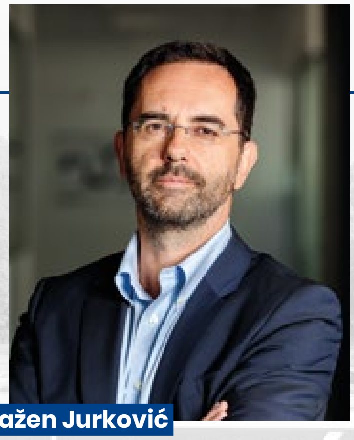


Zvonimir Šego
Member of the Supervisory Board,
employee representative

UPRAVA



Ivan Šantorić
President of the Management Board



Dražen Jurković
Member of the Management Board

5. About the Tokić Group

From small auto parts store to a regional leader and logistics force in 35 years

As a parts distributor, Tokić has based its continuous growth, since its foundation in 1990, on building relationships with mechanics and partners. A key step forward in development was recorded in 2008 with membership in the global trade organization ATR International. With constant investments in service quality, education and product range, expansion of the branch network, growth of exports and acquisitions, today, the Tokić Group is the leading regional distributor of auto parts. With educated support and top logistics, it offers more than 300,000 items of more than 300 of the world's most famous manufacturers.

In 2015, the company transitioned from family management to an organization with professional management. After a significant development of logistics and supplies and a five-fold increase in the number of employees, in 2020, with the purchase of the Slovenian company Bartog, as a leading regional tire distributor, the Tokić Group was created and the biggest step forward into the Western European market was made.

Thanks to the high dynamics of deliveries and a sales network of almost 120 branches in Croatia and Slovenia, today, the Tokić Group is a logistics leader. With a technologically advanced range inventory, through two main logistics centers and ten strategically located logistics HUBs, covering over 46,000 m2, Tokić and Bartog provide support for the company's uninterrupted mobility. The record availability of parts and tires covers all the needs of all passenger, light commercial and heavy goods vehicles, with special spare parts programs for industrial vehicles and mechanization as well as motorcycle and agricultural segments. The Tokić Group also manages its own most advanced regional education center (TEC), a partner repair network of 60 auto repair shops in Croatia (Auto Check Center) and Slovenia (BHS), and its own brands.

The Tokić Group is much more than a parts store and, thanks to its organization and technological development, is recognized on a global level. In addition to being named one of the 50 most innovative companies in Europe by the London Stock Exchange, according to a study prepared by Wolk After Sales Experts, it has also been recognized as one of the 35 most important distributors on the automotive aftermarket.

TOKIĆ | G R U P A

6. Tokić in numbers

Modern **logistics and distribution center** in Sesvete in Croatia, with surface area of

24.500m²

45

branches in own retail network

26

branches of **franchise partners**

Export to more than

17 countries

40

workshops in the **Auto Check Center** auto repair shop network

1049

employees, as at 31 December 2024

Total revenue in 2024

EUR 164,46 million

(growth of 14.2% compared to 2023)

7. Bartog in numbers

37

branches in own and franchise retail network

Modern **logistics and distribution center** in Mirna Peč in Slovenia, with surface area

12.000m²

264

employees, as at 31 December 2024

19

repair shops in the **BHS** repair network

Total revenue in 2024

EUR 93,61 million

(growth of 9.7% compared to 2023)

8. Historical development of the company

Continuous business operations and market development while taking care of employees

Tokić was founded in 1990, and started its work in a 35 m² office in Kranjčevićeva ulica in Zagreb. The continuous development of business operations and the expansion of retail over the next ten years created a network of ten branches in Zagreb. The fast-growing offer and the diversity of the product range directly reflected on the quality of the repair service in Croatia, so Tokić was already importing 50 percent of its program independently, of which 30 percent was the original installation quality (OE) product range.

A better repair service proportionally increased the safety of drivers in Croatia, so in 2002 the slogan "Safety in Motion " was born, with a clear focus on the fulfillment of the company's mission and vision. In accordance with the new slogan, Tokić continued to develop the existing and new partnership relationships and, at the same time, creating leverage for even stronger business development for all customers and mechanics. With a top level of security and transparency in business operations, the introduction of the franchise business model in 2005 led to exponential development and growth in the branch network.

A key international breakthrough in 2008 was membership and a shareholder's share in the largest global trade cooperation ATR International AG, as the oldest and most successful global trade association of auto parts distributors. Thus, a new perspective was created on a global level, with a significantly wider range of suppliers and assortments. Also, today, Tokić is a member of the management board for private brands, tools and repair equipment and diagnostics at the ATR cooperation.

The company follows global development by strengthening its national and regional position, and in the same year it launched its first private brand, TQ (Tokić Quality), which is today the most successful automotive brand on the market. In 2013, Tokić completed its vision of "Safety in Motion", in addition to the offer of parts, by establishing a repair shop network called Auto Check Center (ACC), which today has 40 repair shops.

Furthermore, through long-term planning and development of Tokić's services, in, 2014, the modern platform of the Tokić Education Center (TEC) was introduced in Zagreb, Croatia, and the region. The education center for the education of car mechanics and car electricians, with seminars under the license of the Chamber of Skilled Crafts in Dortmund, was designed according to the model of the world's largest centers of its kind. At TEC, mechanics acquire the highest quality education in the automotive industry through a growing offer of seminars and professional upgrading of existing knowledge in theoretical and practical classes.

After 25 years of successful development of the company under the family management of brothers Ilija and Stojan, in 2015, the company recognized and established a management structure with a newly formed professional management board. The mission and vision of the company were strategically defined, and its corporate culture continues to be based on traditional and family values in a strong partnership between employees and the Management Board.

A clear vision of contributing to the roadworthiness of vehicles and the safety of all road users was created, along with the status of a company that makes its employees, partners and the community happier. Every step in business since then has been aimed at creating a company that is innovative when it comes to technology, and traditional when it comes to respecting people.

The opening of a large logistics and distribution center in Sesvete in 2016, covering more than 24,000 m², with more than 12,000 pallet positions, brought new momentum to the business operations. The development was accompanied by the establishment of logistics HUB centers located in Zadar, Šibenik, Slavonski Brod, Đakovo, Rijeka and Split. The new power of inventory and numerous deliveries was accompanied by the development of the range width and special programs.

With the goal of maximum customer satisfaction, a new franchise business model was launched in 2017. All business processes began to be continuously improved using the KAIZEN business methodology, and global recognition for business excellence was also being obtained, along with constant revenue growth. At the same time, Tokić was visited by the German Minister of Economy Peter Altmaier during his stay in Croatia in 2019.

In the same year, an award was received from the London Stock Exchange, from the business community ELITE, described as "The Future Shapers", and the company was named one of the 50 most innovative European companies. This title was also confirmed by the fact that Tokić was the first company in Croatia to test the autonomous industrial robot "Gideon Brothers" in the logistics operations.

Tokić strengthened its position as a market leader with its first acquisitions. Thus, in the area of Primorje-Gorski Kotar and Istria counties, Tokić acquired a long-term partner, company Autocentar Marinići, thus opening another new chapter, while in 2020, the acquisition process of the Slovenian company Bartog was also successfully completed. By taking over the regional leader in tire sales and internalizing the Tokić Group, a new regional player was created.

Slovenian Bartog, with a large logistics center in Mirna Peč and a network of branches, thus received exceptional support in the offer of auto parts and other special ranges, and Tokić, on the other hand, obtained the widest offer of tires in the region. With this foray into the international market, Tokić has laid the foundation for the achievement of long-term goals - the position of a regional leader and the

creation of added value in Croatia, Slovenia, Austria, Italy and other surrounding countries.

Growth continued in 2021 with the acquisition of Prpić Commerce d.o.o. from Slavonski Brod, as well as the takeover of the business operations related to the economic and industrial program of Donit-gospodarski program d.o.o. based in Solin. At the same time, a large branch was opened in Split in the TTTS premises, which is also a logistics HUB center. Along with the systematic expansion of the network, the first "greenfield" investment in Bjelovar was also realized.

With growing digital transformation and sales departments, at the end of 2021, Tokić Group reached a number of almost 1000 employees. Simultaneously, the company has established processes with more than 250 robotic automated processes (RPA) that perform more than six million separate tasks annually. It is important to emphasize that in Tokić, no one has lost their job due to the development of digitalization. On the contrary, new departments were created and logistics processes were modernized.

After the consolidation of the Adriatic region, 2022 brought about a focus on continental Croatia. With the new large branch in Zabok, northern Croatia got an auto parts center with the highest level of support and service. Also, new branches were opened in Đakovo, Valpovo, Vinkovci, Vukovar and Županja. In Slovenia, the network of Bartog branches underwent a redesign with the aim of efficiency and new standardization of services. In addition to six renovated and relocated branches, a brand new one was opened in Kamnik.

In the last quarter of 2022, there was a change in the management of the Tokić Group - Ivan Šantorić was appointed as the new president of the Management Board. Additional management premises were also opened, right next to the existing administrative building in Sesvete. Likewise, the Tokić Group was recognized as one of the 35 most important European distributors on the automotive aftermarket and entered in the "Who is Who" map of the expert association "Wolk After Sales".

During 2023, the Tokić Group continued to develop its network and business operations. In Croatia, Tokić opened new branches in Varaždin, Bilje and Osijek, while in Slovenia, Bartog opened new branches in Murska Sobota, Litija and Žalec. The synergistic effects of the operations of Tokić and Bartog, through the consolidation of processes and standards, showed results. The existing Tokić web shop kupivozi.hr was rebranded into the recognizable webshop.tokic.hr, and the digitalization of sales was concluded with the launch of the Tokić mobile app at the end of the year.

Tokić Group has been developing with its employees. It has been continuously investing in education, as well as in the development of work benefits and communication. During 2023, Tokić's internal communication was raised to the highest level by renewing the Intranet as a communication tool. Also, the company started developing a new ERP system, and it started to manage supply chains and logistics at a new technological level by implementing AI. The business year was also marked by strong development of the tire operations.

New Tokić Group branches in Croatia and Slovenia during 2024, with even more advanced logistics and the implementation of automatic replenishment of inventories, ensure an even higher quality of service and experience in purchasing auto parts. Standardization according to the highest European standards brings speed and precision of delivery, alternative options and professional support for every driver and professional customer. In Croatia, new branches have been opened in Vukovar, Sl. Brod, Karlovac, Kukuljanovo, Malinska, Kaštela, Sisak, Ploče, while in Slovenia a location has been opened in Ribnica.

More than 120 exhibitors, including more than 90 global brands, participated in the large international fair Tokić&Bartog EXPO. This is an event that marked 2024 and was visited by almost all mechanics and professionals from Croatia and Slovenia at the Zagreb Fair. In line with the slogan "Tools of the future", exhibitors brought the latest trends and knowledge to visitors, and continuous daily training was also organized. The fair will be remembered as an exhibition that pushed the boundaries in the world of professional fairs.

A new branch in Kukuljanovo has opened its doors with an advanced business concept called "Tokić Expert". Organized with a focus primarily on professional customers and with advanced inventory management technology, it is an example of a new step forward towards even higher quality service. The year ended with the greatest success of the Tokić Racing Team, which brought the company the title of European champion. Also, the project to implement a new ERP and DWH system has been initiated, which will bring together all technological tools, AI and the widest sales network in the region in the coming period.

TOKIĆ
Sigurnost u pokretu

1990.
- The Tokić company was established and the first branch office was opened

1996.
- First great expansion of retail networkbranch office was opened

2002.
- New slogan

Safety in motion

2005.
- Implementation of a new model of franchising business

2008.
- ATR International AG
- TQ
- Navisionopened

2013.
- Auto Check Center

2014.
- TEC
- 100 branch officesbranch office was opened

2015.
- Loyalty programme
- Kaizen and Lean management
- Call Centre
- Heavy duty programbranch office was opened

2016.
- New LDC
- New concept of branch offices
- New Management's premises

2019.
- Tokić 4.0
- Acquisition of AC Marinići
- The Future Shapers
- T1 Walk
- TKLUB for TOPbuyers

2020.
- Acquisition of Bartog
- www.tokic-alati.hr
- 30 years of Tokić
- Merger of Prpić-Commerce
- WMS

2021.
- Industrial program
- Greenfield investment Bjelovar
- T1 Meetup
- Application of Artificial Intelligence
- Merger of Donit Split
- Junior Tokić Racing Team
- A record number of stores

2022.
- Slavonia sales network growth and development
- T1 Meetup international conference
- Assortment for EV-market
- Upgrade and optimization of category management

2023.
- Sales network standardization in Slovenia
- webshop.tokic.hr
- Tokić mobile application
- New loyalty programs TKlub and BKlub
- WRC partner
- Artificial intelligence application in supply chain management

2024.
- Tokić & Bartog Expo
- 8 new stores in Croatia and Slovenia
- Tokić Group tire warehouse expansion
- Bartog automatic replenishment
- Tokić Expert store concept
- Tokić racing team: European Championship title

9. Core values and strategy

Traditional when it comes to people, and innovative when it comes to business operations

MISSION

We invest knowledge, experience and effort in order to meet the overall needs of auto repair workshops and car owners during the repair and regular maintenance of motor vehicles.
We achieve this goal by offering a wide range of products that are always available, through a ramified network of branches and the availability of our products to all customers. At the same time, we pay special attention to the constant provision of high quality products and services we offer, the long-term experience and expertise of our staff, and an accessible relationship with customers.

VISION

Through our activities as a leader in the industry, we strive to contribute to the correctness of vehicles and the safety of drivers and all participants in traffic, as well as the well-being of today's society as a whole. In addition, our goal is to be a company that makes its employees, customers, suppliers and the social community in which we operate happy.
Our vision is to create a company that is innovative when it comes to technology, and at the same time traditional when it comes to respecting people. In the long term, through our sales and business activities, we want to become a leader in the region and focus on sales and creation of added value in Croatia, Slovenia, Austria, Italy and other surrounding countries.

FUNDAMENTAL VALUES

WISDOM
We attach great importance to deliberation about decisions, in order to provide our customers with the best possible service. We organize our time according to goals and priorities in order to be sure at all times that we are on the right path to realizing our vision of the future.

HONESTY
With out honesty, we justify the loyalty of our customers, suppliers and employees every day. Therefore, we prioritize the correctness and completeness of the information we provide.

LIABILITY
We are proud of our employees because they readily complete what was agreed upon within the deadlines. Due to the sense of responsibility towards customers and suppliers, we work together to improve business processes, precisely in order to enable orderly work and a balance between the private and business life of employees.

CREATIVITY
Every day we encounter situations that require creativity in finding the best solution for our customers and suppliers. We approach each such task individually and encourage employees to actively participate in creating ideas for the further development of the company.

HUMILITY AND SERVICE
Service is the key to our success, where we put the customers and their needs first. We also provide our employees with working conditions and all support so that they are always up to the task in relation to the customer, and at the same time we are extremely proud that our employees can and want to approach each customer with useful advice. Finally, in order for them to happily approach their daily tasks, as well as long-term projects, we invest in the professional development of our employees.

10. Sales network - the strongest regional presence

The strongest regional sales force in the distribution ofauto parts and tires

The Tokić Group's sales network in Slovenia and Croatia has been strategically designed with the vision of maximum support for mechanics and drivers with accessibility, breadth of offer and speed of service. With this goal, the Tokić Group approaches the development of the network agilely by adapting it to the needs of drivers and the market through advanced inventory management, speed of delivery and specialized sales advisors, who are not only there as suppliers but also as specialized support, given the complex range.

Based on the vision of the best experience in purchasing auto parts, the Tokić Group arranges and equips its branches according to the highest European standards. In addition to convenient locations and parking, this includes establishing three to five daily deliveries to mechanics and two daily deliveries to the central warehouse in Sesvete.

The sales area itself is designed as an open section with displayed seasonal range, accessories, tools, cosmetics and an offer that is interesting to every driver. Behind counters with the number of cash registers corresponding to the number of mechanics and customers in the region, there are warehouses holding 7,000 to 30,000 items, specially selected to cover the regional fleet. The branches are equipped with a Tokić radio that relaxes and informs customers, as well as corporate and promotional materials that, in addition to marketing messages, also have an educational role.

SALES ADVISORS

In addition to a comprehensive offer and technology that ensures precise delivery, special sales advisors in the branches create direct added value with personalized service for each customer. All sales advisors undergo regular training as part of the TEC Technical Education Center, so in their daily contact with drivers and mechanics, they are actually key in the transfer of information. In the branches, the Tokić Group's sales advisors are organized into segments, separately for the personal and for the cargo segment, for the sale of tires and other special sectors of the range.

The strategic layout of branches ensures the presence of parts, but the strength of the Tokić Group lies primarily in more than 420 sales advisors in branches and around 40 field salespeople who visit customers and provide support in the workshops.

In addition to the branch network, through regional systematization, the Croatian and Slovenian markets are also regionally covered by field salespeople. They are experienced representatives who monitor market developments and the needs of mechanics and provide support through personalized offers of range, tools and special equipment, as well as technical and financial support that the Tokić Group also provides for repair workshops.

TKAT

Digital sales assistant - TKAT

For direct communication and purchases according to the agreed terms, all mechanics and Tokić's professional customers use the digital sales catalog and assistant TKAT.

This is an advanced digital tool available in more than 30 languages, with special integrated modules for tires and commercial range. Customers can use it to check compatibility and stock status. The intuitiveness and experience of using the TKAT-assistant is based on the predictive functioning and monitoring of the previous search logic of an individual customer. There is also an advanced vehicle search system and an archive module for purchase and finance history.

The digital TKAT-assistant also provides additional technical integrations to help mechanics, such as Haynes Pro, Autodata, HC CarGo...

TOKIĆ BARTOG

ALWAYS ON THE WAY!

Through more than **130 branches in Croatia and Slovenia**, the Tokić Group provides support for the mobility of the private and business sectors. As a regional leader in the distribution of a complete **product range for the maintenance of the entire vehicle fleet**, we have been operating with the highest standards for 35 years. With the application of the **best technologies and AI**, we provide support to our employees, but also to all our partners in business development.

TOKIĆ d.o.o.
Ulica 144. brigade Hrvatske vojske 1a, 10360 Sesvete
Phone: +385 8000 5775
WhatsApp: +385 91 123 5775
info@tokic.hr
www.tokic.hr

BARTOG d.o.o.
Obrtniška ulica 18, 8210 Trebnje
Phone: +386 7 34 62 400
Fax: +386 7 30 45 701
info@bartog.si
www.bartog.si

WEB SHOPS IN CROATIA AND SLOVENIA

In addition to the widest network of stores, the sale of the product range is also developing with the support of a large web shop. This is a web shop that - with modern search engines and filters - allows customers to easily find items for their vehicles, but at the same time provides them with the latest information on discounts and promotions, as well as extensive advice on car maintenance. The web shop at webshop.tokic.hr is available with the support of a large call center specialized in car sales and offers the option of free delivery or quick pickup, which relies on a dense network of Tokić and Bartog branches. Thus, items purchased via the online service "Click&Collect" can be picked up in the shortest possible time.
On the Slovenian market, in addition to the network of Bartog branches, an online center and a web shop for the entire product range has been developed at www.bartog.si. With an intelligent product range search engine in five languages and precise technical descriptions of the items, the security of the purchase is guaranteed. Also, all Bartog customers have call center

support available, as well as communication via chat. Deliveries are possible to branch addresses, but also to private addresses of all customers.
There is also a special web shop for tools and special equipment tailored for professional customers. With the support of specialists from the Tools and Repair Equipment Department, in addition to the product range itself, technical descriptions and necessary catalogs can be found there.

CALL CENTER

In order to build and maintain a relationship of full trust and constant availability through various communication channels, we established a call center in 2015. The total team of the Tokić Group call center in several locations today has 14 employees, and in addition to calls via the toll-free phone, it also responds to e-mail inquiries, as well as those received from social networks and the WhatsApp application.

TOKIĆ EXPERT

Taking the example of the new branch in Kukuljanovo, in the industrial zone near Bakar and Rijeka, the first branch under the Tokić Expert concept combines the previous experience of the sales network and new technologies. The branch is focused on the highest level of service to professional customers. On the one hand, it is a direct relationship between the customer and the seller, with personalized service, but also a combination of a large warehouse on several floors and a specially selected stock of tens of thousands of parts created using advanced systems and AI. The exceptional availability of auto parts is complemented by tires for all types of vehicles, a commercial program, and tools and repair equipment.

The Tokić Expert branch, which covers an area of more than 1,000 m2, employs as many as 16 specialized employees, and as many as five delivery vehicles continuously deliver goods to the mechanics. The location in Kukuljanovo is also the logistics HUB for the Tokić web shop that is focused on Istria, Kvarner and Gorski Kotar.

BEST BUY AWARD BY ICERTIAS

Tokić has received the "Best Buy" award, which is given to products, services and other market goods with the best price-quality ratio. This award, awarded by ICERTIAS (International Certification Association GmbH) confirms Tokić's commitment to the distribution of quality products at affordable prices, but above all the quality of the employees who are, in synergy with the company's technology and infrastructure, the most deserving of this recognition.

The "Best Buy Award" is awarded in the form of a certificate and a medal, and is based on a research method that guarantees that customers receive the highest quality products and services at the best price. In this way, according to ICERTIAS research, Tokić was recognized as the chain of stores for purchasing auto parts that offers the best price-quality ratio on the Croatian market. The research was conducted on a sample of 1200 respondents, internet users, using the CAWI–DEEPMA methodology, which involves computer-assisted interviews.

ICERTIAS, founded in 2011 in Zurich, Switzerland, focuses on the interests of consumers. Based on public experience and opinion, ICERTIAS seeks, discovers, certifies and rewards top companies, products and services around the world, making it easier for consumers to make decisions regarding purchase. Companies that are recipients of ICERTAS awards include Sonax, Kaufland, Hyundai, Nestle, Dm, Stihl, Allianz, Bosch, Podravka, Spar and many others.

11. Marketing and communication

Recognizability with a personalized approach and strong own communication channels

The extremely large and strong business community of the Tokić Group, which includes mechanics, drivers, fleet managers and major partners, is well informed, with a high degree of dynamism and precision. This was achieved by establishing marketing and communications departments at the Tokić Group level, which manage numerous channels for specific information towards all stakeholders in the business and wider public. During 2024, along with regular corporate communication, more than 250 sales campaigns were carried out for repair shops and more than 200 for loyalty program members and drivers. Around 200 sales campaigns were also launched through the web store alone, and target groups were informed about everything through various business instances and communication channels.

The complex marketing and communications network within the Tokić Group, at the Tokić and Bartog level, is organized to connect around 300 suppliers from all over the world, with more than 8,000 professional customers, with own network of branches, and ultimately with the wider public of drivers. The marketing and communications departments therefore provide, through a network organizational structure, segmented support to suppliers and customers, as well as the Tokić Group brand and branches. This has achieved a comprehensive, yet personalized support for all business segments and sectors.

Corporate communications were also integrated into the marketing department, organized to cover internal communication, public relations and PR, communication via social networks and all other Tokić Group channels, including the digital assistant TKAT, the Tokić mobile app, and communication in the web shops. With a systematic approach to information, the Tokić Group manages social networks in Croatia and Slovenia with more than 80,000 followers and also publishes its own magazines. It is important to point out that a significant percentage of social channels are used not only for promotional purposes, but also for education and support of the community of drivers and passengers.

Tokić and Bartog INFO magazines are the traditional and important communication chapter of the Group. Specialized editions have been published regularly since 2011, with a circulation of 8,000 to 10,000 copies. These are magazines that combine internal and external communication values and bring to the business community all the key information related to the relationship with the market, distributor and suppliers of the automotive aftermarket, as well as related social chapters. They are edited by a specialized editorial team in collaboration with leading automotive journalists, and the content is complemented by communication on the corporate website, web shop, digital TKAT-assistant for mechanics, and other special features

LOYALTY PROGRAMS AND MOBILE APP

The loyalty program for all drivers and end customers - Tokić Card, launched in 2015, has formed a community of more than 260,000 members. Using the Tokić card, drivers and mechanics in Tokić get special benefits, and from 2023 the plastic card got its digital version in the form of an advanced mobile app. Via the app, each user is directly connected to the Tokić web shop, and it can also be used to pay for parking throughout Croatia and save all invoices received at Tokić or partners, where you can get additional benefits and discounts with the card. In addition, you can also find the addresses of Croatian auto repair shops in the app. The mobile app drew a community of more than 30,000 users in its first year of use.

The loyalty program that rewards the most loyal repair technicians, mechanics, and large purchases, created in 2019 under the name "TKLUBzaTOPkupce", is developing and growing year after year. For purchases made in Tokić, after signing up for the loyalty program, professional customers are rewarded with points that they can redeem at any time and exchange for one of several thousand prizes.

After being redesigned and improved with a number of options and rewards, as well as user experience, the club was renamed "TKLUB", while the system was also launched towards Slovenian mechanics as part of Bartog, where it operates under the name "BKLUB". Recognized as a true added value to cooperation, which is personalized to the needs of each individual customer, the loyalty program in Croatia and Slovenia has more than 4,000 members, professional customers and mechanics.

SPONSORSHIPS

Sponsorships in the fields of education, culture and sports are an important area of Tokić's activity. The projects that the company chooses as its partners and promoters gravitate towards the general betterment of society and contribute to the community. In addition to its long-term partnerships with various associations and events, the Tokić Group does not miss the opportunity to get involved in new initiatives and commendable projects, as well as automotive events that are closely connected to its business.

During 2024, Tokić and Bartog recognized more than 70 initiatives and events that were thematically based on sports, education and social benefit and sponsored them with EUR 150 thousand.

One of the most interesting events is certainly the World Skills Croatia competition, which brings together more than 400 of the best students from 40 vocational schools. At this competition, Tokić acts as a mentor, golden sponsor, but also as a member of the judging committee. The organization develops a separate chapter in its relationship with the community through the management of the Tokić Racing Team (TRT), which has been operating for more than a decade. It is an internationally recognized team a part of which numerous Croatian drivers and record holders were, and which connects profession, community, sport and discipline in the best way. Also, through sponsorships within the Tokić Racing Team, regional races and a dozen drivers in various autosport disciplines are supported. The team is focused on young drivers and helps the good ones to become the best. During 2024, the Tokić Racing Team drivers achieved notable results on a global level. The young mountain racing driver Matija Jurišić became the European champion in his class, while Loris Majcan took part in the most famous motorcycle race in the world "Isle of Man TT" and won the award for the best new driver.

TOKIĆ&BARTOG EXPO „TOOLS OF THE FUTURE“

The Tokić Group’s position on the regional market during 2024 was best confirmed by the large international fair TOKIĆ&BARTOG EXPO "Tools of the future", which brought together almost all global suppliers and car mechanics from Croatia and Slovenia.

This continued the tradition of bringing distributors and mechanics together and transferring knowledge and expertise to end users, which the Tokić Group, as a leading regional distributor, has accepted as a responsibility. The first such fair with internal resources was organized in 2010, in parallel with the celebration of the company's 20th anniversary. More than 60 exhibitors also gathered in 2017, when the fair was visited by more than 3,000 visitors, while at the Zagreb Fair in 2019, the number of visitors increased to 4,000.

In April 2024, in Zagreb, on more than 6,500 m2, organized by Tokić and Bartog, the TOKIĆ&BARTOG EXPO "Tools of the future" took place, which brought together more than 120 of the world's most famous automotive aftermarket suppliers and partners of the Tokić Group. Throughout the day, the fair was visited by more than 6,000 professionals who, in addition to the exhibition areas, had the opportunity to attend full-day training sessions that were organized and rotated according to a set schedule. Almost all repairers in Croatia and Slovenia got to know the latest range and hear the latest experiences directly from the suppliers. The fair opened with donations to the education systems of Croatia and Slovenia, and visitors had the opportunity to win prizes worth more than EUR 20,000 in a prize draw.

The fair offered answers to the challenges that come with fleet electrification, automation, trends and tools, and confirmed the importance of the Tokić Group in preserving national and regional transport.

12. Procurement - brands

A breadth of 300 brands and more than 300,000 items for all types of vehicles

With the support of the widest network of branches in Croatia and Slovenia, the Tokić Group ensures the roadworthiness of the vehicle fleet and the continuity of the companies' business operations with the widest range of products for all types of vehicles, and at the same time offers chargers for electric vehicles, tools and repair equipment, tires, a range for commercial vehicles, the motorcycle segment, nautical segment, industry and agriculture. In addition to automotive parts, the Tokić Group's range is systematized with special programs such as motorcycles, commercial programs, agricultural programs, tools and repair equipment, and industrial programs.

In order to fully satisfy the needs of the market in all segments, the Tokić Group has more than 300,000 items and more than 300 suppliers with whom it continuously cooperates. Considering such a breadth and depth of the offer, the branches and their sales premises are specially arranged depending on the location, size, trend and market.

The product range is based on the offer of the most famous and renowned global suppliers who also produce parts for the first installation. Also, with the aim of providing comprehensive services to all market stakeholders, in addition to the premium segment and first-time installation references, the offer is complemented by all price alternatives. As the leading distributor of auto parts on the Croatian and Slovenian markets, the Tokić Group holds a strong position: on the one hand, through membership in the largest trade cooperation of auto parts distributors, ATR International AG, where it is a member and shareholder, and on the other hand, through direct contacts and contracts with the world's leading suppliers.

TQ

The best-selling Croatian private brand TQ, increasingly successful in export as well, is also available in its entirety in Bartog's branches in Slovenia. The TQ brand was launched in 2008, and with the development of the brand and following the needs of the market, over time it was repositioned towards the middle and premium class of spare parts. As a result, it has become one of the few global brands among private brands that distanced itself from low-budget alternatives and became the first choice of mechanics and private customers. The biggest confirmation of the value of the TQ brand came in 2018 through cooperation and 'co-branding' with the renowned German brand Zimmermann, which bears the references of the first installation. This is a cooperation and partnership that continues today and raises the bar of quality for all other products in the range. Today, the TQ brand has more than 5,000 items divided into 18 divisions, which satisfy more than 90 percent of the needs of the average Croatian fleet.

BXTREME

Bartog's private brand that brings together chemical products, auto cosmetics and fuel hoses. It has been available for eight years in Bartog's branches and at Slovenian gas stations. Created in partnership with European manufacturers and suppliers, it guarantees high product quality and a competitive price. Under the BXtreme brand, glass cleaners, coolants, chemical products for vehicle exterior and interior maintenance, water and fuel hoses, condensers (OE quality) and snow chains are available to customers.

AKU LINE

A private brand of batteries for cars and trucks resulting from direct cooperation between Bartog and European manufacturers. Defined with control and insight into product quality, it is offered in Slovenia and abroad. The offer is supplemented every year in accordance with new technologies and market needs.

HECTOR

Hector is a brand of high-quality tools and repair equipment intended for all those who do not agree to compromises when it comes to vehicle maintenance. With verified suppliers, the Hector brand has been affirmed for many years and is gladly chosen by all profiles of repair technicians. In addition, it is known for different types of cranes and includes a wide range of tire fitting tools. Very interesting is the wide range of air conditioner service stations, where collaborations with recognized European suppliers have also been achieved. There are also numerous testers, portable chargers, containers and pumps, and from 2021, the offer has been expanded to include fast and AC chargers for electric and hybrid vehicles, which have been developed in cooperation with the Croatian company Končar.

ATOM

For almost ten years, Tokić has also offered a private brand of Atom batteries, which is recognized thanks to products with an exceptional price-quality ratio.

TOKIĆ

PERSONAL RANGE

MOTO RANGE

COMMERCIAL RANGE

AGRO RANGE

NAUTICAL RANGE

INDUSTRIAL RANGE

TOOLS AND REPAIR EQUIPMENT

TIRES FOR ALL VEHICLE TYPES

CHARGERS FOR ELECTRIC VEHICLES

13. Logistics, supply chains and transport

Precise delivery in the shortest time using AI

Two large logistics and distribution centers (LDCs) of the Tokić Group, from which the Croatian and Slovenian markets are centrally managed, and into whose premises the management offices are also integrated, are exactly 100 kilometers removed from each other. Tokić LDC is located in the eastern part of Zagreb in Sesvete, with a warehouse with surface area of 29,000 m2, which includes an integrated tire warehouse in Žitnjak. Bartog's central warehouse in Slovenia is located in Mirna Peč. Positioned next to the highway, not far from Novo Mesto, it covers a total surface area of 15,900 m2, which includes spaces for storing tires and car parts.

The Group's logistics is organized in such a way as to provide the best support to the sales network, which is capillary and geostrategically distributed in Croatia and Slovenia. It can be said that the Group's branches are always on the way and that you are about half an hour away from the nearest point of sale. Branches and franchise partners have a daily connection, day and night, with central warehouses, so each ordered item, if not in stock at the branch, can be available within a few hours or at the latest the next morning, when the mechanic plans to use it for installation.

In order for the network of almost 120 branches to be served in a timely manner, more than 300 vehicles are active in Croatia and more than 130 in Slovenia. With two to five daily deliveries, these are vehicles that travel more than 15.5 million kilometers per year. In order for everything to work, the vehicles are monitored with advanced software solutions, and there are additional digital tools for more precise tracking and locating of goods.

Within supply chains, inventory management, transport and logistics operations, as well as warehouse resource management are organized. Each of these sectors is organized with elaborate and proven work methodologies based on Lean Management and Kaizen, and then equipped with world-renowned tools for process and inventory management, and monitoring of key business performance indicators.

One of the tools that makes the strength of the Tokić Group's logistics reflected in the final shopping experience in the store is certainly the advanced WMS Symphony GOLD. Every sales advisor is trained to work in an advanced warehouse management system (WMS), which also uses advanced catalogs to browse hundreds of thousands of items. Thanks to integration with local and central inventory, the required part can be precisely selected, the warehouse, shelf and row can be located, and the part can be delivered in the shortest possible time.

The inventory management system is optimized using advanced technologies, and AI is included in the process management and data analysis. The Tokić Group prepared for this chapter during the digital transformation process, when supply chain processes were transferred to "Lokad" as a platform that manages inventory using AI. AI takes care of advanced demand and inventory forecasting, ordering, and replenishment of the range.

With price management by Simon-Kucher&Partners management, the maximum financial efficiency of the operations has been ensured in the ordering, storage, distribution and delivery of goods to the end user. Given the number of information and tasks, the efficiency of logistics systems is aided by more than 250 robotically automated (RPA) processes established internally, that perform more than ten million unique tasks annually.

14. Network of workshops of the highest standards

Standardization with the support of the sales network

Through a comprehensive partnership with leading suppliers and manufacturers of spare parts, regular training, and of course the sale of the aftermarket range, Tokić Group also manages two networks of repair workshops. In Croatia, this is the Auto Check Center (ACC), while in Slovenia it is the B.H.S. repair network. These are verified repair workshops, which can join the Tokić Group's network and support only after they meet the set standards, which imply much more than visual features.

This is a proven business form that Tokić established in Croatia in 2013 through membership and ownership shares in the global trade organization ATR International, which uses the same established model to manage a network of workshops in Germany.

Workshops of the highest standards, equipped with a comprehensive range of tools and educated staff, in addition to daily maintenance of the vehicle fleet, are a solution for contracted maintenance of larger fleets, but also for European recognition that comes to the fore during the tourist season or during cooperation with international companies.

TOKIĆ - AUTO CHECK CENTER (ACC)

The ACC (Auto Check Center) auto repair shop network was founded in 2013 according to the cooperation standards of ATR International AG, the largest and most successful association of auto parts distributors, of which Tokić is a shareholder.

A partnership model was then developed that enables the auto repair shops to further develop their business operations, while maintaining a recognizable name and image, but also relying on a large global network that counts several hundred repair shops in Germany alone. By integrating its own brand into recognizable blue-yellow corporate standards, every auto repair shop with the ACC prefix becomes more competitive on the market.

With better recognition and support from Tokić, as well as greater opportunities for repair shop equipment and education, and visits to major suppliers, ACC repair shops have a greater chance of market breakthrough and success. The developed network of Auto Check Centers is expanding daily thanks to the standard of service and education of mechanics, as well as close cooperation with TEC, and consists of 40 workshops. With new auto repair shops that have joined and the existing ones that were renovated, the network strategically covers the entire territory of the Republic of Croatia.

BARTOG - SERVISNA MREŽA BHS

The BHS (Bartog hitri servis) auto repair shop network began to develop during the rapid growth of the Slovenian automobile market 20 years ago. Today, there are 17 auto repair shops in its network, whose operations are carried out according to the highest standards, which include trained service technicians, equipped with modern tools and equipment, availability of the widest and best offer of auto parts, as well as a high level of exchange of knowledge and experience.

15. TEC Technical Education Center

Knowledge generator for mechanics, customers, partners and employees

The TEC Technical Education Center was founded in 2014 with the aim of developing and providing continuous support to mechanic workshops. It is based on the experience of today's Tokić Group, partnership with more than 300 suppliers and membership in the world's leading trade organization ATR International, in which the Tokić Group is a shareholder.

TEC and training courses were designed in accordance with the program of the Dortmund Chamber of Skilled Crafts from Germany, and over decades of operation, they have been optimized and adapted to new technologies, trends and laws. TEC has become a regional knowledge center with experienced lecturers who provide practical solutions to all challenges, which has been experienced by thousands of mechanics from the region.

In addition to training for mechanics, TEC also participates in the development of school curricula and lifelong learning programs, as well as regional competitions such as "World Skills" in Croatia and "Young Mechanic" in Slovenia.

Covering an area of more than 400 m2, the pleasant, well-lit and comfortable space of the education center is equipped with adequate equipment – the best selection of models, tools, modules, teaching aids and simulators. A separate quiet lecture room is provided for attendees and

partners, suppliers and car manufacturers, who regularly use TEC for their developmental purposes.

The entire space is designed to implement a training format that combines the theoretical part and didactic exercises with activities in practical work. Certificates are valued as professional training and are recognized in all EU countries, and some have been verified by the Ministry of Science and Education of the Republic of Croatia.

TEC's educational program consists of 21 training courses divided into eight categories that cover the key needs and knowledge of every mechanic's workshop. Depending on the complexity of the topic, training courses can be one-day, two-day or three-day and are held at the TEC premises at Slavonska avenija 3 in Zagreb. By agreement, depending on the size of the group and equipment needs, training courses can be organized outside the TEC Education Center.

16. Technologies and digitalization

Internal innovation and technologies

Digital transformation in Tokić is part of the Group's operational business operations, through which the foundation for further development and growth is created. The capacities and potential of Tokić in the field of digitalization and technological development, are confirmed by the employees with their presentations and appearances at conferences. This is also confirmed by the company itself as a recognized and acknowledged player in the "digitalized scene", especially in its own industry, but also as a member of communities such as the Croatian Artificial Intelligence Association CRO AI. Over the years, Tokić Group has significantly strengthened the infrastructure with which it internally builds digital products and also trains models for the AI it uses.

With the strengthening and consolidation of teams, all technology departments have been homogenized into a common organizational structure within the Group. Tokić is recognized as an attractive employer and interlocutor in the IT sector due to agile operations, but also deep use of data science, analytics, AI and machine learning.

Along with continuous internal development of new and optimization of existing products with a clear goal of improvement, according to the principles of LEAN work methodology, more than 250 robotically automated processes (RPA) have been developed. On average, they complete almost a million tasks per month. More than ten million tasks are performed automatically every year, and despite this, none of the employees lost their jobs due to digitalization.

During 2023, projects to improve the entire technological platform were started, as a basis for further expansion of business operations, connection with partners and continuation of technological innovations. The group further strengthens its financial stability through intelligent supply chain management. With a partnership with the French technology company Lokad, using machine learning and AI, inventory is managed and the specific needs of the market are productively calculated.

The implementation of the Lokad AI platform in 2024 on the Slovenian market has led to improvements in the supply chain. Better prediction of market needs and reduction of delays in deliveries further improved the efficiency and satisfaction of our customers.

In order to further increase the level of security, the Group has implemented network segmentation, which ensures better protection of data and communication channels. A Security Operations Center (SOC) has been introduced to continuously monitor and defend against cyber threats. Special attention is paid to the protection of our main domains in order to ensure the security of business processes and the trust of clients.

Additional security and protection of data and employee identity was achieved through the implementation of systematic management of mobile devices and scanners. This system enables immediate response in the event of device theft and prevents data leaks.

During 2024, in addition to improving the existing data architecture, the reporting method was also improved. These reports enable a better understanding of business processes, faster decision-making and greater transparency within the Group. In addition, a new internal tool, JIRA, was implemented for communication with the Group's technology departments, which was soon expanded to other departments. Approximately 18,000 requests were resolved using the JIRA system during 2024.

We have also implemented an online platform for Bartog's partners and customers, where we offer substitutes for items that we do not have in stock. This platform enables quick and easy product replacement, increasing customer satisfaction and reducing delivery wait times.

With the same goal, a telesales catalog was implemented for the branches' call center, which enables faster and more accurate ordering of products, providing operators with updated information about available items and their substitutes. Several apps were also developed internally to improve the process, such as a web app for dispatchers and internal deliveries, a system for reading data from invoices and automatic entry and processing, the JENZ social network, a new page for our ACC repair network, and an app for onboarding new colleagues.

With the aim of raising business efficiency to an even higher level, which would mean an even deeper application of analytics and AI in all areas of business operations, but also an immediate "360° business overview", Tokić also started building a new ERP system in 2024, which will enable even more precise monitoring and forecasting of inventories, management of pricing policy and spent resources, and all other aspects that may affect financial performance.

NEW PROCESS AND SALES DIGITAL TECHNOLOGIES:

• Digital signature - the possibility of digital signing and digital archiving of documents has been introduced in all branches

• The number of robots has exceeded 250 with more than 10 million completed tasks per year

• The SimplyDoc application was developed, which uses AI for the digitalization and processing of incoming documents, thereby simultaneously speeding up processes, reducing the possibility of errors, and saving working hours

• With over six million delivery kilometers per year, the Tokić Group continuously improves and digitizes fleet supervision and route optimization

• The continuous improvement of the digitalization and warehouse management system (WMS) ensures the logistic efficiency of the warehouse and the reduction of operating costs

• The logistical superiority of the Tokić Group is also based on the advanced management of the vehicle fleet with over 340 vehicles, with the aim of efficient, conscientious and economical use

• Inventory management with the company's extensive experience is complemented by algorithms and machine learning for precise prediction of the necessary inventory when ordering the product range

• Through the newly developed application, the administration of the onboarding of new colleagues and other tasks of the human resources department has been improved

• A new digital internal ticketing system for delivery drivers that tracks deliveries has also been improved.

• An app for recording travel orders and expenses has been implemented

• New web shop platform webshop.tokic.hr

• New Tokić mobile app of the drivers' loyalty club

• New digital loyalty program systems - TKLUB in Croatia and BKLUB in Slovenia

17. Ecology and sustainable development

Through resources optimization and sustainable projects towards the future

The importance of ecology and adaptation to climate change in the Tokić Group is a chapter that is approached strategically and in the long term through the development of infrastructure and partner relationships with the aim of greater efficiency, including reducing the consumption of energy and resources. Prudent use of resources is the current and most effective approach, but it is by no means sufficient. Therefore, the company, through its membership in the "Young Energy Europe" project as part of the Energy Scout training, has installed the lighting in a large logistics center in Sesvete with the aim of lower electricity consumption. The "Young Energy Europe" project was launched by the European Climate Initiative (EUKI).

The introduction of digital signatures and digital archives has enabled better visibility of documentation and improved user experience, but also reduced paper consumption. The same was enabled by the development of AI and robot-automated processes, which perform millions of tasks, so at the level of the Group they save around 24 tons of paper annually and save many trees.

In the Tokić logistics center, reusable plastic packaging with a special design made of recycled materials was integrated into the delivery and logistics processes. Its use provides numerous benefits – from ecological ones in the form of reducing the amount of waste and CO_2 emissions, to social and economic advantages in cost management and a general increase in profitability. Ultimately, it also contributes to reducing the consumption of cardboard waste production as a problematic raw material for recycling.

With the aim of ecological contribution and efficient business operations, the first Greenfield investment of the Tokić Group from 2021, which resulted in a large branch office in Bjelovar, was equipped with a 15 kW solar power plant in 2024. It began operating in August 2024 and has achieved maximum self-sufficiency of the location, as far as the grid allows, given that the branch is also equipped with a heat pump. The location itself has recorded a 30 percent energy saving, which is just the beginning of increasing energy efficiency that will continue throughout 2025.

In cooperation with the Road Traffic School in Zagreb, Tokić joined the "Green Skills 4 VET" project in 2024. This is an international initiative to which companies from Italy, Slovenia, Portugal and Croatia responded, thanks to which students actively reflect on case studies on given topics with experts from the companies. In Tokić's case, based on the "Green Skills 4 VET" project, road traffic technicians worked on the case study "Switching from motor to electric delivery vehicles in capillary distribution at Tokić".

18. Business operations and community

Recognizable corporate culture and core values

The human resources management strategy in the Tokić Group is based on providing support to projects that enable the implementation of the business strategy, the strengthening of leadership and the creation and retention of engaged and satisfied employees. Our human resources management department ensures a quality and efficient approach to human resources management, which lays a good foundation for our strategy.

With more than 1300 employees and about 120 branches in Croatia and Slovenia, we provide complex support for all departments within the organization. Tokić's business culture is based on collegiality, humility, and trust. With an average employee age of 37, the combination of youth and experience of the employees provides energy and wisdom to our teams, which contributes to successful work.

Corporate social responsibility is an important part of the Tokić Group's reputation. It continuously takes care of the local community, creates new opportunities and maintains existing ones. The Tokić Group contributes to the development of society, education and sports through various activities and initiatives. Concrete support is provided to employees and groups outside the business community. In 2024, significant financial resources were collected for employees affected by difficult life circumstances and illnesses, and donations were made to institutions and communities dealing with education, health, volunteerism and religion. In addition, the Group financially supported the Ana Rukavina Foundation and the Croatian Registry of Voluntary Hematopoietic Stem Cell Donors.

Support for sports in Tokić goes beyond sponsorship collaborations. In addition to racing and driver support, the TEC education center in Zagreb was made available to the sports club for technical vehicle inspections before the race. The activities of the Tokić Racing Team include sponsorship, support and education of young drivers and women in motorsport. During 2024, our representatives held inspiring lectures for elementary school students.

Investing in employee development and education is the foundation of the Tokić Group's success. Employees are connected by recognized common values, trust, and a focus on goals and results. Following the expansion of technology and the need for improvement, the concept of lifelong learning has become the business norm. Active education includes the areas of sales, procurement, managerial skills, foreign languages and professional education in accounting, finance, logistics and other departments within the company.

TRAINING

During 2024, the number of training courses in the Tokić Group increased significantly in terms of hours compared to 2023, with the aim of focused employee training. During 2023, 327 employees completed 309 hours of training, while during 2024, that number increased by 255 percent, to as many as 826 hours of training. 111 hours were completed through lectures held by internal lecturers, as the Group fosters knowledge transfer among employees, while 715 hours of education were completed with external lecturers. In addition to training for the purchasing and logistics departments, a significant number of hours were completed through training at the renowned IEDC Bled business school.

Tokić Group simultaneously takes responsibility and invests in the transfer of knowledge to its business partners and employees in its own Technical Education Center. Thus, 341 employees of Tokić and Bartog attended training courses at TEC taught by external partners. With the aim of professional development, the internal T1 Walk academy has been developed, which provides all employees with the opportunity to develop existing and new knowledge and skills. It also enables them to upgrade their professional knowledge, encourages them to a new way of thinking and greater engagement, proactivity, but also motivation and satisfaction in work.

In 2024, Tokić continuously invested in new employees and had active cooperation with vocational schools. The company participated in the "Career Days" in collaboration with the University of Applied Sciences Velika Gorica, with which it also maintains cooperation through the TEC education center. Also, the Erasmus+ project facilitated cooperation between Tokić and two high schools. The School of Tourism, Hospitality and Trade from Pula hosted a German vocational school, and Tokić introduced the exchange students to its processes and provided internships.

WORK BENEFITS

The Tokić Group implements continuous development of work benefits, as well as investments in the rights and salaries of its employees, in accordance with its core values. During 2024, the largest increase in the average salary in the company was recorded, as just one of the segments of the development of the employees' position within the company. In addition to developing through its own referral program, and having numerous examples where employees have progressed from operational to management positions, the Tokić Group constantly invests in work benefits. At the same time, even through internal surveys, it was recognized as one of the better-rated companies when it comes to additional work benefits. Along with young employees, the pillars of development are certainly experienced long-time employees, so in Tokić, in addition to the owner, there are still employees who have been there since the very beginning. It was precisely them, who celebrated 10, 15, 20, 25 and 30 years of service at Tokić, that were presented with valuable anniversary awards in 2024.

Additional work benefits:
- Easter bonus
- Vacation bonus
- Gift for children - St. Nicholas
- Christmas bonus
- Award for work results
- Support for a newborn child
- Support for the death of a close family member
- Jubilee awards
- Day off on the first day of school and monetary allowance
- Day off for female employees for Women's Day
- Internal and external training
- Meal allowance
- Subsidized Multisport card

COOPERATION WITH CHAMBERS

Through long-term cooperation with the German-Croatian Chamber of Industry and Commerce (AHK), Tokić has joined the dual vocational education initiative, developed according to the German model. Cooperation with the American Chamber of Commerce AmCham on the Croatian and Slovenian markets is reflected in global networking, but also in education and participation in various committees dealing with issues of mobility, finance and sustainability.

INTERNAL COMMUNICATION

The transparency of a company that communicates openly is reflected in the frequency of meetings, the establishment of communication through concrete communication boards placed in all branches and key parts of the logistics center, as well as digital two-way communication tools. With a horizontally oriented organizational structure, the Tokić Group ensures a very fast flow of information, which is additionally supported by the introduction, first of the Intranet in 2023, and then of the JENZ mobile application for two-way communication, which is available to all employees. The company also provides the possibility of anonymously contacting and reporting to human resources, and through the same system, it opens up the option for employees to provide support to colleagues and point out the needs of their own operations.

DONATIONS

Traditionally, the Tokić Group maintains its relationship with the community thanks to continuous education. In doing so, it focuses on investments in the development of education, sports, religious and humanitarian communities, as well as useful initiatives with a noble goal. When opening new branches, donations are regularly made with a focus on the educational and religious aspects of the local community. Knowing that the well-being of the community is also a guarantee of the satisfaction and quality of life of employees and their families, and ultimately of the company's operations, such donations are, as a rule, directed towards local associations and schools. During 2024, the Tokić Group has made about a hundred donations in Croatia with a total value of more than EUR 100,000. Vocational schools, sports and humanitarian associations, various initiatives by employees and the local community, as well as sports clubs, are just some of the institutions that are found on the list of donations.

LIFE IN THE COMMUNITY AND VOLUNTEERING

Tokić's employees regularly participate in volunteer activities throughout Croatia. At the time of the earthquake in the Sisak and Petrinja area, a commendable internal initiative was started in Tokić as the volunteer program "Heart in Motion". This is an initiative that was spontaneously started by the employees and which continues today, and is oriented towards the employees and everyone in need. Employees do not miss the opportunity to contribute to the community by participating in actions and projects such as "Nismo same" - Association of Women Suffering from and Treated for Cancer. They also do not miss out on supporting the "Wings for Life" activities, whose noble goal is to raise funds by paying the entry fee as a donation for finding a cure for spinal cord injury. They regularly volunteer every last Friday of the month at the Savao Association, and every year a fundraiser and gift collection during St. Nicholas and Christmas are organized.

With the end of summer, one of the happiest days at Tokić is certainly the organization of "Children's Day", which unites all the values that the company and its employees cherish. This is a day when all parents from Tokić are invited to visit the company with their children, for whom a special program has been prepared.

The positive working environment is also confirmed by the holding of a futsal tournament, which turned into a festival of collegiality, socializing, and finally football. An organized competition gives a whole new meaning to the term "team building" with energy that is the best example of the team spirit that prevails among employees. Due to business circumstances and numerous branch openings, the tournament was organizationally moved from the end of 2024 to the beginning of 2025, when more than 280 players in 40 teams once again presented a spectacle that combines collegiality and sport.

WITH PREVENTION TO HEALTH

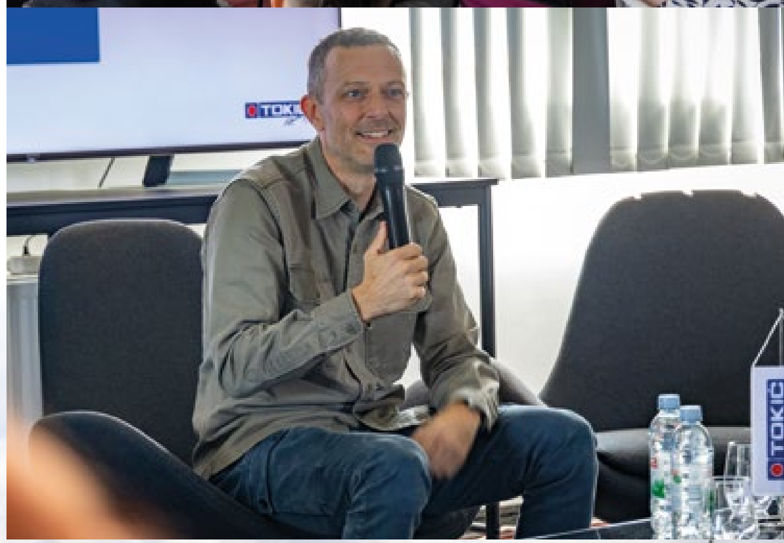
During 2024, Tokić has expanded health packages for its employees in collaboration with the Grgić Polyclinic. The polyclinic specializes in neurology, physical therapy, orthopedics and traumatology. The focus is on the treatment of problems caused by prolonged sitting, lack of activity, and sports injuries. At the same time, the company provides benefits in the form of membership in the MultiSport program throughout Croatia, as a support for the healthy lifestyle of its employees.

18.1. Safety in Motion

Tokić traditionally implements an action for schoolchildren at the beginning of the school year, calling for attention in traffic, under the name "Safety in Motion", which is also the company's slogan.

After organizing visits to the Zagreb Zoo with first-year elementary school students in previous years, as well as holding workshops with elementary school students in Osijek, a new step forward was taken in 2023. The most promising young professional drivers have issued an appeal to all drivers at a national level calling for road safety. Members of the Tokić Racing Team and champions of Croatia in various motorsport disciplines, who have an unblemished driving record, invited everyone to "be an example!"

The past 2024 brought the natural development of such an idea and campaign, which completely united the "Safety in Motion" initiative and the Tokić Racing Team. An all-day event was organized that brought together the most popular young drivers and influencers and talked about mobility, vehicles and traffic safety in workshops and panel discussions with more than 200 young students. In addition to the students, the event was visited by national television stations, and the Red Cross, the Ministry of Interior, HAKS and HAK were also present.



19. Events that marked 2024

January 2024

Bartog – Zoran Žeželj appointed as the new director of the company

BKLUB – customer loyalty program launched in Bartog

February 2024

Improvement and expansion of the TKLUB loyalty program in Tokić

April 2024

Tokić&Bartog EXPO "Tools of the Future" - the largest regional automotive aftermarket fair

May 2024

Slavonski Brod – new branch opened

June 2024

Kukuljanovo – new branch opened according to the Tokić Expert concept

June 2024

Karlovac – new Tokić branch opened

August 2024

Auto Check Center – repair shop in Kaštela included in the network

September 2024

Vukovar – new Tokić branch opened

Malinska – new Tokić branch opened

Ribnica – net Bartog branch opened

Tokić Racing Team – Matija Jurišić became

European champion on mountain trails

October 2024

Kaštela – new Tokić branch opened

Internal communication – an internal communication app launched

Safety in Motion – a major sports and safety campaign

Auto Check Center – repair shop in Labin included in the network

December 2024

Auto Check Center – repair network in locations in Daruvar, Kutina, Vinkovci and Valpovo

Sisak – new Tokić branch opened

20. Expectations for 2025

The development of the economy and the movement of market circumstances in 2025 remain uncertain. We expect further GDP growth in Croatia due to inflows from EU funds and strengthening of public and personal consumption, as well as slightly lower growth in Slovenia. We also expect a continued decline in interest rates, which began significantly during 2024, which will have a favorable impact on financing costs and business operations profitability. We hope for a further decline in inflation in both countries, which would enable stable purchase prices of commercial goods. Labor costs, which account for more than 60 percent of the Group's operating costs and have increased by more than 15 percent in 2024, will continue to be the focus of our operational management. With clearly defined goals and growth potential, we expect further sales growth in 2025 to EUR 250 million, and the achievement of normalized earnings before interest, taxes, depreciation and amortization (EBITDA) above the 2024 level. In early 2025, Tokić d.o.o. plans to split the company by separating real estate and real estate operations into a separate company. This will allow the management of the Group to focus even more on its "core" activity of trade in spare parts for motor vehicles.

2025 will be intensive in terms of capital investments. Investments in a new ERP and a new logistics-distribution center will represent a strong basis for the future growth and development of the Group. In operational business, in 2025 we will concentrate on (i) expanding the sales network of branches, (ii) increasing efficiency in working capital management, (iii) optimal management of the product range, (iv) increasing productivity in logistics, and (v) taking care of the organization and improving the material working conditions of employees.

FINANCIAL PERFORMANCE

DYNAMICS OF BUSINESS REVENUE

TOKIĆ			
in EUR 000	2024	2023	2024/2023
Retail	69.121	60.891	13,5%
Wholesale	57.737	47.733	21,0%
Export	32.533	31.842	2,2%
Services	1.503	1.071	40,4%
Other revenue	3.563	2.483	43,5%
Total	**164.457**	**144.020**	**14,2%**

TOKIĆ GROUP			
in EUR 000	2024	2023	2024/2023
Retail	141.611	128.472	10,2%
Wholesale	57.737	47.733	21,0%
Export	27.158	30.030	-9,6%
Services	2.452	1.120	119,0%
Other revenue	3.222	2.670	20,6%
Total	**232.179**	**210.026**	**10,5%**

In 2024, the Company generated a 14,2% increase in operating revenue. This is the result of the expansion of the sales network and the opening of new branches, organic growth in the existing business network and growth in revenue from sales to the affiliated company Bartog.

On an individual level, in 2024, the affiliated company Bartog d.o.o. generated a growth in sales revenue of 10% compared to the entire 2023. This growth was achieved mainly as a result of increased sales to the related company Tokić d.o.o. and through the existing sales network.

PROFITABILITY OF BUSINESS OPERATIONS

TOKIĆ			
in EUR 000	2024	2023	2024/2023
Revenue from sales	160.894	141.537	13,7%
Gross margin on revenue from sales	53.441	45.285	18,0%
EBITDA	15.799	13.796	14,5%
Net profit	**8.258**	**7.243**	**14,0%**

TOKIĆ GROUP			
in EUR 000	2024	2023	2024/2023
Revenue from sales	228.958	207.355	10,4%
Gross margin on revenue from sales	75.724	64.603	17,2%
EBITDA	19.544	17.462	11,9%
Net profit	**9.020**	**7.914**	**14,0%**

PROFITABILITY MARGINS

TOKIĆ			
	2024	2023	2024/2023
Gross margin on revenue from sales	33,2%	32,0%	1,2%
EBITDA margin	9,6%	9,6%	0,0%
Net profit margin	**5,0%**	**5,0%**	**0,0%**

TOKIĆ GROUP			
	2024	2023	2024/2023
Gross margin on revenue from sales	33,1%	31,2%	1,9%
EBITDA margin	8,4%	8,3%	0,1%
Net profit margin	**3,9%**	**3,8%**	**0,1%**

Continuous work on price and rebate policy while maintaining competitiveness on the market and synergistic effects led to positive developments in gross margin at the Group level and in both companies.

The EBITDA margin is stable compared to the previous year at the level of the Company and the Group the consequences of the accompanying costs of expanding business and opening new branches.

CURRENT LIQUIDITY RATIO

TOKIĆ		
in EUR 000	2024	2023
Current assets	79.559	73.015
Short-term liabilities	50.705	52.595
Current liquidity ratio	**1,57**	**1,39**

TOKIĆ GROUP		
in EUR 000	2024	2023
Current assets	101.890	97.528
Short-term liabilities	69.256	76.901
Current liquidity ratio	**1,47**	**1,27**

The ratio of current assets to short-term liabilities compares all current assets of the Company and the Group with short-term liabilities. The ratio of current assets to short-term liabilities is a liquidity indicator that measures the ability of the Company and the Group to settle its short-term debt from current assets.

SOURCES OF FINANCING

TOKIĆ				
in EUR 000	2024	Udio	2023	Udio
Capital and reserves	62.363	45,8%	57.815	46,7%
Long-term liabilities for loans and leases	22.881	16,8%	13.232	10,7%
Short-term liabilities for loans and leases	15.303	11,2%	24.736	20,0%
Accounts payable	26.003	19,1%	19.176	15,5%
Other liabilities	9.567	7,0%	8.832	7,1%

TOKIĆ GROUP				
in EUR 000	2024	Udio	2023	Udio
Capital and reserves	59.266	36,5%	54.640	35,6%
Long-term liabilities for loans and leases	33.540	20,7%	21.667	14,1%
Short-term liabilities for loans and leases	19.692	12,1%	32.026	20,9%
Accounts payable	39.004	24,0%	34.747	22,6%
Other liabilities	10.916	6,7%	10.500	6,8%

INDEBTEDNESS INDICATORS

TOKIĆ		
In EUR 000	2024	2023
Total liabilities	73.754	65.976
Total assets	136.117	123.791
Indebtedness ratio	**0,54**	**0,53**

TOKIĆ GROUP		
In EUR 000	2024	2023
Total liabilities	103.152	98.940
Total assets	162.417	153.580
Indebtedness ratio	**0,64**	**0,64**

TOKIĆ		
In EUR 000	2024	2023
Total liabilities	73.754	65.976
Capital and reserves	62.363	57.815
Financing ratio	**1,18**	**1,14**

TOKIĆ GROUP		
In EUR 000	2024	2023
Total liabilities	103.152	98.940
Capital and reserves	59.266	54.640
Financing ratio	**1,74**	**1,81**

Loan and lease liabilities are stable despite investments and turnover growth, which is the result of significantly improved operating cash flow.

NET DEBT/EBITDA

TOKIĆ		
In EUR 000	2024	2023
Long-term liabilities for loans and leases	18.283	10.973
Short-term liabilities for loans and leases	4.598	2.259
Cash and cash equivalents	14.035	23.892
Net debt	1.268	844
EBITDA	3.541	2.508
Net debt/ EBITDA	34.643	35.460
EBITDA	15.799	13.796
Neto dug/EBITDA	**2,2**	**2,6**

TOKIĆ GROUP		
In EUR 000	2024	2023
Long-term liabilities for loans and leases	22.972	11.487
Short-term liabilities for loans and leases	10.569	10.180
Cash and cash equivalents	16.969	30.054
Net debt	2.723	1.972
EBITDA	4.843	3.084
Net debt/ EBITDA	48.389	50.609
EBITDA	19.544	17.462
Neto dug/EBITDA	**2,5**	**2,9**

A significant positive shift in the ratio of Net debt/EBITDA in the Company and the Group was achieved as a result of improved absolute profitability compared to the previous year.

PROBABLE FUTURE BUSINESS DEVELOPMENT

The Company will continue to implement a conservative risk management policy, continuously control costs and accordingly, maintain the top quality of products and services, which is key to achieving a high level of satisfaction of our customers. The development of the economy, the general economic and political situation in the Republic of Croatia will affect the further development and operations of the Company. The planned focus of the Company on the core portfolio of goods and services has already been implemented in 2025 by separating the real estate business.

OTHER INFORMATION RELATED TO PERFORMANCE

In the business year, the Company and the Group did not carry out research and development activities, nor did they buy back own shares or carry out acquisitions of unaffiliated companies. The Company and the Group do not own subsidiaries. An overview of the financial instruments used by the Company and the Group, which may affect the assessment of assets, liabilities, financial position and performance, as well as the policies and objectives of financial risk management, are described in the notes to the financial statements.

RESPONSIBILITY OF THE MANAGEMENT BOARD FOR FINANCIAL STATEMENTS

In compliance with the Croatian Accounting Act, the Management Board is obliged to ensure that standalone and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), adopted by the European Union, in order to give true and fair presentation in all significant determinants of the financial positions, business results, cash flows and changes in equity of the TOKIĆ d.o.o. ("Company") and subsidiaries (collectively called „the Group") for the period.

Based on the research done, the Management Board expects the Company and the Group to have the suitable means to continue operations in the foreseeable future. Therefore, the Management board have incurred the standalone and consolidated financial statements under the assumption that the business will continue on a going concern basis.

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

- selecting of suitable accounting policies and their consistent application;
- giving reasonable and prudent judgments and estimates;
- application of valid financial reporting standards, disclosure and explanation of all material departures in financial statements and
- preparation of financial statements according to the going concern basis, unless it is inappropriate to presume that the Company will continue in operation.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and the Group and must also ensure that the standalone and consolidated financial statements comply with the Croatian Accounting Act.

Responsibility stated above also includes responsibility for the management report as an integral part of the annual standalone and consolidated financial statements. The Management Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In addition, in accordance with the Accounting Act, the Management Board is required to prepare an Annual Report, which includes financial statements and a management report. The management report was prepared in accordance with the requirements of Article 21 of the Accounting Act.

Chairman of the Board:
Ivan Šantorić

Member of Management Board:
Dražen Jurković

TOKIĆ d.o.o.
Ulica 144. Brigade Hrvatske vojske 1a
Zagreb, Republika Hrvatska

Zagreb, May 7, 2024

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INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF THE COMPANY TOKIĆ D.O.O.

Report on the Audit of the Financial Statements
Opinion

We have audited the financial statements of the Tokić d.o.o. (Company) and consolidated annual statement of the Group (Group) which comprise the separate and consolidated statement of financial position as at 31 December 2024, separate and consolidated income statement and the statement of other comprehensive income, separate and consolidated cash flow statement and the separate and consolidated statement of changes in equity for the year then ended, and notes to the separate and consolidated financial statements, comprising significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) (IESBA Code), as well as in accordance with the ethical requirements that are relevant for our audit of the annual separate and consolidated financial statements in the Republic of Croatia and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. .

Other information

Management is responsible for the other information. The other information comprises the Management Report included in the Annual Report of the Company and the Group, but does not include the separate and consolidated financial statements and our auditor's report thereon. Our opinion on the annual separate and consolidated financial statements does not include other information.

In connection with our audit of the separate and 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management Report, we also performed procedures required by the Accounting Act in Croatia ("Accounting Act"). Those procedures include considering whether the Management Report has been prepared in accordance with the requirements of Articles 21 and 24 of the Accounting Act.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and procedures above, in our opinion:
1. the information given in the Management Report for the financial year for which the financial statements are prepared, is consistent, in all material respects, with the separate and consolidated financial statements;
2. the Management Report has been prepared, in all material respects, in accordance with the requirements of Articles 21 and 24 of the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of the audit, we are also required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

revizije financijskih izvještaja, dužni smo izvijestiti ako smo ustanovili da postoje značajni pogrešni prikazi u priloženom Izvještaju poslovodstva. U tom smislu mi nemamo što za izvijestiti.

Management Board's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for internal control the management determines is necessary to allow the preparation of the separate and consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process. .

Auditor's responsibilities for the audit of annual financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing 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 financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the separate and 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 controls.

• 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 Company's and Group internal controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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

Odgovornosti revizora za reviziju financijskih izvještaja (nastavak)

• We obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Group to express an opinion on these consolidated financial statements.
We are responsible for directing, supervising and performing the Group audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Zagreb, 07th May 2025

UHY RUDAN d.o.o.
Ilica 213
10 000 Zagreb
Republic of Croatia

For and behalf of UHY RUDAN d.o.o.

Sandra Mikić
Certified Auditor

Dragan Rudan
Director

UHY RUDAN d.o.o.
za porezno savjetovanje i reviziju
ZAGREB, Ilica 213

FORVIS MAZARS d.o.o.
Strojarska cesta 20
10 000 Zagreb
Republic of Croatia

For and behalf of FORVIS MAZARS d.o.o.

Mirela Copot Marjanović
Director, Certified Auditor

Forvis Mazars d.o.o.
Zagreb

(All amounts are expressed in euros)

		COMPANY		GROUP	
	Note	2024	2023	2024	2023
Revenue	5	160.894.130	141.536.827	228.957.611	207.355.062
Other income	6	3.562.850	2.483.481	3.221.685	2.670.464
Total revenue		**164.456.980**	**144.020.308**	**232.179.296**	**210.025.526**
Cost of materials	7	(2.543.427)	(2.450.668)	(3.265.290)	(3.193.817)
Cost of goods sold	8	(107.453.101)	(96.252.243)	(153.234.100)	(142.751.657)
Cost of services	9	(8.307.252)	(6.615.979)	(14.776.116)	(11.349.648)
Staff costs	10	(26.251.499)	(21.436.496)	(35.833.284)	(30.472.815)
Depreciation and amortization	11	(4.736.062)	(4.045.547)	(6.849.394)	(6.257.118)
Other costs	12	(4.067.419)	(3.385.889)	(5.422.844)	(4.632.078)
Net reserves for risks and costs	13	(35.714)	(82.716)	(103.373)	(163.752)
Total costs		**(153.394.474)**	**(134.269.540)**	**(219.484.401)**	**(198.820.885)**
Operating profit		**11.062.506**	**9.750.768**	**12.694.895**	**11.204.641**
Financial income	14	125.243	81.895	142.904	84.285
Financial expenses	15	(1.449.299)	(804.689)	(2.429.057)	(1.500.148)
Loss from financial activities		**(1.324.056)**	**(722.795)**	**(2.286.152)**	**(1.415.863)**
Profit before tax		**9.738.450**	**9.027.974**	**10.408.743**	**9.788.778**
Profit tax	16	(1.480.445)	(1.785.460)	(1.388.367)	(1.875.212)
Profit for the period		**8.258.005**	**7.242.513**	**9.020.377**	**7.913.566**
Items that are subsequently transferred to profit and loss		-	-	-	-
Items that are not subsequently transferred to profit and loss		-	-	-	-
Profit for the period		**8.258.005**	**7.242.513**	**9.020.377**	**7.913.566**

The following accounting policies and notes form an integral part of these financial statements.

		COMPANY		GROUP	
	Note	31 December 2024	31 December 2023	31 December 2024	31 December 2023
ASSETS					
Non-current assets					
Intangible assets	17	665.160	164.666	1.589.842	1.277.219
Goodwill	18	169.407	169.407	5.992.187	5.992.187
Property, Plant, and Equipment	19	32.910.221	30.627.051	35.540.991	33.125.627
Right-of-use assets	20	5.679.442	2.983.964	12.900.557	11.921.381
Investment property	21	2.933.950	3.034.731	2.933.950	3.034.731
Other financial assets	22	13.686.655	13.686.655	-	-
Financial assets at fair value through profit or loss	23	9.598	9.598	9.598	9.598
Long-term receivables	24	50.998	47.471	949.112	608.897
Deferred tax assets	34	452.659	52.577	611.655	82.305
Total non-current assets		**56.558.089**	**50.776.120**	**60.527.891**	**56.051.945**
Current assets					
Inventories	25	48.390.605	43.503.889	65.663.339	62.113.214
Trade receivables	26	19.477.383	19.448.639	22.083.105	23.274.064
Other receivables	27	145.871	91.802	240.078	361.886
Short-term financial assets	28	89.329	369.285	105.894	387.470
Cash and cash equivalents	29	3.540.509	2.507.974	4.843.277	3.084.128
Prepaid expenses and accrued revenues	30	7.915.665	7.093.284	8.953.807	8.307.629
Total current assets		**79.559.361**	**73.014.872**	**101.889.500**	**97.528.391**
TOTAL ASSETS		**136.117.453**	**123.790.994**	**162.417.394**	**153.580.339**

The following accounting policies and notes form an integral part of these financial statements.

(All amounts are expressed in euros)

		COMPANY		GROUP	
	Note	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Equity and liabilities					
Share capital	31	31.150.000	31.150.000	31.150.000	31.150.000
Retained earnings		22.941.790	19.504.126	19.036.792	15.626.613
Loss carried forward		-	(95.260)	-	(95.260)
Capital reserves		13.467	13.467	13.467	13.467
Other reserves		-	-	45.225	31.570
Profit for the period		8.258.005	7.242.513	9.020.377	7.913.566
Total equity		**62.363.262**	**57.814.847**	**59.265.861**	**54.639.956**
Long-term provisions	32	165.184	145.418	165.184	145.418
Long-term loans	33	22.881.162	13.232.078	33.540.157	21.667.452
Deferred tax liabilities	34	3.123	4.010	189.821	226.078
Total long-term liabilities		**23.049.468**	**13.381.506**	**33.895.161**	**22.038.948**
Trade payables	35	26.002.830	19.176.014	39.004.094	34.747.071
Short-term loans	36	15.302.805	24.736.011	19.691.730	32.026.093
Income tax liabilities		311.324	872.956	804.846	1.420.966
Other short-term liabilities	37	4.787.203	4.101.169	6.345.583	5.873.526
Short-term provisions	32	347.578	336.804	557.063	532.492
Deferred expenses	38	3.952.983	3.371.686	2.853.057	2.301.287
Total short-term liabilities		**50.704.722**	**52.594.641**	**69.256.372**	**76.901.435**
Total liabilities		**73.754.191**	**65.976.147**	**103.151.533**	**98.940.383**
TOTAL EQUITY AND LIABILITIES		**136.117.453**	**123.790.994**	**162.417.394**	**153.580.339**

The following accounting policies and notes form an integral part of these financial statements.

COMPANY	Share capital	Capital reserves	Loss carried forward	Retained earnings	Total
Balance at 31 December 2022	**31.150.043**	**13.424**	**(95.260)**	**18.957.537**	**50.025.745**
Profit for the period	-	-	-	7.242.513	7.242.513
Capital paid in	-	-	-	-	-
Other changes in equity	(43)	43	-	546.589	546.589
Total comprehensive income for the period	**(43)**	**43**	**-**	**7.789.102**	**7.789.102**
Transfer from retained earnings	-	-	-	-	-
Balance at 31 December 2023	**31.150.000**	**13.467**	**(95.260)**	**26.746.640**	**57.814.847**

COMPANY	Share capital	Capital reserves	Loss carried forward	Retained earnings	Total
Balance at 31 December 2023	**31.150.000**	**13.467**	**(95.260)**	**26.746.640**	**57.814.847**
Profit for the period	-	-	-	8.258.005	8.258.005
Capital paid in	-	-	-	(1.569.818)	(1.569.818)
Other changes in equity	-	-	95.260	(2.235.032)	(2.139.772)
Total comprehensive income for the period	**-**	**-**	**95.260**	**4.453.155**	**4.548.415**
Transfer from retained earnings	-	-	-	-	-
Balance at 31 December 2024	**31.150.000**	**13.467**	**-**	**31.199.794**	**62.363.262**

* Other changes in the Company's equity in the amount of EUR 2,139,772 relate to the adjustment of previously recognized supplier bonuses for inventory, while the remaining pertains to other equity reconciliations. The supplier bonuses had initially been fully recognized within the cost of goods sold, although the entire quantity of goods purchased was not sold in the same financial year in which it was acquired.

The following accounting policies and notes form an integral part of these financial statements.

	GROUP					
	Share capital	Capital reserves	Other reserves	Loss carried forward	Retained earnings	Total
Balance at 31 December 2022	**31.150.043**	**13.424**	**25.388**	**(95.260)**	**15.075.651**	**46.169.246**
Profit for the period	-	-	-	-	7.913.566	7.913.566
Capital paid in	-	-	-	-	-	-
Other changes in equity	(43)	43	6.182	-	550.962	557.144
Total comprehensive income for the period	**(43)**	**43**	**6.182**	**-**	**8.464.528**	**8.470.710**
Transfer from retained earnings	-	-	-	-	-	-
Balance at 31 December 2023	**31.150.000**	**13.467**	**31.570**	**(95.260)**	**23.540.179**	**54.639.956**

	GROUP					
	Share capital	Capital reserves	Other reserves	Loss carried forward	Retained earnings	Total
Balance at 31 December 2023	**31.150.000**	**13.467**	**31.570**	**(95.260)**	**23.540.179**	**54.639.956**
Profit for the period	-	-	-	-	9.020.377	9.020.377
Capital paid in	-	-	-	-	(1.569.818)	(1.569.818)
Other changes in equity	-	-	13.655	95.260	(2.933.569)	(2.824.654)
Total comprehensive income for the period	**-**	**-**	**13.655**	**95.260**	**4.516.990**	**4.625.904**
Transfer from retained earnings	-	-	-	-	-	-
Balance at 31 December 2024	**31.150.000**	**13.467**	**45.224**	**-**	**28.057.169**	**59.265.860**

* Other changes in the Group's equity in the amount of EUR 2,841,013 relate to the correction of recognised supplier bonuses for inventory. The supplier bonuses earned had been fully recognised in the cost of goods sold, although not all of the purchased inventory was sold in the same year it was acquired. The accounting policies and the accompanying notes form an integral part of these financial statements.

The following accounting policies and notes form an integral part of these financial statements.

Standalone and consolidated statement of
comprehensive income for the year ended December
(All amounts are expressed in euros)

TOKIĆ GRUPA

		COMPANY		GROUP	
Cash flows from operating activities	Note	2024	2023	2024	2023
Profit before tax		**8.258.005**	**7.242.513**	**9.020.377**	**7.913.566**
Adjustments to reconcile net earnings to net cash provided by operating activities					
Income tax expense	16	1.480.445	1.785.460	1.388.367	1.875.212
Depreciation of property, plant and equipment and amortization of intangible assets	11	4.736.062	4.045.547	6.849.394	6.257.118
Interest expenses and exchange rate differences recognized in profit and loss	14, 15	1.411.695	737.896	2.383.389	1.431.109
Gains from sale of property, plant and equipment and intangible assets	6	(62.033)	(37.407)	(62.033)	(37.407)
Interest income	14	(87.639)	(15.101)	(97.237)	(15.246)
Value adjustment of receivables and inventories	12	142.153	189.139	265.004	357.433
Net cash inflow from operating activities before changes in working capital		**15.878.688**	**13.948.048**	**19.747.261**	**17.781.786**
(Increase) / Decrease in inventories	25	(4.886.716)	(9.097.832)	(3.550.125)	(11.353.741)
(Increase) / Decrease in trade receivables	26	(28.744)	(3.260.993)	1.190.959	(3.590.956)
(Increase) / Decrease in other receivables	27, 28	225.887	(381.715)	403.384	(491.918)
(Increase) / Decrease in trade payables	35	6.826.816	(2.023.044)	4.257.023	(100.243)
(Increase) / Decrease in other current liabilities	37	124.401	764.543	(143.879)	997.636
Income tax expense	16	(1.570.090)	(920.004)	(1.478.011)	(1.009.756)
Other (Increase) / Decrease of cash-flow		(627.869)	(322.354)	(1.151.775)	(1.195.693)
Income taxes paid	15	(1.389.342)	(736.674)	(2.301.018)	(1.381.884)
Net cash inflow from operating activities		**14.553.031**	**(2.030.025)**	**16.973.819**	**(344.769)**

		COMPANY		GROUP	
Cash flows from investing activities	Note	2024	2023	2024	2023
Interest received	14	87.639	15.101	97.237	15.246
Purchase of property, plant and equipment and intangible assets	17-21	(10.114.423)	(7.776.951)	(10.455.776)	(10.321.550)
Acquisition of subsidiaries paid in cash	22	-	-	-	-
Adjustment of exchange rate differences and share correction	22	-	-	-	-
Net cash (outflow) from investing activities		**(10.026.784)**	**(7.761.850)**	**(10.358.539)**	**(10.306.304)**

The following accounting policies and notes form an integral part of these financial statements.

(All amounts are expressed in euros)

		COMPANY		GROUP	
Cash flows from financing activities	Note	2024	2023	2024	2023
Capital paid in		-	-	-	-
Proceeds from borrowings	33, 36	38.510.504	26.691.106	54.891.694	28.883.819
Repayments of borrowings	36	(38.294.626)	(20.043.247)	(55.353.352)	(21.703.416)
Other changes in capital - acquisition/merger		(3.709.590)	546.586	(4.394.472)	557.140
Other cash inflows (outflows) from financial activities		-	-	-	-
Net cash (outflow) from financing activities		**(3.493.712)**	**7.194.445**	**(4.856.131)**	**7.737.544**
Net increase/ (decrease) in cash and cash equivalents	**29**	**1.032.535**	**(2.597.430)**	**1.759.149**	**(2.913.529)**
Cash and cash equivalents at the beginning of the period		**2.507.974**	**5.105.403**	**3.084.128**	**5.997.657**
Cash and cash equivalents at the end of the period	**29**	**3.540.509**	**2.507.974**	**4.843.277**	**3.084.128**

The following accounting policies and notes form an integral part of these financial statements.

1. Company information

Tokić d.o.o. ("the Company") from Sesvete was founded in 1990. The group consists of the parent company Tokić d.o.o. with its subsidiaries: Bartog Adria d.o.o. Croatia and Bartog d.o.o. Slovenia. The main business activities of the Group are sales, both retail and wholesale of auto parts, tires and other items for all types of cars and light trucks.
The Company's registered office is located at Ulica 144, Brigade Hrvatske vojske 1a, Sesvete.
The share capital of the Company and of the Group, amounts to 31,150,00 EUR..

1.1. Business acitivity

The main activity of the company is the purchase and sale of goods (auto parts).
The code of activity assigned to the Company per National classification of all economic activities is 4690.
Identification number - OIB of the Company is 74867487620.
According to the Accounting Act, the Company and Group are considered a large entrepreneur.

1.2. Number of employees

As of December 31, 2024 the Group had 1,313 employees (December 31, 2023: 1,199 employees) and the Company had 1,049 employees (December 31, 2023: 947 employees).

The Supervisory Board and the Management Board of the Company

The members of the Supervisory Board of the Company are as follows:

	Term	
Ilija Tokić	Chairman of the Supervisory Board	From 28.06.2022.
Ruža Tokić	Member of the Supervisory Board	From 03.05.2023
Zvonimir Šego	Member of the Supervisory Board, employees representative	From 03.05.2023

The members of the Management Board of the Company are as follows:

Ivan Šantorić	Chairman of the Management Board (CEO), represents the company individually and independently	From 12.10.2022.
Dražen Jurković	Member of the Management Board (CFO), represents the company individually and independently	From 12.10.2022.

(All amounts are expressed in euros)

2. IMPLEMENTATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Current period standards and interpretations

In the current year, the following amendments to existing standards and new interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union are effective:

Standard	Title
Amendments to IAS 16 "Leases"	Lease liabilities in a sale and leaseback transaction, adopted by the European Union on 20 November 2023 (effective for annual periods beginning on or after 1 January 2024).
Amendments to IAS 1	Classification of liabilities as current or non-current, including classification of deferred settlement obligations and non-current liabilities with covenants, adopted by the European Union on 19 December 2023 (effective for annual periods beginning on or after 1 January 2024).
IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"	Supplier finance arrangements, adopted by the European Union on 15 May 2024 (effective for annual periods beginning on or after 1 January 2024).

The Company and the Group have consistently applied accounting policies to all periods presented in the financial statements. The adoption of the aforementioned standards did not have any significant impact on the disclosures or on the amounts shown in these financial statements.

Standards and amendments to existing standards and interpretations published by IASB and adopted in the European Union, but not yet effective

On the date of approval of these financial statements, the Company has not applied the following new and revised International accounting standards issued and adopted by the EU, but not yet effective:

Standard	Title	EU adoption
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"	Lack of Exchangeability, adopted by the European Union on 12 November 2024 (effective for annual periods beginning on or after 1 January 2025)	Adopted

The Company and the Group have elected not to early apply these amendments to existing standards prior to their effective date, The Company and the Group do not expect that the adoption of the aforementioned Standards will have a significant impact on the Company's financial statements in future periods.

2. IMPLEMENTATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

New standards and amendments to standards published by IASB, but not yet adopted in the European Union

The IFRSs currently adopted by the European Union do not differ significantly from those issued by the IASB, except for the following standards and amendments to existing standards, which had not yet been adopted by the European Union by the date of issuance of these financial statements (the effective dates stated below refer to IFRSs as issued by the IASB):

Standard	Title	EU adoption
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"	Amendments on the classification and measurement of financial instruments (effective for annual periods beginning on or after 1 January 2026)	Not adopted yet
IFRS 18 "Presentation and Disclosure in Financial Statements"	The standard replaces IAS 1 "Presentation of Financial Statements" and introduces significant changes to the presentation of financial performance, with a particular focus on the statement of profit or loss. The objective of IFRS 18 is to enhance comparability and transparency in financial reporting across entities (effective for annual periods beginning on or after 1 January 2027)	Not adopted yet
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	The standard allows qualifying subsidiaries without public accountability to apply IFRS standards with reduced disclosure requirements. The aim is to lessen the reporting burden for such subsidiaries while ensuring that financial statements provide useful information to users (effective for annual periods beginning on or after January 1, 2027)	Not adopted yet

The Company and the Group do not expect that the adoption of the aforementioned Standards will have a significant impact on the financial statements of the Company and the Group in future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied to all periods presented in the financial statements.

3.1. Statement of compliance

The consolidated financial statements were prepared in accordance with the Accounting Act of the Republic of Croatia and International Financial Reporting Standards adopted by the European Union (IFRS). The financial statements are presented as standalone financial statements for the Company and as consolidated financial statements for the Group, The financial statements for the Group contain the consolidated financial statements of the Company and its subsidiaries.

3.2. Basis for preparation

The Company and the Group keep accounting records in the Croatian language, in euros and in accordance with the Croatian legal regulations and accounting principles followed by companies in Croatia.

Compilation of financial statements in accordance with the Accounting Act of the Republic of Croatia and the International Financial Reporting Standards in force in the European Union (IFRS) requires the Management Board to make estimates and make assumptions that affect the stated amounts of assets and liabilities and the disclosure of unforeseen assets and unforeseen obligation on the date of the financial statements, as well as on the reported income and expenses during the reporting period. The estimates are based on the information that was available at the date of the financial statements, and the actual amounts may differ from the estimates, The financial statements of the Company and the Group represent the aggregate amounts of assets, liabilities, capital and reserves of the Company and the Group as of 31 December 2024 as well as the results of operations for the year then ended.

3.3. Basis for consolidation

Konsolidirani financijski izvještaji Grupe uključuju financijske izvještaje Tokić d.o.o. ("Društvo") i društava nad kojima Tokić d.o.o. ima kontrolu (ovisna društva) na dan i za godinu koja je završila 31. prosinca 2024.. Kontrola je prisutna ako Društvo ima moć upravljanja financijskim i poslovnim politikama pojedinog društva radi ostvarivanja koristi iz njegova poslovanja.

(I) Subsidiaries
Subsidiaries are all companies over which the Company has control over financial and business policies, including more than half of the voting rights. The existence and effect of potential voting rights that can be used or replaced are considered when assessing whether the Company has control over another business entity, Subsidiaries are fully consolidated from the date on which control is actually transferred to the company and are excluded from consolidation from the day this control ceases.

(II) Mergers
The group uses the purchase accounting method for the accounting treatment of business combinations, The amount paid for the acquisition of the subsidiary is the fair value of the assets transferred, liabilities incurred and equity shares issued by the Group. Amount paid includes the fair value of each item of asset or liability resulting from the contingent consideration contract. Acquisition-related costs are recognized in the statement of comprehensive income as incurred, Acquired identifiable assets, liabilities and potential liabilities in a business combination are initially measured at fair value on the date of acquisition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3. Basis for consolidation (continued)

(II) Mergers (continued)
The group recognizes minority shares in the acquired subsidiary either at fair value or at the proportional share of the minority share in the net assets of the acquired subsidiary.
The excess of the fee transferred, the amount of any non-controlling share in the acquired subsidiary and the acquisition-date fair value of any earlier share in the acquired company over the fair value of the Group's share of the acquired identifiable net assets is reported as goodwill. If it is less than the fair value of the net assets of the acquired subsidiary, the difference is reported directly in the statement of comprehensive income.

(III) Non-controlling interests
Non-controlling interests are initially measured by their proportional share of recognized net assets of the acquired company on the date of acquisition. Changes in the Group's share in a subsidiary that do not result in a loss of control are accounted for as transactions with the owners.

(IV) Loss of control over subsidiaries
When the Group loses control over the subsidiary company, the assets and liabilities of the subsidiary company and all related non-controlling interests and other equity items cease to be recognized. Gains or losses are recognized in the income statement, The retained interest in the former subsidiary is measured at fair value when control is lost.

(V) Transactions Eliminated in Consolidation
Balances and transactions between members of the Group and all unrealized gains from transactions between members of the Group are eliminated during the consolidation of financial statements. Unrealized gains from transactions with subsidiaries and joint ventures where the Group shares control with other owners are eliminated to the level of the Group's share in such companies. Unrealized gains realized from transactions with subsidiaries, was eliminated by derecognition of the investment in that company, Unrealized losses are eliminated in the same way as unrealized gains, but only up to the amount that does not represent a permanent impairment of assets.

Consolidating Companies:

-Bartog d.o.o., Slovenia, for the following periods:
1 January 2023 – 31 December 2023 and 1 January 2024 – 31 December 2024

-Bartog Adria d.o.o., Croatia, for the following periods:
1 January 2023 – 31 December 2023 and 1 January 2024 – 31 December 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4. Goodwill

Goodwill represents the difference between the acquisition cost and the fair value of the Group's share in the net identifiable assets of the acquired subsidiary, the recognized amount of the non-controlling interest and the fair value of the previous share at the date of acquisition, Goodwill arising from the acquisition of a subsidiary is reported under intangible assets.

Goodwill is tested for impairment annually or more frequently, if events and circumstances indicate a potential impairment, and is stated at acquisition cost reduced by accumulated impairment losses, Goodwill impairment losses are not reversible, Profits and losses from the sale of a business entity include the book value of goodwill related to the sold entity, Goodwill is allocated to cash-generating units for impairment testing purposes, The allocation is made to those cash-generating units that are expected to benefit from synergies from the business combination in which the goodwill arose.

3.5. Transactions in foreign currencies

(a) Functional and Reporting Currency
Items included in the financial statements of each individual member of the Group are expressed in the currency of the primary economic environment in which that company operates ('functional currency'), The consolidated financial statements are presented in euros, which represents the functional and reporting currency of the Company and the Group from January 1, 2023, when the euro was introduced as the official national currency based on the Law on the introduction of the euro as the official currency in the Republic of Croatia.

(b) Foreign currency transactions and balances
Transactions in foreign means of payment are converted into the functional currency so that the amounts in foreign means of payment are converted at the exchange rate on the day of the transaction or on the day of valuation in case the items are revalued. Gains or losses from exchange rate differences, which arise when settling these transactions and recalculating monetary assets and liabilities expressed in foreign currencies, are recognized in the income statement.
Gains or losses from exchange rate differences relating to liabilities for received loans and liabilities for leases are reported in the profit and loss account within financial income or expenses. All other gains or losses from exchange differences are reported under the item "Other gains/(losses) - net" in the income statement.

(c) Members of the Group
The results of operations and the financial condition of all members of the Group whose functional currency differs from the reporting currency are converted into the reporting currency as follows:

(I) assets and liabilities for each balance sheet are converted according to the closing exchange rate on the date of that balance sheet;
(II) income and expenses for each profit and loss account are converted according to average exchange rates; and
(III) all resulting exchange rate differences are recognized in a separate position within other comprehensive income.

In consolidation, exchange rate differences arising from the recalculation of net investments in foreign subsidiaries are recorded in other comprehensive income. When selling a foreign subsidiary, all exchange rate differences from equity are reclassified from other comprehensive income to the income statement as part of the gain or loss from the sale.

Goodwill and fair value corrections upon acquisition of a foreign company are treated as assets and liabilities of the company abroad, and are recalculated at the closing exchange rate on the balance sheet date. Exchange rate differences arising during conversion are recognized within other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6. Revenue recognition

Revenue is recognized upon transfer of control, either over time or at a specific point in time.

Control over asset is defined as the ability to manage the way it is used and obtain almost all the remaining benefits from the asset, which include the ability to prevent others from managing the way it is used and obtaining benefits from the asset. Benefits related to assets are potential cash inflows that can be directly or indirectly realized. The entity recognizes income over time if one of the following criteria is met: the customer simultaneously receives and consumes all the benefits that the entity enables him through its actions, the entity's actions create or improve assets that are under the control of the customer as the assets are created, or through the entity's actions no asset of alternative purpose is created for the subject and the subject has a legally enforceable right to payment for the actions performed so far, If the subject does not fulfill its act over time, it fulfills it at a certain moment. Therefore, income is recognized by the transfer of control at a certain point in time. Factors that may indicate the timing of a transfer of control include, but are not limited to, the following: the entity has a present right to payment for the subject asset; the buyer has legal ownership of the property; the subject has transferred physical possession of the property; the buyer bears the significant risks and rewards associated with ownership of the property and the buyer has accepted the property.

Revenues are measured at the fair value of fees received or receivables for products, goods or services sold during the Group's regular operations. The Group recognizes revenue when it transfers the risk of the product or service to the customer. Revenues are reported in amounts reduced by value added tax, rebates and discounts. The Group recognizes income when the amount of income can be reliably measured and when it is probable that the The Group will realize future economic benefits and when the specific criteria for all the Group's activities described below are satisfied.

Income from wholesale trade goods
Revenues from the wholesale of goods are recognized when the Company and The Group make deliveries to the wholesaler, when it no longer affects the management of the goods and when there is no outstanding obligation that could affect the acceptance of the product by the wholesaler. Delivery is made when the goods are shipped to a specific location, the risks of loss are transferred to the wholesaler, and when one of the following is established: the wholesaler accepts the goods in accordance with the contract, or the deadline for accepting the goods has passed, or the Company has objective evidence that all the criteria have been met, The goods are sold with a volume discount and customers have the right to return defective goods. Revenues from sales are reported based on the price from the sales contract, reduced by quantity discounts and sales discounts and returns. Volume discounts are estimated based on expected annual sales, The sale does not include financing elements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6. Revenue recognition (continued)

Retail sales of merchandise
Revenues from the retail sale of goods are recognized at the time of sale of the goods to the customer, Revenues from retail sales are mostly generated in cash or via credit cards, Reported income includes credit card fees, which are reported under other expenses.

Service sales
Revenues from services are recognized in the period in which the services are performed, based on the share of services actually performed in relation to the total services to be performed.

Rental income
Income from rental services is recognized in the period in which the services are provided, using the straight-line method during the period of the contract with the lessees, and is reported in the profit and loss account, as part of other operating income.

Interest income
Interest income generated on the basis of deposited funds in banks, loans and interest from customers is recognized on a time-proportional basis using the effective interest rate method.

3.7. Government grants

Government grants are not recognized until the fulfillment of the conditions for obtaining government support and the receipt of the grants become realistically certain, Government grants are recognized in profit and loss systematically over the period in which the Company recognizes the costs to be covered by the grant as expenses, In particular, state grants where the basic condition is for the Company to acquire, build or in some other way acquire fixed assets are recognized in the financial statement of the financial position as income of future periods and are transferred to profit and loss systematically and rationally during the useful life of the subject asset, Receivables based on state grants for compensation of already incurred costs or losses or for the purpose of providing current financial support to the Company without future related costs are recognized in the profit and loss of the period in which the claim for them arises.

3.8. Borrowing costs

Borrowing costs that can be directly related to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily requires a significant amount of time to be ready for its intended use or sale, are attributed to the acquisition cost of that asset until the asset is substantially ready for intended use or sale, Investment income earned by temporary investment of dedicated loan funds until the start of their spending on a qualified asset is deducted from borrowing costs whose capitalization is acceptable. All other borrowing costs are included in the profit or loss of the period in which they were incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9. Income tax

Current and deferred taxes

Income tax expense for the period consists of current and deferred tax, The tax is reported in the profit and loss account, except for the part that refers to the items recognized in the statement of comprehensive income or directly in the equity, In this case, the tax is also recognized in the statement of comprehensive income or directly in equity. The amount of profit tax for the current year is calculated on the basis of the tax law that is in force or partially applied on the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable profit. Current tax represents the expected tax liability calculated on the taxable amount of profit for the year, using the tax rate in effect on the reporting date and all tax liability adjustments from previous periods.

The amount of deferred tax is calculated using the balance sheet liability method, on temporary differences between the tax base of assets and liabilities and their book value in the financial statements. However, deferred tax is not recognized if it results from the initial recognition of assets or liabilities in a transaction that is not a business combination and which, at the time of the transaction, does not affect accounting profit or taxable profit or loss, Deferred tax is recognized on temporary differences arising from investments in subsidiaries, except when the the Group controls the timing of the recovery of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset will be recovered or the liability settled, based on the tax rates that are and the tax laws that are effective or partially applied at the balance sheet date. Deferred tax assets are recognized up to the amount of future taxable profit for which it is probable that they will be available for the utilization of temporary differences.

3.10. Property, plant, equipment and intangible assets

Property, plant and equipment and intangible assets are initially recognised at acquisition cost, and are subsequently reduced for impairment. The acquisition cost includes the purchase value, import duties and non-refundable sales taxes (tangible assets), i,e, any expenditure that can be directly attributed to the preparation of the asset for the intended use, such as employee compensation costs, professional fees that directly result from putting the asset into working condition, testing costs (intangible assets), as well as all other costs directly attributable to bringing the asset into condition for its intended use, The costs of current maintenance and repairs, replacement and investment maintenance of a smaller scale are recognized as expenses when incurred. In situations where it is clear that costs have resulted in an increase in future expected economic benefits, which should be realized by using property, plant, equipment and intangible assets beyond their originally estimated capabilities, they are capitalized, that is, included in the book value of that asset. Gains and losses based on the disposal or disposal of property, plant, equipment and intangible assets are reported in the statement of comprehensive income in the period in which they arose.

Depreciation calculation begins when the asset is transferred into use. Depreciation is calculated so that the acquisition cost or the estimated value of the asset, except for land and property, plant, equipment and intangible assets in preparation, is written off during the estimated useful life of the asset using the straight-line method as follows.

(All amounts are expressed in euros)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10. Property, plant, equipment and intangible assets (continued)

	COMPANY		GROUP	
Property, plant, equipment and intangible assets	Amortization/ depreciation rates 31 December 2024	Amortization/ depreciation rates 31 December 2023	Amortization/ depreciation rates 31 December 2024	Amortization/ depreciation rates 31 December 2023
Buildings	5%	5%	5%	5%
Machinery	25%	25%	25%	25%
Tools, furniture, office and laboratory equipment, measuring and control instruments	25 - 50%	25 - 50%	25 - 50%	25 - 50%
Means of transport	20 - 25%	20 - 25%	20 - 25%	20 - 25%
IT equipment	50%	50%	50%	50%
Projects	50%	50%	50%	50%
Software	50%	50%	50%	50%
IFRS 16	rental – the amortization rate is related to the contracted duration of the rental			

In 2023 and 2024, depreciation rates at the Group level are harmonized according to IFRS standards with the Company's depreciation rates.

3.11. Investment Property

Investment property is property owned for the purpose of generating rental income or increasing the market value of the property. Investment property are measured at cost, which includes transaction costs. After the initial measurement, investment property are measured at cost, reduced by accumulated depreciation and impairments.

Each share of the Company in property that the Company issues as part of a business lease for the purpose of generating rental income is calculated as an investment property.

Investment property is derecognized at the time of sale or permanent withdrawal from use, as well as when no future economic benefits are expected from its disposal. Any profit or loss arising from the derecognition of investment property, determined as the difference between the net inflows realized from the sale and the net book value of the investment property in question, is included in the profit and loss of the period in which the investment property was derecognized.

3.12. Impairment of property, plant, equipment and intangible assets

At each reporting date, the Company and the Group review the net-book value of their property, plant and equipment and intangible assets to determine whether there are any indications of impairment losse.. If such indications exist, the recoverable amount of the asset is estimated in order to determine possible losses due to impairment, If the recoverable amount of an asset cannot be estimated, the Company and the Group estimate the recoverable amount of the cash-generating unit to which the asset belongs. If it is possible to determine a realistic and consistent basis for allocation, the assets of the Company and the Group are also allocated to individual cash-generating units or, if this is not possible, to the smallest group of cash-generating units for which a realistic and consistent basis of allocation can be determined.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13. Inventories

Trade goods inventory are recognised at purchase costs or net realizable value, depending on which value is lower, The net realizable value represents the estimate of the selling price in the ordinary course of business reduced by variable selling costs.

The Group uses the FIFO (first-in-first-out) method to determine inventory costs, Inventories of trade goods are stated at selling price reduced by taxes and margin.

If necessary, The Group carries out the impairment of damaged stocks and stocks whose use-by date has passed.

The amount of any write-down of inventory up to the net realizable value and all inventory shortages are recognized as an expense in the period of the write-off, i,e, when the shortage occurs. The amount of any reversal of inventory write-downs resulting from an increase in net realizable value is recognized as a reduction in the amount of inventory recognized as an expense in the period in which the reversal occurred.

3.14. Trade receivables and advance payments

Trade receivables are initially recognized at fair value, and are subsequently measured at amortized cost using the effective interest rate method. The expected loss from impairment is estimated depending on the activity of the customer or the activity of the recipient of the loan, based on historical data, the current and expected state of liquidity, as well as specific estimates for individual customers depending on the current situation on the market and the probability of default. There were no changes in valuation techniques or significant assumptions during the current reporting period. Amounts of impairment of receivables are reported in the profit and loss account under 'other business expenses'. Loans and receivables with a maturity of more than 12 months after the reporting date are classified as non-current assets.

3.15. Cash and cash equivalents

Cash and cash equivalents consist of balances in bank accounts and money in the cash register, deposits and callable security or within three months at the latest.

3.16. Provisions

Provisions are recognized when the Company has a present obligation (legal or derived) that arose as a result of past events, if it is likely that the Company and the Group will need to settle this obligation and if the amount of the obligation can be reliably estimated. Provisions are reviewed on the date of the statement of financial position, and are reconciled with the assessment based on the current best knowledge. When the amount of the diminution in the value of money is significant, the amount of the provision is the present value of the costs expected to be incurred to settle the liability, determined using the estimated risk-free interest rate as the discount rate, When discounting is used, each year the impact of discounting is booked as a financial expense, and the stated value of the provision is increased each year for the elapsed time. The amount recognized as a provision is the best estimate of the consideration that will be required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties associated with the obligation. If the provision is measured using an estimate of the cash flows required to settle the present liability, the carrying amount of the liability is the present value of those cash flows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17. Severance pay, jubilee awards and other employee benefits

(a) Pension liability and other post-retirement liability
In the course of regular business, when paying salaries, the Company makes regular payments of contributions on behalf of its employees who are members of mandatory pension funds in accordance with the law. Mandatory pension contributions to the funds are reported as part of salary expense when they are calculated, The company does not have an additional pension plan and therefore has no other obligations regarding employee pensions. Furthermore, the Company has no obligation to provide any other benefits to employees after their retirement.

(b) Severance pay
Severance pay liabilities are recognized when the Company terminates the employee's employment before the normal retirement date.

(c) Regular severance pay upon retirement
Severance payments due in a period longer than 12 months after the reporting date are discounted to their present value.

(d) Long-term employee benefits
For defined benefit plans, benefit costs are determined using the projected credit unit method based on an actuarial valuation performed on each reporting date. Gains and losses arising from actuarial valuation are recognized in the period in which they arise.

3.18. Financial assets

As of January 1, 2018, the Company classifies its financial assets into a category that is measured at amortized cost using the effective interest rate method and as part of a business model that aims to collect contracted cash inflows and according to which the cash inflow is realized solely on the basis of repayment of the principal and interest on the outstanding principal amount (IFRS 9). Financial assets are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. It is presented under short-term assets, except for assets with a maturity of more than 12 months after the date of the statement of financial position. Such assets are classified as fixed assets. The Company ceases to recognize financial assets only when the contractual right to cash inflows for the asset in question has expired or when the financial asset and almost all the risks and rewards associated with ownership of it are largely transferred to another entity, If the Company does not transfer or retain almost all the risks and rewards associated with ownership and if it still has control over the transferred property, it recognizes its retained share in the property and the related liability in the amounts it may have to pay. If the Company retains most of the risks and rewards associated with the ownership of the transferred financial asset, this asset continues to be recognized, while at the same time recognizing the secured loan from the realized inflows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19. Financial assets

When the entire financial asset is derecognised, the difference between the book value of the asset and the sum of the compensation received and claims for compensation and the cumulative profit or cumulative loss reported as part of other comprehensive income and accumulated in the capital is transferred to profit or loss.

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

For financial assets, except for purchased or created credit-impaired financial assets (i,e, assets that are credit-impaired at initial recognition), the effective interest rate is the rate that accurately discounts estimated future cash receipts (including all fees and points paid or received that form an integral part effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, throughout the expected life of the debt instrument, or, where appropriate, a shorter period, on the gross book value of the debt instrument at initial recognition. For purchased or originated credit-impaired financial assets, the effective interest rate matched to the loan is calculated by discounting estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument at initial measurement.

Amortized cost of a financial asset is the amount at which a financial instrument is measured at initial recognition less principal repayments and increased by cumulative amortization, using the effective interest rate method of any difference between that initial amount and the maturity amount, adjusted for any loss, The gross book value of a financial asset is the amortized cost of the financial asset before adjustment for any loss.

Interest income is recognized using the effective interest rate method for debt instruments that are subsequently measured at amortized cost. For financial assets, except for purchased or created credit-impaired financial assets, interest income is calcul.ted by applying the effective interest rate to the gross book value of the financial asset, except for financial assets that later became credit. For financial assets that later became credit-impaired, income of interest is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on a credit-impaired financial instrument improves so that the financial instrument is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross book value of the financial asset. For purchased or created credit-impaired financial assets, the Company recognizes interest income by applying the effective interest rate adjusted to the credit risk on the amortized cost of the financial asset at initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired, Interest income is recognized in the income statement and is included in the item "Financial income - interest income".

IImpairment of financial assets
The company recognizes provisions for expected credit losses from trade receivables and debt instruments that are measured at amortized cost. The amount of expected credit losses is calculated at each reporting date to reflect changes in credit risk since the initial recognition of an individual financial instrument. The company always recognizes lifetime expected credit losses (ECL) for trade receivables based on the selected simplified approach.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19. Financial assets (continued)

Impairment of financial assets (continued)
The Company does not currently adjust the loss rate for future macroeconomic conditions as 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 loans granted, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition, However, if the credit risk on the financial instrument has not significantly increased since initial recognition, the Company measures the loss for that financial instrument in an amount equal to the 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events during the expected lifetime of the financial instrument, In contrast, the 12-month ECL represents a part of the lifetime ECL due to the probability of default in the next 12 months after the reporting date.

(I) Significant increase in credit risk
When assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of default on the reporting date with the risk of default on the financial instrument on the date of initial recognition. During this assessment, the Company takes into account both quantitative and qualitative information that is reasonable and available, including historical experience and that is available without unnecessary costs or involvement.

In particular, the Company relies on days of delay when assessing a significant deterioration in credit risk, If the debtor is late for more than 30 days, then the Company assumes that there has been a significant increase in credit risk.

Despite aforementioned, it is assumed that the credit risk on a financial instrument has not significantly increased since initial recognition if the financial instrument is determined to have a low credit risk at the reporting date, It was determined that a financial instrument has a low credit risk if:

- The financial instrument has a low risk of default status,
- The debtor has a strong ability to settle its contractual obligations in a short period of time, and
- Unfavorable changes in economic and business conditions in the long term may, but not necessarily, reduce the borrower's ability to meet its contractual cash flow obligations.

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

The Company regularly monitors the effectiveness of the criteria used to determine whether there has been a significant increase in credit risk and revises them to ensure that the criteria can identify a significant increase in credit risk before payment delays occur.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19. Financial assets (continued)

Impairment of financial assets (continued)

(II) Defining of default status
The following facts that represent a case of default for the purposes of internal credit risk management, the Company considers historical experience that show that financial assets that meet any of the following criteria are generally not recoverable, are data developed internally or obtained from external sources indicate that it is unlikely that the debtor will pay his creditors, including the Company, in full (without taking into account any collateral held by the Company).

(III) Credit impairment of financial assets
A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of that financial asset, Evidence that a financial asset is credit impaired includes available information on the following events:

- significant financial difficulties of the issuer or debtor;
- emergence of default status (defined above);
- hen the issuer, due to the debtor's financial difficulties, approves the same concession that he would otherwise not consider;
- it becomes likely that the debtor will go into bankruptcy or other financial reorganization;
- the disappearance of an active market for certain financial assets due to financial difficulties.

(IV) Write-off policy
The company writes off financial assets when there is information indicating that the debtor is in serious financial difficulties and that there are no realistic prospects for recovery, eg when the debtor is placed under liquidation or is in bankruptcy proceedings, A written-off financial asset may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. The recovery is recognized in the profit and loss account.

(V) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the loss rate calculated according to the appropriate model. As for the exposure at the time of default status, for financial assets it represents the gross book value of the assets on the reporting date. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows due in accordance with the contract and all expected cash flows, discounted at the original effective interest rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19. Financial assets (continued)

Impairment of financial assets (continued)
If the Company measured provisions for expected credit losses for a financial instrument in the amount of the lifetime ECL in the previous reporting period, but on the current reporting date determines that the conditions for the lifetime ECL are no longer met, the Company measures the loss in an amount equal to the 12-month ECL - at the current reporting date, except for assets for which the simplified approach was used (trade receivables).

The company recognizes profit or loss from reductions in the profit and loss account for all financial instruments with a corresponding adjustment of the book value through the loss provision account.

3.20. Leases (IFRS - 16)

(I) Group activities related to leases and accounting policy
The Group rents various offices, equipment and vehicles, Lease agreements are usually concluded for a specific period of 12 months to 5 years, but may also have the option of extension, Lease agreements can contain both lease and non-lease components, GROUP decided not to separate these components, but to treat the contracts as a single component of the lease, The terms of the rental agreement are negotiated on an individual basis and contain a wide range of different conditions, Lease agreements do not impose any contractual conditions other than security interests in the property subject to the lease, Leased assets cannot be used as collateral for loans.

Assets and liabilities arising from leases are initially measured based on present value, Lease liabilities include the net present value of the following rent payments:

• Fixed payments (including essentially fixed payments), less claims for lease incentives,
• Index or rate-based variable lease payments, initially measured at the index or rate in effect on the lease inception date,
• Amounts expected to be paid by the Group under residual value guarantees,
• The exercise price of the purchase option if it is reasonably certain that the Group will exercise the option,
• Penalty payments for termination of the lease, if the terms of the lease reflect the use of the termination option.

Lease payments made under reasonably certain extension options are also included in the measurement of the liability, Lease payments are discounted using the interest rate implicit in the lease agreement. If this rate cannot be determined, which is generally the case for Group leases, the lessee's incremental borrowing rate is used, which is the rate the lessee would pay to borrow the funds needed to purchase an asset of similar value to the right-of-use asset, in a similar economic environment, with similar condition, insurance and conditions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20. Leases (continued)

(I) Group activities related to leases and accounting policy (continued)
Lease payments are divided into principal and interest. Interest expense is debited to the income statement over the term of the lease to create constant periodic interest on the remaining balance of the liability for each period, The right to use the property is measured at cost, which includes the following:

• The amount of the initial measurement of the lease liability,
• Any lease payments made prior to or on the lease commencement date less any lease incentives received,
• Any initial direct costs, and
• Costs of renovation.

Right-of-use assets are usually amortized on a straight-line basis over the shorter of the asset's useful life or the term of the lease, If it is reasonably certain that the Group will exercise the option to purchase the asset, depreciation is calculated over the useful life of the asset.

Payments related to short-term leases of equipment and vehicles and all leases of low-value assets and software licenses are recognized on a straight-line basis in the income statement. Short-term leases are leases with a term of 12 months or less, Assets of low value refer to IT equipment and smaller items of office furniture.

(II) Variable lease payments
The Group may be exposed to variable payment terms linked to an index or rate, which are not included in the lease obligation until they come into effect. When index-based or rate-based adjustments take effect, lease obligations are revalued and the right-of-use value is adjusted. Variable rent payments that depend on the realization of sales, if they are contracted, are reported in the profit and loss account under the item "Other operating expenses".

(III) Extension and cancellation options
Extension and cancellation options are included in many of the Group's real estate and equipment leases, They are used to maximize operational flexibility in managing assets used in the Group's operations. Rental income in which the Group is the lessor is recognized in the profit and loss account on a straight-line basis over the duration of the lease. Initial direct costs incurred when obtaining an operating lease are added to the book value of the subject property and recognized as an expense over the lease term on the same basis as lease income, The leased asset in question is included in the Group's balance sheet based on its nature.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21. Contingent assets and liabilities

Contingent assets are not recognized in the financial statements, but are disclosed when an inflow of economic benefits becomes probable. Contingent liabilities are not recognized in the financial statements, They are published only if the possibility of an outflow of resources that constitute economic benefits is certain.

3.22. Events after the date of the statement of financial position

Events after the date of the statement of financial position that provide additional information about the position of the Company at the date of the statement of financial position (events that have the effect of reconciliation) are reflected in the financial statements. Those events that do not result in reconciliation are disclosed in the notes to the financial statements if they are of material importance.

3.23. Financial liabilities

Financial liabilities recognized by the Company are liabilities to suppliers and loans, The company measures all financial liabilities at amortized cost.

(a) Trade Payables
Trade payables are liabilities to pay the supplier for goods received or services received in the course of regular business. Trade Payables are classified as current if they are due for payment within one year, or within the regular business cycle if it is longer. Otherwise, liabilities are classified as non-current, Trade payables are initially recognized at fair value, and are subsequently measured at amortized cost using the effective interest rate method.

(b) Borrowings
Borrowings are initially recognized at fair value, less transaction costs, In future periods, borrowings are reported at amortized cost. All differences between receipts (minus transaction costs) and redemption value are recognized in the profit and loss account during the term of the loan, using the effective interest rate method.

Borrowings are classified as short-term liabilities, unless the Company has an unconditional right to postpone the settlement of the liability for at least 12 months after the reporting date.

The Company ceases to recognize financial liabilities when, and only when, the liabilities are paid, canceled or expired. The difference between the book value of the financial liability written off and the compensation paid for the compensation liability is included in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND MAIN SOURCES OF ESTIMATION UNCERTAINTY

When applying the Company's accounting policies, which are described in Note 3, the Management should make judgments, estimates and make assumptions about the accounting amounts of assets and liabilities that are not visible from other sources. Estimates and related assumptions are based on past experience and other relevant factors, Actual results may differ from estimates. Estimates and assumptions on the basis of which the estimates were derived are continuously reviewed. Changes in accounting estimates are recognized in the period of revision of the estimate if the change affects only that period or in the period of revision of the estimate and in future periods if the change affects both current and future periods. Appraisals were used, but not limited to depreciation periods and residual values of real estate, plant and equipment and intangible assets, impairment of receivables and actuarial assessments. The following is a description of the key judgments of the Management Board, in the process of applying the Company's accounting policies, which had the most significant impact on the amounts recognized in the financial statements.

Useful life of property, plant and equipment and intangible assets
As described in Note 3,9, the Company reviews the estimated useful life of real estate, plant and equipment and intangible assets at the end of each annual reporting period. Real estate, plant and equipment and intangible assets are stated at acquisition cost less accumulated value adjustments.

Availability of taxable profit for which deferred tax assets can be recognized
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that income taxes will be available against the utilized loss. Significant judgments are required in determining the amount of deferred tax assets that can be recognised, based on the probable calculation of the timing and level of future taxable profit together with the future planned tax strategy.

Adjustment of the value of trade receivables
The management determines the impairment of risky receivables with regard to the certainty of collection based on the review of the age structure of all receivables and the analysis of individual significant amounts. The impairment of risky receivables in terms of the certainty of collection is carried out at the expense of the statement of comprehensive income for the current year.

Inventory value correction
The management carries out inventory impairment based on the analysis of the total age structure of the inventory and on the basis of predefined criteria for value adjustments that depend on the date of the last purchase, the date of the last sale, and the type of inventory (tires or auto parts). Impairment of inventory is carried out at the expense of the expenses of the period based on the assessment of damage, wear and tear of inventory, etc,, when the recoverable value is lower than the purchase value.

Legal provisions
Management uses estimates of the likelihood of outcome of legal proceedings and recognizes provisions for liabilities arising from these proceedings on a consistent basis. Provisions are recognized in the total expected amount of the outflow of economic benefits as a consequence of court proceedings, which is mainly the amount of the dispute increased by the estimated related legal costs and late interest (if applicable), if in the opinion of the Management Board, and based on consultations with legal advisors, the probability of an unfavorable outcome is greater than a favorable outcome. Provisions are not recognized for legal disputes and expected related legal costs and default interest (if applicable) in cases where the Management estimates that an unfavorable outcome of the court proceedings is less likely than a favorable outcome.

(All amounts are expressed in euros)

4. CRITICAL ACCOUNTING JUDGMENTS AND MAIN SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Legal provisions (continued)
Where there are indications of a possible settlement in relation to an individual court proceeding, a provision is recognized in the amount of the expected amount of the settlement less existing provisions related to that court proceeding, based on the best assessment of the Management Board made in cooperation with its legal advisors.

Goodwill impairment test
The company performs an annual impairment test to assess whether the recoverable amount of goodwill shows a potential decrease in the carrying amount, For testing purposes, the income method or discounted cash flow method is used. The calculation of the recoverable value of goodwill is based on ten-year business plans of the acquired company, which were developed taking into account the corporate sales and marketing strategy, trends in the relevant market (such as expected trends in gross domestic product, market share of relevant products and categories) and competitor analysis. The calculation methodology consists of estimating future cash flows for a period of ten years and calculating the terminal value of the company, which are discounted using a discount rate representing the weighted cost of (equity and debt) capital (WACC).

5. SALES REVENUE

	COMPANY		GROUP	
	2024	2023	2024	2023
Sales revenue domestic	128.361.095	109.695.010	201.799.841	177.324.957
Sales revenue foreign	32.533.035	31.841.817	27.157.769	30.030.105
	160.894.130	**141.536.827**	**228.957.611**	**207.355.062**

Revenue segmentation by sales:

	COMPANY		GROUP	
	2024	2023	2024	2023
Wholesale	69.120.915	60.891.132	141.610.572	128.472.116
Retail	57.737.358	47.733.321	57.737.358	47.733.321
Export	32.533.035	31.841.817	27.157.769	30.030.105
Services	1.502.823	1.070.557	2.451.912	1.119.520
	160.894.130	**141.536.827**	**228.957.611**	**207.355.062**

Wholesale revenues include sales to legal entities and franchisors. Revenue from services mostly refer to revenues from ACC services, which amounted to EUR 920,176 in 2024, or EUR 641,256 in 2023, and to income from services, which amounted to EUR 257,165 in 2024, or EUR 175,181 in 2023.

6. Ostali prihodi

	COMPANY		GROUP	
	2024	2023	2024	2023
Income from pre-invoiced expenses	2.197.844	1.141.421	1.918.996	1.066.854
Income from rentals	373.424	308.438	373.105	308.120
Income from the rental of official vehicles	100.225	95.073	100.225	95.073
Income from recovery of previously written-off receivables	189.719	125.392	239.849	139.413
Revenue from government subsidies for electricity	27.533	285.847	27.533	285.847
Income from the sale of fixed assets	62.033	37.407	62.033	37.407
Income from claims collection and insurance	18.726	7.288	18.726	7.288
Income from inventory surpluses	130.298	150.845	130.298	150.845
Subsequently determined income	2.523	41.691	2.523	41.691
Other operating revenue	460.524	290.081	348.396	537.928
	3.562.850	**2.483.481**	**3.221.685**	**2.670.464**

(All amounts are expressed in euros)

6. OTHER INCOME (CONTINUED)

Revenues from pre-invoiced costs of the Company mostly relate to marketing services to business partners, which amounted to EUR 2,046,418 in 2024, or EUR 998,521 in 2023.

Other operating income of the Company in 2024 relates to income from seconded employees to Bartog in the amount of EUR 258,152 (EUR 0 in 2023), income from the reversal of deferred income in the amount of EUR 138,985 (EUR 117,175 in 2023), as well as other operating income.

7. COST OF RAW MATERIALS

	COMPANY		GROUP	
	2024	2023	2024	2023
Cost of fuel	1.153.653	1.042.565	1.450.246	1.330.584
Cost of materials	843.872	690.916	1.137.104	975.132
Cost of electricity	380.875	642.926	530.263	813.839
Other cost of materials	165.027	74.261	147.676	74.261
	2.543.427	**2.450.668**	**3.265.290**	**3.193.817**

8. COST OF GOODS SOLD

	COMPANY		GROUP	
	2024	2023	2024	2023
Purchase value of trade goods	117.718.407	106.197.128	165.955.938	154.730.287
Approvals received from suppliers	(10.265.306)	(9.944.884)	(12.721.839)	(11.978.630)
	107.453.101	**96.252.243**	**153.234.100**	**142.751.657**

9. COST OF SERVICES

	COMPANY		GROUP	
	2024	2023	2024	2023
Costs of distribution of goods	2.087.133	1.920.676	3.853.682	3.459.943
Costs of maintenance services	1.604.698	1.443.023	1.820.646	1.627.225
Advertising and propaganda costs	620.801	286.195	1.040.028	105.608
Costs of consulting and legal services	228.395	165.204	296.317	233.107
Rental costs	830.392	512.696	914.155	568.677
Utilities	391.387	372.926	438.000	418.402
Infocommunication costs	252.307	207.181	357.353	318.737
Representation costs	556.528	275.508	618.075	375.713
Freight forwarding services during export	11.315	9.543	11.315	9.578
Transportation costs	44.388	15.688	44.388	15.583
Subcontractor costs	975.792	667.589	975.792	667.589
Student service fees	201.287	278.166	435.662	424.980
Market research services	181.855	190.022	181.855	190.022
Sponsorship	130.127	126.728	130.127	126.728
Other cost of services	190.846	144.832	3.658.722	2.807.755
	8.307.252	**6.615.979**	**14.776.116**	**11.349.648**

The increase in the cost of distribution of goods is a consequence of the increase of new distribution routes as well as the increase in the amount of transported goods compared to the previous period (increased distribution of goods to Bartog due to the continuous growth of central procurement and other export markets).

The growth in the costs of maintenance services is mostly related to IT services for system improvement, introduction of new software for business improvement, increased security, etc,, and ongoing maintenance services.

Other service expenses relate to miscellaneous external services in the amount of EUR 190,846 (EUR 144,832 in 2023).

At the consolidated level, other service costs are increased by the costs of subsidiaries, namely: services of the management partner in Bartog in the amount of EUR 2,683,766 (EUR 2,285,585 in 2023), costs of pre-invoiced services in the amount of EUR 151,736 (EUR 115,867 in 2023) and other service expenses in the amount of EUR 255,478 (EUR 225,690 in 2023), external collaborator expenses in Bartog for 2024 relate to outsourced warehouse services amounting to EUR 343,032 and other external services amounting to EUR 33,864.

10. STAFF COSTS

	COMPANY		GROUP	
	2024	2023	2024	2023
Net salaries and wages	14.311.105	11.595.624	18.924.018	16.083.328
Contribution on salaries	4.312.943	3.478.520	5.461.710	4.564.318
Taxes and contribution from salaries	3.902.228	3.200.485	6.492.037	5.529.786
Other staff costs	3.725.223	3.161.868	4.955.519	4.295.383
	26.251.499	**21.436.496**	**35.833.284**	**30.472.815**

The growth of the Company's personnel costs in 2024 is a consequence of the increase in the number of employees, during which the number of employees in 2024 increased by 56% and and personnel expenses adjustment for existing employees, which account for 44% of the increase in costs. On December 31, 2024 the Group had a total of 1,049 employees, which is an increase of 102 compared to the same date last year when counted 947 employees. The Group employed a total of 1,313 individuals, representing an increase of 114 compared to the same date in the previous year, The growth in the number of employees was the result of hiring new employees due to the need to expand and develop the business in accordance with the Company's business strategy.

11. DEPRECIATION AND AMORTIZATION

	COMPANY		GROUP	
	2024	2023	2024	2023
Depreciation of real estate, plant and equipment (note 19)	3.375.387	2.104.930	3.935.853	2.672.865
Depreciation of right of use assets (bilješka 20)	1.100.765	857.159	2.389.980	2.280.927
Depreciation of intangible assets (note 17)	157.724	195.695	421.375	415.564
Depreciatiton of real estate investment (note 21)	102.186	887.763	102.186	887.763
	4.736.062	**4.045.547**	**6.849.394**	**6.257.118**

The depreciation expense of the Group is calculated in accordance to the accounting policies of the company Tokić d.o.o. and is in accordance with International Financial Reporting Standards. The effect of harmonization of rates is shown below:

	Amortization cost of the company Bartog before the harmonization of rates	The effect of the change in the accounting policies of the Tokić company	Amortization cost of the company Bartog after harmonization of rates
Depreciation of real estate, plant and equipment	436.327	79.288	515.615
Depreciation of intangible assets	1.433.033	10.649	1.443.681
	1.869.360	**89.937**	**1.959.296**

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12. OTHER COSTS

	COMPANY		GROUP	
	2024	2023	2024	2023
Costs of cals, splits, shortages	745.951	676.020	809.300	741.398
Software license costs	826.090	642.406	957.822	766.172
Costs of promotion, advertising	725.791	489.736	725.091	489.736
Banking and payment transaction costs	533.814	456.015	798.384	689.300
The costs of the fee for waste management	469.655	332.940	911.646	753.988
Costs of insurance premiums	170.601	152.360	273.927	227.532
Professional education costs	35.531	65.336	49.515	89.928
Costs of sponsoring sports and culture	82.988	65.184	94.231	68.364
Adjustment of the value of receivables and inventories	142.153	189.139	265.004	357.433
Non-deductible contributions, membership fees and taxes	89.115	78.679	133.707	119.723
Contribution costs for forests	28.411	34.585	28.411	34.585
The cost of doing business due to not employing people with disabilities	17.222	13.055	17.222	13.055
Other intangible costs	4.873	3.611	4.873	3.611
Damage compensation	2.479	-	2.479	-
Other costs	192.746	186.823	351.233	277.254
	4.067.419	**3.385.889**	**5.422.844**	**4.632.078**

Other expenses of the Company in 2024 relate to re-invoicing costs of EUR 81,924 and other operating expenses of EUR 110,822. At the Group level, other significant expenses are non-cost-related benefits (EUR 47,921) and non-taxable costs and expenses (EUR 87,893).

The value adjustment of receivables at the level of the Company and the Group refers to receivables from customers with an estimated increased risk of collection and to the value adjustment of inventories. Value adjustments of receivables in 2024 at the Company level amounted to EUR 139,050 (EUR 186,330 in 2023), or EUR 215,119 at the Group level (EUR 305,292 in 2023). The value adjustment of inventories in 2024 at the Company level was EUR 3,102 (EUR 2,809 in 2023), or EUR 49,184 at the Group level (EUR 35,264 in 2023).

(All amounts are expressed in euros)

13. NET RESERVES FOR RISKS AND COSTS

	COMPANY		GROUP	
	2024	2023	2024	2023
Reserves for unused vacation, net (note 31)	15.949	9.354	48.744	47.896
Reserves for jubilee awards, severance pay, net	-	-	34.863	42.494
Reserves for court proceedings, net	19.765	73.362	19.765	73.362
	35.714	**82.716**	**103.373**	**163.752**

Reservations for legal disputes in which the Company participates as a defendant, refer to those disputes in which the estimated probability of losing the dispute is above 50%.

14. FINANCIAL INCOME

	COMPANY		GROUP	
	2024	2023	2024	2023
Positive FX differences	37.604	66.794	45.668	69.040
Interest income	87.639	15.101	97.237	15.246
	125.243	**81.895**	**142.904**	**84.285**

15. FINANCIAL EXPENSES

	COMPANY		GROUP	
	2024	2023	2024	2023
Negative FX differences	59.957	68.016	128.038	118.264
Interes expense	1.389.342	736.674	2.301.018	1.381.884
	1.449.299	**804.689**	**2.429.057**	**1.500.148**

Interest expenses at the Group level refer to interest on loans, leasing contracts and leases, as well as default interest on court judgments.

(All amounts are expressed in euros)

16. CORPORATE INCOME TAX

	COMPANY		GROUP	
	2024	2023	2024	2023
Current tax	1.480.445	1.785.460	1.520.022	1.875.212
Deferred tax	400.968	7.500	532.624	7.500
	1.881.413	**1.792.960**	**2.052.646**	**1.882.713**

The relationship between accounting and tax results is shown as follows:

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Accounting profit before tax	**9.738.450**	**9.027.974**	**10.711.075**	**10.049.329**
Effect of income tax at 18%	1.752.921	1.625.035	1.877.865	1.661.070
Effect of non-taxable expenses	534.397	194.570	579.472	244.135
Effect of non-taxable income	(405.905)	(26.644)	(404.691)	(22.492)
Effect of consolidation adjustments	-	-	-	-
Tax liability	**1.881.413**	**1.792.960**	**2.052.646**	**1.882.713**

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Accounting profit before tax	**9.738.450**	**9.027.974**	**10.711.075**	**10.049.329**
Effect of tax increases	741.271	1.039.276	264.296	1.282.737
Effect of tax deductions	(2.255.025)	(148.025)	(2.541.630)	(944.026)
Tax base	**8.224.696**	**9.919.224**	**8.433.741**	**10.388.040**
Tax liability at 18%	1.480.445	1.785.460	1.520.022	1.875.212
Deffered taxes	400.968	7.500	532.624	7.500
Income tax	**1.881.413**	**1.792.961**	**2.052.646**	**1.882.713**

The applicable corporate tax rate in the Republic of Croatia for 2024 and 2023 is 18%, while in Slovenia it is 22% from 2024 till 2028 (2023 19%), The effective interest rate for the Company in 2024 is 15,20% (2023 19,78%), while for the Group it was 14,19% (2022 18,66%),

Deferred taxes are the result of the created items Deferred tax assets on the basis of temporary differences for recorded tax-unrecognized costs of inventory value adjustments, receivables value adjustments and interest provisions for court cases, and additionally, created items for the cancellation of Deferred tax liabilities in the reporting tax period on the basis of temporary the difference recorded for the revalued values of assets and inventories in the merger process in previous tax periods. The Company and the Group are subject to tax supervision, At the time of compiling the report, the management had no knowledge of facts and circumstances that could cause additional tax liabilities.

17. INTANGIBLE ASSETS

COMPANY				
Cost	Software	Customer Base -customer list	Intangible assets in development	Total
As at 31 December 2022	**1.270.528**	**270.075**	**12.449**	**1.553.052**
Additions	126.940	-	33.604	**160.544**
Transfers	-	-	-	**-**
Disposals	-	-	-	**-**
As at 31 December 2023	**1.397.468**	**270.075**	**46.052**	**1.713.596**
Additions	97.875	-	733.594	**831.469**
Transfers	-	-	(230.110)	**(230.110)**
Disposals	-	-	-	**-**
As at 31 December 2024	**1.495.344**	**270.075**	**549.536**	**2.314.955**

COMPANY				
Accumulated depreciation	Software	Customer Base -customer list	Intangible assets in development	Total
As at 31 December 2022	**(1.185.627)**	**(221.927)**	**-**	**(1.407.555)**
Depreciation for the period (note 11)	(108.102)	(33.273)	-	**(141.375)**
Acquisition of a subsidiary	-	-	-	-
Accumulated depreciation transfer	-	-	-	-
As at 31 December 2023	**(1.293.729)**	**(255.201)**	**-**	**(1.548.930)**
Depreciation for the period (note 11)	(98.921)	(1.944)	-	**(100.865)**
Disposals	-	-	-	-
Accumulated depreciation transfer	-	-	-	-
As at 31 December 2024	**(1.392.650)**	**(257.145)**	**-**	**(1.649.795)**
Net book value				
As at 31 December 2023	**103.739**	**14.874**	**46.052**	**164.666**
As at 31 December 2024	**102.694**	**12.930**	**549.536**	**665.160**

(All amounts are expressed in euros)

17. INTANGIBLE ASSETS (CONTINUED)

GROUP				
Cost	Software	Customer Base -customer list	Intangible assets in development	Total
As at 31 December 2022	**1,815,763**	**1,728,389**	**12,449**	**3,556,601**
Additions	197,834	-	33,604	**231,437**
Transfers	-	-	-	**-**
Disposals	-	-	-	**-**
As at 31 December 2023	**2,013,597**	**1,728,389**	**46,052**	**3,788,038**
Additions	137,348	-	733,594	**870,941**
Transfers	-	-	(230,110)	**(230,110)**
Disposals	-	-	-	**-**
As at 31 December 2024	**2,150,944**	**1,728,389**	**549,536**	**4,428,869**

GROUP				
Accumulated depreciation	Software	Customer Base -customer list	Intangible assets in development	Total
As at 31 December 2022	**(1.521.659)**	**(573.596)**	**-**	**(2.095.256)**
Depreciation for the period (note 11)	(235.955)	(179.609)	-	**(415.564)**
Acquisition of a subsidiary	-	-	-	**-**
Accumulated depreciation transfer	-	-	-	**-**
As at 31 December 2023	**(1.757.614)**	**(753.205)**	**-**	**(2.510.819)**
Depreciation for the period (note 11)	(180.530)	(147.677)	-	**(328.208)**
Disposals	-	-	-	**-**
Accumulated depreciation transfer	-	-	-	**-**
As at 31 December 2024	**(1.938.144)**	**(900.883)**	**-**	**(2.839.027)**
Net book value				
As at 31 December 2023	**255.983**	**975.184**	**46.052**	**1.277.219**
As at 31 December 2024	**212.800**	**827.506**	**549.536**	**1.589.842**

18. Goodwill

	COMPANY	GROUP
As at 31 December 2023	**169.407**	**5.992.187**
Additions	-	-
Write off	-	-
As at 31 December 2024	**169.407**	**5.992.187**

	COMPANY	GROUP
Accumulated depreciation		
As at 31 December 2023	**-**	**-**
Impairment for the year	-	-
Disposals	-	-
As at 31 December 2024	**-**	**-**
Net book value		
As at 31 December 2023	**169.407**	**5.992.187**
As at 31 December 2024	**169.407**	**5.992.187**

On 31 December 2024, goodwill in the amount of EUR 169,407 refers to the acquisition of the companies AC Marinići d.o.o. 2019 (EUR 30,831), the company Prpić commerce d.o.o. (777 EUR) and the company Donit-gospodarski program d.o.o. (137,799 EUR) during 2021.

At the Group level, goodwill on 31 December 2024 refers to the acquisition of Bartog d.o.o. Slovenia during 2020 (EUR 5,817,209) and 100% share in the company Bartog Adria d.o.o. (EUR 5,570) during 2021.

The Group performed the goodwill impairment test for the goodwill that arose from the acquisition of shares in the company Bartog d,o,o.

The goodwill impairment test was performed at the level of the company (Bartog d.o.o.) as a cash-generating unit, For the purposes of testing, the income method or discounted cash flow method was used, The calculation methodology consists of estimating future cash flows for a period of ten years and calculating the terminal value of the company under the assumption that free cash flows after the tenth year grow at a rate of 2% per year, which corresponds to the average GDP growth rate in Slovenia in the last 10 years. Cash flow estimates take into account current market circumstances, expected market trends, the plan of corporate and marketing activities, and the expected effects of the Group's synergy. Cash flows are discounted using a discount rate that represents the weighted cost of (equity and debt) capital (WACC) in the amount of 7,71%.

No goodwill impairment has been identified.

(All amounts are expressed in euros)

19. PROPERTY, PLANT AND EQUIPMENT

COMPANY						
Cost	Land	Buildings	Plant and equipment	Investing in other people's assets	Assets under construction	Total
As at 31 December 2022	**9.650.339**	**21.672.203**	**11.198.656**	**219.707**	**1.593.464**	**44.334.367**
Additions	-	43.485	1.143.818	-	5.402.867	**6.590.170**
Transfers	407.520	2.075.403	971.057	-	-	**3.453.980**
Allocation of the land component	624.941	(211.408)	-	-	-	**413.533**
Disposals	-	-	(1.430.942)	-	(4.597.746)	**(6.028.688)**
As at 31 December 2023	**10.682.799**	**23.579.683**	**11.882.589**	**219.707**	**2.398.585**	**48.763.362**
Additions	-	1.991	2.067.846	230.110	3.452.813	**5.752.761**
Transfers	1.454.399	727.348	1.856.459	-	(4.038.206)	**-**
Extraction of the land component	-	-	-	-	-	**-**
Disposals	-	-	(794.382)	-	-	**(794.382)**
As at 31 December 2024	**12.137.198**	**24.309.022**	**15.012.512**	**449.817**	**1.813.192**	**53.721.741**

COMPANY						
Accumulated depreciation	Land	Buildings	Plant and equipment	Investing in other people's assets	Assets under construction	Total
As at 31 December 2022	**-**	**(8.745.531)**	**(8.160.387)**	**(42.420)**	**-**	**(16.948.338)**
Depreciation for the period (note 11)	-	(682.112)	(1.866.853)	(54.319)	-	**(2.603.284)**
Disposals	-	-	1.415.311	-	-	**1.415.311**
As at 31 December 2023	**-**	**(9.427.643)**	**(8.611.929)**	**(96.740)**	**-**	**(18.136.311)**
Depreciation for the period (note 11)	-	(1.089.385)	(2.286.001)	(56.860)	-	**(3.432.246)**
Disposals	-	-	757.038	-	-	**757.038**
As at 31 December 2024	**-**	**(10.517.028)**	**(10.140.892)**	**(153.599)**	**-**	**(20.811.520)**
Net book value						
As at 31 December 2023	**10.682.799**	**14.152.040**	**3.270.660**	**122.967**	**2.398.585**	**30.627.051**
As at 31 December 2024	**12.137.198**	**13.791.993**	**4.871.620**	**296.218**	**1.813.192**	**32.910.221**

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP						
Cost	Land	Buildings	Plant and equipment	Investing in other people's assets	Assets under construction	Total
As at 31 December 2022	**9.683.229**	**22.063.372**	**12.754.884**	**786.140**	**1.603.464**	**46.891.088**
Additions	219.132	275.353	1.443.138	214.156	5.878.267	**8.030.046**
Transfers	407.520	2.075.403	1.446.457	-	(475.400)	**3.453.980**
Extraction of the land component	624.941	(211.408)	-	-	-	**413.533**
Disposals	-	-	(2.491.372)	(106.167)	(4.597.746)	**(7.195.285)**
As at 31 December 2023	**10.934.821**	**24.202.720**	**13.153.107**	**894.129**	**2.408.585**	**51.593.362**
Additions	-	1.991	3.702.920	380.796	3.452.813	**7.538.520**
Transfers	1.454.399	727.348	1.866.459	-	(4.048.206)	**-**
Disposals	-	-	(2.230.401)	(79.402)	-	**(2.309.803)**
As at 31 December 2024	**12.389.220**	**24.932.059**	**16.492.085**	**1.195.523**	**1.813.192**	**56.822.080**

GROUP						
Accumulated depreciation	Land	Buildings	Plant and equipment	Investing in other people's assets	Assets under construction	Total
As at 31 December 2022	**-**	**(8.761.913)**	**(8.360.871)**	**(109.100)**	**-**	**(17.231.885)**
Depreciation for the period (note 11)	-	(706.311)	(1.852.061)	(92.789)	-	**(2.651.161)**
Disposals	-	-	1.415.311	-	-	**1.415.311**
As at 31 December 2023	**-**	**(9.468.224)**	**(8.797.622)**	**(201.889)**	**-**	**(18.467.735)**
Depreciation for the period (note 11)	-	(1.120.537)	(2.351.998)	(101.916)	-	**(3.574.451)**
Disposals	-	-	757.038	4.059	-	**761.097**
As at 31 December 2024	**-**	**(10.588.761)**	**(10.392.582)**	**(299.746)**	**-**	**(21.281.089)**
Net book value						
As at 31 December 2023	**10.934.821**	**14.734.496**	**4.355.485**	**692.240**	**2.408.585**	**33.125.627**
As at 31 December 2024	**12.389.220**	**14.343.298**	**6.099.504**	**895.777**	**1.813.192**	**35.540.991**

The most significant changes in tangible assets refer to the purchase of buildings in Sisak in value of EUR 850,000.

The increase in plant and equipment primarily relates to equipment provided under cooperation agreements with customers in the amount of EUR 1,178,622, as well as the acquisition of freight and delivery vehicles in the amount of EUR 1,116,555.

On 31 December 2024, the Company's land and buildings with a book value of EUR 5,090,016 have been pledged as a payment insurance instrument for loans in commercial banks (EUR 5,246,187 as on December 31, 2023).

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20. RIGHT OF USE ASSETS

COMPANY			
Cost	Vehicles	Space	Total
As at 31 December 2022	**1.078.175**	**3.850.473**	**4.928.648**
Additions	296.434	263.177	**559.611**
Transfers	-	-	**-**
Disposals	(43.984)	(183.302)	**(227.286)**
As at 31 December 2023	**1.330.626**	**3.930.348**	**5.260.973**
Additions	374.030	3.475.743	**3.849.773**
Transfers	-	-	**-**
Disposals	-	(146.341)	**(146.341)**
As at 31 December 2024	**1.704.656**	**7.259.749**	**8.964.405**

COMPANY			
Accumulated depreciation	Vehicles	Space	Total
As at 31 December 2022	**(681.558)**	**(932.484)**	**(1.614.043)**
Depreciation for the period (note 11)	(236.292)	(620.867)	**(857.159)**
Disposals	38.874	155.318	**194.192**
As at 31 December 2023	**(878.976)**	**(1.398.034)**	**(2.277.010)**
Depreciation for the period (note 11)	(249.617)	(851.147)	**(1.100.765)**
Disposals	-	92.811	**92.811**
As at 31 December 2024	**(1.128.593)**	**(2.156.370)**	**(3.284.963)**
Net book value			
As at 31 December 2023	**451.650**	**2.532.314**	**2.983.964**
As at 31 December 2024	**576.063**	**5.103.379**	**5.679.442**

20. RIGHT OF USE ASSETS (CONTINUED)

GROUP			
Cost	Vehicles	Space	Total
As at 31 December 2022	**1.582.220**	**15.720.101**	**17.302.321**
Additions	400.271	(1.552.733)	**(1.152.462)**
Transfers	-	-	**-**
Disposals	(185.259)	(409.198)	**(594.457)**
As at 31 December 2023	**1.797.232**	**13.758.170**	**15.555.402**
Additions	568.749	1.703.297	**2.272.047**
Transfers	-	-	**-**
Disposals	-	(350.866)	**(350.866)**
As at 31 December 2024	**2.365.981**	**15.110.601**	**17.476.582**

GROUP			
Accumulated depreciation	Vehicles	Space	Total
As at 31 December 2022	**(858.672)**	**(4.502.547)**	**(5.361.219)**
Depreciation for the period (note 11)	(278.626)	1.478.244	**1.199.617**
Disposals	159.405	368.176	**527.581**
As at 31 December 2023	**(977.893)**	**(2.656.128)**	**(3.634.021)**
Depreciation for the period (note 11)	(379.745)	(715.822)	**(1.095.567)**
Disposals	-	153.563	**153.563**
As at 31 December 2024	**(1.357.638)**	**(3.218.387)**	**(4.576.025)**
Net book value			
As at 31 December 2023	**819.339**	**11.102.042**	**11.921.381**
As at 31 December 2024	**1.008.343**	**11.892.214**	**12.900.557**

Right-of-use assets include lease agreements that, in accordance with IFRS 16, are classified as long-term tangible assets, As at December 31, 2024, EUR 11,892,214 relates to leased premises (EUR 11,102,042 as at December 31, 2023), while EUR 1,008,343 relates to vehicle leases under operating lease arrangements (EUR 819,339 as at December 31, 2023) at the Group level.

All lease agreements include fixed monthly payments, with no variable lease components. The Company and the Group had no low-value leases as defined by IFRS 16.

21. INVESTMENT PROPERTY

COMPANY and GROUP			
Cost	Land	Buildings	Total
As at 31 December 2022	**724.150**	**2.378.673**	**3.102.823**
Additions	1.038.101	-	**1.038.101**
Disposals	-	-	**-**
Transfers	-	(335.181)	**(335.181)**
As at 31 December 2023	**1.762.251**	**2.043.492**	**3.805.743**
Additions	-	1.405	**1.405**
Disposals	-	-	**-**
Transfers	-	-	**-**
As at 31 December 2024	**1.762.251**	**2.044.897**	**3.807.148**

COMPANY and GROUP			
Accumulated depreciation	Land	Buildings	Total
As at 31 December 2022	**-**	**(869.947)**	**(869.947)**
Depreciation for the period (note 11)	-	98.934	**98.934**
As at 31 December 2023	**-**	**(771.012)**	**(771.012)**
Depreciation for the period (note 11)	-	(102.186)	**(102.186)**
As at 31 December 2024	**-**	**(873.198)**	**(873.198)**
Net book value			
As at 31 December 2023	**1.762.251**	**1.272.480**	**3.034.731**
As at 31 December 2024	**1.762.251**	**1.171.699**	**2.933.950**

Investment propery is a long-term asset position that can only be found in the Company's financial statements, and the data for the Company and the Group are identical. From these properties the Company generates rental income (Note 6, Other income) which amounted to EUR 373,438 in 2024 (EUR 308,438 in 2023).

On December 31, 2024, the Company's investment propery with a book value of EUR 803,278 have been pledged as payment security instruments for loans in commercial banks (EUR 838,929 as of December 2023). At the Group level, the value is the same because the related company Bartog d.o.o. has not properties pledged in favour of the banks.

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22. INVESTMENT IN SUBSIDIARIES

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Investments in subsidiaries	13.686.655	13.686.655	-	-
	13.686.655	**13.686.655**	**-**	**-**

Investments in subsidiaries in the Company refer to shares in Bartog (EUR 13,684,000), Bartog Adria (EUR 2,655), which are subsidiaries subject to consolidation.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss in the Company and the Group, amounting to EUR 9,598 (EUR 9,598 2023), relate to an equity interest in ATR.

24. LONG-TERM RECEIVABLES

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Long-term receivables	50.998	47.471	949.112	608.897

The Company's long-term receivables refer to receivables based on paid deposits for space rental.

The growth of the Group's long-term receivables is a consequence of the increase in receivables for delivered equipment due to the increase in the number of contracts on business cooperation with customers in the related company Bartog d.o.o.

25. INVENTORIES

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Merchandise	50.525.098	43.500.124	68.771.797	62.257.013
Advances for supplies	301.861	156.555	301.861	156.555
Raw material	-	-	228	228
Value adjustment of inventories	(2.436.355)	(152.789)	(3.410.547)	(300.582)
	48.390.605	**43.503.889**	**65.663.339**	**62.113.214**

In 2024, the Company recognised an inventory value adjustment in the amount of EUR 4,423,489, based on inventory impairment and bonus allocation, At the same time, a reversal of previously recognised impairment in the amount of EUR 2,139,923 was recorded.

At the Group level, an additional inventory value adjustment in the amount of EUR 826,400 was recognized.

26. TRADE RECEIVABLES

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Trade receivables - abroad	7.644.037	8.157.253	3.401.492	4.762.504
Trade receivables - domestic	12.049.823	11.544.737	19.103.638	18.966.872
Value adjustment of receivables	(216.477)	(253.351)	(422.025)	(455.312)
	19.477.383	**19.448.639**	**22.083.105**	**23.274.064**

The value adjustment of receivables is shown below:

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
As of 1 January	(253.351)	(230.831)	(446.830)	(344.964)
Charged/written off	175.924	163.810	239.922	204.733
Fully corrected during the year	(139.050)	(186.330)	(215.117)	(315.082)
Total value adjustment – trade receivables - domestic	**(216.477)**	**(253.351)**	**(422.025)**	**(455.312)**

Aging structure analysis of impaired trade receivables is shown below:

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
0 - 60 days	33.900	102.662	33.895	216.794
61 - 365 days	84.303	79.151	82.457	39.340
Over 365 days	98.274	71.538	305.673	199.177
	216.477	**253.351**	**422.025**	**455.312**

Aging structure analysis of impaired trade receivables is shown below:

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Undue	13.699.402	13.449.561	16.223.720	17.397.134
0 - 60 days	5.318.025	5.151.798	5.384.074	5.645.255
60 - 120 days	240.394	758.113	(296.233)	209.621
120 - 180 days	137.504	93.199	218.070	182.100
180 - 365 days	(35.329)	10.906	470.701	19.813
preko 365 days	333.864	238.413	504.798	275.454
	19.693.860	**19.701.991**	**22.505.130**	**23.729.377**

Standalone and consolidated statement of comprehensive income for the year ended December
(All amounts are expressed in euros)
TOKIĆ GRUPA

27. OTHER RECEIVABLES

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Receivables from employees	25.407	18.139	53.496	41.690
Receivables from state and other institutions	120.464	73.663	186.582	320.196
	145.871	**91.802**	**240.078**	**361.886**

Receivables from the state and state institutions refer to receivables from the state budget on the basis of value added tax refunds, profit tax overpayments, the Health Insurance Fund, sick pay and other.

28. SHORT-TERM FINANCIAL ASSETS

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Loans given	-	-	14.973	16.593
Interest receivables	91	91	1.684	1.684
Other deposits	89.237	369.193	89.237	369.193
	89.329	**369.285**	**105.894**	**387.470**

Other deposits refer to the given guarantees for tenders in the amount of EUR 80,092 and receivables from compensation claims in the amount of EUR 4,421.

29. CASH AND CASH EQUIVALENTS

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash in a bank – domestic currency	567.203	2.239.096	1.578.020	2.520.419
Cah in a bank – foreing currency	89.169	5.178	92.607	9.961
Deposit in a bank	2.750.000	-	2.750.000	-
Cash in hand	134.137	263.699	422.649	553.748
	3.540.509	**2.507.974**	**4.843.277**	**3.084.128**

(All amounts are expressed in euros)

30. PREPAID EXPENSES AND ACCRUED INCOME

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Accrued income	7.697.255	6.969.879	8.670.531	8.147.143
Prepaid expensess	215.573	119.023	280.440	156.105
Other accrued income	2.837	4.382	2.837	4.382
	7.915.665	**7.093.284**	**8.953.807**	**8.307.629**

Acrrued income refer to calculated bonuses from suppliers for the current year, which are based on pre-defined contractual relationships.

31. EQUITY

The subsribed capital of the Company in 2024 amounts to EUR 31,150,000, The share capital consists of 3 shares: 2 shares in individual amounts of EUR 15,419,250 and 1 share in amount of EUR 311,500.

32. LONG-TERM AND SHORT-TERM PROVISIONS

COMPANY	Short-term		Long-term	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Court proceedings	-	-	165.184	145.418
Unused vacation	39.720	23.772	-	-
Bonuses	307.857	313.033	-	
	347.578	**336.804**	**165.184**	**145.418**

GROUP	Short-term		Long-term	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Court proceedings	-	-	165.184	145.418
Severance payment, jubilee awards	209.486	195.688	-	-
Unused vacation	39.720	23.772	-	-
Bonuses	307.857	313.033	-	–
	557.063	**532.492**	**165.184**	**145.418**

32. LONG-TERM AND SHORT-TERM PROVISIONS (CONTINUED)

Movement of provisions is shown as follows:

COMPANY					
	Court proceedings	Severance payment, jubilee awards	Unused vacation	Bonuses	Total
As at 1 January 2023	**73.126**	**-**	**14.418**	**100.272**	**187.815**
Increase / (Write off)	72.292	-	9.354	212.761	294.407
As at 31 December 2023	**145.418**	**-**	**23.772**	**313.033**	**482.223**
As at 1 January 2024	**145.418**	**-**	**23.772**	**313.033**	**482.223**
Increase / (Write off)	19.765	-	15.949	(5.176)	30.539
As at 31 December 2024	**165.184**	**-**	**39.720**	**307.857**	**512.761**

GROUP					
	Court proceedings	Severance payment, jubilee awards	Unused vacation	Bonuses	Total
As at 1 January 2023	**73.126**	**157.823**	**14.418**	**100.272**	**345.638**
Increase / (Write off)	72.292	37.865	9.354	212.761	332.272
As at 31 December 2023	**145.418**	**195.688**	**23.772**	**313.033**	**677.911**
As at 1 January 2024	**145.418**	**195.688**	**23.772**	**313.033**	**677.911**
Increase / (Write off)	19.765	13.798	15.949	(5.176)	44.336
As at 31 December 2024	**165.184**	**209.486**	**39.720**	**307.857**	**722.247**

33. LONG-TERM LOANS

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Long-term loans	20.972.941	14.520.009	26.595.164	15.377.152
Leasing liabilities (to IFRS 16)	5.866.025	3.103.080	13.291.723	12.152.268
	26.838.967	**17.623.089**	**39.886.886**	**27.529.420**
Short-term part of long-term loans (note 34)	(2.690.241)	(3.547.068)	(3.623.574)	(3.889.925)
Short-term part of long-term leasing (note 34)	(1.267.565)	(843.943)	(2.723.156)	(1.972.043)
Total long-term loans	**22.881.162**	**13.232.078**	**33.540.157**	**21.667.452**

(All amounts are expressed in euros)

33. LONG-TERM LOANS (CONTINUED)

long-term loans are promissory notes, real estate mortgages, and other insurance instruments,
On 31 December 2024 the Company had contracted four long-term loans:

• Loan approved by Privredna banka Zagreb, with the balance amount of EUR 6,285,714 on 31 December 2024, The loan is repaid in equal monthly rates with final maturity date at December 31st 2028,
• Loan approved by Erste & Steiermärkische bank d,d, with the balance amount of EUR 2,559,654 on 31 December 2024, The loan is repaid in equal monthly rates with final maturity date at May 31st 2029,
• Loan approved by Hrvatska Poštanska Banka d,d , with the balance amount of EUR 2,108,333 on 31 December 2024, The loan is repaid in equal monthly rates with final maturity date at October 31st 2028,
• Loan approved by Privredna banka Zagreb, with balance amount of EUR 10,000,000 on 31 December 2024, After the end of the grace period, the loan will be repaid in equal monthly rates with a final maturity date at December 31st 2031.

In October 2024, the long-term loan from Erste & Steiermärkische Bank d,d,, with balance amount of EUR 1,315,160 as at 31 December 2023, was fully repaid.

As a borrower, the Company/Group is required to comply with the following financial covenants under certain long-term loan agreements:
• Debt Service Coverage Ratio (DSCR) for the Company of not less than 1,2,
• Net Financial Debt to EBITDA ratio (NFD/EBITDA) for the Company not exceeding 4,5,
• Financial Debt to EBITDA ratio (FD/EBITDA) for the Company not exceeding 4,0,
• The share of payment transactions conducted through a specific bank must correspond to the share of that bank's exposure in the Company's total financial debt,
• Equity Ratio (ER) for the Group of at least 25%,
As at 31 December 2024, the Group was in compliance with all required covenants.

Movements in long-term loans during the year are shown below:

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
As at 1 January	**13.232.079**	**14.923.166**	**21.667.453**	**23.598.766**
New loans	14.765.504	3.602.798	19.968.526	5.176.386
Foreign exchange differences	-	-	-	-
Loan principal repayments	(1.158.615)	(902.875)	(1.749.091)	(1.245.732)
Reclassification to short-term loans (note 34)	(2.690.241)	(3.547.068)	(3.623.574)	(3.889.925)
Reclassification to short-term leasing (note 34)	(1.267.565)	(843.943)	(2.723.156)	(1.972.043)
Total long-term loans	**22.881.162**	**13.232.078**	**33.540.157**	**21.667.452**

34. DEFERRED TAX ASSETS AND LIABILITIES

	COMPANY	GROUP
Net deferred tax at 31 December 2022	**41.067**	**(189.690)**
Reduction of tax liability for realization	7.031	7.215
Deferred tax liability (upon merger)	-	-
Deferred tax assets (creation) in 2021	-	-
Reduction of tax assets for realization	469	469
Reduction of tax assets for realization (Bartog)	-	729
PPA fair value realization of deferred tax liability (Bartog)	-	39.748
PPA fair value realization of deferred tax assets (Bartog)	-	(2.379)
PPA fair value of deferred tax liability (Bartog Adria)	-	-
PPA fair value realization of deferred tax liability (Bartog Adria)	-	135
Net deferred tax at 31 December 2023	**48.567**	**(143.773)**
Reduction of tax liability for realization	887	703
Deferred tax liability (upon merger)	-	-
Deferred tax assets (creation) in 2022	385.159	385.159
Reduction of tax assets for realization	14.923	14.923
Reduction of tax assets for realization (Bartog)	-	131.656
PPA fair value realization of deferred tax liability (Bartog)	-	35.411
PPA fair value realization of deferred tax assets (Bartog)	-	(2.379)
PPA fair value of deferred tax liability (Bartog Adria)	-	-
PPA fair value realization of deferred tax liability (Bartog Adria)	-	135
Net deferred tax at 31 December 2024	**449.536**	**421.834**

(All amounts are expressed in euros)

35. TRADE PAYABLES

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Trade payables towards foreign suppliers	18.010.315	14.917.213	23.738.584	22.175.304
Trade payables towards domestic suppliers	7.992.515	4.258.801	15.265.510	12.571.767
	26.002.830	**19.176.014**	**39.004.094**	**34.747.071**

36. SHORT-TERM LOANS

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Short-term loans – principals	11.345.000	20.345.000	13.345.000	26.164.125
Short-term liabilities for long-term loans (note 32)	2.690.241	3.547.068	3.623.574	3.889.925
Short-term leasing's (to IFRS16)	1.267.565	843.943	2.723.156	1.972.043
	15.302.805	**24.736.011**	**19.691.730**	**32.026.093**

Short-term loans are used to finance current business,

Movements in short-term loans during the year are shown below:

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
As at 1 January	24.736.011	16.397.064	32.026.093	22.914.376
New loans	23.745.000	23.088.308	34.923.168	23.707.433
Foreign exchange differences	-	-	-	-
Loan principal repayments	(37.136.011)	(19.140.372)	(53.604.261)	(20.457.684)
Reclassification from long-term loans (note 32)	2.690.241	3.547.068	3.623.574	3.889.925
Reclassification from long-term leasing	1.267.565	843.943	2.723.156	1.972.043
As at 31 December	**15.302.805**	**24.736.011**	**19.691.730**	**32.026.093**

37. OTHER SHORT-TERM LIABILIITIES

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Liabilities towards the state and other institutions	2.568.965	2.213.207	3.448.779	3.382.583
Liabilities toward employees	1.394.484	1.092.719	2.073.049	1.695.699
Liabilities from profit sharing	792.589	523.232	792.589	523.232
Other short-term liabilities	31.166	272.012	31.166	272.012
	4.787.203	**4.101.169**	**6.345.583**	**5.873.526**

Liabilities towards the state and other institutions at the level of the Company and the Group mostly refer to the liabilities for value added tax.

Other short-term liabilities in 2024 refer to liabilities for factoring from the purchase of receivables in the amount of EUR 0 (EUR 248,801 in 2023) and other liabilities in the amount of EUR 31,166 (EUR 23,211 in 2023).

38. DEFFERED EXPENSES

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deferred expenses	3.952.983	3.371.686	2.853.057	2.301.287
	3.952.983	**3.371.686**	**2.853.057**	**2.301.287**

Deferred expenses refer to passive accruals that are used to record the calculated expenses for which invoices were not received in the corresponding business period (calculated expenses from 2024 for which an invoice was received in 2025), and for the record of deferred income from the sale of goods on reverse.

(All amounts are expressed in euros)

39. RELATED PARTIES TRANSACTIONS

Receivables and liabilities for goods, services and interest	Receivables		Liabilities	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Bartog d.o.o.	5.001.195	4.469.734	135.482	-
Bartog Adria d.o.o.	1.063	494	-	-
Gorski park Kupjak d.o.o.	148.750	149.404	1.941	-
TRS Poljoprivredna zadruga	98	-	7.624	3.587
Tokić rast i razvoj d.o.o.	100	33	-	-
Ostali	-	-	-	
	5.151.205	**4.619.664**	**145.046**	**3.587**

Loan receivables and liabilities	Receivables		Liabilities	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Ilija Tokić	-	-	3.089	3.089
	-	**-**	**3.089**	**3.089**

Purchase transactions	Income		Expenses	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Operating income and expenses				
Bartog d.o.o.	13.874.836	11.787.589	15.867.430	11.159.652
Bartog Adria d.o.o.	956	956	105	83
Gorski park Kupjak d.o.o.	304	947	6.123	11.002
TRS Poljoprivredna zadruga	12.235	11.290	68.232	31.948
Tokić rast i razvoj d.o.o.	318	319	-	-
Ostali	-	-	-	-
	13.888.650	**11.801.100**	**15.941.891**	**11.202.685**

Financial transactions	Receivables		Liabilities	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Ilija Tokić	-	115	-	-
	-	**115**	**-**	**-**

40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

40.1. Financial ratio

The Company's financial ratio, which is determined by the ratio of net debt to principal, can be presented as follows:

	COMPANY		GROUP	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Short-term loans (note 36)	15.302.805	24.736.011	19.691.730	32.026.093
Long-term loans (note 33)	22.881.162	13.232.078	33.540.157	21.667.452
Cash and cash equivalents (note 29)	3.540.509	2.507.974	4.843.277	3.084.128
Net debt	**34.643.458**	**35.460.115**	**48.388.610**	**50.609.417**
Owner's principal	62.363.262	57.814.847	59.265.861	54.639.956
Net debt to equity ratio	**55,6%**	**61,3%**	**81,6%**	**92,6%**

The owner's principal consists of share capital, reserves, own shares, retained earnings and current year's earnings.

Liabilities for long-term loans include debt to financial institutions (banks and leasing), and liabilities for long-term leases, which are classified as financial debt according to IFRS-16.

(All amounts are expressed in euros)

40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40.2. Categories of financial instruments

	COMPANY		GROUP	
Financial assets Financial assets that are not measured at fair value	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Long-term receivables (note 24)	50.988	47.471	949.112	608.897
Long-term and other financial assets (note 23, 28)	13.785.582	14.065.537	115.493	397.068
Trade receivables (note 26)	19.477.383	19.448.639	22.083.105	23.274.064
Other receivables (note 27)	145.871	91.802	240.078	361.886
Cash, cash equivalents and deposits (note 29)	3.540.509	2.507.974	4.843.277	3.084.128

	COMPANY		GROUP	
Financial liabilities Financial liabilities at amortized cost	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Received loans (note 33, 36)	(38.183.967)	(37.968.089)	(53.231.886)	(53.693.545)
Trade liabilities and other liabilities	(30.277.602)	(23.354.896)	(45.330.952)	(41.246.319)

40.3. Objectives of financial risk management

The group continuously monitors and manages financial risks, which are divided into: credit risk, liquidity risk and market risks (interest, price and currency risk). Exposure to currency, interest and credit risk occurs during regular business operations.

The Group's risk management program focuses on the unpredictability of the financial market and is aimed at minimizing its potential negative impact on the Group's operations.

40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40.4. Price risk management

The largest market where the Company acquires trade goods for resale is the EU market, while the majority of sales revenue is generated on the domestic market, In its operations, the Company and the Group face fluctuations in purchase prices, primarily the price of iron, tires and oil. In order to reduce these impacts, the Group's central procurement continuously monitors the movement of prices and trends on the market, jointly appears before suppliers for certain strategic product categories, negotiates to improve procurement conditions (prices and payment terms). Timely contracting, distribution of risks partly to suppliers, and optimization of stocks, are some of the activities that the Company and Group carry out in order to better assess price movements and reduce the risk of price fluctuations on the market.

40.5. Interest rate risk

Interest rate risk is the risk of changes in the value of a financial instrument due to changes in market interest rates, Interest rate risk is related to changes in the return of assets and liabilities and in values resulting from the movement of interest rates, The Group's interest rate risk arises from credit liabilities. The Company and Group continuously monitor changes and forecasts of interest rates, different situations are simulated, taking into account refinancing, restoration of the current situation as well as alternative financing.

40.6. Credit risk

Credit risk represents the risk of non-payment or non-fulfillment of contractual obligations by customers, which may affect a possible financial loss, The company and the Group have defined procedures for determining credit limits for customers, payment delays, mandatory insurance instruments, and receivables collection procedures as part of their credit policies.

The objective of the Group's credit policies is better protection against possible financial risks and losses due to non-fulfillment of contractual obligations, better monitoring of receivables collection, and faster reaction due to negative changes in customers' operations.

The group has contracted insurance for the collection of receivables for all foreign customers who have an agreed payment delay.

40.7. Currency risk management

The company carries out certain transactions in foreign currency, and in this regard, it is exposed to the risks of exchange rate differences, The following table shows the accounting amounts of monetary assets and monetary liabilities of the Company and the Group in foreign currency as of the reporting date, The amounts were converted into euros at the middle exchange rate of the Croatian National Bank (HNB).

COMPANY	Assets		Liabilities		Net foreign exchange position	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
USD	1.475	2.601	5.533	54	(4.058)	2.547
HUF	191.413	135.411	-	-	191.413	135.411
	192.888	**138.012**	**5.533**	**54**	**187.355**	**137.958**

(All amounts are expressed in euros)

40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40.7. Currency risk management (continued)

GROUP	Assets		Liabilities		Net foreign exchange position	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
USD	1.475	3.974	635.688	467.826	(634.213)	(463.852)
HUF	191.413	135.411	-	-	191.413	135.411
	192.888	**139.385**	**635.688**	**467.826**	**(442.800)**	**(328.441)**

Analysis of sensitivity to currency risk
The sensitivity analysis includes only open monetary items in foreign currency and their translation at the end of the period. A negative number shows a decrease in profit, that is, a positive number shows an increase in profit if the euro changes in relation to the currencies in question by the above-mentioned percentage.

COMPANY		
Curreny impact USD	31 December 2024	31 December 2023
Exchange rate differences (2%)	*+/- 81	*+/- 51

GROUP		
Curreny impact USD	31 December 2024	31 December 2023
Exchange rate differences (2%)	*+/- 12.684	*+/- 9.277

COMPANY		
Curreny impact HUF	31 December 2024	31 December 2023
Exchange rate differences (2%)	*+/- 3.828	*+/- 2.708

GROUP		
Curreny impact HUF	31 December 2024	31 December 2023
Exchange rate differences (2%)	*+/- 3.828	*+/- 2.708

40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40.8. Liquidity risk management

The Group manages liquidity risk by setting appropriate frameworks, with the aim of more efficient management of short-term and long-term financial and liquidity requirements, thereby maintaining adequate liquidity reserves and available credit lines. The Group's liquidity management policy implies a process of continuous cash flow management on an annual, monthly and daily level through regular analysis and monitoring of due receivables from customers, liabilities to suppliers, banks and other financial institutions, as well as monitoring of planned and realized cash flows, all with the aim timely assurance of an acceptable level of liquidity of companies within the Group.

The following table analyzes the remaining period until the contractual maturities of the Company's non-derivative financial assets and liabilities. The table is compiled based on non-discounted cash inflows and outflows for financial assets and liabilities as of the earliest date on which the Company can request payment or be called upon to pay.

COMPANY							
2024	Average weighted interest rate	Up to 1 month	From 1 to 3 months	From 3 month to 1 year	From 1 to 5 years	Over 5 years	Total
Assets							
Non-bearing interest	-	18.882.322	4.139.642	-	84.816		23.106.780
Interest-bearing	-	-	-	-	-	-	-
		18.882.322	**4.139.642**	**-**	**84.816**	**-**	**23.106.780**
Liabilities							
Non-bearing interest	-	16.942.661	13.334.200	-	-	-	30.276.861
Interest-bearing	2,92%	328.335	656.971	14.300.019	18.927.250	3.971.691	38.184.267
		17.270.997	**13.991.171**	**14.300.019**	**18.927.250**	**3.971.691**	**68.461.128**

COMPANY							
2023	Average weighted interest rate	Up to 1 month	From 1 to 3 months	From 3 month to 1 year	From 1 to 5 years	Over 5 years	Total
Assets							
Non-bearing interest	-	17.981.006	3.982.548	-	362.343	-	22.325.898
Interest-bearing	-	-	-	-	-	-	-
		17.981.006	**3.982.548**	**-**	**362.343**	**-**	**22.325.898**
Liabilities							
Non-bearing interest	-	15.752.630	7.602.266	-	-	-	23.354.896
Interest-bearing	3,84%	385.472	770.944	23.642.882	12.327.094	841.697	37.968.089
		16.138.102	**8.373.210**	**23.642.882**	**12.327.094**	**841.697**	**61.322.985**

(All amounts are expressed in euros)

40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40.8. Liquidity risk management (continued)

GROUP							
2024	Average weighted interest rate	Up to 1 month	From 1 to 3 months	From 3 month to 1 year	From 1 to 5 years	Over 5 years	Total
Assets							
Non-bearing interest	-	22.662.204	4.414.922	50.881	84.816	-	27.212.823
Interest-bearing	-	-	-	-	-	-	-
		22.662.204	**4.414.922**	**50.881**	**84.816**	**-**	**27.212.823**
Liabilities							
Non-bearing interest	-	24.243.195	20.840.856	262.529	-	-	45.346.581
Interest-bearing	3,06%	550.630	1.051.021	18.073.245	29.585.600	3.971.691	53.232.186
		24.793.825	**21.891.877**	**18.335.774**	**29.585.600**	**3.971.691**	**98.578.768**

GROUP							
2023	Average weighted interest rate	Up to 1 month	From 1 to 3 months	From 3 month to 1 year	From 1 to 5 years	Over 5 years	Total
Assets							
Non-bearing interest	-	22.268.702	4.282.831	5.773	362.343	-	26.919.649
Interest-bearing	-	-	-	-	-	-	-
		22.268.702	**4.282.831**	**5.773**	**362.343**	**-**	**26.919.649**
Liabilities							
Non-bearing interest	-	24.989.584	15.332.509	924.226	-	-	41.246.319
Interest-bearing	4,11%	1.227.726	1.204.084	31.507.884	18.912.155	841.697	53.693.545
		26.217.311	**16.536.592**	**32.432.110**	**18.912.155**	**841.697**	**94.939.864**

40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

40.9. The fair value of financial instruments

Held-to-maturity financial instruments in the normal operating business are recorded at acquisition cost or net amount reduced by the repaid portion, whichever is lower.

Fair value is the price that would be realized by the sale of an asset or paid for the transfer of a liability in a transaction between market participants on the measurement date, regardless of whether it would be immediately visible or estimated by applying some other valuation technique.

On 31 December 2024 the reported amounts of cash, receivables, short-term liabilities, calculated expenses, short-term loans and other financial instruments roughly correspond to their market value.

41. OFF-BALANCE SHEET LIABILITIES

On 31 December 2023 the Company Tokić d.o.o. had recorded off-balance sheet liabilities related to guarantees issued in favor of banks and suppliers for the debts of the related company Bartog d.o.o. and off-balance sheet receivables for received guarantees and guarantees from the related company Bartog d.o.o. for own debts. Off-balance sheet liabilities and claims refer to issued and received guarantees, promissory notes and corporate guarantees, and serve as an instrument to secure payment in the event that the debtor is unable to meet his obligations when due. An overview of off-balance sheet liabilities is shown below:

Bank	Description	Type of insurance	Amount EUR	Issuer	Maturity date
Intesa Sanpaolo d.d., SLO	Long-term loan	Corporate guarantee	3.200.000	Tokić	16 August 2030
Intesa Sanpaolo d.d., SLO	Warranty framework	Corporate guarantee	1.200.000	Tokić	26 September 2025
OTP banka d.d.	Factoring	Guarantee	2.500.000	Tokić	29 September 2025
OTP banka d.d.	Short-term loan	Guarantee	2.000.000	Tokić	30 September 2025
OTP banka d.d.	Overdraft	Guarantee	2.500.000	Tokić	30 September 2025
Gorenjska banka d.d., SLO	Long-term loan	Promissory notes	2.800.000	Tokić	30 June 2031
Poštanska banka d.d.	Long-term loan	Corporate guarantee	2.200.000	Bartog	31 October 2028
Total			**16.400.000**		

42. EVENTS AFTER THE REPORTING PERIOD

Opening new locations and expanding the retail network
• In February 2025, new branches were opened in Virovitica, Gospić, and Nova Gradiška,
• In March 2025, a new branch was opened in Imotski,

Other events
On April 1st, 2025, Company underwent a demerger by separating the business unit responsible for property management, development, and operations into a newly established separate entity, NEK – TOK d.o.o. The new company, formed as part of the demerger process, will focus on property management and development activities, while Tokić d.o.o. will continue its operations related to the trade of spare parts and ancillary equipment for all types of motor vehicles, as well as other activities within its scope of business.

The purpose of the demerger is to enable more efficient management of Tokić d.o.o. core business (retail and wholesale of motor vehicle spare parts) and to create conditions for specialization and enhanced development of the real estate business.

Following the demerger, the share capital of Tokić d.o.o. will amount to EUR 22,75 million, with ownership structure remaining unchanged.

43. UNPREDICTABLE LIABILITIES

According to the Company's Management assessment, as of 31st December, 2024, neither the Company nor the Group have any significant contingent liabilities that would require disclosure in the notes to the financial statements.

Court proceedings
On 31st December 2024, there was no significant court proceedings against the Company, which is expected to fail, and which was not disclosed in the financial statements.

44. APPROVAL OF INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The standalone and consolidated financial statements were approved by the Management Board of the Company and the Group on 7 th May 2025.

Chairman of the Board:
Ivan Šantorić

Board member:
Dražen Jurković


TOKIĆ GRUPA