

BOSQAR d.d., Zagreb
Annual report for the year that ended on
December 31, 2025

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

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** This format of the Annual Report is not an official ESEF publication of the Annual Report.*

Main business activity

The company BOSQAR d.d., Zagreb (the "Company") was established in Zagreb on November 28, 2018, and registered at the Commercial Court in Zagreb (MBS: 081210030; OIB: 62230095889). The Company started operating in 2018. The Company's main activity is the provision of holding company management services over the subsidiaries in the Group.

Results and position

In 2025, the Company generated a net profit of EUR 7,427 thousand (2024: net profit of EUR 3,605 thousand). The profit was realized from the income from holding activities, activities with related parties and the fair valuation.

Risk management

Currency risk

The Company is minimally exposed to currency risk due to the fact that most revenues, expenses, receivables, and liabilities are denominated in local currency.

Credit risk

Financial assets that could potentially expose the Company to credit risk include receivables from related companies over which the Company has control, and for which it ensures the collection of its receivables.

Liquidity risk

Liquidity risk management implies maintaining a satisfactory amount of cash and securing available financial resources through higher quality and better collection of receivables. The Company maintains a strong capital and cash position, thereby further strengthening its capacity to manage liquidity risk.

Risks are described in details in Note 28: Financial instruments and risk management.

Treasury shares

As of the reporting date, the Company holds a total of 28,390 treasury shares, representing 0.24% of its share capital, with an aggregate value of EUR 674 thousand.

Investments in subsidiaries

As of December 31, 2025, the Company has the following investments in subsidiaries:

Name of subsidiary	Main activity	Location of establishment and business operations	Share in ownership in %	Value of investment in thousands of EUR
M Plus Croatia d.o.o.	Management activities of holding companies and customer support services	Zagreb, Croatia	59.75%	72,481
ATP Sinergija d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	3,342
Meritus Global Technology d.o.o.	Management activities of holding companies	Zagreb, Croatia	51.00%	1,865
Meritus Global Strategics d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	3
Future Food Resolutions d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	3
Fresh Food Production d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	3
Future Food Solution d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	3
Panvita Grupa d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	3
				77,703

Management report (continued)

Branches

The Company has no branches.

Research and development activities

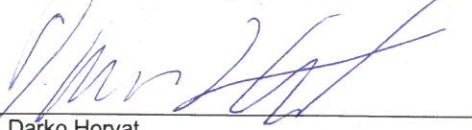
The Company did not conduct research and development activities in 2025 and 2024.

Future development

In the future, the Company will continue to invest in existing industry verticals through acquisitions and financing, as well as in other industry verticals that will bring additional investment opportunities. The Company will ensure that investments are directed to sectors and industries that have the potential to increase value and growth. The Company will continue to adhere to its existing investment strategies, whereby the goal will be to achieve the best possible results for the Company, investors, employees and other stakeholders.

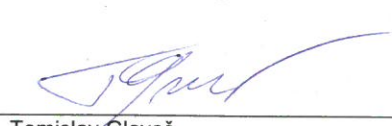
Signed on behalf of the Company on April 24, 2026:

President of the Management Board



Darko Horvat

Member of the Management Board



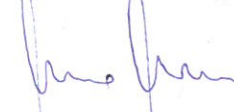
Tomislav Glavaš

Member of the Management Board



Vanja Vlák

Member of the Management Board



Alma Mekić Čerđić

BOSQAR d.d.
Ulica grada Vukovara 23
10 000 Zagreb
Republic of Croatia
April 24, 2026

The BOSQAR d.d. ("Company") continuously enhances its operations and governance in line with best corporate governance practices. Our governance model is based on internationally recognised principles and best practices of corporate governance, with particular emphasis on protecting the interests of all stakeholders, ensuring effective risk management and supporting long-term sustainable growth.

As a company listed on the Official Market of the Zagreb Stock Exchange, BOSQAR d.d. complies with all relevant legal provisions, as well as with the recommendations of the Corporate Governance Code issued by the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency (HANFA). Since the listing of its shares on the regulated market, the Company has continuously applied the Corporate Governance Code in order to ensure the highest standards of governance and accountability towards its shareholders and investors and has consistently complied with the guidelines of the Corporate Governance Code of the Zagreb Stock Exchange and HANFA over the past four years. In addition, the Company has adopted its own Corporate Governance Code, which is fully aligned with the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, thereby further confirming its commitment to high ethical and professional standards.

Organization of corporate governance

The Company's corporate governance structure is based on clearly defined frameworks and mechanisms that enable effective decision-making, business oversight and the protection of shareholders' interests. The Company's three principal governing bodies are:

- The Management Board,
- The Supervisory Board, and
- The General Assembly.

Management Board

The Management Board of the Company consists of four members. Darko Horvat holds the position of President of the Management Board, while the positions of members of the Management Board are held by Tomislav Glavaš, Vanja Vlak and Alma Mekić Čerdić. By a decision of the Supervisory Board of the Company dated 25 April 2025, the terms of office of Darko Horvat and Tomislav Glavaš on the Management Board were extended for an additional five-year term, effective from 19 May 2025, with Darko Horvat continuing in the position of President of the Management Board and Tomislav Glavaš as a member of the Management Board. During 2025, the composition of the Management Board changed with the appointment of two new members, Vanja Vlak and Alma Mekić Čerdić. By a decision of the Supervisory Board dated 25 April 2025, Vanja Vlak was appointed as a new member of the Management Board, with the term of office commencing on 19 May 2025. By a decision of the Supervisory Board of the Company dated 25 June 2025, Alma Mekić Čerdić was appointed as a new member of the Management Board, with the term of office commencing on 1 September 2025.

The Management Board conducts the Company's business in accordance with the Company's Articles of Association, the Rules of Procedure of the Management Board and applicable legal regulations.

The Management Board is appointed and dismissed by the Supervisory Board of the Company. The term of office of Management Board members is up to five years, with the possibility of reappointment.

Remuneration of the Management Board is determined in accordance with the Remuneration Policy for Management Board Members approved by the General Assembly on 16 June 2025. Members of the Management Board are entitled to fixed remuneration, as defined in their employment contracts or other relevant agreements concluded with the Company or its affiliated entities, in accordance with applicable labour laws, other regulations and the Company's internal acts. In addition to fixed remuneration, Management Board members are also entitled to variable remuneration, i.e. bonuses, which are determined and paid in accordance with decisions of the Supervisory Board and the criteria defined by it.

In accordance with the above, the remuneration of the members of the Management Board for the year 2025 is disclosed in the Remuneration Report, which is available on the Company's website.

ESG Advisory Board of the Management Board

In 2023, the Management Board of the Company established the ESG Advisory Committee of the Management Board (the ESG Committee) for the implementation and oversight of the ESG framework. The ESG Committee comprises a minimum of three and a maximum of five members, with a term of office of up to four years.

At the time of drafting this Report, the ESG Board consists of the following members:

- Mr Josip Lebegner – President,
- Ms Marija Radovanović – Member,
- Ms Ivana Turjak-Čebohin – Member,
- Mr Damjan Ozmec – Member.

During 2025, there was a change in the composition of the ESG Committee. Damjan Ozmec was appointed as a new member of the Committee on 1 July 2025 for a term of four years.

The ESG Committee has an important advisory and oversight role in the Company's operations in the area of sustainable development and ESG initiatives. Its responsibilities include providing recommendations to the Management Board regarding the implementation of the ESG framework and monitoring progress in the execution of the sustainability strategy. In addition, the ESG Committee participates in defining key performance indicators to ensure the achievement of the Company's long-term and short-term objectives.

Furthermore, the Committee provides recommendations on the adoption of Group policies, monitors investment projects with a focus on reducing the carbon footprint, and analyses reports on gender equality. The Committee may also conduct employee surveys to collect relevant feedback aimed at improving organisational culture and the working environment.

Supervisory Board

The Supervisory Board consists of five members. At the time of preparation this Report, the Supervisory Board comprises the following members:

- 1) Ms Tamara Sardelić, President of the Supervisory Board
- 2) Mr Philipp Rösler, Deputy President of the Supervisory Board
- 3) Mr Gordan Kolak, Member of the Supervisory Board
- 4) Mr Ulf Gartzke, Member of the Supervisory Board
- 5) Ms Ana Babić, Member of the Supervisory Board – Employee Representative

In accordance with the criteria prescribed by the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, all members of the Supervisory Board are considered independent members, with the exception of one member who serves on the Supervisory Board as an employee representative. The Chair and the Deputy Chair of the Supervisory Board are independent members.

During 2025, there were changes in the composition of the Supervisory Board. Joško Miliša resigned from the position of member of the Supervisory Board of the Company, effective as of 10 June 2025. By decision of the General Assembly of the Company dated 16 June 2025, Gordan Kolak was appointed as a new member of the Supervisory Board. The Supervisory Board supervises the Company's operations in accordance with the Company's Articles of Association, the Rules of Procedure of the Supervisory Board and applicable legal regulations. Members of the Supervisory Board are elected by the General Assembly of the Company. Pursuant to an amendment to the Company's Articles of Association adopted by the General Assembly on 27 June 2023, Orso Global d.o.o., as a shareholder of the Company, with its registered office in Zagreb, Vjekoslava Heinzela 62A, registered with the Commercial Court in Zagreb under registration number (MBS): 081393625, PIN (OIB): 64606431733, has the right to appoint two (2) members of the Supervisory Board and to determine the duration of their terms of office. The Supervisory Board, i.e. the Nomination Committee, proposes candidates for the Supervisory Board to the General Assembly. Members of the Supervisory Board are elected for a term of up to four years from the date of the appointment decision, and the same people may be reappointed.

Remuneration of Supervisory Board members is paid in accordance with the decision of the General Assembly of the Company dated 30 June 2020, which, in addition to determining the amounts payable, also defines the payment dynamics, until otherwise decided by the General Assembly. On 17 June 2024, the General Assembly adopted a new decision on the remuneration of Supervisory Board members, amending the amount of remuneration. On the same date, the General Assembly adopted a decision approving a new remuneration policy for Supervisory Board members, following the expiry of the four-year period during which the Company is required to decide on such remuneration. The new policy was adopted in the same wording as that approved on 30 June 2020.

Remuneration paid to members of the Supervisory Board does not include any variable components or other performance-related elements. It is paid as a fixed monthly fee, and no remuneration in shares is provided for. The Supervisory Board exercised regular oversight over the operations of the Company and the Group throughout 2025, in accordance with the Company's Articles of Association, the Rules of Procedure of the Supervisory Board, other internal regulations of the Company and applicable laws. In 2025, a total of 15 Supervisory Board meetings were held, most of which took place via video conference or by written resolution, all in line with the Rules of Procedure of the Supervisory Board. The overall attendance rate at the meetings was 100%. The Supervisory Board approved all proposals submitted by the Management Board during 2025 and adopted decisions falling outside the competence of the Management Board and the General Assembly. In performing its oversight function, the Supervisory Board paid particular attention to assessing the legality of operations, both in terms of compliance with applicable legislation of the Republic of Croatia and the Company's internal regulations, including the Articles of Association and decisions of the General Assembly, as well as compliance with the rules of the Zagreb Stock Exchange and HANFA and alignment with their Corporate Governance Code. The Supervisory Board conducted an evaluation of its effectiveness and composition in 2025, as well as the effectiveness and composition of its committees, including the individual performance of its members. The evaluation was led by the Chair of the Supervisory Board and involved all members of the Supervisory Board. No external evaluators were engaged, nor were any consultations with third parties conducted as part of the process. The Supervisory Board concluded that it and its committees continue to operate effectively, with a balanced composition and a level of expertise aligned with the Company's business requirements. It was assessed that members possess the necessary skills, knowledge and experience to perform their roles, thereby ensuring high-quality decision-making. It was also confirmed that the committees continue to include members of different genders, ages, profiles and backgrounds, contributing to a diversity of perspectives, and that they maintain an appropriate level of independence, enabling objectivity and effectiveness in their supervisory and advisory functions.

The Supervisory Board of the Company currently consists of five members, of whom two are women, representing 40% of the total composition of the Supervisory Board. This meets the established target of at least 40% representation of the underrepresented gender. However, there is still room for improvement in terms of gender balance within certain committees. In particular, the Audit Committee currently has no female members. Accordingly, the Supervisory Board will continue to take steps to further enhance diversity, especially in committees where gender imbalance exists, in order to ensure a broader diversity of perspectives and greater inclusiveness in their work. The current composition of the Management Board comprises four members, three men and one woman (25%), resulting in an overall representation of 33% women across executive and non-executive positions.

During 2025, the Company prepared, and in 2026 adopted, a new Diversity, Equity and Inclusion Policy which, among other things, focuses on ensuring balanced gender representation at management level. As before, the Company continues its efforts to achieve diversity across the Group, where women account for approximately 70% of total employees, while maintaining the strategic target of 51% female representation in management teams across the Group.

Committees of the Supervisory Board

The Company has established several Supervisory Board committees that provide expert support to the Supervisory Board, in accordance with applicable laws and the Company's internal rules. Each committee shall have at least three members, appointed from among the members of the Supervisory Board and/or individuals appointed by the General Assembly of the Company, for a term of four years, with the same persons being eligible for reappointment.

The Supervisory Board has established an Audit Committee, which at the time of drafting this Report consists of the following members:

- Mr Boris Borzić – President,
- Mr Ulf Gartzke – Member,
- Mr Ante Vrančić – Member.

During 2025, the composition of the Committee changed. Joško Miliša resigned from his position as a member of the Audit Committee effective 10 June 2025, and Ulf Gartzke was appointed as a member of the Committee by decision of the Supervisory Board with effect from 11 June 2025 for a four-year term. Ante Vrančić was reappointed as a member of the Audit Committee who is not a member of the Supervisory Board by decision of the General Assembly dated 16 June 2025, for a term of four years. Apart from the Chair of the Committee, all other members of the Committee are independent, ensuring the overall independence of the Committee. In 2025, the Audit Committee regularly monitored and supervised the Company's operations and achieved excellent cooperation with the Management Board and the Supervisory Board of the Company, as well as with the Company's external auditor and internal audit function. Attendance of all Committee members was 100%. The Committee held five meetings and conducted two written voting procedures, during which the following topics were discussed and decided upon.

The audited annual financial statements for 2024, the external auditor's report for 2024, the Audit Committee's annual report for 2024, the recommendation regarding the external auditor for 2025 and 2026, the external auditor's work plan for 2025, approval of the provision of non-audit services by the external auditor, quarterly and semi-annual unaudited financial statements, the internal audit annual work plan for 2026 based on the received report for 2025, approval of the internal audit charter and strategy, assessment of the effectiveness of the internal control and risk management systems, as well as the effectiveness of the disclosure and approval of related-party transactions and the effectiveness of procedures for reporting breaches of laws and internal rules. The Supervisory Board has also established a Nomination Committee and Remuneration Committee, which, at the time of drafting this Report, consist of the same members:

- Ms Tamara Sardelić – President of both committees
- Ms Ana Babić – Member of both committees,
- Mr Ulf Gartzke – Member of both committees.

Mr Ulf Gartzke was appointed as a new member of both committees by decision of the Supervisory Board dated 11 June 2025, following the resignation of Joško Miliša from membership in both committees effective 10 June 2025.

The committees are composed predominantly of independent members, and the Chair of the committees is an independent member.

During 2025, the Nomination Committee held two meetings at which it adopted the Committee's report for 2024 and made proposals for the reappointment of the current members of the Management Board, the appointment of new members of the Management Board and the appointment of a new member of the Supervisory Board. All members attended the meetings.

During 2025, the Remuneration Committee held two meetings at which it adopted the Committee's report for 2024, reviewed the adopted audited report on the remuneration of members of the Management Board and the Supervisory Board for 2024, issued a recommendation to amend the Management Board remuneration policy, and proposed an employment contract for a new member of the Management Board. All Committee members were present at the meetings.

General Assembly

The General Assembly is the highest governing body of the Company, through which shareholders exercise their rights in relation to the Company's operations. The functioning of the General Assembly, its powers, shareholders' rights and the manner of their exercise are set out in detail in the Company's Articles of Association, which are publicly available on the Company's website. The General Assembly is convened and held in accordance with the provisions of the Companies Act and the Company's Articles of Association.

The notice convening the General Assembly, proposed resolutions, as well as adopted resolutions, are publicly disclosed in accordance with applicable legislation, including the Companies Act, the Capital Market Act and the Rules of the Zagreb Stock Exchange, and are available on the websites of the Company and the Zagreb Stock Exchange.

In 2025, two General Assembly meetings were held.

On 16 June 2025, the Company's Annual General Assembly was held. At the meeting, shareholders considered and adopted decisions on key matters relating to the Company's operations. Resolutions were adopted on the appropriation of the Company's profit, the granting of discharge to the members of the Supervisory Board and the Management Board, and the approval of the report on the remuneration of the members of the Management Board and the Supervisory Board. In addition, the Company's auditor for the 2025 financial year was appointed, and decisions were adopted on the share split, the acquisition of treasury shares, authorised share capital and amendments to the Articles of Association. The General Assembly also adopted a decision on the appointment of a member of the Supervisory Board, approved the Supervisory Board's decision on remuneration for members of the Audit Committee, as well as the reappointment of a member of the Audit Committee. Finally, the Remuneration Policy for members of the Management Board was approved. On 16 September 2025, an Extraordinary General Assembly of the Company was held. At the meeting, shareholders considered and adopted a decision on the appointment of the Company's auditor for the 2026 financial year.

All decisions adopted at the General Assembly meetings were disclosed in accordance with legal requirements and are available on the websites of the Company and the Zagreb Stock Exchange.

Statement of Application of the Code of Corporate Governance

In 2025, the Company applied the Corporate Governance Code of the Zagrebačka burza d.d. (Zagreb Stock Exchange) and the Croatian Financial Services Supervisory Agency (HANFA), which has been in force since 1 January 2025 and is published on the websites of the Zagreb Stock Exchange (www.zse.hr) and HANFA.

In addition to the before mentioned Corporate Governance Code of the Zagreb Stock Exchange, the Company also applies its own Corporate Governance Code dated 30 October 2020, the Corporate Governance Code dated 31 July 2024, and in 2025 it adopted a new Corporate Governance Code dated 11 June 2025. The provisions of these codes are aimed at further enhancing corporate relations arising from applicable legal regulations as well as internationally accepted principles and best practices in corporate governance, and are available on the Company's website (www.bosqar.com).

The Company complies with the provisions of the Code, except for those provisions whose application is not practically feasible at a given time or is not envisaged under the applicable legal framework. These exceptions are as follows:

- The Supervisory Board has not adopted a decision on the categories of Management Board decisions requiring prior approval of the Supervisory Board, nor published a summary of such decisions on the Company's website, as the list of such decisions and actions of the Management Board requiring prior approval of the Supervisory Board is defined in the Company's Articles of Association and the Rules of Procedure of the Management Board and the Supervisory Board, which are available free of charge on the Company's website.
- The Company has stipulated, in its internal Corporate Governance Code and in accordance with the Companies Act, that transactions between members of the Management Board or the Supervisory Board and the Company (or persons related to either party) require prior approval of the Supervisory Board if the value of such transaction, individually or together with other transactions concluded with the related party within the current financial year, exceeds 1.5% of the sum of non-current and current assets as determined in the latest annual consolidated financial statements. However, solely in cases where such approval is required, the Supervisory Board may, if deemed necessary, request an opinion from an independent expert on the fair value of the transaction, particularly where the Company transfers or acquires tangible assets from a related party (such as equity interests, real estate or other tangible assets).
- For certain extraordinary meetings of the Supervisory Board and the Audit Committee, the Company delivered the invitation and supporting materials to members less than one week prior to the meeting, as such meetings needed to be convened within a shorter timeframe for the orderly conduct of the Company's business, to which the members agreed. The Company otherwise complies with the requirement to deliver invitations and materials no later than one week prior to the meeting, as prescribed in its internal acts.
- The Supervisory Board has not determined the variable component of the annual remuneration of each member of the Management Board for 2025, based on the recommendations of the Remuneration Committee and in accordance with the approved Remuneration Policy, and will do so once the Remuneration Committee and the Supervisory Board adopt the relevant decision.
- At the General Assembly held on 16 June 2025, the Deputy Chair of the Supervisory Board and the Chair of the Audit Committee were not present for personal reasons. However, all members of the Management Board, the Chair of the Supervisory Board (who is also the chair of other Supervisory Board committees) and the external auditor were present and able to respond to all potential shareholder questions. At the General Assembly held on 16 September 2025, the Deputy Chair of the Supervisory Board was also not present for personal reasons. However, all members of the Management Board, the Chair of the Supervisory Board (who is also the chair of other Supervisory Board committees) and the Chair of the Audit Committee were present and able to respond to all potential shareholder questions.

The Company will seek to ensure that all persons referred to in Article 86 of the Code are present at future General Assembly meetings.

- In accordance with the Corporate Governance Code and other applicable regulations, the role of Supervisory Board committees is to provide recommendations and proposals and to oversee certain processes within the Company; therefore, direct communication between committee chairs and key stakeholders of the Company, such as clients and suppliers, is not envisaged.

Internal control within the Company and risk management in relation to financial reporting are carried out by the controlling, group consolidation and reporting, internal audit functions and the Audit Committee. These functions report on their oversight activities to the Management Board, while internal audit reports to the Audit Committee, and the Audit Committee reports to the Supervisory Board. The role of internal control is to ensure the objectivity and reliability of the information and reports submitted to the Supervisory Board by monitoring and overseeing the existence and operational effectiveness of internal controls, the adequacy of risk management processes, the reliability of financial reporting, compliance with legal and regulatory requirements, as well as other relevant areas and matters related to external and internal audit processes.

Information on significant direct and indirect shareholders of the Company, holders of securities with special control rights, and details of shareholders' voting rights and related restrictions, as well as the powers of the members of the Company's Management Board regarding the issuance or acquisition of the Company's own shares, are presented in the section of the Annual Report on page 9. Information on the composition and activities of the Management Board, the Supervisory Board and the committees of the Supervisory Board is presented in the section of the Annual Report on page 4.

Ownership structure of the Company

The Company's shares were admitted to trading on the Official Market of the Zagreb Stock Exchange on 6 August 2019 and have been traded on the Zagreb Stock Exchange since 8 August 2019. On 2 June 2021, the Company adopted a decision to increase its share capital by issuing shares through a secondary public offering on the Zagreb Stock Exchange. During the offering period from 12 July to 26 July 2021, conducted in two subscription rounds involving qualified investors and retail investors, a total of HRK 105,592,950 was raised. By decision of the Management Board, with the consent of the Supervisory Board dated 28 July 2021, the paid-in capital was allocated to a total of 124,227 new ordinary shares without nominal value, which were, pursuant to a decision of the Zagreb Stock Exchange dated 3 August 2021, admitted to trading on the Official Market under the same ticker as the previously listed shares of the Company (MRUL-R-A, ISIN: HRMRULRA0009), with the first day of trading on 6 August 2021. On 17 June 2024, the General Assembly of the Company adopted a decision to increase the share capital by issuing new shares through a secondary public offering on the Zagreb Stock Exchange. During the offering period from 7 October to 10 October 2024, in which qualified investors in Croatia and abroad, as well as retail investors in Croatia, participated, a total of EUR 49,101,250 was raised. On 14 October 2024, the Management Board, with the consent of the Supervisory Board, determined that the Company's share capital had increased from EUR 13,033,800.00 by EUR 2,606,294.35 to EUR 15,640,094.35, through a cash contribution and the issuance of a total of 196,405 new shares. Pursuant to a decision of the Zagreb Stock Exchange dated 16 October 2024, these shares were admitted to trading on the Official Market under a new ticker of the Company's shares (BSQR, ISIN: HRMRULRA0009), with the first day of trading on 18 October 2024. By decision of the General Assembly of the Company dated 16 June 2025, the Company's registered ordinary shares without nominal value, designated MRUL-R-A (ISIN: HRMRULRA0009), were split. One ordinary registered share without nominal value was split into 10 (ten) new ordinary registered shares without nominal value.

The Company's share capital is divided into 11,784,370 (eleven million seven hundred eighty-four thousand three hundred seventy) ordinary registered shares without nominal value, designated MRUL-R-B (ISIN: HRMRULRB0008), and each shareholder of the Company acquired, for each ordinary registered share held prior to the share split, 10 (ten) new ordinary registered shares without nominal value. The share split did not result in an increase in the Company's share capital; however, following the split, the share designation changed from MRUL-R-A to MRUL-R-B.

The ownership structure of the Company as of December 31, 2025 was as follows:

No.	Account holder / Co-owner of the securities (shareholder)	Percentage of shares
1	ORSO GLOBAL D.O.O.	51.99%
2	ERSTE & STEIERMARKISCHE BANK D.D./PBZ CO OMF – CATEGORY B	9.08%
3	OTP BANKA D.D./ERSTE PLAVI OMF – CATEGORY B	8.93%
4	HPB D.D./ Fund for financing the decommissioning of the Krško Nuclear Power Plant	8.41%
5	OTP BANKA D.D./AZ OMF – CATEGORY B	7.98%
6	RAIFFEISENBANK AUSTRIA D.D./RAIFFEISEN VOLUNTARY PENSION FUND	3.46%
7	PRIVREDNA BANKA ZAGREB D.D./RAIFFEISEN OMF – CATEGORY B	3.42%
8	ZAGREBAČKA BANKA D.D./AZ PROFIT OPEN-ENDED VOLUNTARY FUND	1.16%
9	ERSTE & STEIERMARKISCHE BANK D.D./PBZ CO OMF – CATEGORY A	0.82%
10	OTP BANKA D.D./ERSTE PLAVI OMF – CATEGORY A	0.79%
11	OTHER SHAREHOLDERS	3.96%

The Company does not have holders of securities with special control rights, nor holders of securities with voting rights limited to a certain percentage or number of votes. The Company has adopted a Procedure for the appointment of members of the Management Board and the Supervisory Board, and such appointment and removal procedures are carried out in accordance with the Companies Act and the Company's Articles of Association. The Company does not have specific rules governing the powers of members of the Management Board. The Management Board manages the Company's affairs under its own responsibility in accordance with the Companies Act and the Company's Articles of Association and is obliged and authorised to take all actions and make all decisions it deems necessary for the successful management of the Company's business, with prior consent of the Supervisory Board required for certain matters and decisions.

The Management Board of the Company is authorised to acquire treasury shares. The previous authorisation was granted by the General Assembly of the Company on 30 June 2020 and expired on 30 June 2025. On 16 June 2025, the General Assembly granted a new authorisation to the Management Board to acquire treasury shares. This authorisation is granted for a period of five (5) years from the date of the General Assembly's decision, up to a maximum aggregate amount of EUR 20,000,000.00, without the need for further approvals by the General Assembly, subject to the following conditions:

- The total number of shares of the Company acquired on the basis of this Decision, together with treasury shares already held by the Company, must not exceed 10% (ten per cent) of the Company's share capital at the time of acquisition;
- the price at which treasury shares are acquired must not be more than 10% (ten per cent) above, nor more than 10% (ten per cent) below, the average market price achieved for those shares on the previous trading day;
- the total consideration that the Company may pay for treasury shares acquired on the basis of this Decision may not exceed EUR 20,000,000.00

- in the financial year in which the Company acquires treasury shares, it must allocate to reserves for those shares a portion of profit and recognise amounts corresponding to the amounts paid for the acquisition of treasury shares, so that the net assets of the Company, as presented in the financial statements for the most recent financial year, do not fall below the amount of share capital and reserves which, pursuant to law, the Articles of Association or a decision of the General Assembly, must be maintained and may not be distributed to shareholders;
- the Management Board must report to the next General Assembly of the Company on the reasons for and purpose of the share acquisition, the number of shares acquired and their proportion in the share capital, as well as the consideration given by the Company for those shares.

The Management Board of the Company is authorised, subject to the consent of the Supervisory Board, to dispose of treasury shares already held or to be acquired pursuant to the decision of the General Assembly, both on a regulated market and outside a regulated market (for example, through employee share allocation programmes for employees of the Company or its affiliates, share option programmes, remuneration programmes for members of the Management Board of the Company and its affiliates, and other treasury share disposal programmes adopted by the Management Board with prior consent of the Supervisory Board), without the need for any additional decision of the General Assembly beyond this Decision.

On 31 July 2020, based on a decision of the General Assembly and with the prior consent of the Supervisory Board, the Management Board adopted a Share Buyback Programme. On 31 October 2025, the Management Board adopted a new Share Buyback Programme, also based on a decision of the General Assembly and with the prior consent of the Supervisory Board, which is available free of charge on the Company's website. During 2025, treasury shares were acquired under both share buyback programmes; however, members of the Management Board and the Supervisory Board do not hold shares in the Company.

In accordance with the decisions on the acquisition of treasury shares adopted at the General Assembly of the Company on 30 June 2020 and 16 June 2025, by which the General Assembly authorised the Management Board to acquire treasury shares, the Company acquired a total of 28,390 treasury shares in 2025, with a value of EUR 673,995. As of 31 December 2025, the Company held 28,390 shares, representing 0.24091% of the Company's share capital. The purpose of these treasury share acquisitions was determined by the Share Buyback Programme under which the shares were acquired. The acquisitions were carried out through trading on the Zagreb Stock Exchange, and all information on the acquisition of treasury shares has been published in accordance with applicable regulations and is available on the Company's website (www.bosqar.com) and the Zagreb Stock Exchange website (www.zse.hr).

Shareholders' Agreements

On 7 May 2025, the Company received a notification from a shareholder regarding the conclusion of a shareholders' agreement pursuant to Article 293a of the Companies Act: the Shareholders' Agreement dated 4 November 2021, entered into between the contracting parties Orso Global d.o.o., registration number (MBS): 081393625, PIN (OIB): 64606431733, Zagreb, Ulica Vjekoslava Heinzela 62A, and PBZ CROATIA OSIGURANJE d.d. for mandatory pension fund management, MBS 080406496, OIB 20455535575, Zagreb, Radnička cesta 44, acting in its own name and for the account of PBZ CROATIA OSIGURANJE mandatory pension fund category A, registration number (MBS): 080406496, PIN (OIB): 94002620905, Zagreb, Radnička cesta 44, and PBZ CROATIA OSIGURANJE mandatory pension fund – category B, registration number (MBS): 080406496, PIN (OIB): 99318944138, Zagreb, Radnička cesta 44. The primary purpose of the Agreement is to regulate the mutual rights and obligations of the parties in relation to the disposal of shares held by each shareholder, and this purpose is achieved through the exercise of shareholders' and/or membership rights in the Company, under the terms and in the manner prescribed by the applicable legislation of the Republic of Croatia.

The Management Board's responsibility for the Annual report

The Management Board must ensure that the separate financial statements are prepared in accordance with International Financial Reporting Standards, adopted by the European Union ("IFRS"), so as to provide a true and fair view of the financial status and results of operations of BOSQAR d.d., Zagreb (the "Company") for that year.

Following examinations, the Management Board has a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing separate financial statements.

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

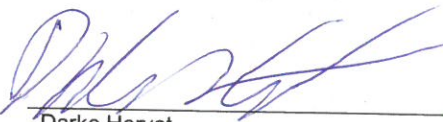
- selecting and then consistently applying appropriate accounting policies;
- making sure that judgments and estimates are reasonable and prudent;
- the application of applicable accounting standards and disclosure and
- the preparation of separate financial statements on a going concern basis.

The Management Board is responsible for keeping proper accounting records, which, at any time, disclose with reasonable accuracy the separate financial position of the Company and must also ensure that it complies with the Croatian Accounting Act. The Management Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Management Board of the Company is also responsible for the completeness and accuracy of the unconsolidated management report, in accordance with the Accounting Act.

The Management Board is responsible for the preparation and content of the Management report, financial statements, ESEF compliant report and other information, in accordance with the provisions of the Accounting Act (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20, 114/22, 82/23, 85/24, 145/24).

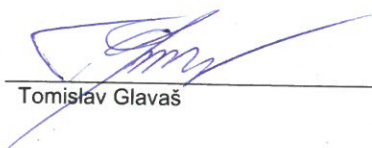
Signed by members of the Management Board:

President of the Management Board



Darko Horvat

Member of the Management Board



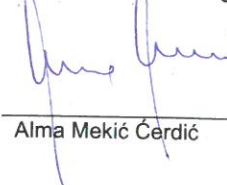
Tomislav Glavaš

Member of the Management Board



Vanja Vlask

Member of the Management Board



Alma Mekić Čerdić

BOSQAR d.d.

Ulica grada Vukovara 23

10 000 Zagreb

Republic of Croatia

April 24, 2026

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BOSQAR d.d.

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of BOSQAR d.d., Zagreb (the Company), which comprise the separate statement of financial position as of 31 December 2025, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as of 31 December 2025, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code) as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Croatia. We have also fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3.2. *Basis of preparation*, accompanying the unconsolidated financial statements, which states that the consolidated financial statements, which relate to the Company and its subsidiaries (BOSQAR d.d. Group), have been prepared in accordance with IFRS and published separately on April 24, 2026. The consolidated Sustainability Report is published separately within the consolidated annual report in the Management Report section. In order to get a better general understanding of the BOSQAR d.d. Group, users should read the consolidated financial statements in conjunction with the accompanying unconsolidated financial statements. Our opinion has not been modified in regard to this matter.

Key Audit Matters

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

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

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/en/about to learn more.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Key audit matter (continued)

Investment in subsidiaries

Key audit matter	How we approached the key audit matter during our audit
<p><i>For accounting policies, see the Summary of Accounting Policies, Note 3.7. - Investments in subsidiaries. For additional information related to the identified key audit matter, see Note 15 to the unconsolidated financial statements.</i></p>	
<p>Investments in subsidiaries amount to EUR 77,703 thousand as of December 31, 2025, in the Company's unconsolidated financial statements (December 31, 2024: EUR 72,496 thousand).</p> <p>As required by applicable accounting standards - IAS 36: Impairment of assets, the Management Board conducts annual impairment tests to assess the recoverability of the carrying amount of the investment. Management assesses whether there are impairment indicators of investments in subsidiaries. Management estimated that there were no indicators of impairment of investments and did not conduct impairment tests.</p> <p>The valuation of investments in subsidiaries includes judgments and assessments by management, which can have a significant impact on the financial statements given that the Company is a holding company, and investments represent a significant share of total assets. Consequently, we decided to include investments in subsidiaries as a key audit matter during our audit of the financial statements for the year ending December 31, 2025.</p>	<p>In order to address the risks associated with the valuation of investments in subsidiaries identified as a key audit matter, we designed audit procedures that enabled us to obtain sufficient and appropriate audit evidence for our conclusion on the matter.</p> <ul style="list-style-type: none"> • We obtained list of investments in subsidiaries from the Company as of December 31, 2025, and compared it with the amounts as of December 31, 2024. • Assessment of design and implementation of identified internal controls relevant for the verification of investment impairment indicators and calculation of recoverability of investments in subsidiaries. • For all subsidiaries, we reviewed the analysis of the existence of impairment indicators. • We reviewed the relevant disclosures in the unconsolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Other Information

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

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. With respect to the Management Report and the Corporate Governance Statement, which are included in the Annual Report, we have also performed the procedures prescribed by the Accounting Act. These procedures include examination of whether the Management Report include required disclosures as set out in the Article 24 of the Accounting Act and whether the Corporate Governance Statement includes the information specified in the Article 25 of the Accounting Act.

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

1. Information included in the other information is, in all material respects, consistent with the attached separate financial statements.
2. Management Report has been prepared, in all material respects, in accordance with the Article 24 of the Accounting Act, which is included as part of the other information and constitutes a separate part of the Management Report, we performed a limited assurance engagement, the results of which were presented in a separate limited assurance report with an unmodified conclusion.
3. Corporate Governance Statement has been prepared, in all material aspects, in accordance with the Article 25 of the Accounting Act.

Based on the knowledge and understanding of the Company and its environment, which we gained during our audit of the separate financial statements, we have not identified material misstatements in the other information.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs and for such internal control as Management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

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

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF)

Auditor's reasonable assurance report on the compliance of separate financial statements (financial statements), prepared based on the provision of Article 462 (5) of the Capital Market Act by applying the requirements of the Delegated Regulation (EU) 2018/815 specifying for the issuers a single electronic reporting format ("ESEF Regulation"). We conducted a reasonable assurance engagement on whether the financial statements of the BOSQAR d.d. for the financial year ended 31 December 2025 prepared to be made public pursuant to Article 462 (5) of the Capital Market Act, contained in the electronic file [74780080JD6L45P7YG07-2025-12-31-1-en], have been prepared in all material aspects in accordance with the requirements of the ESEF Regulation.

Responsibilities of the Management and Those Charged with Governance

Management is responsible for the preparation and content of the financial statements in line with the ESEF Regulation.

In addition, Management is responsible for maintaining the internal controls system that reasonably ensures the preparation of financial statements without material differences with the reporting requirements from the ESEF Regulation, whether due to fraud or error.

Furthermore, Company Management is responsible for the following:

- public reporting of financial statements presented in the annual report in valid XHTML format
- selection and use of XBRL markups in line with the requirements of the ESEF Regulation.

Those charged with governance are responsible for supervising the preparation of financial statements in ESEF format as part of the financial reporting process.

Auditor's Responsibilities

It is our responsibility to carry out a reasonable assurance engagement and, based on the audit evidence obtained, give our conclusion on whether the financial statements have been prepared without material differences with the requirements from the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000). This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

Quality management

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, as well as in compliance with the independence and the ethical requirements in Croatia. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct. We comply with the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements (ISQM 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements (continued)

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF) (continued)

Procedures performed

As part of the selected procedures, we have conducted the following activities:

- We have read the requirements of the ESEF Regulation;
- We have gained an understanding of internal controls of the Company, relevant for the application of the ESEF Regulation requirements;
- We have identified and assessed the risks of material differences with the ESEF Regulation due to fraud or error;
- We have devised and designed procedures for responding to estimated risks and obtaining reasonable assurance in order to give our conclusion.

Our procedures focused on assessing whether:

- Financial statements included in the separate report have been prepared in valid XHTML format;
- Data included in the separate financial statements required by the ESEF Regulation have been marked up and meet all of the following requirements:
 - XBRL has been used for markups.
 - Core taxonomy elements stipulated in the ESEF Regulation with the closest accounting meaning were used unless an extension taxonomy element was created in line with the Annex IV of the ESEF Regulation;
 - Markups comply with the common rules on markups in line with the ESEF Regulation.

We believe the evidence we obtained to be sufficient and appropriate to provide a basis for our conclusion.

Conclusion

We believe that, based on the procedures performed and evidence obtained, the financial statements of the Company presented in the ESEF format, contained in the aforementioned electronic file, and based on the provision of Article 462 (5) of the Capital Market Act, have been prepared to be published for public, in all material aspects in accordance with the requirements of articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2025.

In addition to this conclusion, as well as the audit opinion contained in this Independent Auditor's Report for the accompanying financial statements and annual report for the year ended 31 December 2025, we do not express any opinion on the information contained in these documents or other information contained in the above-mentioned file.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements (continued)

Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and the Council and the Audit Act

We were appointed as the statutory auditor of BOSQAR d.d. by the shareholders on General Shareholders' Meeting held on 16 June 2025 to perform audit of accompanying separate financial statements. Our total uninterrupted engagement has lasted 8 years and covers period 01 January 2018 to 31 December 2025.

We confirm that:

- our audit opinion on the accompanying separate financial statements is consistent with the additional report issued to the Audit Committee of BOSQAR d.d. on 25 April 2025 in accordance with the Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council;
- no prohibited non-audit services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided.

There are no services, in addition to the statutory audit, which we provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

The engagement partner on the audit resulting in this independent auditor's report is Katarina Kadunc.

Katarina Kadunc
Director and Certified auditor

For signatures, please refer to the original Croatian auditor's report, which prevails.

Deloitte d.o.o.

24 April 2026
Radnička cesta 80,
10 000 Zagreb,
Croatia

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

Separate statement of comprehensive income
For the year ended December 31, 2025
(All amounts are presented in thousands of EUR)

	Note	2025	2024
Revenue	5	5,870	5,798
Total revenue		5,870	5,798
Costs of raw materials and supplies		(46)	(20)
Costs of services	6	(1,415)	(1,002)
Staff costs	7	(341)	(272)
Amortization	8	(127)	(144)
Other operating expenses	9	(1,108)	(432)
Total operating expenses		(3,037)	(1,870)
Profit/(loss) from operations		2,833	3,928
Financial income	10	11,495	1,685
Financial expenses	11	(6,094)	(2,395)
(Loss)/profit from financial activities		5,401	(710)
Profit before taxation		8,234	3,218
Income tax	12	(807)	387
Profit for the year		7,427	3,605
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		7,427	3,605
Earnings per share			
Basic and diluted earnings per share (in euro and cents)	13	0.63	0.35

The accounting policies and notes that follow form an integral part of these separate financial statements.

Separate statement of financial position
As of December 31, 2025
(All amounts are presented in thousands of EUR)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Non-current assets			
Intangible assets		54	16
Right of use assets		87	46
Property, plant and equipment		4	-
Investment property	14	-	2,418
Investments in subsidiaries	15	77,703	72,496
Investments in associates	16	12,268	-
Non-current financial assets	17	129,108	60,909
Deferred tax asset		-	387
Total non-current assets		219,224	136,272
Current assets			
Trade receivables	18	9,141	1,345
Other receivables	19	15,905	2,508
Accrued income and prepaid expenses		118	326
Cash and cash equivalents	20	36,060	55,160
Total current assets		61,224	59,339
TOTAL ASSETS		280,448	195,611
EQUITY AND LIABILITIES			
Equity			
Share capital	21	15,640	15,640
Capital reserves	22	96,732	96,732
Legal reserves		665	485
Retained earnings and profit for the period		7,545	3,679
Total equity		120,582	116,536
Non-current liabilities			
Long-term liabilities for issued bonds	23	141,382	40,000
Long-term borrowings	23	5,850	8,967
Long-term lease liabilities		45	-
Other long-term liabilities	24	3,142	-
Total non-current liabilities		150,419	48,967
Current liabilities			
Trade payables	25	1,079	1,718
Liabilities to employees		33	27
Other current liabilities	26	4,434	1,278
Short-term borrowings and short-term part of long-term borrowings	23	3,796	27,011
Short-term lease liabilities		34	36
Accrued expenses and deferred income		71	38
Total current liabilities		9,447	30,108
Total liabilities		159,866	79,075
TOTAL EQUITY AND LIABILITIES		280,448	195,611

The accounting policies and notes that follow form an integral part of these separate financial statements.

Separate statement of changes in equity
For the year ended on December 31, 2025
(All amounts are presented in thousands of EUR)

	Share capital	Capital reserves	Legal reserves	Treasury share reserve	Treasury shares	Retained earnings and profit for the year	Total
Balance at January 1, 2024	13,034	51,447	414	-	-	2,404	67,299
Profit for the year	-	-	-	-	-	3,605	3,605
Other comprehensive income for the current year less income tax	-	-	-	-	-	-	-
<i>Total comprehensive income for the current year</i>	-	-	-	-	-	3,605	3,605
Transfer to legal reserves	-	-	71	-	-	(71)	-
Shares issue (note 20, 21)	2,606	45,285	-	-	-	-	47,891
Dividend payment (note 13)	-	-	-	-	-	(2,259)	(2,259)
Balance at December 31, 2024	15,640	96,732	485	-	-	3,679	116,536
Profit for the year	-	-	-	-	-	7,427	7,427
Other comprehensive income for the current year less income tax	-	-	-	-	-	-	-
<i>Total comprehensive income for the current year</i>	-	-	-	-	-	7,427	7,427
Transfer to legal reserves	-	-	180	-	-	(180)	-
Repurchase of treasury shares	-	-	-	674	(674)	(674)	(674)
Dividend payment (note 13)	-	-	-	-	-	(2,707)	(2,707)
Balance at December 31, 2025	15,640	96,732	665	674	(674)	7,545	120,582

The accounting policies and notes that follow form an integral part of these separate financial statements.

Separate statement of cash flows
For the year that ended on December 31, 2025
(All amounts are presented in thousands of EUR)

	Note	2025	2024
Profit for the year		8,234	3,218
Interest expense	11	5,488	2,326
Interest and dividend income	10	(8,095)	(1,685)
Depreciation and amortization	8	127	144
Losses on disposal of property, plant and equipment		2,346	-
Income from the sale of a subsidiary	10	(3,400)	-
Other changes		601	1
Net cash generated in operating activities before changes in working capital		5,301	4,004
Increase in trade receivables		(7,796)	(1,079)
Increase in other receivables		(2,841)	(1,649)
(Decrease)/Increase in trade payables		(639)	182
Increase in other liabilities		210	269
(Increase)/decrease in prepaid expenses		208	(155)
Increase in deferred expenses		33	36
Net cash (used)/generated in operating activities		(5,524)	1,608
Cash flow from investing activities			
Purchase of non-current assets		(48)	(22)
Expenditures on loans granted		(85,851)	(60,978)
Proceeds from loans granted		20,528	38,822
Expenditures for investment in subsidiaries		(8)	(34,181)
Dividends received		-	8,187
Capital increase of subsidiaries		(16,660)	-
Net cash used in investing activities		(82,039)	(48,172)
Cash flow from financing activities			
Dividends paid		(2,707)	(2,259)
Shares issued		-	47,891
Proceeds from issued bonds	23	141,382	
Receipts from loans	23	56,277	57,893
Leases repaid		(36)	(35)
Loans repaid	23	(85,778)	(30,009)
Bond repayment	23	(40,000)	-
Repurchase of treasury shares		(674)	-
Net cash generated/(used) in financing activities		68,463	73,481
Net increase/(decrease) in cash and cash equivalents		(19,100)	26,917
Cash and cash equivalents at the beginning of the year	20	55,160	28,243
Cash and cash equivalents at the end of the year	20	36,060	55,160

The accounting policies and notes that follow form an integral part of these separate financial statements.

1. GENERAL INFORMATION

The company BOSQAR d.d., Zagreb, OIB: 62230095889, was established according to the laws and regulations of the Republic of Croatia as a joint-stock company on November 28, 2018. Company headquarters: Zagreb, Ulica grada Vukovara 23. The registered activities of BOSQAR d.d. are:

- management activities of holding companies
- market research and public opinion polls
- advertising activities (advertising and propaganda)
- purchase and sale of goods
- performing trade mediation on the domestic and foreign markets
- representation of foreign companies
- business and management consulting
- real estate business
- accounting and bookkeeping services.

1.1. Number of employees

As of December 31, 2025, the Company has 7 employees (December 31, 2024: 6 employees).

1.2. Management Board of the Company

Darko Horvat – President of the Management Board

Tomislav Glavaš – Member of the Management Board

Vanja Vlak – Member of the Management Board

Alma Mekić Čerdić – Member of the Management Board

1.3. Supervisory Board of the Company

- 1) Ms. Tamara Sardelić, President of the Supervisory Board;
- 2) Mr. Philipp Rösler, Deputy President of the Supervisory Board;
- 3) Mr. Ulf Gartzke, Member of the Supervisory Board;
- 4) Mr. Gordan Kolak, Member of the Supervisory Board;
- 5) Ms. Ana Babić, Member of the Supervisory Board - representative of the worker

The Supervisory Board is composed mostly of independent members of the Supervisory Board, where the chairman and deputy chairman of the Supervisory Board are independent members of the Board.

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1. New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2025.

2.2. New and amended IFRS Accounting Standards that are effective for the current year

Standard	Title
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2.3. New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following revised IFRS that have been issued by IASB and adopted by EU but are not yet effective:

Standard	Title	Effective date
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027

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

2.4. New and revised IFRS Accounting Standards in issue but not adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as of the date of authorisation of these financial statements:

Standard	Title	EU adoption status
IFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)	Not yet adopted by EU
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (IASB effective date: 1 January 2027)	Not yet adopted by EU

The Company does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

2.5. IFRS 18 Presentation and disclosures of Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and will apply to annual reporting periods beginning on or after 1 January 2027. While IFRS 18 will not affect the recognition or measurement of items in the financial statements, it is expected to have a significant impact on presentation and disclosure.

The Company is currently assessing the detailed implications of applying the new standard to the consolidated and standalone financial statements. Based on the high-level preliminary assessment performed to date, the following potential impacts have been identified:

- The Company expects that the new required grouping of income and expense items in the income statement will affect how the operating result is calculated and presented.
- In the statement of cash flows, the primary impact will relate to changes in the presentation of interest received and interest paid.
- IFRS 18 introduces new disclosure requirements for management defined performance measures.

The Company will apply IFRS 18 from its mandatory effective date of 1 January 2027. As retrospective application is required, comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Declaration of compliance

The separate financial statements have been prepared in accordance with the Accounting Act of the Republic of Croatia and International Financial Reporting Standards, adopted by the European Union (IFRS).

3.2. Basis of preparation

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) approved by the European Union (EU), using the historical cost method. Preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires the use of certain key accounting estimates. The Management Board is also required to use judgment in the process of applying the Company's accounting policies. Areas that involve a higher degree of judgment or complexity, that is, areas where assumptions and estimates are significant for the financial statements are shown in note 4. The Company has compiled these separate financial statements in accordance with Croatian legislation.

The Company also prepared consolidated financial statements as at December 31, 2025, and for the year then ended, in accordance with IFRSs as adopted by the European Union, for the Company and its subsidiaries (collectively, the "Group"). These consolidated financial statements were approved by the Management on April 24, 2026. Users of these separate financial statements should read them together with the Group's consolidated financial statements as at December 31, 2025 and for the year then ended, for the purpose of obtaining complete information about the Group's financial position, results of operations and changes in the Group's financial position as a whole.

Consolidated annual report of BOSQAR INVEST which within Management report includes consolidated Sustainability report is issued on April 24, 2026.

Going concern

At the time of approval for the issuance of financial statements, the Management Board reasonably expects that the Company has adequate funds to continue operations in the foreseeable future. Therefore, it continues to going concern basis of accounting when preparing financial statements.

3.3. Interest income and expense

Interest income and expense are recognized in profit or loss by using the effective interest method for all interest-bearing financial instruments, including those measured at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future monetary outflows or inflows through the expected life of the financial instrument or, where appropriate, a shorter period, to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. The calculation of the effective interest rate includes all fees and percentage points paid or received between the parties that are an integral part of the effective interest rate, transaction costs, and any other premiums or discounts. These income and expenses are recognized in profit or loss as interest income or interest expense and similar expenses.

Interest income and expenses also include income and expenses from fees and commissions related to loans taken, borrowings, and leases, which are recognized using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4. Income from intellectual services

Revenue from intellectual services is recognized in the accounting period in which the service is performed and invoiced.

3.5. Income from share in profit

Income from shares in profit are recognized when the right to receive share in profit arises.

3.6. Income tax

Income tax is based on taxable profit for the year and consists of current and deferred tax.

Current tax

The current tax liability is based on the taxable profit of the current year. Taxable profit differs from net profit shown in income statement because it does not include items of income and expenses that are taxable or deductible in other years, as well as items that are never taxable or deductible. The current tax liability of the Company is calculated by applying the tax rates that are in force at the end of the reporting period or will soon be in force.

A provision is recognized for matters for which the tax calculation is uncertain, but it is probable that there will be an outflow of funds to the tax authority. Provisions are measured based on the best possible estimate of the amount expected to be paid. The assessment is based on the judgment of tax experts within the Company in accordance with previous experience in such activities and in certain cases on the basis of tax advice from independent experts.

Deferred tax

Deferred tax is recognized based on the difference between the book value of assets and liabilities in the financial statements and the corresponding tax base used to calculate taxable profit and is calculated using the balance sheet liability method. As a rule, deferred tax liabilities are reported for all temporary taxable differences, and deferred tax assets are recognized up to the amount of likely available taxable profit that will enable the use of tax relief associated with deductible temporary differences. Deferred tax liabilities and deferred tax assets are not recognized if the temporary difference results from the initial recognition of other assets and other liabilities (except in the case of a business combination) in a transaction that does not affect either taxable or accounting profit. Deferred tax liability is not recognized even on the basis of temporary differences during the first recognition of goodwill.

Deferred tax liabilities are also recognized on the basis of taxable temporary differences arising from investments in subsidiaries and associated companies, except in the case when the Company is able to influence the reversal of the temporary difference and when it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences related to investments and shares of this type are calculated and reported only up to the amount of likely available taxable profit that will enable the use of relief based on deductible temporary differences and if their cancellation is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be realized, in whole or in part.

Deferred tax is calculated according to the tax rates that are expected to be applied in the period in which the obligation will be settled, that is, the realization of assets based on tax rates and tax laws that are in force at the end of the reporting period or in the process of being adopted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7. Investments in subsidiaries

Subsidiaries are entities in which the Company has control, directly or indirectly, over company operations. Control is exercised when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investments in subsidiaries are initially recognized at cost and subsequently at cost less impairment. Testing of impairment indicators on investments in subsidiaries is performed on an annual basis.

3.8. Investment in associates

Associates are entities over which the Company has significant influence but not control or joint control. Investments in associates in the Company's separate financial statements are recognized and measured using the cost method.

The cost of an investment includes the purchase price and all directly attributable acquisition costs. After initial recognition, investments are carried at cost less any impairment losses.

At each reporting date, the Company assesses whether there are objective indicators of impairment of the investment. If such indicators exist, the recoverable amount of the investment is determined in accordance with IAS 36, and any impairment loss is recognized in the income statement.

Investment income is recognized when the Company's right to receive a dividend is established.

3.9. Investment property

Investments in property are carried at historical cost less accumulated depreciation and impairment losses. Depreciation of buildings is calculated using the linear method. Useful life of investment property is estimated on 30 years.

Subsequent expenditure is capitalized only when the Company considers that it is probable it will realize future economic benefits associated with the item, and when the cost can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income when incurred. If the Company begins to use investments in property, it is reclassified to property, plant, and equipment, and its carrying amount at the date of reclassification becomes the amount of the estimated cost that will be subsequently depreciated.

3.10. Leases

Company as lessee

The company assesses whether it is a lease agreement, or whether the agreement contains a lease, at the beginning of the agreement. The Company reports right-of-use assets and related lease obligations in respect of all leases in which it is the lessee, except for short-term leases (defined as leases with a duration of 12 months or less) and leases of low-value assets (such as tablets and personal computers, office furniture and telephones). For such leases, the Company recognizes lease payments on a straight-line basis as operating expenses during the term of the lease, unless some other systematic basis better reflects the time dynamics of the consumption of economic benefits from assets held under lease.

The lease liability is measured for the first time in the amount of the present value of the lease payments that have not been settled at the start date, reduced by the use of the rate resulting from the lease. If it is not possible to determine this rate, the Company usually uses its borrowing interest rate.

Lease payments included in the measurement of the lease liability include:

- fixed lease payments (including lease payments that are essentially fixed), less lease incentives received;
- the price of exercising the purchase option if it is certain that the lessee will use this option.
-

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10. Leases (continued)

Lease obligations are presented as a separate item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets include the initial measurement of the subject lease obligation, lease payments on or before the lease commencement date, less incentives received for closing the business lease and all initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation starts on the lease start date. Right-of-use assets are depreciated over the lease period or useful life, whichever is shorter

The company applies IAS 36 in order to determine whether the value of the asset with the right of use has been reduced or whether any losses due to the reduction in value have been calculated for it. Assets with the right of use are presented as a separate item in the statement of financial position.

Company as lessor

The Company conducts lease agreements as a lessor with regard to its specific investments in real estate. The company rents office spaces.

Leases in which the Company is the lessor are classified as finance or business leases. A lease is classified as a finance lease if it transfers to the lessee almost all the risks and benefits associated with the ownership of the asset in question. All other leases are classified as business leases.

Income from rents based on business leases is recognized on a straight-line basis over the period of the lease in question. Initial direct costs incurred in the phase of negotiating and contracting the terms of the business lease are attributed to the book value of the leased item and recognized on a straight-line basis over the lease period.

When a contract includes both lease-related and non-lease components, the Company applies IFRS 15 to allocate consideration in accordance with the contract for each component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11. Financial instruments

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables without a significant financing component, which are initially measured at the transaction price. Transaction costs directly related to the acquisition or issuance of financial assets and financial liabilities, except those that are carried at fair value through profit or loss, are added or subtracted from the fair value at first recognition. Transaction costs directly related to the acquisition of financial assets or financial liabilities that are accounted for at fair value through profit or loss are immediately recognized in profit or loss.

Financial assets

Financial assets include long-term financial assets, other short-term financial assets, trade receivables, other receivables, and cash and cash equivalents. Accounting policies for loans, receivables from customers and for cash and cash equivalents are presented below. After initial recognition, all financial assets are classified as financial assets measured at amortized cost.

a) Long-term financial assets and other short-term financial assets

Long-term financial assets and other short-term financial assets mostly include loans given to related parties/companies and, in the minority, to the Company's Management Board.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11. Financial instruments (continued)

Long-term financial assets and other short-term financial assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

The loans given are held within the framework of the model, the purpose of which is to collect contractual cash flows and on the basis of the agreed conditions, on the basis of which cash flows are generated only for the payment of principal and interest on the outstanding amount of the principal.

Expected credit losses (given loans)

Impairment of financial assets is carried out by calculating the expected credit loss model, which is based on the classification of exposure in 3 stages based on the change in credit quality from the moment of initial recognition, given loans are classified into:

- Stage 1 – if there was no significant increase in the credit risk of the financial asset, and the 12-month expected credit loss is applied to it.
- Stage 2 – if there has been a significant increase in the credit risk of the financial asset, and the lifetime expected credit loss is applied to it.
- Stage 3 – if there is evidence of impairment of financial assets, and lifetime expected credit loss is applied to it. Assets in default status are classified in Phase 3.

When determining whether the risk of default status has increased significantly, the Company uses relevant and available data. The approach includes quantitative and qualitative criteria, that is, analysis based on historical data and expert assessment of credit risk.

Exposures to related parties/companies and third corporate parties

In the case of exposure to related parties/companies, the Company considers that the internal credit rating represents a comprehensive assessment of the debtor's credit quality, which determines the probability of ("PD") relevant for determining a significant increase in credit risk. The probability of occurrence of the status of default (PD) represents the probability that the related party/company and/or third parties will enter the status of default within the next year or until the end of repayment. Qualitative criteria contain information that can be obtained by using internal rating models that are used as input in determining the rating, given delays in the settlement of contractual provisions and other data.

Measurement of expected credit loss

The company measures provisions for impairment in the amount of 12-month expected credit loss. The 12-month expected credit loss is the portion of the expected credit loss arising from the default status of a financial instrument that is possible in the period of 12 months after the date of the statement of financial position. For given loans for which the twelve-month expected credit loss is recognized, it refers to given loans Phase 1.

Exposures to the Company's Management

In the case of exposure to the Management Board, the Company, the Company considers that the internal credit rating represents a comprehensive assessment of the credit quality of the debtor, which determines the PD relevant for determining a significant increase in credit risk. The probability of default status (PD) represents the probability that the Company's Management will enter the status of default within the next year or until the end of repayment. Qualitative criteria contain information that can be obtained by using internal rating models that are used as input in determining the rating and other data. If the difference in the assessment of the probability of entry into default status is greater than the significance threshold, a significant deterioration of credit risk is determined for the exposure, which is why it is classified in stage 2.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11. Financial instruments (continued)

Measurement of expected credit loss

The company measures provisions for impairment in the amount of 12-month expected credit loss. The 12-month expected credit loss is the portion of the expected credit loss arising from the default status of a financial instrument that is possible in the period of 12 months after the date of the statement of financial position. For given loans for which the twelve-month expected credit loss is recognized, it refers to granted loans Phase 1.

Measurement of expected credit loss for long-term financial assets and other short-term financial assets

Expected credit losses are calculated as the product of PD, loss given default (LGD) and exposure at default (EAD), over the remaining expected life. duration of the financial asset and discounted with the reporting date at the effective interest rate for exposures with a significant increase in credit risk (Phase 2 contracts). On the other hand, for exposures classified as Phase 1, the expected credit loss is calculated over a one-year period, i.e. the expected credit loss of one year is estimated. PD estimates represent PD at a point in time, updated annually based on the Company's historical experience, current conditions and related forward-looking expectations.

Loss given default (LGD) represents the Company's expectations regarding loss after entering default, for placements that are not in default at the time of assessment.

EAD includes forward-looking expectations of repayments of drawn loans and expectations of future drawdowns where applicable.

Measured expected credit loss represents an unbiased, probability-weighted amount of expected loss, determined by taking into account various outcomes, the time dimension of the value of money, available information about past events, current characteristics and expected future economic conditions.

As a basis for calculating provisions in risk subgroups of Phase 1 and Phase 2, the Company applies the calculation of twelve-month and lifetime credit losses depending on the change in the estimated risk on the reporting date and the date of the initially recognized financial asset. Risk assessment and calculation of provisions is determined in models for measuring expected credit loss, the calculation of which is determined by the parameters of the probability of default (PD), loss given default (LGD), assessment of exposure in case of default (EAD) while anticipating the time value of money. The Company applies publicly available model parameters that are based on historical time series of relevant data that are applied individually to financial assets. The assessment and calculation of expected credit losses, in addition to statistically determined parameters, are influenced by key expected macroeconomic trends as an addition to future oriented information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11. Financial instruments (continued)

a) Other receivables

Other receivables are initially recognized at transaction value and subsequently measured at amortized cost using the effective interest rate method.

Expected credit losses

The company calculates expected credit losses for other receivables. The amount of expected credit losses is calculated at each reporting date to reflect changes in credit risk since initial recognition.

For other receivables, the Company calculates lifetime expected credit loss (ECL) based on a simplified approach. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the trade receivables.

b) Receivables from customers

Receivables from customers are initially recognized at transaction value and subsequently measured at amortized cost using the effective interest rate method.

Interest income is recognized using the effective interest rate method. Interest income is recognized in profit or loss and is included in the item "Financial income - interest income".

The Company recognizes assigned receivables at fair value, with the difference in relation to the acquisition cost being recognized in the statement of comprehensive income at the time of acquisition.

Expected credit losses (trade receivables)

The Company recognizes expected credit losses from trade receivables. The amount of expected credit losses is calculated at each reporting date to reflect changes in credit risk since the initial recognition of trade receivables.

For receivables from customers, the Company calculates lifetime expected credit loss (Eng. expected credit loss "ECL") based on a simplified approach. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the trade receivables.

Write-off policy for long-term financial assets, other short-term financial assets, trade receivables, other receivables

The Company writes off long-term financial assets, other short-term financial assets, receivables from customers, other receivables, when there are data indicating that the debtor is in serious financial difficulties and that there are no realistic prospects for recovery, for example, when the debtor is placed under liquidation or in bankruptcy proceedings. A written-off financial asset may still be subject to enforcement activities as part of recovery proceedings, taking into account legal advice where appropriate. Recovery, or inflows of previously impaired receivables from customers, are recognized in profit or loss.

The Company derecognizes a financial asset (in whole or in part) when its rights to receive cash flows from the financial asset expire or when it transfers the financial asset. The Company transfers financial assets, only and exclusively if it transfers contractual rights to receive cash flows from financial assets or retains contractual rights to receive cash flows from financial assets, but undertakes the contractual obligation to pay cash flows to one or more recipients within the contract.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11. Financial instruments (continued)

Financial liabilities

Financial liabilities include received loans, liabilities from issued bonds trade payables and lease liabilities. After initial recognition, all financial liabilities are measured at amortized cost.

(a) Loans received

Loans received are initially recognized at fair value. After initial recognition, received loans are valued at amortized cost. Any differences between receipts less transaction costs are recognized in profit or loss over the term of the loan, using the effective interest rate method.

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

The Company derecognizes borrowings when, and only when, the obligations are settled, cancelled or expire. The difference between the carrying amount of the derecognized financial liability and the consideration paid to settle the obligation is recognized in profit or loss.

(b) Liabilities from issued bonds

Liabilities arising from issued bonds are recognized as financial liabilities at fair value minus transaction costs and are subsequently measured at amortized cost using the effective interest rate method.

(c) Trade payables

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

3.12. Cash and cash equivalents

Cash and cash equivalents are initially recognized at fair value plus transaction costs, and subsequently measured at amortized cost using the effective interest method.

3.13. Earnings per share

The Company presents basic and diluted earnings per share for ordinary shares. Basic earnings per share are calculated by dividing the profit or loss for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares, adjusted for the potential effects of the increase in the number of shares.

3.14. Segments

Information on segments are published in consolidated financial statements.

4. KEY ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In preparing the separate financial statements in accordance with IFRS, the Management Board is required to make judgments, estimates, and assumptions that affect the application of policies and amounts disclosed for assets and liabilities, income, and expenses. Estimates and associated assumptions are based on historical experience and other relevant factors, which are considered reasonable in the specified circumstances, the result of which is the starting point for making estimates of the value of assets and liabilities, which cannot be obtained from other sources. Actual results may differ from such estimates. The estimates and assumptions related to these estimates are reviewed on an ongoing basis. The effect of an adjustment to an estimate is recognized in the period in which the estimate is adjusted if the adjustment affects only the period in which it is made or in the period in which the adjustment is made and future periods if the adjustment affects current and future periods. Judgments made by the Management Board in applying IFRS, which have a significant impact on the financial statements and judgments where the risk of material adjustments in the next year is high, are explained in more detail below.

4.1. Impairment testing of investments in subsidiaries and associates

The Company's Management Board uses judgment as to whether there are indicators of impairment of investments in subsidiaries and performs impairment testing in accordance with the results thereof. The Company conducts an annual impairment test for investments in subsidiaries. For investments in subsidiaries, the recoverable value of the investment is estimated and compared with the book value.

The recoverable amount of M Plus Croatia d.o.o. was calculated using the discounted cash flow model, based on projections of future cash flows and an appropriate discount rate.

The valuation methodology applied to other investments is fair value less costs to sell. Other material investments relate to recent transactions; therefore, their carrying amounts are considered to reflect fair value, and no separate impairment testing was performed.

5. REVENUES

	2025	2024
Revenue from fair valuation of receivables	2,115	3,167
Revenue from intellectual services	1,715	2,190
Revenue from the sale of property, plant and equipment, net	1,505	-
Revenue from recharged expenses, net	232	118
Short term rental revenue	283	300
Other revenue	20	23
	<u>5,870</u>	<u>5,798</u>

In accordance with the reorganization of the Group, the Company invoiced certain intellectual services to subsidiaries and other parties in the process of expanding the Group into new verticals during 2024 and 2025.

In 2025, the company sold a property located on Heinzlova Street, generating a net gain of EUR 1,505 thousand from the transaction.

In parallel, with the acquisition of new subsidiaries, the Company assumed receivables from the former owners of those subsidiaries and based on the expected cash flows, measured the receivables at fair value and recognized the related income in 2025 and 2024.

6. COSTS OF SERVICES

	2025	2024
Consulting costs	631	470
Audit	252	158
Supervisory Board remuneration	144	28
Costs of expert opinions, administrative and other professional services	71	180
Securities issuance costs	42	66
Recruitment agency fees	30	4
IT services	26	17
Short-term rental costs	21	15
Maintenance costs	3	3
Other service costs	195	61
	<u>1,415</u>	<u>1,002</u>

Consulting costs also include non-audit services in the amount of EUR 266 thousand in 2025 (2024: EUR 55 thousand).

7. STAFF COSTS

	2025	2024
Net salaries	180	149
Taxes and contributions from salaries	101	77
Contributions on salaries	42	30
Other staff costs	18	16
	<u>341</u>	<u>272</u>

8. AMORTIZATION

	2025	2024
Depreciation of investment property	71	96
Amortization of right of use assets	49	42
Amortization of intangible assets	6	6
Depreciation of property, plant and equipment	1	-
	<u>127</u>	<u>144</u>

9. OTHER OPERATING COSTS

	2025	2024
Sponsorship and promotion expenses	619	17
Insurance premiums	179	81
Bank and transaction charges	126	40
Communal fees	100	92
Representation costs	32	60
Education cost	18	-
Other taxes, duties and fees	12	7
Licences expenses	12	3
Telecommunication and information system costs	2	-
Recharged costs	-	130
Other operating costs	8	-
	<u>1,108</u>	<u>432</u>

Separate statement of cash flows
For the year that ended on December 31, 2025
(All amounts are presented in thousands of EUR)

10. FINANCIAL INCOME

	2025	2024
Interest income	4,345	1,685
Income from share in profit	3,750	-
Income from sale of subsidiaries	3,400	-
	<u>11,495</u>	<u>1,685</u>

Income from share in profit in 2025 refers to income from subsidiary ATP Snergija d.o.o.

Income from the sale of subsidiaries in 2025 relates to the sale of a 49% stake in Meritus Global Technology (EUR 2,503 thousand) and the sale of a 100% stake in Mlinar Nekretnine d.o.o. (EUR 897 thousand).

11. FINANCIAL EXPENSES

	2025	2024
Interest expenses	5,488	2,326
Other financial expenses	606	69
	<u>6,094</u>	<u>2,395</u>

12. INCOME TAX

	2025	2024
Current tax	420	-
Deferred tax	387	(387)
	<u>807</u>	<u>(387)</u>
	2025	2024
Profit before tax	8,234	3,218
Income tax at a tax rate of 18% (2024: 18%)	1,482	579
The effect of tax deductions/(reductions)	(675)	5
Use of tax losses for which deferred tax assets have not been recognized	-	(584)
Recognized deferred tax assets on tax losses	-	(387)
Income tax	<u>807</u>	<u>(387)</u>
<i>Effective income tax rate</i>	<u>9.80%</u>	<u>0%</u>

The Company has no tax loss carryforwards in 2025 (31 December 2024: EUR 2,152 thousand).

13. BASIC AND DILUTED EARNINGS PER SHARE

	2025	2024
Profit after tax attributable to shareholders	7,427	3,605
Average weighted number of ordinary shares in issue	11,776,559	10,217,420
Basic and diluted earnings per share (expressed in euro and cents per share)	0.63	0.35

On June 16, 2025, the regular annual General assembly of BOSQAR d.d. was held and a dividend in the amount of EUR 2,710,405.10 (EUR 2.3 per share) was voted. The dividend was paid on July 18, 2025.

Basic earnings per share are calculated as profit attributable to the owners divided by the weighted average number of ordinary shares outstanding during the period. Treasury shares are excluded from the weighted average number of shares from the date of their repurchase.

Due to the share split during the year, the weighted average number of shares for the current and comparative period, including all treasury share repurchases prior to the split, has been retrospectively adjusted by applying the share-split ratio. Comparative earnings per share amounts for the previous period have been restated accordingly.

14. INVESTMENT PROPERTY

Real estate	2025	2024
Cost at January 1	2,925	2,924
Increase	-	1
Disposal	(2,925)	-
Cost at December 31	-	2,925
Accumulated amortization at January 1	(507)	(411)
Amortization expense	(71)	(96)
Disposal	578	-
Accumulated amortization at December 31	-	(507)
Net book value at January 1	2,418	2,513
Net book value at December 31	-	2,418

Rental income and related maintenance costs are disclosed in Note 5 and Note 6.

Separate statement of cash flows
For the year that ended on December 31, 2025
(All amounts are presented in thousands of EUR)

15. INVESTMENTS IN SUBSIDIARIES

Name of subsidiary	Main activity	Location of establishment of business operations	Share in ownership in %		Value of investment	
			December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
M Plus Croatia d.o.o.	Management activities of holding companies	Zagreb, Croatia	59.75%	59.75%	72,481	72,481
ATP Sinergija d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	-	3,342	-
Meritus Global Technology d.o.o.	Management activities of holding companies	Zagreb, Croatia	51.00%	100.00%	1,865	3
Meritus Global Strategics d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	100.00%	3	3
Future Food Resolutions d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	100.00%	3	3
Fresh Food Production d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	100.00%	3	3
Future Food Solution d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	-	3	-
Panvita Grupa d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	-	3	-
Meritus Global Real Estate Management d.o.o.	Management activities of holding companies	Zagreb, Croatia	100.00%	-	-	3
					77,703	72,496

During 2025, the company Global People Solutions changed its name to Fresh Food Production.

The increase in the investment value in 2024 is the result of the recapitalization of M Plus Croatia d.o.o. by the Company with simultaneous recapitalization by the minority shareholder, the European Bank for Reconstruction and Development (EBRD), which had the effect of reducing the percentage of the Company's ownership in the company M Plus Croatia d.o.o. and the establishment of the new company Future Food Resolution d.o.o. for potential new investments.

In 2025, the Company increased the share capital of Meritus Global Real Estate Management. Following the recapitalisation, the Company lost control over the entity. The loss of control occurred when Meritus Global Real Estate Management was contributed as a non-cash asset to the newly established company Real Estate Portfolio d.o.o. and, in 2025, the entity was presented as an associate

During 2025, the Company also carried out a capital increase in Meritus Global Technology and subsequently divested a 49% ownership stake in that company.

At the end of 2025, the Company acquired ATP Sinergija d.o.o., a holding company of the ATP Group, which provides payroll processing, HR administration and accounting services.

16. INVESTMENTS IN ASSOCIATES

During the reporting period, the Company established Real Estate Portfolio, an entity over which it has significant influence (20–50%). The company was established through a contribution in kind of shares in Meritus Global Real Estate Management. As a result, the investment was reclassified from a subsidiary to an associate. In the Company's separate financial statements, following the reclassification, the investment continues to be recognized at cost, in accordance with IAS 27.

Associate	Activity	Country	Share of economic rights	
			December 31, 2025	December 31, 2024
Real Estate Portfolio	Real estate operations	Croatia	98.00%	-

Movement table:

	2025	2024
Opening balance	-	-
Transfer from subsidiaries to associates (loss of control)	12,268	-
Closing balance	12,268	-

Real Estate Portfolio

	December 31, 2025
Non-current assets	34,213
Current assets	2,284
Non-current liabilities	27,780
Current liabilities	24,240
	2025
Revenues	1,097
Loss for the year	(563)

Separate statement of cash flows
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(All amounts are presented in thousands of EUR)

17. NON-CURRENT FINANCIAL ASSETS

	December 31, 2025	December 31, 2024
Given loans (including accrued interests)	126,553	56,885
Receivables based on transferred rights	2,115	-
Long-term receivables	-	3,584
Other deposits	440	440
	129,108	60,909

Loans given refer to borrowings given to subsidiaries and Management Board members. The total principal as of December 31, 2025, amounts to EUR 120,975 thousand (2024: EUR 54,714 thousand), plus accrued interest in the amount of EUR 5,578 thousand (2024: EUR 2,171 thousand). The annual interest rate is 4.38% (December 31, 2024: 3.25%). The purpose of the loan is business development and new acquisitions. Loans mature within 2 to 5 years.

The movement of loans given is shown in the following table:

	2025	2024
Net book value at January 1	56,885	32,544
New loans given – outflow	85,851	60,978
Collected loans – inflow	(20,527)	(38,322)
Interest income	4,344	1,685
Net book value at December 31	126,553	56,885

Long-term receivables as of 31 December 2024 relate to receivables from the share in profit of Meritus Global Technology. During 2025, the Company reclassified this receivable as a current asset (Note 19).

Movements in loan disbursements in 2025 primarily relate to loans granted to the subsidiaries Future Food Solutions for the acquisition of the Mlinar Group, Meritus Global Strategics and Global People Solutions. In contrast, loan repayments mainly relate to the repayment of loans by the associate Meritus Global Real Estate Management and the subsidiary Meritus Global Strategics.

Long-term receivables in 2024 relates to receivables for profit share from the company Meritus Global Technology. The movements in outflows and inflows for loans granted in 2024 are largely reflected in transactions for the loan granted to Future Food Solutions, a subsidiary of the subsidiary Global People Solutions, to finance the acquisition of Panvita Group. A loan of EUR 43,700 thousand was granted, which was partially repaid on 30 December 2024 in the amount of EUR 23,300 thousand.

Other deposits relate to the security deposit for the loan received.

18. TRADE RECEIVABLES

	December 31, 2025	December 31, 2024
Trade receivables	36	1,232
Receivables from related parties	9,105	113
	9,141	1,345

Analysis of the aging structure of trade receivables:

	December 31, 2025	December 31, 2024
Undue receivables	2,144	1,160
0 – 90 days	4,807	32
91 – 180 days	910	15
181 – 365 days	1,201	18
over 365 days	79	120
	9,141	1,345

As of December 31, 2025, and 2024, the Company had no impairment on trade receivables.

The increase in receivables from related customers is largely the result of the sale of a building, as well as the invoicing of certain intellectual services to subsidiaries during the Group's expansion into new verticals.

19. OTHER RECEIVABLES

	December 31, 2025	December 31, 2024
Dividend receivables	7,334	-
Receivables for sold equity interests	5,200	-
Cession and assignment receivables	2,276	1,303
VAT receivables	874	1,203
Advances paid	85	-
Other receivables	136	2
	15,905	2,508

Receivables based on cessions and assignments mostly relate to the assumption of debt from a subsidiary in the amount of EUR 1,841 thousand.

Dividend receivables relate to amounts due from Meritus Global Technology and ATP Sinergija.

Receivables arising from the sale of equity interests primarily relate to the disposal of a 49% share in Meritus Global Technology.

20. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash in giro accounts in local currency	812	34,812
Deposits with 3 months payment terms	35,248	20,348
	36,060	55,160

21. SHARE CAPITAL

Registered co-owner	December 31, 2025			December 31, 2024		
	Share	Percentage of ownership	Number of shares	Share	Percentage of ownership	Number of shares
Orso global d.o.o.	8,131	51.99%	6,126,690	8,131	51.99%	612,669
Others	7,509	48.01%	5,657,680	7,509	48.01%	565,768
Total:	15,640	100.00%	11,784,370	15,640	100.00%	1,178,437

The share capital of the Company amounts to EUR 15,640 thousand as of December 31, 2025, and is divided into 11,784,370 shares (December 31, 2024: EUR 15,640 thousand, divided into 1,178,437 shares).

At the General Assembly held on 16 June 2025, the Company adopted a resolution to perform a share split in a 1:10 ratio.

Based on the number of subscribed and timely paid new shares, the Management Board of the Company, with the consent of the Supervisory Board of the Company, determined on October 14, 2024 that the share capital of the Company was increased from EUR 13,034 thousand by EUR 2,606 thousand to EUR 15,640 thousand, by payment in cash and the issuance of a total of 196,405 new shares.

22. CAPITAL RESERVES

	2025	2024
Amount at January 1	96,732	51,447
Additions	-	45,285
Amount at December 31	96,732	96,732

As a result of the process of issuing new shares in 2024, there was an increase in the amount of capital reserves in the amount of EUR 45,285 thousand, which increased the total capital and capital reserves of the Company by EUR 47,891 thousand, which was the amount of the transaction of issuing new shares on the capital market.

23. BORROWINGS

	December 31, 2025	December 31, 2024
Liabilities for long-term loans from banks	1,050	4,167
Current portion of long-term loans from banks	(200)	(200)
Liabilities for long-term loans from related parties	5,000	5,000
Total liabilities for long-term loans	5,850	8,967
Long-term liabilities for issued bonds	141,382	40,000
Total liabilities for long-term borrowings	147,232	48,967
Liabilities for short-term loans	2,700	26,008
Current portion of long-term borrowings	200	200
Accrued interest liabilities on borrowings	896	803
Total liabilities for short-term borrowings	3,796	27,011
Total liabilities for borrowings	151,028	75,978
	2025	2024
Balance at January 1	75,978	45,768
New borrowings – inflow	56,277	57,893
Borrowings repayments	(80,609)	(27,683)
Issued bonds	141,382	-
Bond repayment	(40,000)	-
Loan assignment	(2,334)	-
Interest expense	5,503	2,326
Interests payment	(5,169)	(2,326)
Balance at December 31	151,028	75,978

On June 18, 2025, the company issued sustainability-linked bonds on the domestic capital market in the total nominal amount of EUR 143.2 million, with a fixed annual interest rate of 4.625%, with semi annual interest payments starting as of December 18, 2025 and a single principal maturity after seven years, designation MRUL-O-326E with international identification number (ISIN) HRMRULO326A2 ("Bonds").

The company has created a Framework document for the issuance of bonds related to sustainable operations, aligned with the Principles of bonds related to sustainable operations published by ICMA (The International Capital Market Association) in June 2025.

The framework document Bonds related to sustainable business defines key performance indicator:

- 1) A reduction of absolute FLAG (Forest, Land and Agriculture) Scope 1 emissions by 36.4% by 31 December 2031 compared to the 2022 baseline.

In 2025, the Company repurchased bonds previously issued, prior to their maturity, in the amount of EUR 40 million, and subsequently cancelled them and removed them from the SKDD depository.

24. OTHER NON-CURRENT LIABILITIES

	December 31, 2025	December 31, 2024
Liabilities for acquired shares	3,142	-
	<u>3,142</u>	<u>-</u>

Liabilities for acquired equity interests relate to the Company's contractual obligations for the acquisition of ownership interests in ATP Sinergija. As these are long-term liabilities, they are measured at the present value of future cash flows, discounted using an appropriate discount rate.

25. TRADE PAYABLES

	December 31, 2025	December 31, 2024
Liabilities to related companies	567	1,455
Liabilities to domestic suppliers	512	263
	<u>1,079</u>	<u>1,718</u>

Liabilities to related companies relate to support and management services.

26. OTHER CURRENT LIABILITIES

	December 31, 2025	December 31, 2024
Cession and assignment liabilities	3,808	1,007
Liabilities for taxes and contributions	420	263
Liabilities for purchased ownership interests	200	-
Liabilities to external members of the supervisory board	6	8
	<u>4,434</u>	<u>1,278</u>

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27. RELATED PARTY TRANSACTIONS

Balances based on related party transactions as of December 31, 2025, and December 31, 2024, are presented as follows:

	Receivables		Liabilities	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Subsidiaries	16,387	7,042	2,040	2,558
Associates	4,048	-	2,295	-
Owners	14	13	-	-
Other related parties	17	-	25	-
Total	20,466	7,055	4,360	2,558

	Loans given (principal)		Borrowings	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Subsidiaries	123,657	53,545	5,307	5,000
Associates	1,565	-	-	-
Owners	215	206	-	-
Management Board	1,116	961	-	-
Total	126,553	54,712	5,307	5,000

	Revenues		Expenses	
	2025	2024	2025	2024
Subsidiaries	6,467	2,616	896	343
Associates	4,294	-	19	-
Owners	1	5	-	48
Management Board	61	30	117	-
Other related parties	3	-	643	-
Total	10,826	2,651	1,675	391

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Financing ratio

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

	December 31, 2025	December 31, 2024
Liabilities for short-term borrowings	3,796	27,011
Liabilities for long-term borrowings	5,850	8,967
Liabilities arising from issued bonds	141,382	40,000
Long-term liabilities for leases	45	-
Short-term liabilities for leases	34	36
Cash and cash equivalents	(36,060)	(55,160)
Net debt/(cash)	115,047	20,854
Equity	120,582	116,536
Debt to equity ratio	95.4%	17.9%

The equity consists of share capital, reserves, retained earnings, and current year income.

b. Categories of financial instruments

	December 31, 2025	December 31, 2024
Financial assets	190,214	119,922
Non-current financial assets	129,108	60,909
Trade and other receivables	25,046	3,853
Cash and cash equivalents	36,060	55,160
Financial liabilities	156,653	79,037
Liabilities for received borrowings and leases	151,107	76,014
Trade payables	1,079	1,718
Liabilities to employees	33	27
Other current liabilities	4,434	1,278

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

c. Financial risk management objectives

Financial risks are related to financial variables that can cause difficulties in settling financial liabilities, liquidity, debt management, and the like. The Company does not have a formal risk management program, but all risk management is performed by the controlling department. It coordinates access to the domestic and international financial market, monitors financial risks related to operations, and manages them through internal risk reports in which exposures are analysed by degree and risk. It also undertakes activities with the aim of effective risk management and minimization of the risks.

d. Interest rate risk management

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is related to changes in the return on assets and liabilities and in the values arising from interest rate movements. Liabilities under borrowings are contracted with a variable interest rate.

The issued bonds are contracted at a fixed interest rate and, consequently, are not exposed to cash flow risk arising from changes in market interest rates.

The sensitivity analysis that follows is based on the exposure to interest rates on non-derivative instruments at the end of the reporting period. For liabilities related to variable interest rates, the analysis was made assuming that the liability amount stated at the statement of financial position date was valid throughout the year.

If interest rates were 0.5% higher while other variables were constant, the effects on the Company's profit would be as follows:

Interest rate risk	2025	2024
Variable interest rate instruments		
Borrowings	55	151
Total	55	151

e. Credit risk management

Credit risk refers to the risk of a party failing to meet its obligations under a financial instrument that results in a financial loss to the other party. The Company's credit risk assets consist of receivables. The Company's receivables as of December 31, 2025, and 2024 relate almost entirely to receivables within the Group, which significantly reduces credit risk and collection risk because the Company manages its subsidiaries in a way that always ensures the stability and liquidity of the subsidiaries' operations.

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

f. Liquidity risk management (continued)

The Management Board is responsible for liquidity risk management. The Company manages its liquidity by continuously monitoring planned and realized cash flows and adjusting financial assets and financial liabilities. The following tables analyse the remaining period to the contractual maturity of the Company's non-derivative financial liabilities. The tables have been prepared on the basis of undiscounted cash outflows for financial liabilities as of the earliest date on which the Company can be required to make payments. Cash outflows per principal are included in the tables.

Liabilities		Up to 1 month	1-3 months	3 months -1 year	1-5 years	After 5 years	Total	Net book value
<i>December 31, 2025</i>								
Interest-bearing	4.61%	72	192	9,503	28,445	153,606	191,818	151,107
Interest-free	-	1,112	-	4,434	-	-	5,546	5,546
		1,184	192	13,937	28,445	153,606	197,364	156,653
<i>December 31, 2024</i>								
Interest-bearing	4.64%	4,412	8,825	39,711	49,657	573	103,178	76,014
Interest-free	-	3,023	-	-	-	-	3,023	3,023
		7,435	8,825	39,711	49,657	573	106,201	79,037

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

f. Liquidity risk management (continued)

The following table analyses the expected maturity of the Company's non-derivative financial assets. The tables are compiled on the basis of undiscounted contractual maturities of financial assets. Disclosure of non-derivative financial assets is necessary to understand how the Company manages liquidity risk, as liquidity is managed based on the net amount of financial assets and financial liabilities.

Assets		Up to 1 month	1-3 months	3 months -1 year	1-5 years	After 5 years	Total	Net book value
December 31, 2025								
Interest-bearing	4.38%	464	927	4,172	149,241	-	154,804	126,992
Interest-free	-	53,773	-	7,334	2,115	-	63,222	63,222
		54,237	927	11,506	151,356	-	218,026	190,214
December 31, 2024								
Interest-bearing	3.25%	181	362	1,628	62,361	440	64,972	60,909
Interest-free	-	59,013	-	-	-	-	59,013	59,013
		59,194	362	1,628	62,361	440	123,985	119,922

29. FAIR VALUE

Fair value is the price that would be obtained by selling an asset or paid to transfer a liability in an arms-length transaction between market participants at the measurement date, regardless of whether it would be directly visible or estimated using another valuation technique.

The interest rate on the loans given is set at the level of the interest rate for related companies, which is prescribed annually by the Ministry of Finance.

As of December 31, 2025, and 2024, the reported amounts of current receivables and current liabilities roughly correspond to their market value.

30. COMMITMENTS AND CONTINGENT LIABILITIES

According to the Management Board's assessment, as of December 31, 2025, the Company has no significant commitments and contingent liabilities that would require disclosure in the notes to the separate financial statements.

As of December 31, 2025, no lawsuit was filed against the Company, which was not disclosed in the separate financial statements.

31. SUBSEQUENT EVENTS

On March 31, 2026, the Company's Management convened the General Meeting of the Company for May 11, 2026, at which it proposes an increase of the share capital through a public offering of new ordinary shares (SPO) in an amount of up to EUR 7,820 thousand.

After the reporting date and up to the date of approval of the financial statements, there were no events that would have a significant impact on the Company's financial statements for the year 2025 and that would therefore need to be disclosed. Management has considered the potential effects of the current geopolitical tensions involving Iran and the broader Middle East region. However, given the evolving circumstances and the accompanying uncertainty, it is currently not possible to reliably assess the potential impact on certain assumptions, estimates, or the carrying amounts of assets and liabilities.

32. APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

The separate financial statements were approved by the Management Board of the Company on April 24, 2026.


President of the Management Board


Darko Horvat

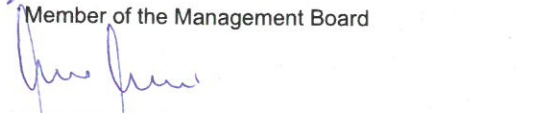
Member of the Management Board


Tomislav Glavaš

Member of the Management Board


Vanja Vlak

Member of the Management Board


Alma Mekić Čerdić