

ANNUAL REPORT

DECEMBER 31, 2023.

**INTERKAPITAL vrijednosni papiri d.o.o.
Zagreb**

CONTENT

	Page
Management Report	3
Responsibility for the financial statements	5
Independent Auditor's Report	6-10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the annual financial statements	15-48
Regulatory financial statements	49-54

Business description and future business development plan

The 2023 business year was marked by strong growth in regional and world stock market indices, which ultimately brought positive developments in all business segments of the company. The company continued the implementation of the geographical diversification strategy, and as a key point, we emphasize that in the coming period (2024), in addition to Croatia, Slovenia and Eurex, the company will become a member of another EU stock exchange (Romania). Below is a brief overview by business area:

- *Brokerage department.* In addition to brokerage services on regional stock exchanges, we continued to invest in the expansion of the client base for foreign trading, which represented the bulk of the department's volume and income in 2023. On the regional markets, we maintained the leading position in total trading for another year with a share of 27% on the Zagreb Stock Exchange and 29.3% on the Ljubljana Stock Exchange.
- *Market Infrastructure Operations (Custody and depository operations).* A strong emphasis is still placed on the development of custody services in Croatia and Slovenia, and in 2023 we have maintained a leading position among non-banking institutions with total assets of over 3.6 billion euros. Significant growth compared to 2022 was ensured by the successful acquisition of clients in the transaction accounts segment.
- *Analysis Department.* During the year, we published over 500 publications for our clients, including macroeconomic analyzes for regional markets, Equity Outlook and IC Company Analysis for leading regional issuers.
- *Trading for own account.* In the segment of business for our own account, we are pleased with the fact that we are continuously the leading market maker (specialist trade) on the Zagreb Stock Exchange and the Ljubljana Stock Exchange with a total of 24 active mandates (shares and ETFs). After an extremely demanding year 2022, positive developments on the regional stock markets in 2023 ensured an adequate return on investment within the specialist trade.
- *Investment banking.* In the investment banking segment, we are extremely proud that in 2023 we issued the first collateralized bond for a renowned client in the tourism sector.

We received recognition for our business in the form of the annual award of the Zagreb Stock Exchange and the Ljubljana Stock Exchange for the best member, the prestigious international EMEA Finance award for the leading investment company and broker in Croatia and Slovenia, and the Focueconomics award for macroeconomic forecasts. All the mentioned awards are confirmation of the company's excellence and proof of continuous investment in employee education, and will be an additional incentive for further improvement of our services.

Finally, it should be noted that we are proud of the achievements in 2023 and, regardless of the geopolitical turbulence and inflationary pressures still present, we enter 2024 with a dose of optimism, especially regarding the potential for further growth of regional stock markets. On the other hand, the medium-term perspective of the development of the regional stock market continues to cause concern due to the relatively small number of active market participants and the lack of interest in the implementation of new capital issues. Therefore, the company's strategy will continue to be primarily focused on the geographical expansion of brokerage and custody business, as well as further optimization and digitization of business processes.

Financial instruments and risk management

A financial instrument is a contract on the basis of which a financial asset of one company and a financial liability of another company arise. The company has classified its financial assets in the category of fair value through the profit and loss account, available for sale and loans and receivables. The classification depends on the purpose for which the financial asset was acquired. Management classifies financial assets upon initial recognition.

A more detailed description of financial instruments and risk management is available in note 25 below.

Business description and future business development plan (continued)

Events after the end of the business year

Events after the balance sheet date are disclosed in note 26 of the financial statements.

Existence of subsidiaries

The company has a branch in Slovenia.

Purchase of company's own shares/shares

The company did not acquire its own shares.

Zagreb, 26 April 2024



Danijel Delač
Chairman of the Board



Denis Jurinić
Member of the Management Board

INTERKAPITAL vrijednosni papiri d.o.o.
Masarykova 1
10 000 Zagreb
Republic of Croatia

Responsibility for the Annual Report

Based on the Accounting Act of the Republic of Croatia, the Management Board is obliged to ensure that the financial statements for each financial year are prepared in accordance with the International Financial Reporting Standards ("IFRS"), adopted by the European Union, so that they give a true and objective picture of the financial situation and results business operations of INTERKAPITAL securities d.o.o. Zagreb, ("Company") for that period.

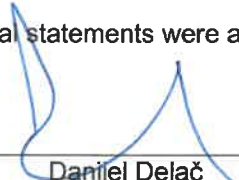
After the conducted research, the Management reasonably expects that the Company has adequate funds to continue operations in the foreseeable future. For the stated reason, the Management Board continues to accept the principle of continuity of operations when preparing financial statements.

- The responsibilities of the Company's Management when preparing financial statements include the following: selection and consistent application of appropriate accounting policies;
- providing justified and prudent judgments and assessments;
- acting in accordance with the applicable accounting standards, with the publication and explanation of all materially significant deviations in the financial statements; and
- compilation of financial statements under the assumption of continuity of operations.

The Management Board is responsible for keeping correct accounting records, which will at any time reflect the Company's financial position with acceptable accuracy, as well as their compliance with the Croatian Accounting Act. Management is also responsible for safeguarding the Company's assets, and therefore for taking reasonable measures to prevent and detect embezzlement and other illegalities.

Management is also responsible for the preparation and content of management reports, in accordance with the Accounting Act. The management report was prepared in accordance with the requirements of Article 21 of the Accounting Act.

These financial statements were approved by the Management Board on April 26, 2024 and were signed by:



Danijel Delač
Chairman of the Board



Denis Jurinić
Member of the Management Board

INTERKAPITAL vrijednosni papiri d.o.o.
Masarykova 1
10 000 Zagreb
Republic of Croatia



Independent Auditor's Report

To the Owner of INTERKAPITAL vrijednosni papiri d.o.o. za trgovanje vrijednosnim papirima

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of INTERKAPITAL vrijednosni papiri d.o.o. (the "Company") as at 31 December 2023, and the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 25 April 2024.

What we have audited

The Company's financial statements comprise:

- the statement of comprehensive income for the year ended 31 December 2023;
 - the statement of financial position as at 31 December 2023;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, comprising material accounting policy information and other explanatory information.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014, and furthermore, we have not provided any non-audit services to the Company in the period from 1 January 2023 to 31 December 2023.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Recognition of fee revenue</i></p> <p>Refer to Note 3 to the financial statements under heading Income from commissions and fees for investment services and Note 2 under heading Material accounting policy information for further information.</p> <p>The Company has recognized revenues from fees and commissions of EUR 3.486 thousand for the period ended 31 December 2023.</p> <p>Although the transactions within the revenue streams are unified and revenue recognition is not complex, we focused on this area due to the higher risk and significance of these items to the Company's financial statements.</p>	<p>Our audit approach to revenue was based on test of operating effectiveness of controls and substantive audit testing of transactions as described below.</p> <p>On the sample basis, we compared the recognised revenues with the invoices for the investment services.</p> <p>We performed operating effectiveness of controls and recalculated the custody fee (revenue from custody and administration) by multiplying each fund's net asset value ("NAV") with the custody fee percentage.</p> <p>We performed operating effectiveness of controls on brokers transactions at local and foreign market which was the basis for the calculation of brokers' fee. We compared the brokers fee percentage with the pricing list.</p> <p>We also traced the selected sample of revenue transactions to the bank statements to confirm the fees were received.</p>

Reporting on other information

Management is responsible for the other information. The other information comprises the Management Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of Article 21 of the Accounting Act.

Based on the work undertaken in the course of our audit, in our opinion:

- 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 financial statements; and
- the Management Report has been prepared in accordance with the requirements of Article 21 of the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report and Corporate Governance Statement and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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 independent auditor's 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 independent auditor's report. However, future events or conditions may cause the Company 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.

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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors of the Company on 19 July 2022. Our appointment has been renewed annually by shareholder resolution with the most recent reappointment on 4 October 2023, representing a total period of uninterrupted engagement appointment of two years.

Other legal and regulatory requirements

Pursuant to Ordinance on structure and contents of the annual financial statements of investments firms (Official Gazette: 150/22) (“Ordinance”), the Company's Management Board prepared statements shown in the section Regulatory financial statements under headings Statement of financial position, Statement of comprehensive income, Statement of cash flows and Statement of changes in equity for the year ended 31 December 2023 (“Forms”), together with information on the reconciliation of the Forms with the Company's financial statements prepared in accordance with the International Financial Reporting Standards adopted in the European Union. Preparation of these Forms is the responsibility of the Company's Management Board and the Forms are not an integral part of these financial statements, but contain information in accordance with Ordinance. Financial information in the Forms is derived from the financial statements of the Company prepared in accordance with International Financial Reporting Standards as adopted in European Union presented on pages 15 to 48 and adjusted in accordance with the Ordinance.

The certified auditor engaged as partner on the audit resulting in this independent auditor's report is Marija Mihaljević

PricewaterhouseCoopers d.o.o.
Heinzelova 70, Zagreb
29 April 2024

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INTERKAPITAL vrijednosni papiri d.o.o.
Annual financial statements

Statement of comprehensive income

for the year ended December 31, 2023.

		2023.	2022.
	Note	EUR'000	Restated EUR'000
Income from commissions and fees for investment services	3	3.486	3.419
Expenses from commissions and fees for investment services	4	(1.085)	(1.097)
Net income from commissions and fees		2.401	2.322
Realized gains from financial assets at fair value through profit or loss		645	487
Realized losses from financial assets at fair value through profit or loss		(509)	(1.083)
Net realized gains		136	(596)
Unrealized gains from financial assets at fair value through profit or loss		25	9
Unrealized losses from financial assets at fair value through profit or loss		(10)	(40)
Net unrealized gains		15	(31)
Interest income	5	321	132
Interest expenses	6	(85)	(96)
Net interest income		236	36
Foreign exchange gains		48	248
Foreign exchange losses		(57)	(222)
Net foreign exchange gains/(losses)		(9)	26
Income from dividends, profit shares and other securities		40	77
Other income		90	209
Total other income		130	286
Amortization	13,14,15	(87)	(72)
Employee expenses	7	(916)	(995)
Other expenses	8	(484)	(480)
Total other expenses		(1.487)	(1.547)
Profit before tax		1.422	496
Income tax	9	(244)	(61)
Net profit		1.178	435
Other comprehensive income		-	-
Total comprehensive income		1.178	435

Notes shown on the following pages form an integral part of these financial statements.

INTERKAPITAL vrijednosni papiri d.o.o.
Annual financial statements (continued)

Statement of financial position

as at 31 December 2023.

		31.12.2023.	31.12.2022.	01.01.2022.
	Note	EUR'000	<i>Restated</i> EUR'000	<i>Restated</i> EUR'000
ASSETS				
Fixed assets				
Property, plant and equipment	10	343	257	257
Right-of-use assets	11	201	196	246
Intangible assets	12	67	80	53
Other receivables	15	8	5	5
Deferred tax assets	9	14	8	25
		633	546	586
Current assets				
Financial assets at fair value through profit or loss	13	1.577	1.940	3.573
Receivables for investment services	14	825	669	862
Loans and receivables		38	-	-
Other receivables	15	1.618	609	448
Cash and cash equivalents	16	416	474	420
		4.474	3.692	5.303
TOTAL ASSETS		5.107	4.238	5.889
Equity and reserves				
Share capital	17	1.100	1.062	1.062
Capital reserves	17	1.465	265	265
Profit for the year		1.178	435	1.180
		3.743	1.762	2.507
Long term liabilities				
Lease liabilities	11	158	180	211
		158	180	211
Short-term liabilities				
Liabilities for purchased securities	18	546	313	92
Loans liabilities	19	309	1.740	2.413
Trade payables		108	80	157
Liabilities to employees		165	113	215
Liabilities for taxes and contributions		41	20	258
Lease liabilities	11	37	30	36
		1.206	2.296	3.171
TOTAL LIABILITIES		5.107	4.238	5.889

Notes shown on the following pages form an integral part of these financial statements.

INTERKAPITAL vrijednosni papiri d.o.o.
Annual financial statements (continued)

Statement of changes in equity

for the year ended 31 December 2023

	Issued capital EUR'000	Capital reserves EUR'000	Retained earnings EUR'000	Profit for the year EUR'000	Total EUR'000
Balance on January 1, 2022. (Restated)	1.062	265	-	1.180	2.508
Profit for the period	-	-	-	435	435
Other comprehensive income	-	-	-	-	-
<i>Total comprehensive income for the period</i>	-	-	-	435	435
Transfer	-	-	1.180	(1.180)	-
Dividend payments	-	-	(1.180)	-	-
Balance on January 1, 2023. (Restated)	1.062	265	-	435	1.762
Profit for the period	-	-	-	1.178	1.178
Other comprehensive income	-	-	-	-	-
<i>Total comprehensive income for the period</i>	-	-	-	1.178	1.178
Transfer	-	-	435	(435)	-
Other non-proprietary capital changes	-	-	(17)	-	(17)
Increase of subscribed capital	38	-	-	-	38
Other payments made by the owner	-	1.200	-	-	1.200
Dividend payments	-	-	(418)	-	(418)
Balance on December 31, 2023	1.100	1.465	-	1.178	3.743

Notes shown on the following pages form an integral part of these financial statements.

INTERKAPITAL vrijednosni papiri d.o.o.
Annual financial statements (continued)

Statement of cash flows

for the year ended 31 December 2023

	Note	2023. EUR'000	2022. <i>Redone</i> EUR'000
Net cash flow from operating activities		511	1.919
Profit after tax		1.422	495
<i>Adjustments:</i>			
Amortization	13, 14, 15	87	72
Depreciation of tangible assets		-	1
Interest income	7	(321)	(132)
Interest expenses	8	85	96
Net exchange differences	9	9	(26)
Net unrealized (gains)/losses		(151)	31
Other adjustments		(41)	6
<i>Changes in assets and liabilities:</i>		(14)	-
(Increase)/decrease in receivables based on investment services performed		(156)	193
(Increase)/decrease in other receivables		(1.141)	(75)
(Increase) of financial assets at fair value through profit or loss		505	1.628
Increase in liabilities for purchased securities		233	221
Increase in other liabilities		82	(204)
Income tax paid		(102)	(387)
Net cash flow from investing activities		159	117
Interest income		321	178
Expenses for granted loans and receivables		(38)	-
(Increase)/decrease of investments in intangible assets	15	(2)	(39)
(Increase)/decrease in investment in tangible assets	12	(122)	(22)
Net cash flow from financial activities		(728)	(1.982)
Reduction of liabilities for received loans		(4.953)	(3.276)
Increase in liabilities for received loans		3.527	2.588
Interest paid		(90)	(73)
Formed capital reserves		1.200	-
Increase of subscribed capital		38	-
Reduction of rent obligations		(32)	(42)
Dividend payments		(418)	(1.180)
Net increase in cash and cash equivalents		(58)	54
Cash and cash equivalents at the beginning of the period		474	420
Cash and cash equivalents at the end of the year	19	416	474

Notes shown on the following pages form an integral part of these financial statements.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements

1. General

History and incorporation

INTERKAPITAL vrednosni papiri d.o.o., Zagreb (the "Company") is a limited liability company for securities trading, established in Zagreb with the Declaration of Incorporation dated January 28, 2002, and started operating in mid-April 2002.

The company was registered at the Commercial Court in Zagreb on February 12, 2002. The securities trading license was issued to the Company by the Securities Commission of the Republic of Croatia on January 31, 2002. The headquarters of the Company is in Zagreb, Masarykova 1. The Company is 100% owned by INTERKAPITAL d.d., Zagreb.

On July 9, 2009, the Company received a decision from the Croatian Financial Services Supervisory Agency ("HANFA") to provide investment services and carry out investment activities and related ancillary services under the Capital Market Act (Official Gazette 65/18, 17/20).

The company supervises HANFA. The company is a member of the Zagreb Stock Exchange, Central Clearing Depository Company, Ljubljana Stock Exchange, Eurex, i.e. IPO Partner of the Warsaw Stock Exchange.

Core business

The Company's basic business activities include buying and selling securities on behalf of clients, trading securities for its own account, trading securities for speculative purposes, and custody activities.

Members of the Management Board

Matko Maravić - Chairman of the Board

Danijel Delač - member of the board

Denis Jurinić – member of the board from 5 December 2023

Andrej Erjavec – - procurator

Kristina Pukšec – - procurator until 18 December 2023

Marko Švagelj – - procurator from 18 December 2023

The basis of preparation

The Company's financial statements are prepared in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS").

The financial statements are prepared in accordance with the historical cost principle, except for financial assets at fair value through the profit and loss account, which are measured at fair value. Accounting policies have been consistently applied, except where otherwise noted.

The financial statements are prepared in accordance with the going concern basis of preparation.

Functional and reporting currency

Financial statements are prepared in euros ("EUR"), which is the currency of the primary economic environment in which the Company operates ("functional currency") and are rounded to the nearest thousand, unless otherwise indicated.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

1. General (continued)

The introduction of the euro as the official currency in the Republic of Croatia

On January 1, 2023, the euro ("EUR") was introduced instead of the Croatian kuna ("HRK") and became the official monetary currency and official means of payment in the Republic of Croatia. The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency. On January 1, 2023, all items (assets, liabilities and equity positions) were converted from HRK to EUR using a fixed conversion rate determined by the Croatian government (published fixed rate of HRK 7.53450 for EUR 1). The change in the functional currency is applied prospectively from the specified date.

Furthermore, the presentation currency of these financial statements has changed as of January 1, 2023, and the comparative periods have been changed for the aforementioned reason. Since the financial statements of the previous period were presented in Croatian kuna, the change in the presentation currency of the comparative period in this year's financial statements represents a change in the Company's accounting policy. With regard to the change in accounting policy, the Company presents three reports on the financial position in this year's financial statements, January 1, 2022, December 31, 2022, and December 31, 2023. The conversion rate as of January 1, 2023, which is HRK 7.53450 for 1 euro, is prescribed by law and published by the Croatian National Bank and was applied to the balances in the statement of financial position as of December 31, 2022 and January 1, 2022. . year and for comparative periods in the statement of comprehensive income, changes in capital and cash flows.

Accounting judgments and estimates

In applying the accounting policies described in Note 2, the Company's Management makes judgments, estimates and assumptions about the book values of assets and liabilities, which are not available from other sources. Estimates and assumptions are based on historical experience and other factors deemed relevant. Actual results may differ from the stated estimates. The judgments and assumptions on the basis of which the estimates were made 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.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

2. Material accounting policy information

Income and expenses from commissions and fees for investment services

Revenues generated during the Company's regular operations are recognized in the amount of the transaction price. The transaction price is the amount of compensation to which the Company expects to be entitled in exchange for the service rendered, excluding amounts charged on behalf of third parties. Revenues are recognized net of discounts and value added tax. The company provides services with variable prices. If the Company transfers control over the service over time and therefore fulfills the performance obligation over time, revenue from the provision of services is recognized in the accounting period in which the services are provided.

Income from commissions and fees for performed investment services consists of commissions for mediation services in the sale and purchase of securities, income from the work of issuing agents and consulting services, and income from storage and administration fees. Revenue is recognized in the profit and loss account when the service is rendered.

Expenses from commissions and fees for investment services performed mostly consist of commissions for stock exchange services, securities depositories and settlement services. The expense is recognized in the profit and loss account upon receipt of the service.

Realized and unrealized gains and losses from financial assets

Gains and losses from financial assets include gains and losses on the basis of sales (realized gains and losses) and changes in the fair value of financial assets and liabilities measured at fair value through the income statement (unrealized gains and losses) intended for trading on own behalf and own account.

Interest income and expenses

Interest income and expenses are recognized in the income statement for all interest-bearing instruments on the accrual basis and using the effective interest rate method. Interest income includes coupons earned from investments in fixed income debt securities, interest on bank accounts and loans. Interest expenses from lease obligations and received loans.

Dividend income

Income from dividends based on investments in equity securities is recognized in the profit and loss account at the time the right to receive dividends arises.

Foreign currency

Transactions expressed in foreign means of payment are converted into EUR at the exchange rate valid on the date of the transaction.

Monetary assets and liabilities expressed in foreign means of payment are converted into the functional currency on the reporting date at the mid-rate of the Croatian National Bank valid on that day. Exchange rate differences resulting from the conversion of foreign means of payment are recognized in the profit and loss account.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

2. Material accounting policy information (continued)

Lease liabilities

On the lease commencement date, the Company recognizes lease obligations, measured according to the present value of lease payments, to be made during the lease term. Lease payments include fixed payments (including payments that are essentially fixed) less lease incentives received, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

The company applies a unique recognition and measurement approach for all leases, except for short-term leases (with a contractual term of up to 12 months) and low-value leases (up to EUR 4,350). The company recognizes lease obligations for the payment of rent and property with the right of use, which represents the right to use the property in question. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease period and the estimated useful life of the asset.

Employee benefits

Obligations for pensions and other obligations after retirement

In the course of regular operations, 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. The company has no other pension arrangements except those within the framework of the state pension system of the Republic of Croatia. As an employer, the company is obliged to calculate and pay a percentage of the current gross salary of the employees into the pension insurance, and the aforementioned costs are debited to the profit and loss account in the period in which the employees receive compensation for their work. The company has no obligation to pay pensions to employees in the future.

Long-term benefits of employees

The Company recognizes provisions for long-term employee benefits evenly over the period in which the award was made, based on the actual number of years of service.

Short-term benefits of employees

The Company recognizes an obligation for bonuses when there is a contractual obligation or past practice on the basis of which the derivative obligation arose. Furthermore, the Company recognizes a liability for accrued benefits for absence from work based on unused vacation days as of the balance sheet date.

Taxation

The company calculates taxes in accordance with the Croatian tax law. Profit tax is calculated on the basis of taxable profit, which is represented by accounting profit plus and minus certain items, in accordance with the Law and Ordinance on profit tax and other applicable legal regulations. Income tax consists of current and deferred tax. The Company's current tax liability is calculated by applying a rate of 18% on taxable profit. Deferred taxes refer to temporary tax differences.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

2. Material accounting policy information (continued)

Property, plant and equipment

Property, plant and equipment are initially recognized in the statement of financial position at acquisition cost, and are subsequently reported less accumulated depreciation and accumulated impairment losses. The acquisition cost includes the purchase price and all costs directly related to bringing the asset into working condition for the intended use.

The costs of current maintenance and repairs, replacement and investment maintenance of a smaller scale, which do not lead to an increase in future economic benefits, are recognized as expenses when incurred. Costs of significant investment maintenance and replacement, which objectively lead to an increase in future economic benefits, are capitalized.

Gains and losses based on the disposal or disposal of real estate, plant and equipment are reported in the income statement in the period in which they arose.

At each reporting date, the Company reviews the book amounts of real estate, plant and equipment, to determine whether there are indications that there has been a loss due to a decrease in the value of the said property.

Depreciation is included in the income statement according to the straight-line method through the estimated useful life of real estate, plant and equipment. The estimated useful life, residual value and depreciation method are reviewed at each reporting date, incorporating a change in the expected consumption framework of the economic benefits. Assets under construction are not depreciated. The average estimated useful life of each asset is as follows:

	2023.	2022.
Buildings	40 years	40 years
Plant and equipment	4 do 8 years	4 do 8 years
Vehicles	8 do 10 years	8 do 10 years

Depreciation is calculated starting from the first day of the following month in which the tangible asset is put into use.

Intangible assets

Intangible assets are initially recognized in the statement of financial position at acquisition cost, and are subsequently recognized at acquisition value less accumulated depreciation and accumulated impairment losses. Amortization of intangible assets is calculated using the straight-line method over the estimated useful life of use. The estimated useful life and depreciation method are reviewed at the end of each year. The average estimated useful life of intangible assets is 8 years. Subsequent expenditure related to an already recognized item of intangible assets is capitalized only in the case when there is an increase in future economic benefits that will flow to the Company. Any other subsequent expenditure is recognized as an expense in the period in which it is incurred.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

2. Material accounting policy information (continued)

Right of use assets

The company rents office space and cars. The company has applied a modified approach and, in accordance with the provisions of IFRS 16, as a lessee, it uses exceptions in the recognition of the lease of assets of "low value" and short-term leases, i.e. leases with a period of 12 months or less.

The company recognizes lease obligations for the payment of rent and property with the right of use, which represents the right to use the property in question. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease period and the estimated useful life of the asset.

Assets with the right of use are measured at cost, which consists of:

- the amount of the initially measured rental obligation,
- the amount of rent payments that occurred before the date of application less the received incentives,
- initial direct costs, and
- costs incurred in order to bring the property to its initial state in relation to the conditions required in the lease agreements.

If the Company has a reasonable belief that it will use the purchase option, the right use of the asset is amortized according to the useful life of the asset. Depreciation of assets included in the right to use the asset is calculated using the straight-line method in accordance with its useful life. Business premises are depreciated over a period of 6 years, and vehicles over a period of 4 to 7 years.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank accounts with maturities of up to three months.

Financial instruments

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management classifies financial assets upon initial recognition.

Financial assets and liabilities at amortized cost

Financial assets at amortized cost include cash, loans and receivables. Financial liabilities at amortized cost include payables to suppliers and other liabilities as well as liabilities for rent and loans received.

Financial assets at fair value through the profit and loss account

Financial instruments included in this portfolio are financial instruments that are held for trading and were purchased to gain profit from short-term price movements or brokerage commissions, or are securities included in a portfolio in which there is a pattern of short-term profit realization. All related realized and unrealized gains and losses are included in the statement of comprehensive income under "Net unrealized and realized gains of financial assets at fair value through Statement of financial position". Interest earned during the holding of these instruments is shown in the statement of comprehensive income under "Interest income". All purchases and sales of instruments held for trading are recognized on the day the trade is completed, which is the date on which the Company undertakes to purchase or sell the asset.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

2. Material accounting policy information (continued)

Impairment of property value

The company applies a three-stage impairment model for financial assets that are measured at amortized cost, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired at initial recognition is classified in level 1. In level 1, value adjustments due to credit losses are calculated as a 12-month expected credit loss. If the Company determines a significant increase in credit risk since initial recognition, the asset is transferred to level 2, and value adjustments due to credit losses are calculated as expected credit loss during the lifetime/duration of the asset. In stage 3, it is allocated to financial assets that are in default status at the reporting date, and credit loss allowances are calculated as expected credit losses over the life/duration of the asset.

At each reporting date, the Company measures and recognizes, based on an assessment of future conditions, the expected credit loss for financial assets measured at amortized cost. Impairment is based on the expected credit loss model, the measurements of which reflect:

- an unbiased and probability-weighted amount that is determined based on an assessment of numerous possible outcomes,
- time value of money,
- reasonable and substantiated information that is available without undue cost and effort at the reporting date, about past events, current conditions and forecasts of future economic circumstances.

In the statement of financial position, financial assets that are measured at amortized cost are reported less the value adjustment for expected credit losses. For receivables, the Company uses a simplified model of expected credit losses applying lifetime expected credit losses. Changes in value adjustments are charged to the profit and loss account.

Derecognition of financial assets

The Company stops recognizing financial assets only when the contractual rights to cash flow from the financial assets cease; or when the Company transfers financial assets and related risks and returns from ownership to another company.

If the Company does not transfer or retain all significant risks and rewards of ownership and continues to control the transferred assets, the Company recognizes ownership of the assets and related liabilities for the amounts it could pay. If the Company retains substantially all of the risks and rewards of ownership of the transferred assets, the Company continues to recognize financial assets and certain secured liabilities under the receivables credit.

Financial obligations

Financial liabilities are classified as either financial liabilities "through the profit and loss account" or "other financial liabilities".

Other financial obligations

Other financial liabilities, including received loans, are initially recognized at fair value, excluding transaction costs.

Other financial liabilities are subsequently recognized at amortized cost using the effective interest rate method, with interest expense recognized using the effective interest rate method.

Derecognition of a financial liability

The company ceases to recognize a financial obligation only and exclusively if it has disappeared, i.e. if the contractual obligation has been settled, corrected or expired.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

2. Material accounting policy information (continued)

Derivative financial instruments

As part of regular operations, the Company concludes contracts on derivative financial instruments for the purpose of managing the risks to which it is exposed.

The company uses financial derivatives by applying documented policies approved by the Board, which contain the principles of using financial derivatives. Derivative financial instruments are initially recognized at cost, including transaction costs, and subsequently measured at fair value.

Fair values are determined based on quoted market prices, using discounted cash flow methods and option pricing methods, as applicable. All derivatives whose value is positive are reported as assets, while all derivatives with a negative value are reported as liabilities.

Gains and losses from transactions with derivative financial instruments and changes in their fair values are recognized directly in the income statement.

Reservations

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and when it is probable that settlement of the obligation will require an outflow of resources embodying economic benefits. The amount recognized as a provision is the best estimate of the expenditure necessary to settle the present obligation at the reporting date, taking into account the risks and uncertainties of imminent events and circumstances.

If the provision is measured by the expected cash flows estimated to settle the liability, the amount of the provision is the present value of the expected expenditure required to settle the liability.

Management of funds in the name and on behalf of third parties

The company manages funds in the name and on behalf of legal and natural persons and charges a fee for these services. Given that these assets do not represent the assets of the Company, they are excluded from the report on the financial position of the Company.

Adoption of new and revised International Financial Reporting Standards ("IFRS")

Adoption of new or amended standards and interpretations

The following amended standards, effective from January 1, 2023, were adopted in the EU, but did not have a material impact on the Company:

- *IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IFRS 17 and Amendments to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).*
- *Transitional option for insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IFRS 1 and IFRS 2 Practice Statement (IFRS Practice Statement 2): Disclosure of Accounting Policies (issued on February 12, 2021, and effective for annual periods beginning on or after January 1, 2023). IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the*

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

concept of materiality to accounting policy disclosures. The Company adopted amendments to the standards and have adjusted its accounting policies Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

- *Amendments to IAS 8: Definition of Accounting Estimates (issued on February 12, 2021, and effective for annual periods beginning on or after January 1, 2023).*
- *Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 12: Income Taxes - International Tax Reform - Model Rules Related to Pillar 2 (published on May 23, 2023)*

New accounting standards and interpretations adopted in the EU

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024 or later, which are endorsed by EU and which the Company has not early adopted.

- *Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).*
- *Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).*

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

New accounting standards and interpretations that have not been adopted by the EU

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024 or later, which are not endorsed by EU and which the Company has not early adopted.

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on May 25, 2023).*
- *Amendments to IAS 21 Lack of Exchangeability (Issued on August 15, 2023).*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).*

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

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

3. Income from commissions and fees for investment services

	2023	2022
	EUR'000	EUR'000
Income from fees for intermediation services on the foreign market	1.927	1.595
Income from fees for intermediation services on the domestic market	586	910
Income from publishing agent and consulting services	100	271
Income from storage and administration fees	839	618
Income from research analysis fees and other income	34	24
	3.486	3.418

4. Expenses from commissions and fees for investment services

	2023	2022
	EUR'000	EUR'000
Commission costs on stock exchanges	276	336
Costs of commissions of foreign brokers and related representatives	219	252
Commission of the central clearing depository company	316	270
Cost of access to the Software	105	87
The cost of Bloomberg	104	97
Banking services	30	27
SWIFT costs	18	14
Other costs	17	12
	1.085	1.095

5. Interest income

	2023	2022
	EUR'000	EUR'000
Interest income from financial instruments	-	31
Other income from interest	321	100
	321	131

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

6. Interest expenses

	2023	2022
	EUR'000	EUR'000
Interest expenses on the basis of financial instruments	76	86
Interest expenses on the basis of leasing	6	9
Other interest expenses	3	1
	85	96

7. Employee expenses

	2023	2022
	EUR'000	EUR'000
Costs of net salaries and compensation of employees	588	599
Costs of taxes, surcharges, and contributions from and on wages and benefits	328	395
	916	994

On December 31, 2023, the Company had 24 employees (2022: 21 employees).

During 2023, the Company paid 144 thousand euros (2022: 165 thousand euros) of pension contributions to mandatory pension insurance funds with a defined contribution amount related to its employees.

8. Other expenses

	2023	2022
	EUR'000	EUR'000
Costs of outsourcing services	32	49
The cost of taxes, contributions, membership fees and other benefits	47	52
Maintenance cost	27	23
Material costs	25	30
The cost of SKDD	42	35
The cost of consulting services	61	43
The cost of insurance premiums	18	20
Postage and shipping cost	5	9
The cost of telecommunications	13	10
The cost of utility fees	7	10
Cost of representation	23	17
Education and literature costs	21	12
Official travel expenses	18	13
Donations	5	3
Reimbursement of expenses to employees	98	89
Other costs	42	65
	484	480

The agreed audit fee for 2023 is 11 thousand euros (2022: 10 thousand euros).

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

9. Income tax

Income tax is calculated by applying the statutory tax rate of 18% to the taxable profit of the Company (2022: 18%).

The reconciliation of income tax for the year with the income shown in the Statement of Comprehensive Income is as follows:

	2023 EUR'000	2022 EUR'000
Accounting profit before tax	1.348	405
Non-taxable expenses	186	179
Non-taxable income	(144)	(340)
Tax base	1.390	332
Tax rate	18%	18%
Tax expense for the year	250	44
Reversal/(recognition) of deferred tax assets based on temporary differences	(6)	17
Income tax expense	244	61
Effective tax rate	17,55%	18,43%

	2023 EUR'000	2022 EUR'000
Current tax expense		
Current income tax expense	250	44
Deferred tax		
Cancellation/(creation) of temporary differences on long-term provisions	(6)	17
Income tax expense	244	61

Deferred tax assets arose from temporary differences based on provisioning costs for bonuses and other employee expenses.

The movement of deferred tax assets is as follows:

	2023 EUR'000	2022 EUR'000
Balance as at 31 December	8	25
Increase	14	8
Termination	(8)	(25)
Balance as at 31 December	14	8

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

10. Property, plant and equipment

Overview of asset movements during 2023:

	Buildings	Office equipment	Total
	EUR'000	EUR'000	EUR'000
<i>Purchase value</i>			
On January 1, 2023	406	59	465
Increases	-	121	121
On December 31, 2023	406	180	586
<i>Accumulated depreciation</i>			
On January 1, 2023	179	28	207
Depreciation charge for the year	10	26	36
On December 31, 2023	189	54	245
<i>Net book value</i>			
On January 1, 2023	227	31	257
On December 31, 2023	217	126	343

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

10. Property, plant and equipment (continued)

Overview of asset movements during 2022:

	Buildings	Office equipment	Total
	EUR'000	EUR'000	EUR'000
<i>Purchase value</i>			
On 1 January, 2022	406	51	457
Additions	-	22	22
Disposals	-	(14)	(14)
On 31 December 2022	406	59	465
<i>Accumulated depreciation</i>			
On 1 January, 2022	169	30	200
Depreciation charge for the year	10	11	21
Disposals	-	(13)	(13)
On 31 December 2022	179	28	208
<i>Net book value</i>			
On January 1, 2022	237	20	257
On December 31, 2022	227	31	257

11. Right-of-use assets

Overview of asset movements during 2023:

	Buildings EUR'000	Transport EUR'000	Total EUR'000
<i>Purchase value</i>			
On 1 January, 2023	244	49	293
Additions	161	50	211
Disposals	(244)	(16)	(260)
On 31 December 2023	161	83	244
<i>Accumulated depreciation</i>			
On 1 January, 2023	73	23	97
Depreciation charge for the year	29	8	37
Disposals	(75)	(15)	(90)
On 31 December 2023	27	16	43
<i>Net book value</i>			
On January 1, 2023	171	26	196
On December 31, 2023	134	67	201

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

11. Right-of-use assets (continued)

Overview of asset movements during 2022:

	Buildings EUR'000	Transport EUR'000	Total EUR'000
Purchase value			
On 1 January, 2022	244	107	351
Disposals	-	(58)	(58)
On 31 December 2022	244	49	293
Accumulated depreciation			
On 1 January, 2022	49	55	105
Depreciation charge for the year	24	15	39
Disposals	-	(47)	(47)
On 31 December 2022	73	23	97
Net book value			
On January 1, 2022	195	51	246
On December 31, 2022	171	26	196

Lease liabilities and changes during the period:

	2023 EUR'000	2022 EUR'000
Balance as of January 1	210	247
Increases	203	-
Calculated interest	5	9
Payments	(40)	(42)
Contract termination	(183)	(4)
Balance as of December 31	195	210
Short-term liabilities	37	30
Long term liabilities	158	180

Future minimum lease payments:

	2023 EUR'000	2022 EUR'000
up to one year	37	30
from one to five years	153	122
over five years	5	58
in total	195	210

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

Amounts included in the statement of comprehensive income:

	2023 EUR'000	2022 EUR'000
Interest expenses	5	9
Depreciation of assets with right of use	37	39
Net income/(expense) from the termination of the lease agreement	(14)	(7)

Cash outflows under lease agreements amount to EUR 37 thousand (2022: EUR 42 thousand).

12. Intangible assets

Overview of the movement of intangible assets during 2023 and 2022:

	2023 EUR'000	2022 EUR'000
<i>Purchase value</i>		
At 1 January	139	177
Additions	38	2
At 31 December	177	179
<i>Accumulated depreciation</i>		
At 1 January	86	97
Depreciation charge for the year	11	15
At 31 December	97	112
<i>Net book value</i>		
At 1 January	53	80
At 31 December	80	67

Intangible assets consist of software.

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

13. Financial assets at fair value through profit and loss

	2023	2022
	EUR'000	EUR'000
Equity instruments	1.577	1.940
	1.577	1.940

The fair value of these securities as of December 31, 2023 and 2022 was determined based on the average trading price weighted by the amount of securities traded on the stock exchanges.

14. Receivables for investment services

Receivables based on investment services performed in the total amount of 825 thousand euros (2022: EUR 669,000) represent claims on the basis of investment advisory services, mediation on the capital markets, i.e. storage of financial assets for the client's account.

15. Other receivables

	2023	2022
	EUR'000	EUR'000
<i>Long-term receivables</i>		
Receivables for lease repayments	8	5
	8	5
<i>Short-term receivables</i>		
Guarantee deposits	613	113
Deposit given in Central Depository & Clearing Company (SKDD)	257	123
Receivables from purchase/repurchase of financial instruments	728	214
<i>Total financial assets</i>	1.598	450
Claims for income tax advances	3	132
Expenses paid in future periods	16	16
Other claims	1	11
	1.618	609

16. Cash and cash equivalents

	2023	2022
	EUR'000	EUR'000
Foreign currency account in banks	202	259
Cash on hand	214	215
	416	474

Giro account on 31 December 2022 also includes account balances in euros.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

17. Share capital

Share capital

The ownership structure as of December 31 is as follows:

	2023	2023	2022	2022
	EUR'000	% ownership	EUR'000	% ownership
INTERKAPITAL d.d., Zagreb	1.100	100,00	1.062	100,00
	1.100	100,00	1.062	100,00

On 31 December 2022 the registered capital was HRK 8 million, i.e. EUR 1,062,000. The company adjusted its share capital to euros in December 2023 and increased it by 38,000 euros to 1,100,000 euros by cash payment.

Capital reserves

The capital reserves were increased in 2023 by EUR 1,200,000 by the owner's payment.

18. Liabilities for purchased securities

Obligations for purchased securities refer to purchased securities at the end of the year whose settlement date is at the beginning of the following year, and fully refer to the obligation to the clearing organization in the Republic of Croatia and Slovenia.

19. Obligations for loans received

	2023	2022
	EUR'000	EUR'000
Obligation for loans Interkapital d.d.	300	1.725
Liabilities for interest on loans Interkapital d.d.	7	14
Obligations for interest on the permitted excess of PBZ	2	-
	309	1.739

20. Funds managed for and on behalf of third parties

The company provides services performed in the name and for the account of third parties - companies and individuals, by buying and selling various financial instruments according to the instructions of the clients. The Company charges fees for these services. Assets that are managed on behalf of and for the account of third parties are reported separately from the Company's assets. Incomes and expenses

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

are distributed directly to the funds that are managed, and in regular business the Company has no obligations in connection with these transactions.

Funds and sources of funds for transactions on behalf of and for the account of third parties are presented as follows:

	2023	2022
	EUR'000	EUR'000
Assets:		
Transactions:		
Investors	895.144	601.769
Receivables for completed transactions	10.594	3.282
Cash on giro account	27.833	28.388
TOTAL ASSETS	933.571	633.439
Obligations:		
Transactions:		
Investors	921.826	629.841
Liabilities for completed transactions	11.141	3.130
Commissions	604	468
TOTAL LIABILITIES	933.571	633.439

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

21. Related party transactions

Parties are considered related if one party has the ability to control the other party or has significant influence over the other party in making financial or business decisions or is under joint control. The company is owned by Interkapital dd, which is also the ultimate controlling company. During regular operations, the Company carries out transactions with the owner of the Company, companies under the common control of the owner, and members of administrative, management, and supervisory bodies.

Transaction as part of regular business:

	2023	2022
	EUR'000	EUR'000
Transactions with the owner		
Receivables from customers – INTERKAPITAL d.d.	3	2
Liabilities to suppliers – INTERKAPITAL d.d.	3	11
Liabilities for loans - INTERKAPITAL d.d.	300	1.725
Liabilities for interest on loans – INTERKAPITAL d.d.	7	14
Transactions with companies under joint control of the owners		
Receivables from customers – InterCapital Asset Management d.o.o.	8	15
Accounts payable – InterCapital Asset Management d.o.o.	-	2
Statement of comprehensive income		
Income from custody services – InterCapital Asset Management d.o.o.	24	15
Income from custody services – INTERKAPITAL d.d.	26	21
Interest expense – INTERKAPITAL d.d.	28	39
Costs of supplier services – INTERKAPITAL d.d.	47	76
Supplier service costs – InterCapital Asset Management d.o.o.	-	18

All services with related parties are contracted under normal market conditions. The loan received from the owner was approved for a period of 1 year with an interest rate of 2.4%.

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

21. Related party transactions (continued)

Payments to key management

The fees paid to members of key management during the year are as follows:

	2023.	2022.
	EUR'000	EUR'000
Wages	78	73
Pension contributions	24	22
Tax and surtax	17	15
Fees in kind	12	8
Christmas bonuses	1	1
	132	119

During 2023, the Company paid 24 thousand euros (2022: 22 thousand euros) of pension contributions to mandatory pension insurance funds with a defined amount of contributions related to key management.

During 2022 and 2023, no fees were paid to members of the Supervisory Board.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

22. Financial instruments and risk management

Capital management

The company manages its capital in such a way as to ensure business continuity, while maximizing returns to owners through the optimization of debt and equity balances.

The Company's capital structure consists of debt, which includes loans shown in note 20, cash and capital attributable to owners' equity, including subscribed capital and retained earnings.

The Company's management reviews the capital structure on a regular basis. As part of that review, the Board considers the cost of capital and the risk associated with each class of capital. Based on the recommendations of the Management Board, the Company adjusts its capital structure through the dividend policy, the collection of new capital as well as the analysis of other forms of financing, and in accordance with the business plans, satisfying the regulatory framework. The company has not changed the stated strategy since its establishment.

The Capital Market Act prescribes a minimum amount of subscribed capital of 750 thousand euros, while the Company has capital in the amount of 1.1 million euros increased by the amount of reserves in the amount of 1.47 million kuna.

Also, the Company monitors capital adequacy in accordance with the provisions of the Capital Market Act, and meets the defined capital requirements, which as of December 31, 2023. year are 830 thousand euros, whereby the Company exceeds the stated capital requirement by 2,845 thousand euros.

Financial risk management objectives

The Company's business activities expose it to various types of financial risks, which include market risk (including currency risk, interest rate risk, and price risk), liquidity risk, and instrument fair value risk.

The company is exposed to the effects of changes in conditions on the domestic and international markets, and in addition, has significant investments in foreign currency.

The management carefully supervises and monitors and manages financial risks related to the Company's operations.

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Market risk

Market risk is the risk of possible changes in the exchange rate of foreign currencies, interest rates and market prices in the future, which may lead to a decrease in the value or damage of the financial instrument. The company manages market risk by diversifying its investment portfolio and regularly monitors it with pre-defined measures. At least once a year, the resistance of the portfolio to significant changes in the basic risk factors, which the Company considers to have a low probability of occurrence, but a potentially significant impact on the portfolio, is reviewed.

The Company has not changed its exposure to market risk or the way it manages market risk.

Foreign currency risk

The currency risk was significantly reduced by the introduction of the euro as the functional currency of the Company. However, part of the investment in securities is denominated in foreign currencies, mainly USD. With this, the Company is exposed to the risk of exchange rate changes, i.e. the risk that the value of the financial instrument will change due to changes in the exchange rate of foreign currencies. Exposure to currency risk is controlled within certain approved parameters.

By analyzing the current exchange rate trends, as well as taking into account the current situation in the country and the world and expectations of future trends, the following changes in risk factors were assumed:

A risk factor	Estimated increase/decrease in 2023.	Estimated increase/decrease in 2022.
EUR/USD	Od -9,80% do 7,71%	Od -1,56% do 11,93%

Based on these estimates of realistically possible movements of risk factors, the following table was obtained that shows the sensitivity of individual financial instruments and the change in their value in relation to the change of an individual risk factor:

'000 EUR	2023.			2022.		
	Open net position	+change	- change	Open net position	-change	+ change
USD	64	-5	6	329	-5	39
DKK		-0	0			
Impact on the company's net assets		-5	6	Impact on the company's net assets	-5	39

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Foreign currency risk (continued)

2023.	EUR	USD	GBP	Total
	EUR'000	EUR'000	EUR'000	EUR'000
Assets				
Securities and other financial instruments at fair value through statement of financial position	1.575	2	2	1.579
Receivables based on investment services performed	369	418	38	825
Other claims	1.606	-	-	1.606
Cash	400	16	-	416
Total assets	<u>3.950</u>	<u>436</u>	<u>40</u>	<u>4.426</u>
Liabilities				
Liabilities for purchased securities	546	-	-	546
Liabilities for loans received	309	-	-	309
Commitments towards suppliers	103	3	1	107
Lease obligations	195	-	-	-
Total liabilities	<u>958</u>	<u>3</u>	<u>1</u>	<u>962</u>
Currency structure mismatch	<u>2.992</u>	<u>433</u>	<u>39</u>	<u>3.464</u>

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Foreign currency risk (continued)

2022.	HRK	EUR	USD	Total
	EUR'000	EUR'000	EUR'000	EUR'000
Assets				
Securities and other financial instruments at fair value through statement of financial position	1.084	855	1	1.940
Receivables based on investment services performed	142	219	309	669
Other claims	117	337	-	455
Cash	105	368	1	474
Total assets	<u>1.448</u>	<u>1.780</u>	<u>311</u>	<u>3.539</u>
Liabilities				
Liabilities for purchased securities	-	313	-	313
Liabilities for loans received	1.740	-	-	1.740
Commitments towards suppliers	-	210	-	210
Lease obligations	150	-	-	150
Total liabilities	<u>1.890</u>	<u>523</u>	<u>-</u>	<u>2.413</u>
Currency structure mismatch	<u>(442)</u>	<u>1.257</u>	<u>311</u>	<u>1.126</u>

Interest rate risk

The Company is not exposed to the risk of interest rate changes, given that on December 31, 2022 and 2023, the Company's total assets and liabilities are interest-free, except for received loans that are contracted with a fixed rate. Received loans expose the Company to fair value risk, however, given the short maturity of these loans and the contracted interest rates, which are approximately equal to market rates, the fair value of these loans is approximately equal to the book value.

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Risk of price changes

Price change risk refers to the risk of changes in the value of instruments due to changes in the market prices of securities traded on the financial market. Changes in the prices of financial instruments are subject to daily changes under the influence of a number of factors. Exposure to price risk is reduced by structuring a diversified portfolio of instruments. The company is exposed to this risk based on investments in equity instruments reported in the category of financial assets at fair value through RDG. The company uses VaR as a measure of exposure to price risk. The VaR used by the Company is an estimate of the maximum potential loss during a certain holding period if investments bearing market risk remain unchanged, with a 99 percent probability.

Based on the assessment using the VaR method, the following table was obtained that shows the sensitivity of the portfolio to price risk:

2023		2022	
VaR (%), 99%	Impact on property ('000 EUR)	VaR (%), 99%	Impact on property ('000 EUR)
-1,08	-17	-3,24	-129

Liquidity risk

Liquidity risk refers to the risk where the company does not have enough liquid assets to satisfy its obligations. The ultimate responsibility for liquidity risk rests with the Company's Management Board, which has created a suitable framework for liquidity risk management, short-term, medium-term and long-term financing and liquidity management requirements.

The company manages liquidity risk by maintaining adequate reserves, bank funds and loaned funds reserves, continuously monitoring forecasted and actual cash flows and comparing maturity dates of financial assets and liabilities. The liquidity indicator is monitored daily, which represents the ratio of short-term liquid assets and liabilities, and which must be greater than 1 at all times.

The table below contains an analysis of assets and liabilities according to the remaining periods from the reporting date to contractual maturity, where the maturity dates are determined taking into account possible earlier repayment terms for options or based on a repayment plan.

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Liquidity risk (continued)

2023	Up to one month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Assets						
Securities and other financial instruments at fair value through profit and loss	1.577	-	-	-	-	1.577
Receivables from investment services	825	-	-	-	-	825
Other receivables	1.606	-	-	-	-	1.606
Cash and cash equivalents	416	-	-	-	-	416
Total assets	4.424	-	-	-	-	<u>4.424</u>
Liabilities						
Liabilities for fees related to trading in financial instruments	546	-	-	-	-	546
Liabilities for loans received	9	-	300	-	-	309
Commitments towards suppliers	107	-	-	-	-	107
Lease obligations	2	6	29	153	5	195
Total liabilities	664	6	329	153	5	1.157
Interest rate risk mismatch	<u>3.760</u>	<u>(6)</u>	<u>(329)</u>	<u>(153)</u>	<u>(5)</u>	<u>3.267</u>

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Liquidity risk (continued)

2022	Up to one month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Assets						
Securities and other financial instruments at fair value through profit and loss	1.940	-	-	-	-	1.940
Receivables from investment services	669	-	-	-	-	669
Other receivables	455	-	-	-	-	455
Cash and cash equivalents	474	-	-	-	-	474
Total assets	3.538	-	-	-	-	<u>3.538</u>
Liabilities						
Liabilities for fees related to trading in financial instruments	313	-	-	-	-	313
Liabilities for loans received	14	-	1.725	-	-	1.739
Commitments towards suppliers	80	-	-	-	-	80
Lease obligations	2	5	22	122	58	210
Total liabilities	409	5	1.747	122	58	2.342
Interest rate risk mismatch	<u>3.129</u>	<u>(5)</u>	<u>(1.747)</u>	<u>(122)</u>	<u>(58)</u>	<u>1.196</u>

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

The following table shows the maturities of the undiscounted cash flows of liabilities:

2023	Up to one month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Liabilities for fees related to trading	7	-	308	-	-	315
Liabilities for loans received	4	7	31	161	5	208
Total liabilities	11	7	339	161	5	523

2022	Up to one month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Liabilities for fees related to trading	14	-	1.752	-	-	1.766
Liabilities for loans received	3	7	28	141	60	239
Total liabilities	17	7	1.780	141	60	2.005

The undiscounted cash flows of other financial liabilities are approximately equal to their book values due to their short-term maturities.

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Net debt:

	2023.	2022.
	EUR'000	EUR'000
Cash and cash equivalents	416	474
Liquid investments /i/	1.577	1.940
Credits received	(309)	(1.739)
Lease liabilities	(195)	(210)
	1.489	465

/i/ Liquid investments consist of short-term investments that are traded on an active market. In the statement of financial position, they are shown as financial assets at fair value through the profit and loss account, and in the statement of cash flow in cash flow from operating activities.

Financial instruments and risk management (continued)

	Received loans	Lease obligations	Total financial obligations	Funds	Liquid investments	In total EUR'000
Net debt on January 1, 2023	(1.740)	(210)	(1.950)	474	1.940	464
Cash flow from financing activities	1.437	35	1.472	(58)	(369)	1.045
Changes in fair value	-	-	-	-	15	15
Net exchange differences	-	-	-	-	(9)	(9)
Interest expense	80	5	85	-	-	85
Interest paid	(86)	(5)	(91)	-	-	(91)
Non-monetary transactions	-	(20)	(20)	-	-	(20)
Net debt on December 31, 2023	(309)	(195)	(504)	416	1.577	1.489

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

	Received loans	Lease obligations	Total financial obligations	Funds	Liquid investments	In total EUR'000
Net debt on January 1, 2022.	(2.413)	(247)	(2.660)	420	3.573	1.333
Cash flow from financing activities	688	37	725	54	(1.628)	(850)
Changes in fair value	-	-	-	-	(31)	(31)
Net exchange differences	-	-	-	-	26	26
Interest expense	(87)	(9)	(96)	-	-	(96)
Interest paid	72	9	81	-	-	81
Net debt on December 31, 2022	(1.740)	(210)	(1.950)	474	1.940	465

INTERKAPITAL vrijednosni papiri d.o.o.
Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of the inability of the other party to settle the amounts owed to the Company in full when due. The concentration of credit risk in the Company is dispersed between interest rates and equity securities as described in the dispersion of market risk. All transactions with listed securities are settled, i.e., paid after delivery through authorized brokers. The risk of non-payment is kept to a minimum because the sold securities are delivered only after the corresponding amount has been received on the account. When buying, payment is made only after the securities have been delivered to the broker. If either party fails to fulfill its obligation, the purchase transaction is not concluded.

Maximum credit risk exposure as of 12/31/2023 and 12/31/2022 is as shown in the table:

	2023	2022
	EUR'000	EUR'000
Debt instruments – Financial assets at fair value through P&L	825	669
Receivables based on investment services performed	1.606	455
Other receivables	38	-
Cash	416	474
	2.885	1.598

As of December 31, 2023, the company has EUR 36,000 (December 31, 2022: EUR 36,000) of due and unpaid receivables, the age structure of which is as follows:

	2023	2022
	EUR'000	EUR'000
0-30 dana	5	1
31-60 dana	5	0
61-90 dana	1	0
> 90 dana	25	35
Total	36	36

Receivables refer to third parties who do not have a credit rating. The funds refer to the bank as shown in the table:

	2023	2022
	EUR'000	EUR'000
Funds at domestic banks	228	215
Funds with foreign banks	188	259
Total	416	474

INTERKAPITAL vrijednosni papiri d.o.o.

Notes to the annual financial statements (continued)

22. Financial instruments and risk management (continued)

Credit risk (continued)

Domestic banks do not have credit ratings from agencies, but their parent banks have credit ratings of A+, A- and BBB (S&P) (2022: A+, A- and BBB (S&P)).

As of December 31, 2023, 88% of funds are with foreign banks that do not have credit ratings from agencies, and the rest are with banks with A+ and BBB (S&P) ratings (2022: A+, BBB (S&P)).

Fair value risk

The fair value of financial instruments is the amount for which an asset can be exchanged, or a liability settled, between informed and willing parties in a pre-contractual transaction. Given that all securities in the Company's portfolio are listed on the stock exchange, the fair value is based on the quoted price on the market. In circumstances where quoted market prices are not available, fair value is determined using discounted cash flow models or other appropriate pricing techniques. As of December 31, 2023 and 2022, there are no recorded investments whose fair value was determined using valuation techniques. Changes in underlying assumptions, including discount rates and estimates of future cash flows, greatly affect fair value estimates. For this reason, the estimated market values cannot be realized by selling the financial instrument at this time. The following table analyzes financial instruments that were reduced to fair value after initial recognition, classified into three groups depending on the availability of observable indicators of fair value:

- 1st level of available observable indicators – fair value indicators are derived from (unadjusted) prices quoted in active markets for similar assets and similar liabilities.
- 2nd level of available observable indicators – fair value indicators are derived from other data, not from quoted prices from level 1, and refer to direct observation of assets or liabilities, i.e. their prices, or are obtained indirectly.
- 3rd level of indicators – indicators derived by applying valuation methods in which data on assets or liabilities that are not based on observable market data (unobservable input data) were used as input data.

As of December 31, 2023 and 2022, the total financial assets at fair value are classified in level 1 of the fair value hierarchy. All other financial assets and liabilities are in level 2. The Company has no financial assets and liabilities in level 3.

The fair value of receivables, cash assets and liabilities is approximately equal to the fair value due to the immediate or short-term maturity of these financial assets and liabilities.

INTERKAPITAL vrijednosni papiri d.o.o. **Regulatory financial statements (continued)**

23. Contingent liabilities

As of December 31, 2023, the company is the guarantor for the preliminary loans of the company INTERKAPITAL d.d. in the amount of EUR 5.5 million (2022: EUR 4.1 million), and on this basis promissory notes and promissory notes have been issued.

Given that no losses are expected as a result of the above, the Company has not set aside provisions.

24. Events after the balance sheet date

There were no significant events after the balance sheet date.

INTERKAPITAL vrijednosni papiri d.o.o.

Regulatory financial statements

Below are presented the annual financial statements of the Company prepared in accordance with the Ordinance on the structure and content of annual financial statements of investment companies (OG 150/22) ("Ordinance") prescribed by HANFA ("regulatory financial statements"). HANFA's accounting regulations are based on International Financial Reporting Standards adopted by the European Union. The main differences between regulatory financial statements prepared in accordance with HANFA's Rulebook of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS statements") relate to the disclosures in the financial statements.

The differences are:

Statement of financial position:

- In IFRS reports, real estate, plant and equipment are shown separately from assets with the right of use, and in regulatory financial statements they are shown together under "Fixed tangible assets".
- Paid expenses for the future period and calculated income are shown separately in the regulatory financial statements, and in the IFRS statements are included in the item "Other receivables".
- Calculated overdue interest on received loans is shown in loan liabilities in IFRS reports. In the regulatory financial statements, the overdue interest is included in the item "Liabilities to suppliers".
- Lease liabilities are shown in "Other liabilities" in the regulatory financial statements.
- In IFRS statements, liabilities to employees include provisions for bonuses and vacations, which are shown separately in "Provisions" in the regulatory financial statements.

Statement of comprehensive income

- In IFRS reports, the costs of provisions for bonuses and vacations are included in employee costs, and in regulatory financial reports they are shown in "Other expenses".

Statement of cash flows

- Certain positions within the cash flows from business activities are presented differently in the regulatory financial statements due to the different presentation of the statement of financial position in the IFRS statements.

The Company's management believes that no additional notes to the regulatory financial statements are necessary and that, based on the above-mentioned reconciliation, it is possible to link the notes to the financial statements prepared on the basis of IFRS with the financial statements prepared on the basis of the Ordinance on the Structure and Content of Financial Statements of Investment Companies (Official Gazette 150 /22).

INTERKAPITAL vrijednosni papiri d.o.o.
Regulatory financial statements (continued)

Form: A-ID-2					
Statement of Financial Position at 31 December 2023					
					<i>in EUR</i>
	Position	Description	AOP	31 December 2022	31 December 2023
1		Intangible, tangible assets and long-term investments (ΣAOP2 do AOP8)	1	538.925,76	618.699,57
a)	000 +..+ 005	Long-term intangible assets	2	79.856,79	67.347,39
b)	010 +..+ 014	Long-term tangible assets	3	453.979,45	544.002,18
c)	03	Investments in joint ventures	4		
d)	04	Investments in affiliated companies	5		
e)	05	Investments in subsidiaries	6		
f)	061	Non-current assets held for sale	7		
g)	ostalo iz skupine 0	Other fixed assets	8	5.089,52	7.350,00
2		Cash and receivables (ΣAOP10 do AOP15)	9	1.759.496,14	2.911.400,03
a)	100 +..+ 102	Cash	10	473.957,11	416.014,45
b)	120 +..+ 127	Claims on the basis of performed investment	11	668.736,68	825.329,54
c)	150+..+153	Receivables based on securities financing	12	0,00	38.217,53
d)	17	Deffered tax asset	13	7.644,83	14.400,00
e)	190	Prepaid expenses and accrued income	14	15.796,21	16.117,11
f)	ostalo iz skupine	Other receivables	15	593.361,31	1.601.321,40
3		Financial assets (ΣAOP17 do AOP19)	16	1.939.791,24	1.577.169,28
a)	300 + ..+ 332	Financial assets at fair value through profit an loss	17	1.939.791,24	1.577.169,28
b)	400 +..+ 421	Financial assets at fair value through other	18	0,00	0,00
c)	500+..+532	Financial assets at amortized cost	19	0,00	0,00
4		TOTAL ASSET (AOP1+AOP9+AOP16)	20	4.238.213,14	5.107.268,88
		Off balance sheet (AOP22+AO23+AOP24+AOP25+AOP26+AOP27)	21	633.438.682,73	933.570.956,90
		Funds of principals	22	3.557.296,97	2.358.189,39
		Funds under portfolio management and custody	23	24.830.233,46	25.474.558,64
		Financial instruments under portfolio management and c	24	601.059.911,47	893.710.733,48
		Repo collateral - active account	25	0,00	0,00
		Nominal value of derivatives	26	0,00	0,00
		Other off-balance sheet active accounts	27	3.991.240,83	12.027.475,39

INTERKAPITAL vrijednosni papiri d.o.o.
Regulatory financial statements (continued)

Form: P-ID-3					
Statement of Financial Position at 31 December 2023					
					<i>in EUR</i>
	Position	Description	AO P	31 December 2022	31 December 2023
1		Equity and reserves (AOP29- AOP30+AOP31+AOP32+AOP33-AOP34+ AOP35+AOP36+AOP37+AOP38+AOP39+AO P40)	28	1.761.721,85	3.743.363,10
a)	90	Issued capital	29	1.061.782,47	1.100.000,00
b)	91	Own shares	30		
c)	92	Rezerve iz dobiti	31		
d)	93	Capital reserves	32	265.445,62	1.465.445,62
e)	940	Retained earnings	33		0,00
f)	941	Transferred loss	34		
g)	95	Profit for the year	35	434.493,76	1.177.917,48
h)	96	Revaluation reserves	36		
		Long-term tangible and intangible assets	37		
		Fair value reserves	38		0,00
i)		Non-controlling (minority) interest	39		0,00
		Hybrid and subordinate instruments	40	0,00	0,00
2		Liabilities (ΣAOP35 do AOP44)	41	2.476.491,29	1.363.905,78
a)	200 +..+ 204	Liabilities for fees related to trading in financial instruments	42	312.572,85	546.446,39
b)	210 +..+ 214	Long-term liabilities for received credits, loans and advances	43		
		Short-term liabilities for received credits, loans and advances	44	1.725.396,51	300.000,00
c)	220 +..+ 224	Long-term liabilities for issued financial instruments	45		
		Short-term liabilities for issued financial instruments	46		0,00
d)	240 +..+ 241	Trade payables	47	93.879,22	113.839,86
e)	250+..+252	Liabilities to employees	48	34.464,11	40.758,07
f)	260+..+264	Liabilities for taxes and contributions	49	43.021,59	66.268,78
g)	266	Deferred tax liabilities	50	0,00	
h)	27	Accrued expenses and deferred income	51	0,00	
i)	28	Provisions	52	57.373,28	98.367,71
j)	ostalo iz skupine 2	Other liabilities	53	209.783,73	198.224,97
3		TOTAL LIABILITIES (AOP24+AOP34)	54	4.238.213,14	5.107.268,88
		Off balance sheet (AOP47+AOP48)	55	633.438.682,73	933.570.956,90
		Funds of principals	56	3.557.296,97	2.358.189,39
		Funds under portfolio management and custody	57	24.830.233,46	25.474.558,64
		Financial instruments under portfolio management	58	601.059.911,47	893.710.733,48
		Repo collateral - active account	59	0,00	
		Nominal value of derivatives	60	0,00	
		Other off-balance sheet passive accounts	61	3.991.240,83	12.027.475,39
	I	EQUITY AND RESERVES (AOP62+AOP63)	62	0,00	0,00
	a)	Attributed to the owners of the parent company	63	0,00	0,00
	b)	Attributed to non-controlling interest	64	0,00	0,00

INTERKAPITAL vrijednosni papiri d.o.o.
Regulatory financial statements

Form: SD-ID-4					
Statement of comprehensive income for the period from 1 January to 31 December 2023					in EUR
	Position	Description	AOP	31 December 2022	31 December 2023
	700+...+717	Income from commissions and fees for investment services	65	3.418.962,37	3.486.167,44
	661+...+666	Expenses from commissions and fees for investment services	66	1.096.775,23	1.084.979,88
1		Net income/expenses from commissions and fees (AOP65-AOP66)	67	2.322.187,14	2.401.187,56
	770	Realized gains on financial assets that are carried at fair value through profit or loss	68	487.454,64	644.396,31
	630	Realized losses on financial assets that are carried at fair value through profit or loss	69	1.083.444,42	508.881,38
2		Net realized gains/losses (AOP68-AOP69)	70	-595.989,78	135.514,93
	760	Unrealized gains on financial assets that are carried at fair value through profit or loss	71	8.927,60	24.938,86
	620	Unrealized losses on financial assets that are carried at fair value through profit or loss	72	39.556,57	9.535,31
3		Net unrealized gains/losses (AOP71-AOP72)	73	-30.628,97	15.403,55
	771	Realized gains on financial assets at fair value through OCI	74	0,00	0,00
	631	Realized losses on financial assets at fair value through OCI	75	0,00	0,00
4		Net realized gains/losses on financial assets at fair value through OCI (AOP74-AOP75)	76	0,00	0,00
5	622	Net expected credit losses on financial assets at amortized cost	77	0,00	0,00
6	634	Other net provisions and value adjustments	78	0,00	0,00
	72	Interest income	79	131.565,20	320.360,21
	65	Interest expenses	80	95.827,46	84.587,50
7		Net interest income/expenses (AOP79-AOP80)	81	35.737,74	235.772,71
	75	Positive foreign exchange differences	82	248.091,18	48.091,08
	64	Negative foreign exchange differences	83	222.488,69	56.709,42
8		Net foreign exchange differences (AOP82-AOP83)	84	25.602,49	-8.618,34
	73	Dividends income, profit shares and income from other securities	85	77.124,83	40.112,81
	ostalo iz skupine 7	Other income	86	209.228,22	89.791,73
	610	Amortisation	87	72.267,04	87.335,23
	600	Staff costs	88	937.616,83	817.559,96
	ostalo iz skupine 6	Other expenses	89	537.603,80	582.172,09
10		Total other expenses (AOP87+AOP88+AOP89)	90	1.547.487,67	1.487.067,28
11		Total income	91	4.581.354,04	4.653.858,44
12		Total expenses	92	4.085.580,04	3.231.760,77
	80	Profit before tax (AOP91-AOP92)	93	495.774,00	1.422.097,67
	81	Income tax expense	94	61.280,24	244.180,19
13		Profit / loss	95	434.493,76	1.177.917,48
a)		Attributed to the owners of the parent company	96	0,00	0,00
b)		Attributed to non-controlling interest	97	0,00	0,00
14		Other comprehensive income (ΣAOP99 do AOP105)	98	0,00	0,00
	a)	Change in revaluation reserves: real estate, plant, equipment and intangible assets	99	0,00	0,00
	b)	Actuarial gains/losses under defined benefit pension plans	100	0,00	0,00
	c)	Gain/loss based on effective protection of net investment abroad	101	0,00	0,00
	d)	Gains/losses from cash flow hedges	102	0,00	0,00
		Gains or losses arising from the recalculation of financial statements of foreign operations	103	0,00	0,00
	e)	Gain/loss based on effective protection of net investment abroad	104	0,00	0,00
	f)	Income tax on other comprehensive income	105	0,00	0,00
15		Total comprehensive income (AOP95+AOP98)	106	434.493,76	1.177.917,48
	a)	Attributed to the owners of the parent company	107	0,00	0,00
	b)	Attributed to non-controlling interest	108	0,00	0,00
16		Reclassification adjustments	109	0,00	0,00

INTERKAPITAL vrijednosni papiri d.o.o.
Regulatory financial statements (continued)

Form: NT-ID-5b			
Statement of cash flow for the year ended 31 December 2023.			<i>in EUR</i>
Description	AOP	31 December 2022	31 December 2023
1 Net cash flows from operating activities	139	1.972.898,38	711.354,04
Profit or loss before taxation	140	495.774,00	1.422.097,67
Depreciation and amortisation	141	72.267,04	87.335,23
Value adjustment of receivables and similar write-offs	142	0,00	0,00
Provisions	143	-119.929,92	40.994,43
Interest income	144	-131.565,20	-320.360,21
Interest expense	145	95.827,46	84.587,50
Impairment of assets	146	0,00	0,00
Increase/decrease in receivables from investment services	147	193.168,89	-156.592,86
Increase/decrease in other receivables	148	-28.700,91	-1.178.126,87
Increase/decrease of financial assets at fair value through profit or loss	149	1.633.018,91	362.621,96
Increase/decrease of financial assets at fair value through OCI	150	0,00	0,00
Increase/decrease in financial assets at amortized cost	151	0,00	0,00
Increase/decrease in receivables from securities financing transactions	152	0,00	0,00
Interest received	153	1.320.150,51	572.656,27
Interest paid	154	-1.273.284,76	-572.656,27
Dividends received	155	77.124,83	40.112,81
Increase/decrease in other asset items	156	-88.252,84	178.435,30
Increase/decrease in liabilities for fees related to trading in financial instruments	157	220.846,51	233.873,54
Increase/decrease in trade payable	158	-16.083,62	19.960,64
Increase/decrease in liabilities to employees	159	-5.254,36	6.293,96
Increase/decrease in tax and contribution liabilities	160	-37.939,08	3.876,38
Increase/decrease in other liabilities	161	-46.829,57	-11.558,76
Increase/decrease in other liability items	162	0,00	0,00
Income tax paid	163	-387.439,51	-102.196,68
2 Net cash flows from investing activities	164	-50.194,84	-164.848,58
Increase/decrease in investment in tangible assets	165	-22.434,14	-120.655,62
Increase/decrease in investment in intangible assets	166	-38.681,13	-2.365,00
Increase/decrease investments in joint ventures, associates and subsidiaries	167	0,00	0,00
Increase/decrease in other investment activities	168	10.920,43	-41.827,96
3 Net cash flows from financing activities	169	-1.868.840,26	-604.448,12
Increase/decrease in liabilities for borrowings, loans and advances	170	-688.424,31	-1.425.396,51
Increase/decrease in liabilities for issued financial instruments	171	0,00	0,00
Increase/decrease in liabilities for issued subordinated instruments	172	0,00	0,00
Receipts from the issuance of share capital and other payments by the owner of the investment company	173	0,00	1.238.217,53
Payment of dividends or profit shares	174	-1.180.415,95	-417.269,14
Increase/decrease in other financing activities	175	0,00	0,00
4 Neto povećanje/smanjenje novčanih sredstava i novčanih ekvivalenata (AOP139+AOP164+AOP169)	176	53.863,28	-57.942,66
5 Cash and cash equivalents at the beginning of period	177	420.093,83	473.957,11
6 Cash and cash equivalents at end of period (AOP176+AOP177)	178	473.957,11	416.014,45

INTERKAPITAL vrijednosni papiri d.o.o.

Regulatory financial statements

Form: PK-ID-6

Statement of changes in equity for the period from 1 January to 31 December 2023

in EUR

Description	Attributable to the equity holders of the parent								Total capital and reserves
	Issued capital	Capital reserves	Reserves from profit	Profit or loss of the current period	Retained earnings or transferred loss	Revaluation of financial assets available for sale	Other revaluation reserves	Distributable to owners of non-controlling interests	
Prior-year opening balance	1.061.782,47	265.445,62	0,00	0,00	1.180.415,95	0,00	0,00	0,00	2.507.644,04
Changes in accounting policies	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Correction of prior-period error	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Prior-year opening balance (as restated)	1.061.782,47	265.445,62	0,00	0,00	1.180.415,95	0,00	0,00	0,00	2.507.644,04
Profit/loss for the period	0,00	0,00	0,00	434.493,76	0,00	0,00	0,00	0,00	434.493,76
Unrealized gains or losses on financial assets at fair value through OCI	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other non-proprietary capital changes	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total non-owner changes in capital (previous period)	0,00	0,00	0,00	434.493,76	0,00	0,00	0,00	0,00	434.493,76
Increase / decrease in share capital	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other payment by the owner	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Payment of profit share	0,00	0,00	0,00	0,00	-1.180.415,95	0,00	0,00	0,00	-1.180.415,95
Other distributions to owners	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance on the last day of the reporting period	1.061.782,47	265.445,62	0,00	434.493,76	0,00	0,00	0,00	0,00	1.761.721,85
Balance at January 1 of reporting period	1.061.782,47	265.445,62	0,00	0,00	434.493,76	0,00	0,00	0,00	1.761.721,85
Changes in accounting policies	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Correction of prior-period error	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at January 1 of reporting period (as restated)	1.061.782,47	265.445,62	0,00	0,00	434.493,76	0,00	0,00	0,00	1.761.721,85
Profit/loss for the period	0,00	0,00	0,00	1.177.917,48	0,00	0,00	0,00	0,00	1.177.917,48
Unrealized gains or losses on financial assets at fair value through OCI	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other non-proprietary capital changes	0,00	0,00	0,00	0,00	-17.224,62	0,00	0,00	0,00	-17.224,62
Total non-proprietary capital changes	0,00	0,00	0,00	1.177.917,48	-17.224,62	0,00	0,00	0,00	1.160.692,86
Increase/decrease in issued capital	38.217,53	0,00	0,00	0,00	0,00	0,00	0,00	0,00	38.217,53
Other payments made by the owners	0,00	1.200.000,00	0,00	0,00	0,00	0,00	0,00	0,00	1.200.000,00
Dividends (profit) paid	0,00	0,00	0,00	0,00	-417.269,14	0,00	0,00	0,00	-417.269,14
Other distributions to owners	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Current-year closing balance	1.100.000,00	1.465.445,62	0,00	1.177.917,48	0,00	0,00	0,00	0,00	3.743.363,10