

Annual Report 2023

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Consulting, workshopping, and delivering advanced software solutions since 2005.

We've been building impactful digital products that empower people and grow businesses for the past 18 years. Millions of people use our products, and their quality has been recognized by industry authorities, such as Red Dot, Webby Awards, and iF International Forum Design. We've also made Deloitte and Inc. 5000 prestigious lists of the fastest-growing companies in Europe.

Infinum is made up of 370+ talented thinkers and doers spread across multiple cities in Europe and the US, including Zagreb, Ljubljana, Podgorica, Skopje, London, Amsterdam, and New York.

We partner with forward-thinking brands that understand the value of technology for the future of their business. By leveraging advanced technologies and building functional, intuitive digital solutions, we've established our expertise in strategy, design, and engineering for clients across industries.

But our impact goes beyond business. We are deeply involved with the IT community, contributing to open-source projects, writing articles, speaking at conferences, and hosting events that benefit designers, engineers, and tech enthusiasts.

Both as a digital product agency and a group of individuals, we're passionate about building a better future. We believe the future lies in the hands of our youth, and given the right knowledge and tools, they can make a huge impact. That's why we're offering free education to the next generation of engineers and designers and supporting charitable organizations involving children and young people.

We also recognize that the future is at risk if we don't address the environmental challenges of the present. As a Climate Neutral Certified organization, we're committed to fighting climate change by measuring, reducing, and compensating our carbon footprint.

Letter from our CEO

Nikola Kapraljević

CEO

The year was marked by economic uncertainty and an unfortunate wave of layoffs in the tech industry. Despite these challenges, we've achieved growth, albeit at a slower pace than in previous years.

We finalized the acquisition of the renowned New York creative digital agency ExpandTheRoom (ETR), and this strategic move is already yielding strong results. The integration of our teams has gone according to the plan, thanks to both companies' shared values of transparency, embracing challenges, and promoting innovation.

Joining forces with ETR has created exciting opportunities for skill advancement and mutual learning, as well as improved our service offering. On top of our complementary strengths, we have 40 years of combined experience, while our newly merged client roster includes prestigious brands such as Citibank, Bank of Montreal, Porsche, Philips, Virgin, KPMG, Warner Brothers, ESPN, Reuters, Business Insider, and Honda. Three of ETR's clients entered our Top 10 list by revenue.

With eight offices across Europe and the United States and a team of 370+ design and development experts, Infinum has affirmed its role as a trusted guide in an era of continuous digital transformation. We're committed to maintaining our growth momentum, with plans to strengthen our presence in the American and British markets. Establishing physical offices in these locations brings us closer to clients.

Further, our commitment to delivering high-quality solutions earned us another prestigious award in 2023.



For the third time in a row, we were recognized for the iF Design Award for our collaboration with Versuni on the HomeID app.

Going forward, we aspire to maintain our position as leading experts in emerging technologies. In the era of the AI boom, this means constantly upskilling our teams to guide our clients through the strategic, regulatory, ethical, and security challenges around AI adoption. Recognizing the global surge in cyberattacks and increasing pressure from regulatory bodies, we've established a cybersecurity team to meet the growing market need. With almost 20 years of experience in building secure digital solutions, we now offer penetration testing, social engineering services, and custom security programs to help our clients safeguard their organizations.



We can proudly say that the driving force behind our success and the main reason we can say this was a good year despite all the challenges are our people. Regardless of how much or how rapidly we grow, we remain committed to our company culture where people always come first. We take great pride in creating a workplace that supports individuality while nurturing team spirit. This dedication has been recognized with our sixth consecutive Employer of the Year award.

As every year, in 2023, our impact extended beyond client work and employee satisfaction to the community as a whole. Infinum Foundation, managed voluntarily by Infinum employees,

supported 19 humanitarian projects and awarded ten scholarships to promising high school students from less privileged backgrounds.

In a different type of contributing to the community, we've organized twelve Infinum Talks, sharing our knowledge and experience with over 350 attendees from the IT community.



As every year, in 2023, our impact extended beyond client work and employee satisfaction to the community as a whole.

Through Infinum Academy, we've educated 67 aspiring engineers and project managers. On top of that, we've launched an event series on innovative digital products and the people behind their success called Delivered. Hosted by our product strategy director, it aims to inspire and educate business leaders going through digital transformation.

Finally, we've reinforced our commitment to environmental sustainability through a second Climate Neutral certification. We've made significant progress but still recognize that the journey towards full sustainability is ongoing. We are proud of our achievements and the valuable lessons we have learned along the way.

I invite you to learn more about our commitments and progress in the following pages.

People

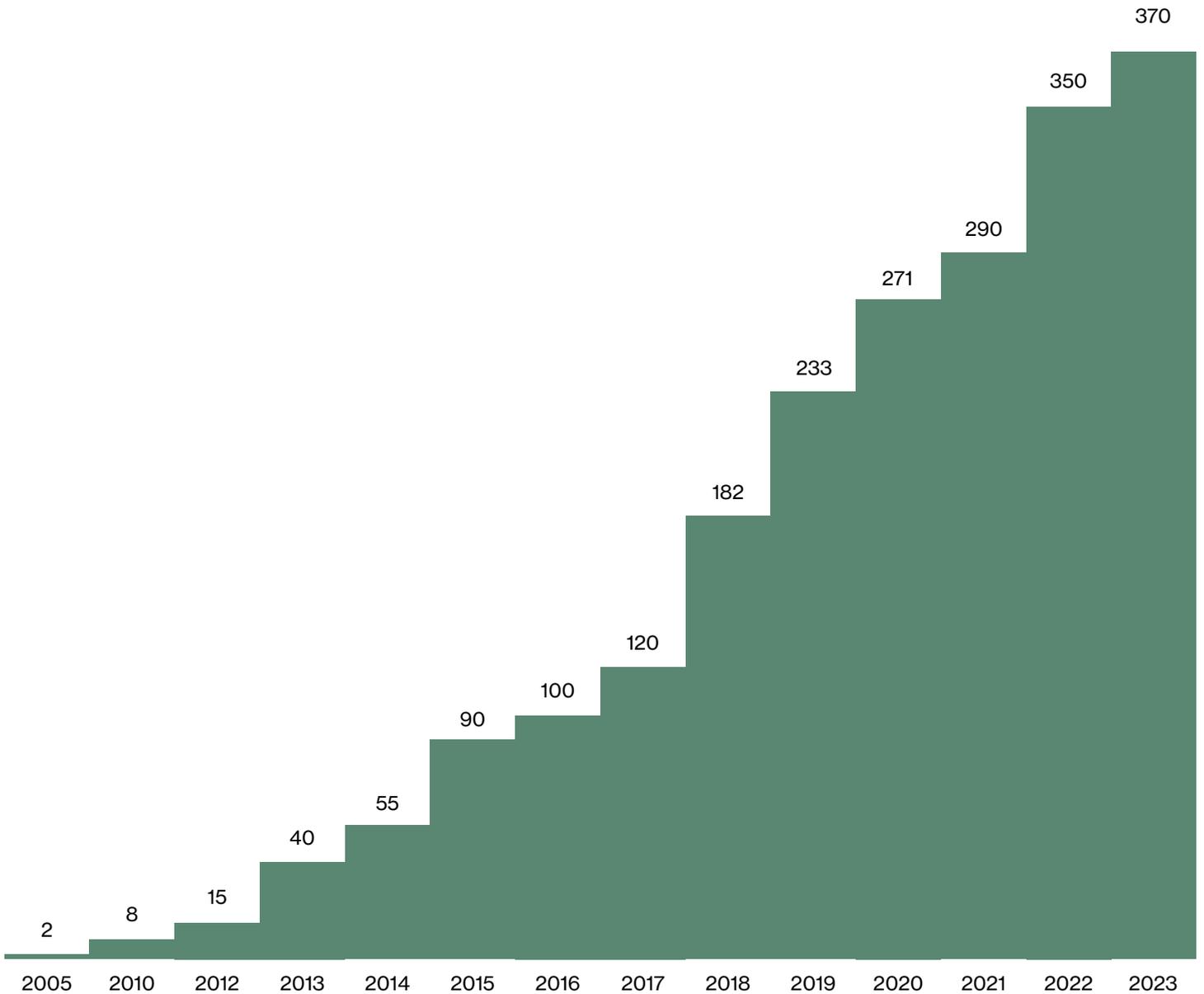
Since 2005, our team hasn't stopped growing. In 2023, Infinum had more than 370 diversely skilled professionals in engineering, strategy, design, and everything in between.

18

years

370+

people



Enhancing employee experience



Diversity and inclusion

We value diversity and inclusivity in our workplace and strive to create an environment where all employees feel respected, supported, and empowered to contribute their unique perspectives. We have outlined our values and approach in more detail in our [Code of Conduct](#).

Well-being and benefits

We prioritize the health, safety, and well-being of our employees, providing a supportive work environment, opportunities for professional growth, and resources to promote physical and mental well-being.

Our employees enjoy benefits such as flexible working hours, the possibility to work from home, sponsored health checks, subsidized recreation, equipment budget, psychological support, educational budget for personal career development, employee rewards, and a variety of parental perks. In 2023, we introduced our own employee learning platform, Infinum Learn, offering courses ranging from technology to professional development.

Employee satisfaction

We continuously measure employee satisfaction and engagement through semi-annual employee experience surveys and eNP measurements. In 2023, our two internal, anonymous eNPS measurements yielded an average score of 51 for recommending Infinum as an employer. Despite challenges such as an unstable market, inflation, and other unfavorable factors, our average score remained within the range considered very good according to eNPS standards and benchmarks. This reflects our strong commitment to maintaining high employee satisfaction.

Environmental, Social, and Governance Policy

To demonstrate our commitment to ethical business practices and a sustainable future, we developed our ESG Policy in 2023. It applies to all employees, affiliates, and non-employee workers, emphasizing compliance with environmental laws, the protection of human rights, and the promotion of business transparency and integrity.

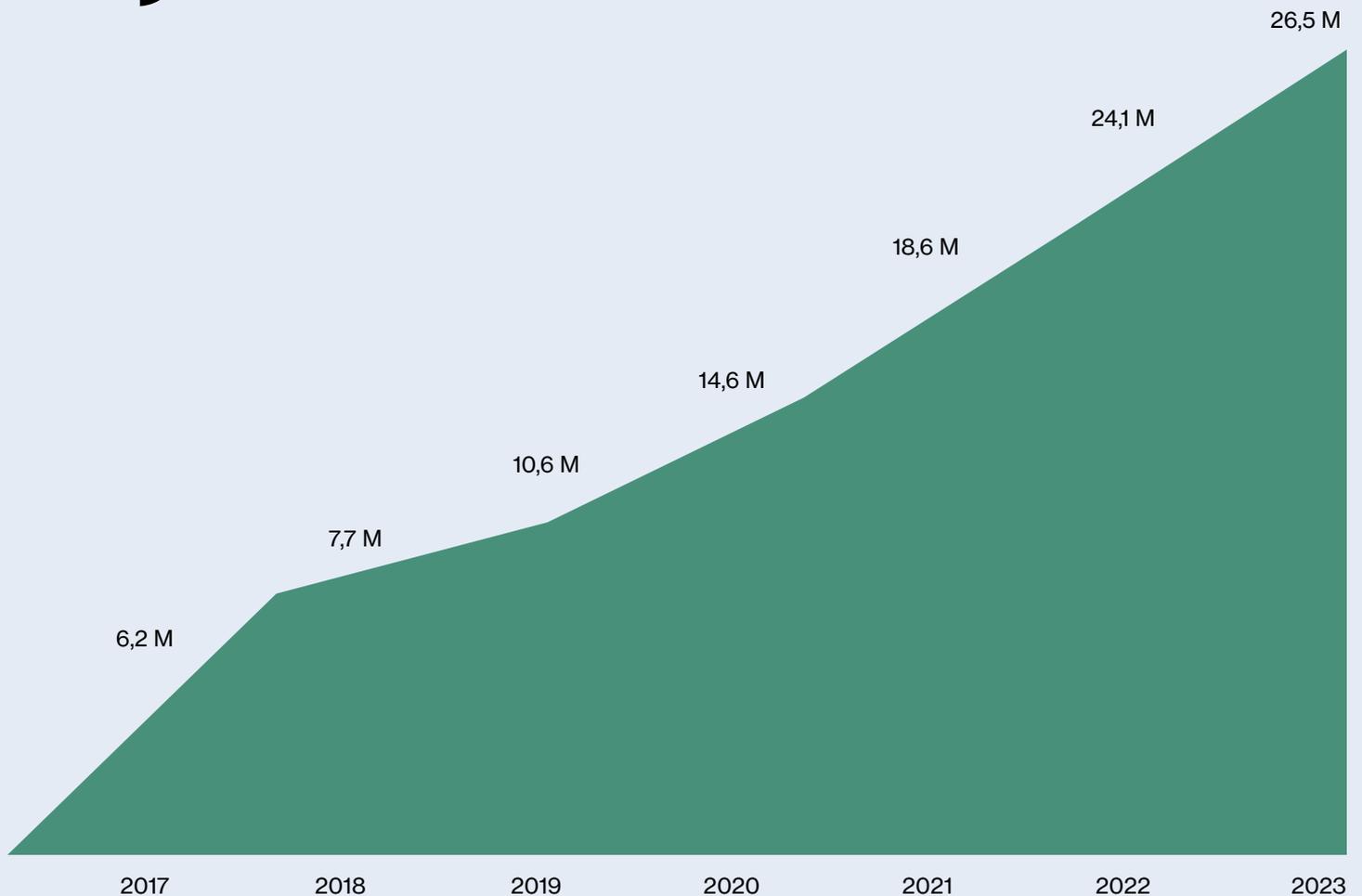
Key figures

2023 revenue

26,5 M € ▲ +9,64%

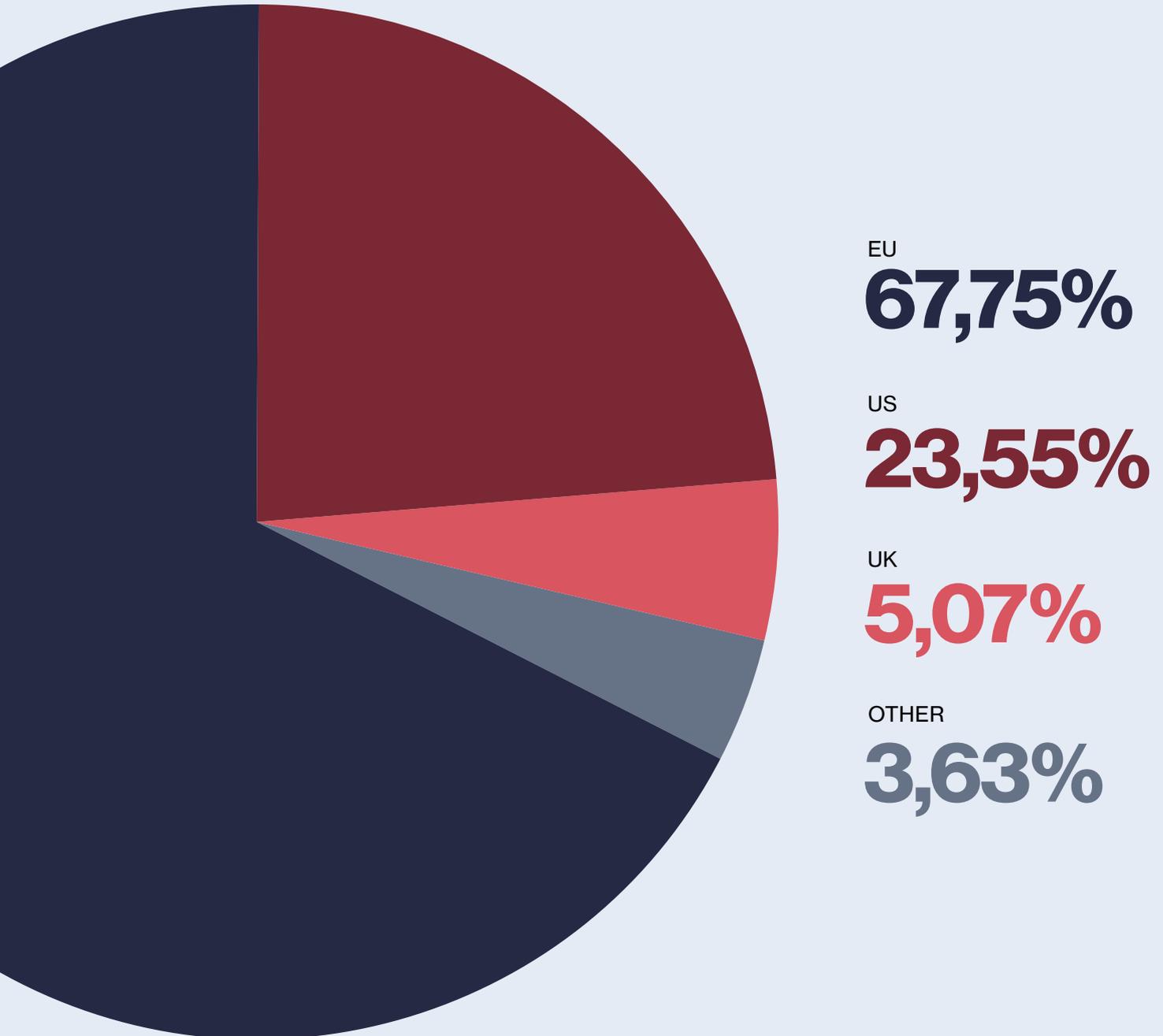
2023 EBITDA

5,37 M € ▲ +25,84%



Key figures

REVENUE PER REGION



Leadership

Our management team includes ten dedicated members, and we've restructured individual teams within the company. This restructuring involved the development of a multi-layered structure to improve efficiency and optimize workflow.

MANAGEMENT TEAM



Nikola Kapraljević
CEO



Matej Špoler
CTO



Josip Bišćan
CCO



Filip Vugec
CDO



Goran Kovačević
VP, BUSINESS
DEVELOPMENT



**Tanja Bulbuk
Jergović**
VP, HUMAN RESOURCES



Ivan Đikić
VP, ENGINEERING



Damjan Vujaklija
VP, SPECIAL PROJECTS



Bojan Bajić
VP, MARKETING

Locations

Infinum has offices in London, Amsterdam, New York, Zagreb, Podgorica, Skopje, and Ljubljana. Our regional offices primarily handle operational matters, while our representatives in London and New York are dedicated to acquiring new clients in their respective markets. Zagreb continues to serve as our company's headquarters and a base for our operations within the European Union.



James Cole
CEO, NORTH AMERICA



Jonathan Boakes
MANAGING DIRECTOR,
UNITED KINGDOM



**Tamara Lah
Momčilović**
MANAGING DIRECTOR,
SLOVENIA



Mirjana Cvetkovska
MANAGING DIRECTOR,
NORTH MACEDONIA



Mladen Rakonjac
MANAGING DIRECTOR,
MONTENEGRO



The impact of acquiring ExpandTheRoom



We've been looking for the right partner in the United States, a company that aligns with our goals and values. We found a perfect match in ExpandTheRoom.

Founded by James Cole and Todd Doyle in 2003, ETR is an agency focused on delivering meaningful digital experiences on the web and

beyond. Headquartered in New York and featuring a team of 24 people, ETR is forward-thinking, data-driven, and, above all, UX-focused. This is a mission we could get behind without compromise.

The acquisition of ETR has been finalized in 2023 and is already delivering strong results:

“
Together, we'll be able to take on more challenging projects and bigger clients than either of us could have done alone. For clients, having team members in both the U.S. and Europe will allow us to offer more options from a market knowledge and service coverage perspective.

JAMES COLE
 NORTH AMERICA CEO, INFINUM

03

ETR clients made our Top 10 list

05

ETR clients with annualized revenue of 500k+ €

15.34%

Non-organic revenue growth

14%

Increase in revenue per employee

The impact of acquiring 3P Development



3P Development was a North Macedonian design and development company with a team of talented engineers, designers, and project managers. They had ample experience working with major international clients in the telecom, retail, and hospitality industries. We've collaborated with them since 2017. They shared our way of thinking as well as our desire to grow and develop further as a company, so the decision to acquire the company came instinctively.

We acquired 3P Development in 2021, and the earnout period concluded in 2023. The team was initially led by CEO and founder Gjorgi Kosev, who transitioned to an advisory role after the acquisition. Mirjana Cvetkovska recently took over as the new managing director, bringing in her talent for driving a positive workplace culture and strengthening Infinum's local presence. Over the past two years, the acquisition had a positive impact on our business growth.

25

Number of people

57.3%

2-year ROI



Assuming the role of Managing Director and establishing trust and relationships with people happened smoothly and quickly. The transition didn't disrupt business continuity, and we successfully maintained everyone's sense of job security.

MIRJANA CVETKOVSKA
MANAGING DIRECTOR, INFINUM

We build digital products

We empower brands to simplify their internal processes, serve more customers, and grow their business with advanced software solutions. Our 370+ experts have the skills and experience to provide strategy, design, engineering, and management support.

OUR EXPERTISE

1

Product Strategy and Design

Through a collaborative process, we align digital product ideas with business goals, market needs, and user expectations. Digital product experiences we design are tested and refined to help users achieve their goals with minimal effort.

2

Mobile and Web Apps

We build mobile and web apps that help businesses enhance customer engagement, streamline operations, and open new revenue channels.

3

Custom IoT Solutions

From strategy to deployment, Infinum supports businesses that want to improve, grow, and innovate by utilizing the Internet of Things.

4

Enterprise Platforms

Our team is skilled at building a robust, scalable, and tailored backend architecture for any digital product.

5

Cybersecurity

Our Cybersecurity engineers make our clients' software more resilient to cyberattacks, backed by 20 years of experience in building secure digital solutions.

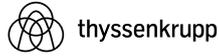
6

AI Business Solutions

Whether our clients need a consultation to discover their AI solution or build a custom product from scratch, we help them successfully navigate the complexities of the AI landscape.

Clients and projects

T-Mobile



signify



pwc



Disney

Porsche Digital



PHILIPS

P&G



NOVARTIS



KPMG



Coca-Cola

ERSTE BANK

A1

GO

citi



ESPN

Awards and recognitions

In 2023, we continued to build on past successes and earned fresh accolades. We were honored as Employer of the Year for the sixth time in total, and our collaboration with Versuni on the HomeID app earned us another prestigious iF Design Award.



IF Design Award

One of the oldest and most prestigious design awards in the world.

2021 2022 2023



Employer of the Year

An employee-voted recognition for excelling in workplace satisfaction.

2019 2020 2021 2022
2023



WebSi

An annual award recognizing the best digital projects in Slovenia.

2016 2020 2021 2023

Initiatives we're proud of

Infinum Academy

Infinum Academy is an Infinum-sponsored educational program where students have the opportunity to learn the foundations of modern software design and development, all at no cost. Through lectures, assignments, and one-on-one mentorship, participants develop industry-relevant skills under the guidance of top engineers, designers, and other industry experts. Infinum Academy is open to students in Zagreb, Skopje, Podgorica, and Ljubljana, with lecturers who are Infinum employees.

06 courses in 2023

67 graduates in 2023



Alongside building great digital products, we never lose track of the communities we're a part of.

NIKOLA KAPRALJEVIĆ
CEO



Infinum Foundation

Every year, we donate a portion of our profits to support initiatives and causes we believe in. It's not just our way of giving back to the community but an investment in the future. Infinum Foundation is primarily focused on projects involving children and young people. We believe that future generations can make a huge impact given the right knowledge and tools. The Foundation Committee, consisting of Infinum's employees, decides how to allocate resources through sponsorships, education, fundraising, and volunteering. In 2023, we made 19 donations to organizations that support children, families, and education, and we supported ten high school students with scholarships.

19 donations in 2023

10 high school scholarships

Sustainability



We've reinforced our commitment to environmental sustainability through a second Climate Neutral certification.

2022 TOTAL
CARBON
FOOTPRINT

863

tco2e

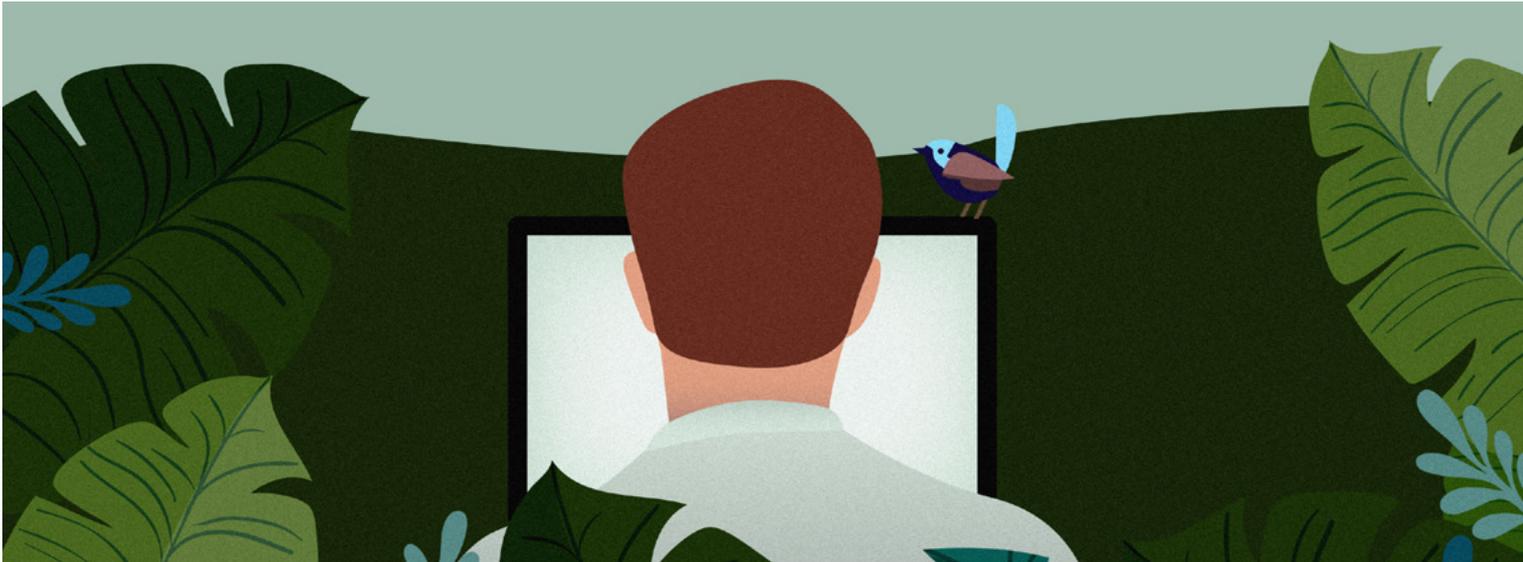
2023 TOTAL
CARBON
FOOTPRINT

880

tco2e

In 2023, we measured 880 tons of carbon emissions, slightly higher in total than in 2022 due to an updated measurement approach. Nevertheless, our targeted action plans have resulted in reductions in specific areas. We're also pleased to report a decrease in emissions per dollar of revenue compared to 2022.

Moving forward, we're committed to three different emission reduction plans. Firstly, **we plan to cut processed foods in our office snack supply by 20%** and transition to lower carbon footprint alternatives. We also aim to enter into a power purchasing agreement to **source at least 25% of our energy from renewable sources** globally by 2025 and promote low-carbon commuting by offering all Infinum employees **free access to company bicycles**, complete with complimentary parking and repair tools. On top of that, our new company merch is made from sustainable materials.



2022 EMISSIONS
INTENSITY

0.04

kgCO₂e per dollar
of revenue

2023 EMISSIONS
INTENSITY

0.03

kgCO₂e per dollar
of revenue

In addition to our ongoing reduction efforts, we continue to offset our current emissions in partnership with the Bonneville Environmental Foundation, classified as an environmental partner of the 1% for the Planet organization.

This year's offset projects include supporting a wind farm in Argentina, protecting tropical rainforests in Acre, Brazil, and preventing the production of virgin HFCs in the U.S. while promoting HFC recapture.

Our future plans include commitments aligned with the Science-Based Targets Initiative and the development of a reduction strategy that supports the global imperative to keep climate warming below 1.5°C.

Management Report

The Management Board presents the annual financial statements of the Company and the Group for the business year that ended on 31 December 2023.

Main activity of the company

Infinum d.o.o. ("Company") is established in Croatia as a limited liability company, registered at the Commercial Court in Karlovac. The main activity of the Company is the development and release of software solutions.

Management board

The members of the Management Board during the year were:

Mr. Matej Špoler, Director, represents the Company independently and individually
Mr. Nikola Kapraljević, Director, represents the Company independently and individually
Mr. Josip Bišćan, director, represents the Company independently and individually

Financial results

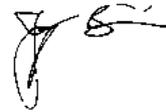
The financial results of the Company and the Group, as well as other indicators, are presented in the profit and loss account on page 9 of these financial statements.

Signed by:



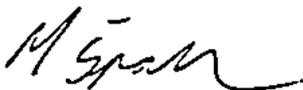
Mr. Nikola Kapraljević

Director



Mr. Josip Bišćan

Director



Mr. Matej Špoler

Director

Statement of the Management's responsibilities

The Management Board of Infinum d.o.o. ("the Company") is responsible for preparing consolidated financial statements for each business year that give a true and fair view of the financial position of Infinum d.o.o. and its Related Parties ("the Group"), its operating results and cash flows, in accordance with the applicable accounting standards, and is responsible for correctly keeping the accounting records necessary for the preparation of the consolidated financial statements at any time. The Management Board has the general responsibility of taking the available measures in order to preserve the assets of the Group and prevent and detect fraud and other irregularities.

The Management Board is responsible for:

- selecting suitable accounting policies to conform with applicable accounting standards and applying them consistently;
- making judgements and estimates that are responsible and prudent; and
- preparing consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Management Board has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. Therefore, the Management Board continues to adopt the going concern basis in preparing the financial statements.

The Management Board is also responsible for the preparation and content of Management Reports in accordance with the Croatian Accounting Act.

The Management Board approved and signed the annual report, which includes the financial statements and the management report.

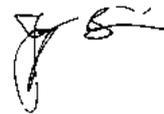
Zagreb, 26 August 2024

Signed by:



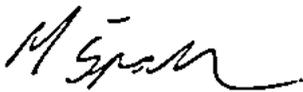
Mr. Nikola Kapraljević

Director



Mr. Josip Biščan

Director



Mr. Matej Špoler

Director

Independent auditor's report on the audit of the annual consolidated financial statements to the members of the Infinum Group

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Infinum d.o.o. ("the Company") and its related parties (together referred to as "the Group"), which comprise the consolidated statement of the financial position of the Group as at 31 December 2023 and the consolidated statements of comprehensive income, cash flows and changes in equity of the Group for the year then ended, as well as notes, comprising significant accounting policies and other explanatory information (further referred to as "the financial statements").

In our opinion, except for the effects of the matters described in our report in the Basis for the Qualified Opinion section, the accompanying financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS").

Basis for the Qualified Opinion

Goodwill

The Group reported goodwill acquired in the business merger in the amount of EUR 3.289 thousand. The recoverable amount of the specified asset from the scope of the IAS 36 must be assessed each year. As of 31 December 2023, the Company has not assessed the recoverability of the book values in accordance with the International Accounting Standard 36 "Impairment of Assets". As a result of the above, we did not obtain sufficient and adequate evidence, and we are unable to determine the possible effect on the attached consolidated financial statements.

We performed our audit in accordance with the Accounting Act, the Audit Act and the International Auditing Standards (IAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Croatia and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The management is responsible for other information. Other information includes the information included in the Annual Report but does not include the annual financial statements and our independent 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 and, in so doing, to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the Management Report, we also performed procedures required by the Accounting Act in Croatia ("Accounting Act"). These procedures include checking whether the Management Report includes the necessary disclosures specified in Articles 21 and 24 of the Accounting Act.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and procedures above, in our opinion:

1. The information given in the Management Report for the financial year for which the financial statements are prepared, is consistent, in all material respects, with the financial statements.
2. The Management Report for 2023 has been prepared, in all material respects, in accordance with the requirements of Articles 21 and 24 of the Accounting Act.

Based on the knowledge and understanding of the Company's and Group's operations and their environment acquired within the audit of the financial statements, we have not established any significant errors presented in the other information.

Independent auditor's report on the audit of the annual consolidated financial statements to the members of the Infinum Group

Report on the Audit of the Financial Statements (continued)

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the EU IFRS, and for such internal control as the 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, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report

that includes our opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, 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 overriding internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

Consulatio Grupa d.o.o. za reviziju

26 August 2024

Gradišćanska cesta 36

10000 Zagreb, Hrvatska

**Kristian
Kraljić** Digitally signed by:
Kristian Kraljić
Date: 2024.08.26
21:33:27 +02'00'

Kristian Kraljić

Director, Croatian Certified Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year that ended on 31 December 2023

	Note	2023 Group EUR '000	2022 Group EUR '000	2023 Company EUR '000	2022 Company EUR '000
Sales revenue	3	26.490	24.160	21.736	18.727
Other income	4	267	284	241	251
Total operating income		26.757	24.444	21.977	18.978
Raw materials, products, consumables and services used	5	6.613	7.064	6.620	5.487
Employee costs	6	12.730	10.832	9.422	8.584
Depreciation and amortisation	7	811	711	637	585
Other expenses	8	2.143	2.070	1.350	1.213
Impairment of trade receivables		-	4	-	4
Provisions		161	48	161	48
Other operating expenses	9	148	153	115	150
Total operating expenses		22.606	20.882	18.305	16.071
Operating profit		4.151	3.563	3.672	2.907
Finance income	10	51	172	238	132
Finance costs	10	262	161	184	135
Net finance income/(costs)		(211)	11	54	(3)
Profit before tax		3.940	3.573	3.726	2.904
Income tax	11	(425)	(370)	(323)	(269)
Profit for the year		3.515	3.203	3.403	2.635
Attributed to the parent company		3.447	3.165	3.403	2.635
Attributed to a minority interest		69	38	-	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year that ended on 31 December 2023

	2023 Group EUR '000	2022 Group EUR '000	2023 Company EUR '000	2022 Company EUR '000
Profit for the year	3.515	3.203	3.403	2.635
Other comprehensive income:	-	-	-	-
COMPREHENSIVE INCOME FOR THE YEAR	3.515	3.203	3.403	2.635
Comprehensive income for the periods attributable to:				
Owners of the Company	3.447	3.165	3.403	2.635
Non-controlling interest	69	38	-	-

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 December 2023

	Note	2023 Group EUR '000	2022 Group EUR '000	2023 Company EUR '000	2022 Company EUR '000
Goodwill	13	3.289	759	0	-
Intangible assets	14	-	2	-	2
Property, plant and equipment	15	341	469	141	262
Property with right-of-use	16	658	858	475	586
Financial assets	17	1.815	846	6.042	2.085
Total non-current assets		6.104	2.933	6.658	2.935
Inventories		4	-	4	-
Receivables	18	5.453	5.396	4.851	5.450
Receivables from the state and other institutions	19	426	339	330	272
Other receivables	20	28	33	25	13
Financial assets	17	127	121	96	150
Cash and cash equivalents	21	7.147	4.219	4.526	1.823
Paid expenses of the future period and accrued income		295	133	168	115
Total current assets		13.480	10.242	10.000	7.823
Total assets		19.584	13.175	16.658	10.758
Share capital	22	146	146	146	146
Profit/(loss) for the year		3.447	3.165	3.403	2.635
Non-controlling interest	23	243	174	-	-
Retained earnings/(accumulated losses)		9.164	6.491	7.500	5.345
Total shareholders' equity		12.999	9.976	11.049	8.126
Debts on which interest is calculated	24	2.381	13	2.344	-
Lease obligations	25	324	218	209	31
Total non-current liabilities		2.705	231	2.553	31
Trade payables	26	408	474	550	559
Other current liabilities	27	2.431	1.657	1.635	1.435
Lease obligations	25	357	670	286	582
Debts on which interest is calculated	24	680	166	585	25
Total current liabilities		3.876	2.967	3.056	2.601
Deferred payment of expenses and income of the future period		4	1	-	-
Total shareholders' equity and liabilities		19.584	13.175	16.658	10.758

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year that ended on 31 December 2023

	2023 Group EUR '000	2022 Group EUR '000	2023 Company EUR '000	2022 Company EUR '000
<i>Cash flows from operating activities</i>				
Profit/(loss) before tax	3.940	3.573	3.726	2.904
Depreciation and Amortisation	811	711	637	585
Increase in short-term liabilities	724	-	191	-
Decrease in short-term receivables	-	-	476	-
Other increase in cash flow	-	3	-	6
Total increase in cash flow from operating activities	5.475	4.287	5.030	3.495
Decrease of short-term liabilities	-	(871)	-	(623)
Increase in short-term receivables	(301)	(471)	-	(540)
Increase in inventories	(4)	-	(4)	-
Other decrease in cash flow	(481)	(528)	(343)	(301)
Total reduction in cash flow from operating activities	(786)	(1.870)	(347)	(1.464)
Net cash flow from operating activities	4.690	2.418	4.683	2.031
<i>Cash flows from investment activities</i>				
Proceeds from sales of non-current intangible and tangible assets	33	15	-	15
Net cash received through the acquisition of a subsidiary company	190	5	-	-
Total proceeds from investment activities	223	20	-	15
Expenditure for the purchase of fixed assets	(181)	(479)	(69)	(291)
Acquisition of equity and debt financial instruments	(2.734)	(255)	(2.988)	(250)
Total expenditure from investment activities	(2.915)	(733)	(3.057)	(546)
Net cash flow from investment activities	(2.692)	(713)	(3.057)	(531)
<i>Cash flow from financing activities</i>				
Proceeds from loan principals, promissory notes, loans, etc.	2.995	214	2.995	153
Proceeds from other financing activities	-	186	54	300
Total proceeds from financing activities	2.995	399	3.049	453
Principal of loans and bonds paid	(130)	-	(130)	-
Dividends paid	(479)	(903)	(479)	(903)
Repayment of financial leases	(568)	(486)	(475)	(415)
Other expenditure from financing activities	(888)	-	(888)	(161)
Total expenditure from financial activities	(2.065)	(1.389)	(1.972)	(1.479)
Net cash flow from financing activities	930	(990)	1.077	(1.026)
Total net cash flow	2.928	715	2.703	474
Cash and cash equivalents at the beginning of the period	4.219	3.504	1.823	1.349
Cash and cash equivalents at the end of the period	7.147	4.219	4.526	1.823
Increase/(decrease) in cash and cash equivalents	2.928	715	2.703	474

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year that ended on 31 December 2023

	Share capital	Retained earnings/ (losses)	Profit/(loss) in the period	Distributable to the parent company	Non-controlling interest	Total
	000 EUR	000 EUR	000 EUR	000 EUR	000 EUR	000 EUR
As of 1 January 2022	146	4.214	3.128	7.488	135	7.623
Transfer to retained earnings	-	3.128	(3.128)	-	-	-
Profit for the year	-	-	3.165	3.165	38	3.203
Exchange rate differences	-	52	-	52	-	52
Dividends paid	-	(903)	-	(903)	-	(903)
As of 31 December 2022	146	6.491	3.165	9.802	174	9.976
As of 1 January 2023	146	6.491	3.165	9.802	174	9.976
Transfer to retained earnings	-	3.165	(3.165)	-	-	-
Profit for the year	-	-	3.447	3.447	69	3.515
Exchange rate differences	-	(14)	-	(14)	-	(14)
Dividends paid	-	(479)	-	(479)	-	(479)
As of 31 December 2023	146	9.163	3.447	12.756	243	12.998

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1 General

The company INFINUM d.o.o., with its registered seat in Karlovac, Mala Švarča 23, was founded on 2 May 2005 at the competent Commercial Court in Karlovac, company registration no. (MBS): 020036150.

The Company's business address and main office is located in Zagreb, Strojarska 22, Poslovni centar VMD.

The registered share capital of the Company is HRK 1,100,000.00.

The main activity of the company is the design and development of software solutions for all types of operating systems.

Group structure

As of 31 December 2022, the INFINUM Group (hereinafter: "the Group") consists of the parent company INFINUM d.o.o. and 5 subsidiaries. The associated companies and joint ventures are presented in note 22.

The main activity of the Group is the design and development of software solutions for all types of operations. The Group's activity is divided into business areas:

- Consulting
- Design
 - *Development of the company brand and products*
 - *Application user interface (UI) design*
 - *Improving the user experience of applications (UX)*
- Development of software solutions for:
 - *Web*
 - *Android operating system*
 - *iOS operating system*
- Assurance and control of digital product quality

Number of employees

As of 31 December 2023, the Group had 321 employees, while as of 31 December 2022, the Group had 290 employees.

Founders/members of the Company:

- Tomislav Car
- Matej Špoler
- Nikola Kapraljević
- Josip Bišćan
- Infinum Holding Limited
- Infinum Ventures Limited

Authorised representatives:

- Matej Špoler
- Nikola Kapraljević
- Josip Bišćan

The consolidated financial statements are presented in EUR thousands (EUR '000). The stated amounts are rounded to the nearest EUR thousand.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies

The principal accounting policies used for the preparation of these consolidated financial statements are presented below. These accounting policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the applicable laws in the Republic of Croatia and with the International Financial Reporting Standards adopted in the European Union (EU).

The Group's consolidated financial statements have been prepared under the accrual basis of accounting, whereby the transaction effects are recognised when incurred and recorded in the financial statements for the period to which they relate, as well as under the going concern assumption.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are stated at fair value.

The preparation of financial statements in conformity with the International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires the Management Board to exercise its judgement in the process of applying the Group's accounting policies.

The Group's financial statements are presented in Croatian kuna (HRK) as the functional and presentation currency of the Group.

New standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting periods ending 31 December 2023 and that have not been early adopted by the Group in the preparation of these financial statements.

The management does not expect any of these standards to have a significant impact on the financial statements of the Group.

2.2 Basis for consolidation

The consolidated financial statements of the Group include the financial statements of the Parent company and the financial statements of the companies controlled by the Parent company (subsidiaries). The Group controls an entity when the group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

All intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control

The Group applies a policy of treating transactions with non-controlling interests that do not result in loss of control as equity transactions – that is, as transactions with the owners in their capacity as owners. For purchases from minority shareholders, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.2 Basis for consolidation (continued)

Disposal of subsidiaries/loss of control over subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

2.3 Investments in associates and joint ventures

Associates

Associated companies are companies in which the Group has between 20% and 50% of voting power and in which the Group has a significant influence, but not control. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Dividends received or receivables from associates are deducted from the carrying value of the investment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit/(loss) of associates" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are only recognised in the Group's financial statements to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

Joint arrangements

The Group applies the IFRS 11 to all joint arrangements. Under the IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.3 Investments in associates and joint ventures (continued)

Joint arrangements (continued)

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the joint ventures.

Dividends received or receivable from joint ventures are deducted from the carrying value of the investment.

Unrealised gains from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business combinations (mergers)

Business combinations are accounted by applying the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired.

If the total of the consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs to sell.

Any impairment is recognised immediately as an expense and is not subsequently reversed.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The transfer of control of a good or service may take place continuously (revenue recognition on a progress-towards-completion basis) or at a point in time (recognition on completion). Before revenue is recognised, the Group identifies both the contract and the various performance obligations contained in the contract. The number of performance obligations depends on the type of contract and activities. Most of the Group's contracts involve only one performance obligation.

Revenue from sales of hardware

The Group and the Company sell hardware directly to customers as part of hardware sales and service agreements or separate hardware sales agreements. Revenue is recognised at a certain point in time when the control of the equipment is transferred to the customer, and the sale of the equipment is considered a separate, distinguishable delivery obligation. The transfer of control to the customer implies the physical possession and use of the hardware by the customer, the transfer of all rights of use and risk of the use of the hardware to the customer, as well as the exercise of the right to collect from the Group and the Company. The hardware sales process in most cases fulfils the condition that the transfer of control occurs after the goods have been delivered to the customer's specific location. Transaction prices under these contracts are usually fixed and are generally charged after the delivery of the hardware and the completion of the installation services

Sales of services

The advisory services provided by the Group and the Company can be divided into two significant groups of services: services related to contracted projects with customers and advisory services related to customer support based on agreed price lists. Consulting services related to contracted projects (e.g., installation and/or development of various software products for specialised business operations) are reported as an action completed over time. Income is reported in the financial statements based on the degree of completion of the contract. The management and expert services assessed that the degree of completion, which is determined as a part of the time that has passed until the end of the reporting period in relation to the total expected duration of the project, is an appropriate measure of progress until the complete fulfilment of the obligation to act in accordance with the IFRS 15. Considering that the projects are of such a nature that they are related to the time consumption of each programmer, the passage of time on the project is a representation of what has been done or delivered. If the services are billed in a higher amount than the services determined based on the degree of completion, the difference is reported as deferred income.

Advisory support services imply standard services that are delivered on an hourly basis and are recognised at a certain moment of service delivery based on the agreed price lists.

The advisory support service is considered a distinct service because the Group and the Company regularly provide it to other consumers on an individual basis and it may be provided to consumers by other service providers in the market. Discounts are not taken into account because they are only granted in rare circumstances and are not significant.

Contract assets and liabilities

A contract liability is recognised when the customer has paid a consideration and the Company has not fulfilled its contractual obligation by transferring goods or services. If the Company has transferred goods or services to the customer before the consideration is paid by the customer and the right to the consideration is only subject to the passage of time before the payment of the consideration is due, a trade receivable is recognised. Contract assets are recognised if the right to consideration is subject to a condition (for example, the performance of another obligation).

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.6 Finance income and costs

Finance income and costs comprise interest on loans and borrowings calculated using the effective interest method, receivables for interest on investments, dividend income, foreign exchange gains and losses, gains and losses from financial assets at fair value through profit or loss.

Foreign exchange gains and losses are included in the Statement of comprehensive income and are presented in the notes in net amounts (the stated amounts include foreign exchange differences from principal activities and from financing activities).

Finance costs comprise interest on loans, changes in the fair value of financial assets at fair value through profit or loss, impairment losses from financial assets and foreign exchange losses.

2.7 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time for its intended use or sale, are added to the cost of that asset until the asset is substantially ready for its intended use or sale.

Other borrowing costs are charged to the income statement in the period in which they are incurred.

2.8 Foreign currency transactions

Foreign currency transactions are initially converted into Croatian kuna by applying the exchange rates prevailing on the transaction date. Cash, receivables and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Gains and losses arising on translation are included in the income statement for the current year.

On consolidation, assets and liabilities of the Group's foreign operations are translated into the Group's presentation currency at the exchange rates prevailing at the reporting date. Income and expenses are translated at the foreign exchange rates ruling at the dates of the transactions and the exchange differences are recognised in other comprehensive income. All foreign exchange gains and losses are recognised in the period in which the transaction occurred.

2.9 Income tax

The parent company and domestic Group companies account for their tax liabilities in accordance with Croatian law. Income tax for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using the rates in effect at the balance sheet date.

Deferred taxes arise from temporary differences between the amounts of assets and liabilities in the financial statements and the values presented for the purposes of determining the income tax base. A deferred tax asset for the carry-forward of unused tax losses and unused tax credits is recognised to the extent that it is probable that future taxable profit will be realised on the basis of which the deferred tax assets will be utilised. Deferred tax assets and liabilities are calculated using the tax rate applicable to the taxable profit in the years in which these assets or liabilities will be realised.

Current and deferred tax are recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.10 Non-current intangible and tangible assets (property, plant and equipment)

Non-current intangible assets and property, plant and equipment are initially carried at cost, which includes the purchase price, including import duties and non-refundable tax after deducting trade discounts and rebates, as well as all other costs directly attributable to bringing the asset into its working condition for its intended use.

Non-current intangible and tangible assets are recognised if it is probable that future economic benefits associated with the item will flow to the Group, if the cost of the asset can be reliably measured, and when the cost is higher than HRK 3,500.

After initial recognition, assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is only included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred. Gains or losses on the retirement or disposal of assets are included in the income statement in the period when incurred.

A brand acquired in a business combination is recognised at fair value on the date of acquisition. It has an unlimited lifespan because analyses performed by all relevant factors on the reporting date show that there is no predictable limit for the period during which it is expected to generate net cash inflows. Intangible assets with an unlimited lifetime are checked annually for impairment.

The amortisation and depreciation of assets commence when the assets are ready for use, i.e. when the assets are at the required location and the conditions necessary for use have been met. The amortisation and depreciation of assets cease when the assets are fully expensed or classified as held for sale.

Amortisation and depreciation are charged to write off the cost of each asset, other than land, advances and non-current intangible and tangible assets under construction, over their estimated useful lives, using the straight-line method, as follows:

	31/12/2023	31/12/2022
Other equipment	4 years	4 years
Electronics, computers	2 years	2 years
Telephones, mobile phones	2 years	2 years
Office furniture	4 years	4 years
Transport vehicles	2.5 years	2.5 years
Telephones, mobile phones	2 years	2 years
Leasehold improvements	4 years	4 years
Licences	2 years	2 years
Other office equipment	4 years	4 years

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.11 Non-current intangible and tangible assets (property, plant and equipment) – (continued)

Impairment of property, plant and equipment

The Company reviews the carrying amount of its property, plant and equipment to determine whether there is any indication of the impairment of such assets. If any such indication exists, based on internal and external sources of information, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

When it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit (plant or line to which the asset belongs), and then the loss is allocated to individual assets within the unit.

When determining impairment losses or the reversal of impairment loss for an item of property, plant and equipment the depreciation rate is not changed, but the impairment and useful life of the item are changed.

The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use. If the amount of tangible assets exceeds its recoverable amount, the difference is charged to the operating result (impairment loss). On each reporting date, the Group reviews if there are indicators that the previously recognised impairment loss should be reversed or decreased.

2.11 Investment property

Investment property is property (land, buildings or a part of a building, or both) held to earn rentals or for capital appreciation (or both). Investment property is treated as long-term investments. Investment property is carried at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Land is not depreciated. The depreciation of other investment property (buildings) is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

The residual value of an asset is the estimated amount that the Group would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its estimated useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and when necessary. The estimated useful life of the majority of investment properties, as assessed by the management, is 5 years.

Subsequent expenditure is capitalised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred. If the Group starts using the investment property, it is reclassified to property, plant and equipment. The Group discloses the fair value of investment property on the basis of periodic independent valuations by expert valuers. Based on these estimates, the Group has estimated that the residual value of these properties is higher than its carrying amount and, accordingly, depreciation is not calculated until this residual value is reduced to a value lower than its carrying amount.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.12 Financial assets and liabilities

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial asset or equity instrument of another entity.

Classification and measurement of financial assets

Financial assets are classified into three categories, depending on the selected business model for managing financial assets and the cash flow characteristics of the asset as follows:

- financial assets carried at amortised cost,
- financial assets at fair value through other comprehensive income and
- financial assets at fair value through profit or loss.

The business model for managing financial assets depends on how the Group manages the financial assets for the purpose of generating cash flows. A reclassification of debt instruments is required if the business model changes. Business models for managing financial assets include:

- amortised cost model – business model whose objective is to hold financial assets in order to collect contractual cash flows (principal and interest),
- fair value through other comprehensive income – a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- fair value through profit or loss – a business model whose objective is to hold the financial assets for trading or for managing the financial asset on a fair value basis.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, when it has transferred the financial asset and substantially all the risks and rewards of ownership of this asset to another entity. If the Group does not transfer or retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and financial liability for the proceeds received.

On the derecognition of financial assets at fair value through profit or loss, all gains or losses arising from the derecognition of such assets are recognised in profit or loss.

On the derecognition of financial assets carried at fair value through other comprehensive income (other than equity instruments classified in this category), cumulative gains or losses previously recognised in other comprehensive income are reclassified and transferred from equity to profit or loss.

On the derecognition of equity instruments classified as financial assets at fair value through other comprehensive income, amounts previously recognised in other comprehensive income are not reclassified to profit or loss.

On the derecognition of financial assets at amortised cost, all gains and losses arising from the derecognition are recognised in profit or loss.

At each reporting date, the Group recognises impairment allowances for financial assets (except at fair value through profit or loss) using the expected credit loss model.

Expected credit losses are estimated on an individual or portfolio basis in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes,
- the time value of money and
- reasonable and supportable information that is available (without undue cost and effort) about past events, current conditions and forecasts of future conditions and circumstances.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.13 Financial assets and liabilities (continued)

The credit loss allowance for trade receivables and contract assets is measured at an amount equal to the lifetime expected credit losses, i.e. by using the simplified approach to ECL measurement.

In measuring the expected credit losses, the Company uses historical observations (over a minimum period of 3 years) on days past due with regard to the collection of receivables adjusted for estimated future expectations relating to the collection of receivables. Trade receivables are divided into portfolios depending on the country rating of the customer's registered office and maturity.

For the amount of the expected credit losses, the value of the financial asset is reduced and the profit or loss from the impairment is recognised in the profit and loss statement, except for debt instruments where credit losses are recognised in the profit and loss statement, but the carrying value is not reduced, and revaluation reserves are recognised instead.

Objective evidence of the impairment of financial assets for expected credit losses includes

- significant financial difficulty of the issuer or debtor and/or
- breach of contract, such as a default or delinquency in interest or principal payments and/or
- probability that the borrower will enter bankruptcy or financial restructuring.

Exceeding the maturity date alone is not an absolute indicator that there has been an increase in credit risk after initial recognition. The assumption that there has been a significant increase in credit risk after the initial recognition due to exceeding the maturity date can be rebutted by the company if it has reasonable and well-founded data proving that there was no significant increase in credit risk, but this can be an indicator of an increase in credit risk if there are no other available information.

Financial guarantee of a contractual liability

The financial guarantee of a contractual obligation is initially measured at fair value and subsequently measured at the higher value:

- of the amount determined in accordance with the model of expected credit losses in accordance with the IFRS 9, and
- of the initially recognised amount reduced, if necessary, by the corresponding cumulative effect recognised in accordance with the revenue recognition policy.

Financial liabilities, classification and measurement

Financial liabilities, including loans, are initially measured at fair value reduced by transaction costs and are subsequently measured at the amortised cost using the effective interest rate method, with interest expenses recognised based on the effective yield.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and allocating the interest expense over a certain period. The effective interest rate accurately discounts the estimated future cash payments over the expected life of the financial instrument or, where more appropriate, over a shorter period to the gross carrying amount of the financial asset or to the amortised cost of the financial liability, with the exception of financial assets net of credit losses.

Financial liabilities are classified as financial liabilities at fair value in the profit and loss account when they are intended for trading or are defined as such by the company.

They are measured at fair value and the associated profit or loss is recognised in the profit and loss account, except for changes in the fair value of liabilities resulting from changes in the company's own credit risk, which are recognised through other comprehensive income. The net profit or loss recognised in the profit and loss account includes the interest paid on the financial liability.

Derecognition of financial liabilities

A financial liability is only derecognised when it is settled, cancelled or expired.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.14 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of the carrying value and fair value less costs to sell. Non-current assets or disposal groups are classified as held for sale when their carrying value will be recovered principally through a sale transaction rather than through continuing use.

This condition is only satisfied if the sale is highly probable and the asset is ready for sale in its current condition. Assets are no longer depreciated once classified as held for sale.

2.15 Inventories

Inventories of raw materials and spare parts are stated at cost or the net realisable value, whichever is lower. The net realisable value represents the estimate of the selling price in the regular course of business less variable selling costs.

Inventories of trading goods are stated at the net realisable value. The net realisable value represents the estimate of the selling price in the regular course of business less variable selling costs.

2.16 Receivables

Receivables are initially measured at fair value. On each balance sheet date, receivables, whose collection is expected within a period of more than one year, are stated at amortised cost using the effective interest method, less any impairment loss. Current receivables are stated at the initially recognised nominal amount less the corresponding allowance for the estimated uncollectable amounts and impairment losses.

The credit loss allowance for trade receivables and contract assets is measured at an amount equal to the lifetime expected credit losses, i.e. by using the simplified approach to ECL measurement.

In measuring the expected credit losses, the Company uses historical observations (over a minimum period of 3 years) on days past due with regard to the collection of receivables adjusted for estimated future expectations relating to the collection of receivables. Trade receivables are divided into portfolios depending on the country rating of the customer's registered office and maturity.

The value of receivables is impaired and impairment losses for individual customers are only incurred if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of an asset when an event affects estimated future cash flows from receivables that can be reliably estimated.

Objective evidence of the impairment of financial assets for expected credit losses includes:

- significant financial difficulty of the issuer or debtor and/or
- breach of contract, such as a default or delinquency in interest or principal payments and/or
- probability that the borrower will enter bankruptcy or financial restructuring.

2.17 Cash and cash equivalents

Cash consists of bank demand deposits, cash on hand and deposits and securities payable on demand or collectable within three months.

2.18 Trade payables

Trade payables are liabilities to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less, or in the regular operating cycle of the business if longer. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at the amortised cost using the effective interest method.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.19 Borrowings

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

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

2.20 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

The right-of-use assets are presented separately in the statement of financial position.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Group's incremental borrowing rate.

Each lease payment is allocated between the liability and the finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments.

The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs;
- restoration costs.

Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for the remeasurement of the lease liability due to reassessment or lease modifications.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.20 Leases (continued)

The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The amortisation periods for right-of-use assets are as follows:

- right-of-use for vehicles 2-5 years
- right-of-use for commercial buildings 2-5 years

For a contract that contains a lease component and one or more additional lease or non-lease components, the consideration in the contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. Non-lease components are accounted for applying other applicable accounting policies.

Payments associated with all short-term leases and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss. The Group applies the exemption for low-value assets on a lease-by-lease basis i.e. for leases where the asset is sub-leased, a right-of-use asset is recognised with the corresponding lease liability; for all other leases of low-value assets, the lease payments associated with those leases will be recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less.

Low-value assets comprise printers and small items of office furniture.

The weighted average marginal lending rate used to measure lease liabilities is 1.4% to 5.2%.

Lease activities

The Group leases various properties, cars and other small equipment (e.g. printers). Leases are negotiated on an individual basis and contain a wide range of different terms and conditions (including termination and renewal rights). The main lease features are summarised below:

- Cars are leased for a fixed period – 4-5 years;
- A building facility is rented for a fixed period of 5 years with the possibility of renewing the contract. The lease payments are fixed;

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The future cash outflows to which the Group, as a lessee, is potentially exposed that are not reflected in the measurement of the lease liability are not significant. The Group does not provide any residual value guarantees.

2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

When the effect of discounting is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation, determined using the estimated risk-free interest rate as the discount rate. When discounting is used, the reversal of such discounting in each year is recognised as a financial expense and the carrying amount of the provision increases each year to reflect the passage of time.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.22 Employee benefits

i. Pension obligations and post-employment benefits

In the normal course of business through salary deductions, the Group makes payments to privately operated mandatory pension funds on behalf of its employees as required by law. All contributions made to the mandatory pension funds are recorded as salary expenses when incurred. The Group is not obliged to provide any other post-employment benefits with respect to these pension schemes.

ii. Termination benefits

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

iii. Regular retirement benefits

Retirement benefits falling due more than 12 months after the reporting date are discounted to their present value based on the calculation performed at each reporting date by an independent actuary, using assumptions regarding the number of staff likely to earn regular retirement benefits, estimated benefit costs and the discount rate that is determined as the average expected rate of return on investment in government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in profit or loss.

iv. Long-term employee benefits

The Group recognises a liability for long-term employee benefits (jubilee awards) evenly over the period in which the benefit is earned based on actual years of service. The long-term employee benefit liability is determined annually by an independent actuary, using assumptions regarding the likely number of staff to whom the benefits will be payable, the estimated benefit cost and the discount rate that is determined as the average expected rate of return on investment in government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in profit or loss.

v. Short-term employee benefits

The Group recognises a liability for employee bonuses when contractually obliged or when there is a past practice that has created a constructive obligation.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.22 Contingent assets and liabilities

Contingent liabilities are not recognised in the Group's consolidated financial statements but only disclosed in the notes on the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the Group's consolidated financial statements, except in cases where the realisation of income is certain and the assets in question are not contingent assets and their recognition is appropriate.

2.23 Events after the reporting date

Events after the balance sheet date, which provide additional information on the Group's position at the balance sheet date (adjusting events), are reflected in the consolidated financial statements. Events that are not adjusting events are disclosed in the notes on the financial statements, if material.

2.24 Key accounting estimates and judgments

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

Revenue recognition

The Group recognises revenue both over time and at a point in time, depending on the specifics of a customer arrangement as described in the accounting policy 2.5. When recognising revenue over time, the method of measuring progress highlights the importance of accuracy in measuring progress towards the complete satisfaction of a performance obligation and may include estimates in the performance scope and services required to satisfy contractual obligations. These significant estimates include total estimated costs, total estimated revenues and contractual risks, including technical, political and regulatory risks and other judgments. The Group has determined the input method as the best method for measuring progress in providing services because there is a direct link between Group effort (total project costs incurred) and the transfer of services to the customer. If revenue is recognised over time, this is done by measuring costs incurred up to a certain date in relation to the total expected costs required to satisfy contractual obligations.

The Group also recognises revenue at a point in time for the delivery of goods by recognising revenue when the customer obtains control of a particular item, which is when the goods are delivered to the customer, the customer has full discretion over the goods, and there are no unsatisfied obligations that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed or the Group has objective evidence that all the criteria for acceptance have been satisfied.

Goodwill impairment

A cash-generating unit to which goodwill is allocated is tested for impairment once a year or more frequently if there is an indication of possible impairment. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first by reducing the carrying amount of the goodwill allocated to the unit and then proportionately to the other assets of the cash-generating unit based on the carrying amount of each asset in the unit that creates money. Any gain and loss due to a reduction to fair value is reported directly in profit and loss. A once-recognised goodwill impairment loss is not reversed in subsequent periods.

The Group and the Company test for goodwill impairment at the level of the lowest cash-generating unit. The Group and the Company defined each individual subsidiary as the lowest unit that generates cash, considering the variety of sources of income, and the business models of individual subsidiaries, and used the income method, which was based on discounted cash flows, for testing the impairment of goodwill.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Significant accounting policies (continued)

2.24 Key accounting estimates and judgments

Goodwill impairment (continued)

The methodology for calculating discounted cash flows consisted of estimating future cash flows for a period of 5 years, discounting stated cash flows, applying a discount rate that reflects the risk of cash flows, and the time value of money, estimating residual value and terminal value.

The Group and the Company subject goodwill to impairment testing annually or more frequently if there are indications of goodwill impairment.

Income tax

The company calculates the tax liability in accordance with the tax legislation in the Republic of Croatia. Tax returns are subject to control by the tax authorities, which have the right to carry out subsequent controls of taxpayers. There are different possible interpretations of tax laws, therefore the amounts in the consolidated financial statements may change subsequently, depending on the decision of the tax authorities.

The company is a beneficiary of investment subsidies in accordance with the Act on Investment Promotion. Subsidies are mostly used as tax incentives in the part of reducing the obligation to pay income tax. Based on the currently realised right to a tax benefit, the Company does not recognise deferred tax assets. Given that the investment period has not ended, the final amount of approved grants is not known.

Impact of the war in Ukraine

The Company and the Group do not have any significant exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require the revision of certain assumptions and estimates, which may result in materially significant corrections to the book value of certain assets and liabilities during the next business year. At this stage, the management is unable to reliably assess the impact as new events unfold day by day.

In the long term, the consequences can affect business volume, cash flows and profitability. Regardless of the above, on the date of issuance of these financial statements, the Company and the Group continue to fulfil their obligations within the due date and therefore continue to apply the principle of going concern as the accounting basis for the preparation of financial statements.

Impact of climate change

Climate changes had no impact on the operations of the Company and the Group in 2022, and accordingly there was no impact on the financial indicators of operations. The Company and the Group see a contribution to the fight against climate change in the development of energy-efficient products and services and in the reduction of greenhouse gas emissions by purchasing green energy, as well as in changing one's own habits.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Sales revenue

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Revenue from sales within the group	-	-	1.929	2.439
Revenue from domestic sales	25.714	22.958	19.807	16.288
Revenue from foreign sales	776	1.202	-	-
	<u>26.490</u>	<u>24.160</u>	<u>21.736</u>	<u>18.727</u>
	<u><u>26.490</u></u>	<u><u>24.160</u></u>	<u><u>21.736</u></u>	<u><u>18.727</u></u>

With the entrepreneurs within the group, the Company achieved sales revenues in the amount of EUR 1.930 thousand (2022; EUR 2.426 thousand)

4 Other income

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Subvention	-	159	-	154
Income of the previous period	40	-	40	-
Other income	227	125	201	97
	<u>267</u>	<u>284</u>	<u>241</u>	<u>251</u>
	<u><u>267</u></u>	<u><u>284</u></u>	<u><u>241</u></u>	<u><u>251</u></u>

The Company and the Group achieved other operating income in the amount of EUR 227 thousand (2022; HRK 126 thousand), which consists of income from state subsidies, income from leases, sales of fixed assets, etc.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 Raw materials, products, consumables and services used

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Small inventory	40	155	34	146
Raw materials and consumables used	112	183	94	161
Raw materials and consumables used	152	338	128	307
Cost of goods sold	5	2	1	2
Cost of goods sold	5	2	1	2
Services of external subcontractors and student employment service	3.806	4.316	4.542	3.671
Rent	464	443	341	238
Software services	867	840	837	652
Intellectual services	444	259	363	214
Advertising	390	367	112	196
Maintenance	140	94	59	61
Utilities	44	50	44	50
Mail and telecommunication	49	36	37	31
Bank charges	86	41	77	25
Insurance	40	19	31	9
Patents and licences	9	1	9	1
Transportation	62	49	2	1
Other fees and taxes	1	0	-	-
Other expenses	54	206	37	29
Other expenses	6.456	6.723	6.491	5.178
	6.613	7.064	6.620	5.487

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Staff costs

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Wages and salaries	8.642	7.113	5.820	5.337
Contributions from salaries	3.276	3.073	2.945	2.698
Contributions on salaries	812	646	657	549
	<u>12.730</u>	<u>10.832</u>	<u>9.422</u>	<u>8.584</u>
	=====	=====	=====	=====

As of 31 December 2023, the Group had 321 employees (31 December 2022: 290 employees).

7 Depreciation expense

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Depreciation	276	252	191	194
Depreciation of right-of-use assets	535	459	446	391
	<u>811</u>	<u>711</u>	<u>637</u>	<u>585</u>
	=====	=====	=====	=====

8 Other expenses

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Fieldwork allowance	212	289	154	225
Other fees and taxes	37	21	36	21
Other personnel expenses	1.179	973	1.013	834
Representation	168	147	136	107
Other expenses	547	639	11	26
	<u>2.143</u>	<u>2.070</u>	<u>1.350</u>	<u>1.213</u>
	=====	=====	=====	=====

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Other operating expenses

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Donations	104	151	74	148
Subsequent costs of prior periods	41	1	41	1
Other expenses – operating expenses	3	1	-	1
	<u>148</u>	<u>153</u>	<u>115</u>	<u>150</u>
	<u><u>148</u></u>	<u><u>153</u></u>	<u><u>115</u></u>	<u><u>150</u></u>

10 Finance income and costs

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Income from investments in shares of entrepreneurs within the Group	-	-	200	-
Foreign exchange gains	28	169	17	127
Interest income and similar income	21	2	-	1
Interest income within the group	-	-	19	4
Unrealised gains on financial assets	2	-	2	-
Finance income	<u>51</u>	<u>172</u>	<u>238</u>	<u>132</u>
	<u><u>51</u></u>	<u><u>172</u></u>	<u><u>238</u></u>	<u><u>132</u></u>
Foreign exchange losses	141	124	93	115
Interest and similar expenses	100	35	91	20
Other finance costs	21	2	-	-
Finance costs	<u>262</u>	<u>161</u>	<u>184</u>	<u>135</u>
	<u><u>262</u></u>	<u><u>161</u></u>	<u><u>184</u></u>	<u><u>135</u></u>
Total finance income/(costs)	<u>(211)</u>	<u>11</u>	<u>54</u>	<u>(3)</u>
	<u><u>(211)</u></u>	<u><u>11</u></u>	<u><u>54</u></u>	<u><u>(3)</u></u>

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11 Income tax

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Income tax expense in the current year	(425)	(370)	(323)	(269)
Total tax expense in the profit and loss account	(425)	(370)	(323)	(269)

Reconciliation with the profit and loss account:

The table shows the adjustment of the income tax expense from the profit and loss account and the amount of income tax calculated based on the legal rate of income tax:

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Profit before tax	4.143	3.573	3.726	2.904
Income tax with a tax rate of 18%	773	623	671	523
Non-deductible costs and non-taxable income at the rate of 18%	18	16	18	15
Profit reinvestment and state support	(366)	(269)	(366)	(269)
Income tax expense	425	370	323	269
Effective tax rate	10.25%	10.35%	8.66%	9.26%

The company is a beneficiary of benefits based on the Investment Promotion Act, and is entitled to a 50% reduction in the corporate tax rate.

In accordance with the regulations of the Republic of Croatia, the Tax Administration may at any time inspect the individual Group companies' books and records within 3 years following the year in which the tax liability is reported and may impose additional tax liabilities and penalties. The management is not aware of any circumstances that may give rise to a potential material liability in this respect.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12 Related parties

Parties are considered related if one party has the ability to control the other party, if it is under joint control or has a significant influence on the business of the other party. Related parties are considered subsidiaries with which the Company buys and sells merchandise, performs services, rents business premises and participates in lending and receiving loans. All transactions with related parties are based on normal business and commercial terms. Significant transactions with related parties in 2023 were as follows:

Current year 2023

(in EUR thousands)

Company	Shares	Liabilities	Receivables	Revenue	Costs
Infinum, Inc., Claymont, Delaware, USA	100%	29	50	180	1.378
Infinum d.o.o., Podgorica, Montenegro	100%	-	81	1.003	-
Infinum Limited, London, UK	100%	616	-	-	293
Infinum SI d.o.o. Ljubljana, Slovenia	70%	44	49	744	651
Infinum DOOEL, Skopje, Macedonia	100%	-	64	709	-
ETR, LLC, Greenville, South Carolina	100%	18	-	5	78
Infinum d.o.o., Croatia		182	645	1.930	2.171
Total		889	889	4.571	4.571

Reconciliation with the profit and loss account:

The table shows the adjustment of the income tax expense from the profit and loss account and the amount of income tax calculated based on the legal rate of income tax:

	EUR '000
Income tax expense in the current year	
	2.994
Income tax expense in the current year	
	0
Income tax expense in the current year	311
	190
	(38)
	463
Income tax expense in the current year	2.530

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14 Intangible assets

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Investments in leased property (NM)	-	2	-	2
	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
	=====	=====	=====	=====

15 Property, plant and equipment – Company

COMPANY	Investments in leased property EUR '000	Plant and equipment EUR '000	Tools, plant and office furniture and means of transport EUR '000	Total EUR '000
Purchase value				
As of 1 January 2022	189	1.051	192	1.432
Additions	-	235	60	295
Sales / Expense	-	-	-	-
As of 31 December 2022	<u>189</u>	<u>1.286</u>	<u>252</u>	<u>1.727</u>
As of 1 January 2023	189	1.286	252	1.727
Additions	-	42	27	69
Sales / Expense	-	(388)		(388)
As of 31 December 2023	<u>189</u>	<u>940</u>	<u>279</u>	<u>1.408</u>
	=====	=====	=====	=====
Accumulated amortisation				
As of 1 January 2022	189	898	187	1.274
Cost for the year	-	181	10	191
Sales / Expense	-	-	-	-
As of 31 December 2022	<u>189</u>	<u>1.078</u>	<u>198</u>	<u>1.465</u>
As of 1 January 2023	189	1.078	198	1.465
Cost for the year	-	169	21	190
Sales / Expense	-	(388)	-	(388)
As of 31 December 2023	<u>189</u>	<u>859</u>	<u>219</u>	<u>1.267</u>
	=====	=====	=====	=====
Net carrying amount				
As of 1 January 2022	-	153	5	158
As of 31 December 2022	<u>-</u>	<u>208</u>	<u>54</u>	<u>262</u>
As of 1 January 2023	-	208	54	262
As of 31 December 2023	<u>-</u>	<u>81</u>	<u>60</u>	<u>141</u>
	=====	=====	=====	=====

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15 Property, plant and equipment – Group

GROUP	Investments in leased property HRK 000	Plant and equipment HRK 000	Tools, plant and office furniture and means of transport HRK 000	Total HRK 000
Purchase value				
As of 1 January 2022	191	1.167	192	1.550
Additions	-	406	151	557
Sales / Expense	-	(11)	(33)	-
As of 31 December 2022	191	1.562	310	2.107
As of 1 January 2023	191	1.562	310	2.063
Additions	-	114	67	181
Sales / Expense	-	(446)	-	(446)
As of 31 December 2023	191	1.230	377	1.798
Accumulated amortisation				
As of 1 January 2022	191	940	187	1.318
Cost for the year	-	222	62	284
Sales / Expense	-	(9)	-	(9)
As of 31 December 2022	191	1.153	249	1.594
As of 1 January 2023	191	1.153	249	1.594
Cost for the year	-	240	36	276
Sales / Expense	-	(413)	-	(413)
As of 31 December 2023	191	980	285	1.457
Net carrying amount				
As of 1 January 2022	-	227	5	231
As of 31 December 2022	-	409	60	469
As of 1 January 2023	-	409	60	469
As of 31 December 2023	-	250	91	341

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16 Property with right-of-use

When applying the IFRS 16 for the first time, the Group and the Company used the following practical exemptions allowed in the standard: exemptions from recognition for lease agreements that have a lease period of 12 months or less on the start date, lease agreements for which the subject property is of low value. The Group and the Company lease business premises and official vehicles. Lease agreements are usually concluded for a fixed period of 3 to 5 years.

Property with right-of-use – Company

	Business premises EUR '000	Vehicles EUR '000	Total EUR '000
Acquisition cost			
As of 1 January 2022	2.009	0	2.009
Additions	-	128	128
Disposals	-	-	-
As of 31 December 2022	2.009	128	2.137
As of 1 January 2023	2.009	128	2.137
Additions	115	220	335
Disposals	-	-	-
As of 31 December 2023	2.124	348	2.472
Accumulated amortisation			
As of 1 January 2022	1.160	-	1.160
Additions	371	20	391
Disposals	-	-	-
As of 31 December 2022	1.531	20	1.551
As of 1 January 2023	1.531	20	1.551
Additions	371	75	446
Disposals	-	-	-
As of 31 December 2023	1.902	95	1.997
Carrying amount			
As of 31 December 2022	478	108	586
As of 31 December 2023	222	253	475

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16 Property with right-of-use (continued)

Property with right-of-use – Company

	Business premises EUR '000	Vehicles EUR '000	Total EUR '000
Acquisition cost			
As of 1 January 2022	2.292	-	2.292
Additions	57	128	185
Disposals	-	-	-
As of 31 December 2022	2.349	128	2.477
As of 1 January 2023	2.349	128	2.477
Additions	115	220	335
Disposals	-	-	-
As of 31 December 2023	2.464	348	2.812
Accumulated amortisation			
As of 1 January 2022	1.160	-	1.160
Additions	439	20	459
Disposals	-	-	-
As of 31 December 2022	1.599	20	1.619
As of 1 January 2023	1.599	20	1.619
Additions	460	75	535
Disposals	-	-	-
As of 31 December 2023	2.059	95	2.154
Carrying amount			
As of 31 December 2022	750	108	858
As of 31 December 2023	405	253	658

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16 Property with right-of-use (continued)

Amounts recognised in profit and loss account	Group		Company	
	31/12/2023 EUR '000	31/12/2022 EUR '000	31/12/2023 EUR '000	31/12/2022 EUR '000
<i>Amortisation costs for right-of-use assets</i>				
Business premises	460	439	371	371
Vehicles	75	20	75	20
	<u>535</u>	<u>459</u>	<u>446</u>	<u>391</u>
	-	-	-	-
<i>Interest expense on lease obligations</i>				
Business premises	15	22	10	16
Vehicles	13	3	13	3
	<u>28</u>	<u>25</u>	<u>23</u>	<u>19</u>
	-	-	-	-
<i>Fixed payments</i>				
Business premises	488	466	395	395
Vehicles	80	20	80	20
	<u>568</u>	<u>486</u>	<u>475</u>	<u>415</u>

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17 Financial assets

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
a) Long-term investments				
Investment in shares – related parties	82	-	4.318	1.249
Investments in shares	476	476	476	476
Loans, deposits and the like – long-term	1.257	369	1.248	360
	<u>1.815</u>	<u>846</u>	<u>6.042</u>	<u>2.085</u>
b) Short-term investments				
Investment in securities	80	78	80	78
Loans granted to companies with a participating interest	-	-	-	60
Loans and deposits – short-term	47	43	16	12
	<u>127</u>	<u>121</u>	<u>96</u>	<u>150</u>

Impairment of financial assets

The valuation method and the main assumptions made during the current reporting period did not change in the valuation of impairment provisions for the specified financial assets.

18 Trade receivables

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Trade receivables related party	-	-	627	1.093
Trade receivables domestic	2.032	1.692	798	645
Trade receivables foreign	3.423	3.724	3.426	3.712
Impairment allowance for trade receivables	(2)	(19)	-	-
Trade receivables – net	<u>5.453</u>	<u>5.396</u>	<u>4.851</u>	<u>5.450</u>

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 Receivables from the state and other institutions

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
VAT receivable	59	37	10	5
Income tax advances	286	237	251	206
Withholding tax	54	55	54	55
Other receivables	27	9	15	6
	<u>426</u>	<u>339</u>	<u>330</u>	<u>272</u>
	<u><u>426</u></u>	<u><u>339</u></u>	<u><u>330</u></u>	<u><u>272</u></u>

20 Other receivables

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Advances	28	33	25	13
	<u>28</u>	<u>33</u>	<u>25</u>	<u>13</u>
	<u><u>28</u></u>	<u><u>33</u></u>	<u><u>25</u></u>	<u><u>13</u></u>

21 Cash and cash equivalents

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Cash in the foreign currency account	321	1.331	2	1.331
Cash in the bank account	6.826	2.888	4.524	492
	<u>7.147</u>	<u>4.219</u>	<u>4.526</u>	<u>1.823</u>
	<u><u>7.147</u></u>	<u><u>4.219</u></u>	<u><u>4.526</u></u>	<u><u>1.823</u></u>

22 Share capital

Share capital and reserves represent the total amount of own funds. It consists of share capital and other reserves consisting of capital reserves, legal reserves, other reserves and accumulated profit.

In the court register, the share capital is EUR 146 thousand.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23 Non-controlling interest

Non-controlling interest refers to the following companies:

	31 December 2023 EUR '000	31 December 2022 EUR '000
Infinum SI d.o.o. Ljubljana, Slovenia	243	174
	<u>243</u>	<u>174</u>
	<u><u>243</u></u>	<u><u>174</u></u>

24 Other financial liabilities

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
a) Long-term loans				
Finance lease	28	-	-	-
Liabilities for loans, deposits, etc.	9	13	-	-
Available line of credit, EBRD	2.344	-	2.344	-
	<u>2.381</u>	<u>13</u>	<u>2.344</u>	<u>-</u>
	<u><u>2.381</u></u>	<u><u>13</u></u>	<u><u>2.344</u></u>	<u><u>-</u></u>
b) Short-term loans				
Finance lease	12	-	-	-
Liabilities for loans, deposits, etc.	110	165	27	25
Available line of credit, EBRD	558	-	558	-
	<u>680</u>	<u>165</u>	<u>585</u>	<u>25</u>
	<u><u>680</u></u>	<u><u>165</u></u>	<u><u>585</u></u>	<u><u>25</u></u>
Total debts on which interest is calculated	<u><u>3.061</u></u>	<u><u>178</u></u>	<u><u>2.929</u></u>	<u><u>25</u></u>

Analysis of borrowings

Other main characteristics of borrowings are as follows:

(i) The company does not use overdrafts on transitional accounts

(ii) The company uses a line of credit of the EBRD

a) Line of credit up to the total amount of EUR 10.8 million (2022; 0 mil), which was agreed on 5/5/2023 with the EBRD for targeted acquisitions, in EUR

The use started on 24/8/2023, and will continue until 20/3/2029. The loan is secured by equity shares.

The loan is subject to an interest rate of 3 monthly EURIBOR, variable.

Other financial liabilities in the amount of EUR 110 thousand refer to deposits received as payment insurance for the transactions concluded by the Group during 2023.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25 Lease obligations

The Group and the Company are not exposed to significant liquidity risk regarding their lease obligations.

Lease obligations	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	EUR '000	EUR '000	EUR '000	EUR '000
Lease obligations – long-term	324	218	209	31
Lease obligations – short-term	357	670	286	582
Total	681	888	495	613

Lease obligations refer to obligations for the lease of business premises and company cars recognised in accordance with the provisions of the IFRS Standard 16 Leases.

Maturity of obligations	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	EUR '000	EUR '000	EUR '000	EUR '000
1st year	375	493	301	400
2nd year	186	254	126	180
3rd year	137	95	77	35
4th year	17	75	17	15
5th year	-	-	-	-
More than 5 years	-	-	-	-
	715	917	521	630
Less: unearned interest	(34)	(29)	(26)	(17)
	681	888	495	613
Analysed as:				
Long-term	340	424	220	230
Short-term	375	493	301	400
	715	917	521	630

Extension options expected to be used	Group		Company	
	Within 5 years	Total	Within 5 years	Total
	EUR '000	EUR '000	EUR '000	EUR '000
	1.281	1.281	1.095	1.095

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26 Trade payables

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Related party payables	-	-	182	161
Trade payables domestic	278	292	169	239
Trade payables foreign	130	182	199	159
	<u>408</u>	<u>474</u>	<u>550</u>	<u>559</u>

27 Other liabilities

	Group 2023 EUR '000	Group 2022 EUR '000	Company 2023 EUR '000	Company 2022 EUR '000
Advances received domestically	610	44	-	-
Liabilities to employees	622	602	586	562
Liabilities for taxes, contributions and similar benefits	544	409	431	352
Income tax payable	360	290	323	269
Calculated uninvoiced expenses	4	10	4	10
Other current liabilities	130	202	130	194
Deferred payment consideration	-	52	-	-
Reservations for unused vacation	161	48	161	48
	<u>2.431</u>	<u>1.657</u>	<u>1.635</u>	<u>1.435</u>

28 Contingent liabilities

Off-balance sheet records

As of 31 December 2023 and 31 December 2022, the Company and the Group had no off-balance sheet records.

Litigations

As of 31 December 2023 and 31 December 2022, not a single court case is pending against the Company or the Group.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29 Financial risk management and financial instruments

The Group is exposed to the following financial instrument risks in its operations: market risk (which includes currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

A) Fair value of financial assets and liabilities

The fair value of a financial instrument is the amount at which it could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The Group uses the following hierarchy for determining the fair value of financial instruments:

- level 1: quoted prices (unadjusted) in active markets for such assets or liabilities
- level 2: other techniques where all inputs that have a significant effect on the fair value are observable on the market, directly or indirectly
- level 3: techniques where all inputs that have a significant effect on the fair value are not based on the observable market data

The fair value of the Group's financial assets and liabilities generally approximates the carrying amount of the Group's assets and liabilities.

Derivative financial instruments

The fair value of financial instruments that are not traded in an active market presented in level 2 is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity-specific estimates.

In addition to investing in equity instruments, the Group used the following methods and assumptions in estimating the fair value of financial instruments:

Receivables and bank deposits

For assets that mature within 3 months, the carrying value approximates their fair value due to the short maturities of these instruments. For longer-term assets, the contracted interest rates do not deviate significantly from the current market rates and, consequently, the fair value approximates the carrying value.

Borrowings

The fair value of the current liabilities approximates their carrying value due to the fact that the interest rates on the said loans are approximated by relevant market interest rates. The Management Board believes that their fair value is not materially different from their carrying value.

Other financial instruments

The financial instruments not carried at fair value are trade receivables, other receivables, trade payables and other current liabilities. The historical carrying value of receivables and liabilities, including provisions that are in line with the usual terms of business, is approximately equal to their fair value.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29 Financial risk management and financial instruments (continued)

B) Financial instrument risks

The Group's operations are exposed to the following financial risks: market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

Market risk

Market risk is the fluctuation risk of fair value or future cash flows of financial instruments resulting from changes in market prices. Market risk comprises three types of risk: foreign exchange risk, interest rate risk and other price risks.

There were no significant changes to the Group's exposure to market risk or the manner in which it measures and manages the risk.

Foreign currency risk and cash flow hedge accounting

Currency risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in exchange rates. The Group is exposed to currency risk through sales, purchases and loans denominated in a currency that is not the functional currency of the Group. The currency that is subject to risks is primarily USD. Therefore, the Group is exposed to the risk that movements in exchange rates will affect its net income and financial position expressed in EUR.

Currency – Liabilities	Company 2023	Group 2023
USD	-	2.299
GBP	-	489
	-	
Currency – Assets	Company 2023	Group 2023
USD	-	764
GBP	-	715
	-	715

The relevant exchange rate during the reporting period was as follows:

	Spot exchange rate		Average exchange rate	
	31/12/2023	31/12/2022	2023	2022
	EUR	EUR	EUR	EUR
USD	1.105		1.0813	
GBP	0.86905		0.86979	

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29 Financial risk management and financial instruments (continued)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss for the other party. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses data and opinions of specialised rating companies, the Chamber of the Economy and other publicly available financial information on the financial positions of companies, as well as its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and measured and the aggregate value of contracts concluded is spread amongst creditworthy counterparties.

Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables arising from the sale of goods and services
- Contract assets
- Debt instruments at amortised costs
- Debt instruments at fair value through other comprehensive income

Although cash and cash equivalents are also subject to impairment in accordance with the IFRS 9 requirements, the impairment identified is immaterial.

Trade receivables and contract assets

The Group applies the simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics – the country risk of the customer and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles over a period of 36 months before 31 December 2022 respectively and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are impaired directly if there are no reasonable expectations that they will be recovered. Indicators that there is no reasonable expectation that trade receivables and contract assets will be recovered include, inter alia, a failure to make contractual payments for a period of more than one year.

Other financial assets at amortised cost

Other financial assets at amortised cost include receivables for flats sold, receivables for shares sold, receivables for loans given, receivables for recognised claims, receivables for dividends from associates and receivables from foreign sales.

The analysis performed has shown that the effect of applying the IFRS 9 on receivables for recognised claims, receivables for dividends and receivables from foreign sales is immaterial and as such was not recognised at 31 December 2022 and at 31 December 2021.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29 Financial risk management and financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that Group companies will not be able to meet their financial obligations as they fall due. Liquidity risk management is the responsibility of the Management Boards of the Group companies, while the Company's Management Board has built a quality frame for monitoring current, middle and long-term financing, and all liquidity risk requirements. The Group manages liquidity risk by continuously monitoring the anticipated and actual cash flow based on the maturity of financial assets and liabilities.

The following table presents the maturity of financial liabilities of the Group as at 31 December in accordance with contracted undiscounted payments.

(in EUR thousands)

Group 2023	Debts	Lease	Suppliers	Other	TOTAL
Liabilities within 1 year	680	375	408	2.431	3.894
Liabilities in 1-2 years	544	186			730
Liabilities in 2-3 years	665	137			802
Liabilities in 3-4 years	521	17			538
Liabilities in 4-5 years	521	-			521
Liabilities over 5 years	130	-			130
Total undiscounted liabilities as of 31 December 2023	3.061	715	408	2.431	6.615
Carrying amount of liabilities	3.061	681	408	2.431	6.581

(in EUR thousands)

Company 2023	Debts	Lease	Suppliers	Other	TOTAL
Liabilities within 1 year	585	301	550	1.635	3.071
Liabilities in 1-2 years	521	126			647
Liabilities in 2-3 years	651	77			728
Liabilities in 3-4 years	521	17			538
Liabilities in 4-5 years	521	-			521
Liabilities over 5 years	130	-			130
Total undiscounted liabilities as of 31 December 2023	2.929	521	550	1.635	5.635
Carrying amount of liabilities	2.929	495	550	1.635	5.609

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29 Financial risk management and financial instruments (continued)

Capital risk

The Company's objectives in capital management are to preserve the Company's ability to continue as a going concern to ensure returns to owners and benefits to other participants and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to owners or sell assets to reduce debt.

The finance function of the Group reviews the capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital. One of the ratios monitored is the financial leverage ratio, which was as follows at the reporting date:

The Company's debt ratio on the reporting date was as follows:

	31 December 2023 EUR '000	31 December 2022 EUR '000
Debt (current and non-current) = D	(2.929)	(25)
Cash and cash equivalents	4.526	1.823
Net cash / (debt)	1.597	1.799
Equity = E	11.069	8.126
Financial leverage ratio = $D/(D+E)$	20,92%	0,30%

The Group's debt ratio on the reporting date was as follows:

	31 December 2023 EUR '000	31 December 2022 EUR '000
Debt (current and non-current) = D	(3.061)	(179)
Cash and cash equivalents	7.279	4.219
Net cash / (debt)	4.218	4.041
Equity = E	13.226	9.976
Financial leverage ratio = $D/(D+E)$	18,79%	1,76%

Equity includes total capital. The total debt includes other financial liabilities.

30 Events after the reporting date

On the date of issuance of these financial statements, the Company had a net cash position sufficient for the unhindered settlement of due obligations and therefore prepared the financial statements under the assumption of continuity of operations.



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