

Varaždin, October 28th, 2022

In accordance with the provisions of the Capital Market Act, the Management Board of Varteks d.d. based in Varaždin submits:

MANAGEMENT INTERIM REPORT

For the third quarter of the year 2022 (cumulative period 01.01. – 30.09.2022/unaudited)

Indications of significant events that occurred during the reporting period and the impact of these events on the condensed set of financial statements

In the first nine months of 2022, the Varteks Group (hereinafter: the "Group") had revenue of HRK 78.7 million, which is HRK 15.1 million or 16% less than in the comparable period last year. The Group's sales revenues amount to HRK 77.5 million, which is HRK 5 million or 6,9% more than the previous year.

Revenues in the Retail segment amounted to HRK 55.1 million, which is HRK 8.2 million or 18% higher compared to the same period of the previous year.

In the segment Production for others (Hugo Boss, J.Lindeberg and others) 17.9 million HRK of revenue was realized, which is a growth of 27% compared to the same period of the previous year.

In the Special clothing segment, we recorded a decrease in revenue compared to the same period last year. Revenues are HRK 9.3 million or 63% lower compared to the same period last year. Given that it is a business model that is mostly related to public procurement, the segment is subject to changes in the dynamics of orders and deliveries, and their realization is expected at the end of the year.

A net cost of HRK 6.7 million was realized for financial activities in the observed period. The main part of the financial cost refers to interest expenses in the amount of 6.2 million HRK.

On September 30th, 2022 the number of employees in the Group was 767, which is a decrease of 18% compared to last year when the number of employees was 941.

The following is a chronology of important events in 2022:

- 2nd March – Management of Varteks d.d. concluded a contract for the purchase and sale of real estate in Novi Marof, Radnička cesta 3. The subject of the sale is čk. no. 2349/1, registered in zk. ul. 2960 and 2349/2 registered in zk. ul. 2961 k.o. Novi Marof, in nature the Novi Marof plant, with a total area of 33,389 m².
- 1st April – In accordance with the Capital Market Act and the Rules of the Zagreb Stock Exchange d.d., Varteks d.d. as the Issuer announces that it has knowledge that negotiations are underway regarding the purchase of claims that financial creditors have against the Issuer, with a potential buyer of those claims.
- 21st April – Management of Varteks d.d. concluded the Agreement on the terms of access and settlement of the debtor's debt with the shareholder Stjepan Čajić. The contract regulates the conditions under which Mr. Stjepan Čajić will access the debt of Varteks to creditors Hrvatska banka za obnovu i razvitak and Zagrebačka banka d.d.
- 11th July – Management of Varteks d.d. informs the public that the largest individual creditor and the largest individual shareholder, Nenad Bakić, has entered into an Agreement on Assignment of Claims, by which he assigned the claim he has against Varteks, in the amount of HRK 42,650,000.00, to the company Meta nekretnine j.d.o.o., Zagreb, Jabukovac 9.
- 15th July – Notice on the blocking of the business account of Varteks d.d.
- 18th July – Notice on the unblocking of the business account of Varteks d.d.
- 26th July – Management Board of Varteks d.d. informs the public that Kaufland Hrvatska k.d., Donje Svetice 14, Zagreb, has terminated the Preliminary Agreement on the purchase and sale of land from June 2nd, 2021, due to non-fulfillment of the conditions established by the pre-contract, by Varteks.
- 28th July – Notice of resignation of Ms. Valentina Pihir to the position of procurator of Varteks d.d.
- 11th August – Notice of changes in Varteks d.d. Resignation of the President of the Company's Management Board, Mr. Tomislav Babić. Resignation of the Deputy Chairman of the Supervisory Board of the Company, Mr. Igor Žonja.
- 12th August – Notice on the blocking of the business account of Varteks d.d.
- 17th August – Notice of changes in Varteks d.d. Ms. Mirjana Droptina was appointed as the president of the Supervisory Board, and as the deputy president of the Supervisory Board, Ms. Božica Čiček-Mutavdžić. Mr. Dražen Dobiš, director of production at Varteks, was appointed as a member of the Management Board.
- 24th August – Notice on the unblocking of the business account of Varteks d.d.

R&D activities

Research and development activities are mainly related to the development of new collections, the initiation of a project to restructure the production process and the process of implementing a new ERP system.

The most significant risks and expectations for the future

In the short term, illiquidity represents the greatest impact on the operations of the Company and the Group. The continuation of inflationary pressures had an additional impact, primarily due to the strong rise in energy prices on the world market, which resulted in an increase in the general price level, primarily of raw materials and raw materials.

Business restructuring and further negotiations on the sale of inactive fixed assets continued.

The process of creating a new organizational structure is underway, as well as a proposal for a new systematization of workplaces, which will enable a more transparent salary calculation and the introduction of a bonus system, all with the aim of increasing business efficiency and increasing employee satisfaction.

In the third quarter of 2022, it was agreed to continue cooperation with export customers Hugo Boss and J.Lindeberg with a significant increase in the scope of work and more favorable commercial conditions (increase in lohn price by 25%). Cooperation with the new export customer Lubiam (Italy) was also agreed.

Information on redemption of own shares

In the reporting period, the parent company did not repurchase its own shares.

Information on existing subsidiaries of the parent company

As of 30th September 2022, the Parent Company has no active branches.

As at 30th September 2022, the Parent Company has the following active subsidiaries:

- Varteks Pro d.o.o.
- Varteks Si d.o.o., Republic of Slovenia

Varteks Pro d.o.o.

Company Varteks Pro d.o.o. is 100% owned by the Company. Company Varteks Pro d.o.o. specializes in sewing special purpose clothing for special customers (most notably the police and military).

In the first nine months of 2022, the Company generated HRK 5.5 million in revenue (first nine months of 2021: HRK 14.9 million). The Company made a loss of HRK 1.5 million (first nine months of 2021: loss of HRK 0,8 million). The Company's assets as at 30th September 2022 amounted to HRK 5.9 million (31st December 2021: HRK 9.5 million). Net capital as at 30th September 2022 amounted to HRK 698 thousands (31st December 2021: HRK 2.2 million). The Company employed 23 people as of September 30th, 2022. The director of the Company is Mrs. Petra Malek-Goričanec.

Varteks Si d.o.o.

The company Varteks Si d.o.o. is 100% owned by Varteks d.d. The main activity of the Company is the sale of clothing.

In the first nine months of 2022, the Company generated revenues in the amount of HRK 2.1 million in the observed period (the Company was founded in March 2021). In the observed period, the

company realized a loss of HRK 987 thousands. The Company's assets on September 30th, 2022 amounted to HRK 1.7 million (on December 31st, 2021 HRK 2.1 million). The company employed 9 people on September 30th, 2022. The director of the company is Mrs. Marjana Cedilnik.

Description of the financial risk management policies and exposure of the Group and the Company to those risks

Regarding the adopted accounting policies, there were no changes compared to the previous period. Business risks to which the Group is exposed: currency risk, interest rate risk, price risk, credit risk and liquidity risk.

Dražen Dobiš

**Member of the
Management Board**

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01.01.2022

to

30.09.2022

Year:

2022

Quarter:

3.

Quarterly financial statements

Registration number (MB):

03747034

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

070004039

Personal identification
number (OIB):

00872098033

LEI:

74780000Q0LH0TDGE080

Institution
code:

1420

Name of the issuer: VARTEKS d.d.

Postcode and town: 42000

Varaždin

Street and house number: Zagrebačka 94

E-mail address: info@varteks.com

Web address: www.varteks.com

Number of employees
(end of the reporting

767

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

VARTEKS PRO d.o.o.

Varaždin, Hrvatska

1280511

VARTEKS.SI d.o.o.

Selnik, Slovenija

8816484000

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person: Saško Đurđica

(only name and surname of the contact person)

Telephone: 0998022497

E-mail address: dsasko@varteks.com

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 30.09.2022.

in HRK

Submitter: Varteks Group			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	224.541.876	209.002.663
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.288.295	1.219.269
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.155.549	1.086.523
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	132.746	132.746
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	217.408.976	203.933.143
1 Land	011	27.101.396	27.101.396
2 Buildings	012	87.488.875	84.928.286
3 Plant and equipment	013	14.159.434	13.020.856
4 Tools, working inventory and transportation assets	014	1.763.380	1.481.344
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	193.250	679.500
7 Tangible assets in preparation	017	74.236	313.356
8 Other tangible assets	018	136.046	136.046
9 Investment property	019	86.492.359	76.272.359
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	5.806.909	3.803.614
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	5.801.009	3.797.714
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	5.900	5.900
IV RECEIVABLES (ADP 032 to 035)	031	37.696	46.637
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	37.696	46.637
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	83.772.287	71.958.747
I INVENTORIES (ADP 039 to 045)	038	42.626.150	39.587.146
1 Raw materials and consumables	039	10.792.446	12.521.300
2 Work in progress	040	1.741.151	377.229
3 Finished goods	041	25.237.123	22.764.410
4 Merchandise	042	4.483.420	3.586.046
5 Advances for inventories	043	372.010	338.161
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	31.926.008	31.096.728
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	30.132.899	29.886.516
4 Receivables from employees and members of the undertaking	050	48.797	49.811
5 Receivables from government and other institutions	051	537.141	304.964
6 Other receivables	052	1.207.171	855.437
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	2.805.348	910.561
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	2.805.348	910.561
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	6.414.781	364.312
D) PREPAID EXPENSES AND ACCRUED INCOME	064	627.964	372.143
E) TOTAL ASSETS (ADP 001+002+037+064)	065	308.942.127	281.333.553
OFF-BALANCE SHEET ITEMS	066	5.696.136	3.625.855

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	57.116.196	22.113.236
I INITIAL (SUBSCRIBED) CAPITAL	068	50.266.860	50.266.860
II CAPITAL RESERVES	069	386.446	386.446
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	174.653	174.653
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	174.653	174.653
IV REVALUATION RESERVES	076	82.486.871	78.501.606
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	-76.683.235	-72.220.533
1 Retained profit	084	0	0
2 Loss brought forward	085	76.683.235	72.220.533
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	484.601	-34.995.796
1 Profit for the business year	087	484.601	0
2 Loss for the business year	088	0	34.995.796
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	5.224.769	5.224.769
1 Provisions for pensions, termination benefits and similar obligations	091	3.246.174	3.246.174
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	1.978.595	1.978.595
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	117.781.466	105.355.704
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	21.135.957	21.139.879
6 Liabilities to banks and other financial institutions	103	63.073.285	55.022.218
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	2.443.900	244.390
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	13.021.450	11.717.157
11 Deferred tax liability	108	18.106.874	17.232.060
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	126.236.143	146.194.183
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	48.549.973	59.918.272
6 Liabilities to banks and other financial institutions	115	30.499.342	30.217.790
7 Liabilities for advance payments	116	167.690	1.802.464
8 Liabilities to suppliers	117	26.111.869	28.297.179
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	4.289.954	5.753.736
11 Taxes, contributions and similar liabilities	120	7.231.094	9.562.125
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	9.386.221	10.642.617
E) ACCRUALS AND DEFERRED INCOME	124	2.583.553	2.445.661
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	308.942.127	281.333.553
G) OFF-BALANCE SHEET ITEMS	126	5.696.136	3.625.855

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2022. to 30.09.2022.

in HRK

Submitter: Varteks Group

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	0	0	0	0
1 Income from sales with undertakings within the group	002				
2 Income from sales (outside group)	003				
3 Income from the use of own products, goods and services	004				
4 Other operating income with undertakings within the group	005				
5 Other operating income (outside the group)	006				
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	0	0	0	0
1 Changes in inventories of work in progress and finished goods	008				
2 Material costs (ADP 010 to 012)	009	0	0	0	0
a) Costs of raw materials and consumables	010				
b) Costs of goods sold	011				
c) Other external costs	012				
3 Staff costs (ADP 014 to 016)	013	0	0	0	0
a) Net salaries and wages	014				
b) Tax and contributions from salary costs	015				
c) Contributions on salaries	016				
4 Depreciation	017				
5 Other costs	018				
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0		
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029				
III FINANCIAL INCOME (ADP 031 to 040)	030	0	0	0	0
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037				
8 Exchange rate differences and other financial income	038				
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	0	0	0	0
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044				
4 Exchange rate differences and other expenses	045				
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048			0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	0	0	0	0
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	0	0	0	0
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	0	0	0	0
1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058				
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	0	0	0	0
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	0	0	0	0

DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076				
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	0	0	0	0
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081			0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084			0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	0	0	0	0
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2022. to 30.09.2022.

in HRK

Submitter: Varteks Group			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001		
2 Adjustments (ADP 003 to 010):	002	0	0
a) Depreciation	003		
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004		
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	0
e) Interest expenses	007		
f) Provisions	008		0
g) Exchange rate differences (unrealised)	009		
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	0	0
3 Changes in the working capital (ADP 013 to 016)	012	0	0
a) Increase or decrease in short-term liabilities	013		
b) Increase or decrease in short-term receivables	014		
c) Increase or decrease in inventories	015		
d) Other increase or decrease in working capital	016		
II Cash from operations (ADP 011+012)	017	0	0
4 Interest paid	018		
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021		
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025		
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028		
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030		
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	0	0
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036		0
3 Cash receipts from credit principals, loans and other borrowings	037		
4 Other cash receipts from financing activities	038		0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040		
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	0	0
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049		
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	0	0

STATEMENT OF CASH FLOWS - direct method
for the period ____ to ____

in HRK

Submitter: _____			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	0	0
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Other cash receipts from operating activities	005	0	0
I Total cash receipts from operating activities (ADP 001 to 005)	006	0	0
1 Cash payments to suppliers	007	0	0
2 Cash payments to employees	008	0	0
3 Cash payments for insurance premiums	009	0	0
4 Interest paid	010	0	0
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	0	0
II Total cash payments from operating activities (ADP 007 to 012)	013	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	0	0
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	0	0
4 Dividends received	018	0	0
5 Cash receipts from the repayment of loans and deposits	019	0	0
6 Other cash receipts from investment activities	020	0	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	022	0	0
2 Cash payments for the acquisition of financial instruments	023	0	0
3 Cash payments for loans and deposits	024	0	0
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	0	0
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
V Total cash receipts from financing activities (ADP 029 to 032)	033	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	0	0
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	0	0
VI Total cash payments from financing activities (ADP 034 to 038)	039	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	0	0
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	0	0
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	0	0

Current Period	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	
1 Balance on the first day of the current business year				50,262,600	385,445																							
2 Changes in accounting policies																												
3 Correction of errors																												
4 Balance on the first day of the current business year (restated) (ICP 28 to 30)				50,262,600	385,445																							
5 Prof/loss of the period																												
6 Exchange rate differences from translation of foreign operations																												
7 Changes in evaluation reserves of fixed tangible and intangible assets																												
8 Gain or losses from subsequent revaluation of financial assets at fair value through other comprehensive income (available for sale)																												
9 Profit or loss arising from effective cash flow hedge																												
10 Profit or loss arising from effective hedge of a net investment in a foreign operation																												
11 Share in other comprehensive income/loss of companies listed by value of participating interests																												
12 Actual gains/losses on the defined benefit obligation																												
13 Other changes in equity unrelated to owners																												
14 Tax on transactions recognized directly in equity																												
15 Increase in reserves arising from the pre-bankruptcy settlement procedure or from the reinstatement of profit																												
16 Decrease in initial (subscribed) capital arising from the reinstatement of profit																												
17 Decrease in initial (subscribed) capital arising from the reinstatement of profit																												
18 Reduction of issuer shares holding																												
19 Payments from members/shareholders																												
20 Payment of share in profit/dividend																												
21 Other distributions and payments to members/shareholders																												
22 Carryforward per annual plan																												
23 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
24 Balance on the last day of the current business year reporting period (ICP 28 to 30)				50,262,600	385,445																							
25 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
26 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
27 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
28 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
29 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
30 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
31 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
32 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
33 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
34 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
35 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
36 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
37 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
38 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
39 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
40 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
41 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
42 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
43 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
44 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
45 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
46 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
47 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
48 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
49 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
50 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
51 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
52 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
53 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
54 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
55 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
56 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
57 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
58 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
59 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
60 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
61 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
62 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
63 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
64 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
65 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
66 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
67 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
68 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
69 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
70 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
71 Increase in reserves arising from the pre-bankruptcy settlement procedure																												
72 Decrease in reserves arising from the pre-bankruptcy settlement procedure																												
73 Increase in reserves arising from the pre-bankruptcy settlement procedure																												

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: Varteks d.d.

Personal identification number (OIB): 00872098033

Reporting period: 01.01. -30.09.2022.

Notes to the financial statements for the quarterly periods include:

a) an explanation of business events that are significant for understanding changes in the statement of financial position and results of operations for the issuer's quarterly period compared to the last financial year, ie publish information related to these events and update relevant information published in the last annual financial report (paragraphs 15 to 15C of IAS 34 Financial Reporting for the Period of the Year),

b) information where access to the latest annual financial statements is provided, in order to understand the information published in the notes to the financial statements prepared for the reporting quarter,

Access to all information and financial reports is at www.zse.hr

c) a statement that the same accounting policies apply when preparing the financial statements for the quarterly period as in the most recent annual financial statements or, if those accounting policies have changed, a description of the nature and effect of the change (paragraph 16A (a)) of IAS 34 Financial Reporting for periods during the year).

Accounting policies have not changed since the last annual report.

d) an explanation of the business results in the event that the issuer performs activities of a seasonal nature (paragraphs 37 and 38 of IAS 34 - Financial Reporting for Periods during the Year)

We do not perform activities of a seasonal nature.

e) other disclosures required by IAS 34 Financial Reporting for the Periods of the Year; and

f) in the notes to the financial statements for the quarterly periods, in addition to the above information, the following information shall be disclosed:

1. name, registered office of the entrepreneur (address), legal form of the entrepreneur, country of establishment, registration number of the entity, personal identification number and, if applicable, that the entrepreneur is in liquidation, bankruptcy, abbreviated termination or extraordinary administration: Varteks d.d. - Varaždin, Zagrebačka 94, joint stock company, RH, Mat. no. 03747034, OIB 00872098033, Entrepreneur operates regularly

2. adopted accounting policies (only an indication of whether there has been a change compared to the previous period)

There were no changes

3. the total amount of all financial liabilities, guarantees or contingencies not included in the balance sheet, and an indication of the nature and form of any actual insurance provided; all liabilities relating to the pensions of an entrepreneur within a group or company linked to a participating interest are disclosed separately

All financial liabilities are included in the balance sheet.

4. the amount and nature of individual items of income or expenditure of exceptional size or occurrence

There are no major discrepancies in individual items of income and expenditure.

5. amounts owed by the entrepreneur and maturing after more than five years, as well as the total debts of the entrepreneur covered by valuable insurance provided by the entrepreneur, indicating the type and form of insurance

6. average number of employees during the current period: 847 employees

7. if the entrepreneur has capitalized the cost of salaries in part or in full in accordance with regulations, information on the amount of total employee costs during the year broken down into the amount directly charged to the period and the amount capitalized in the value of assets during the period. for each part separately states the total amount of net salaries and the amount of taxes, contributions from salaries and contributions to salaries

Not

8. if deferred tax provisions are recognized in the balance sheet, deferred tax balances at the end of the financial year and movements in these balances during the financial year

There were no provisions during the reporting period

9. name and registered office of each undertaking in which the undertaking, alone or through a person acting in his own name but on behalf of the undertaking, holds a participating share in the capital, showing the amount of capital held, the amount of total capital and reserves, and profit or loss business years of the undertaking in question, for which the annual financial statements have been adopted; information on capital and reserves and profit or loss may be omitted if the undertaking in question does not publish its balance sheet and is not under the control of another undertaking

VARTEKS PRO d.o.o., the last adopted financial report is for 2021.

Varteks Si d.o.o. - Slovenia

10. number and nominal value, or if there is no nominal value, the book value of shares or stakes subscribed during the business year within the authorized capital

There was no subscription of shares or stakes

11. the existence of any certificates of participation, convertible debentures, guarantees, options or similar securities or rights, indicating their number and the rights conferring

There is not

12. name, seat and legal form of each undertaking in which the undertaking has unlimited liability

13. name and registered office of the undertaking compiling the quarterly consolidated financial statements of the largest group of undertakings in which the undertaking participates as a controlled member of the group

14. the name and registered office of the undertaking which draws up the quarterly consolidated financial statements of the smallest group of undertakings in which the undertaking participates as a controlled member and which is also included in the group of undertakings referred to in point 13.

15. the place where copies of the quarterly consolidated financial statements referred to in points 13 and 14 can be obtained, provided that they are available

16. the nature and business purpose of non-balance sheet arrangements and the financial impact of those arrangements on the entity, provided that the risks or rewards of such arrangements are material and to the extent that disclosure of such risks or rewards is necessary to assess the entity's financial condition.

17. the nature and financial impact of significant events that occurred after the balance sheet date and are not reflected in the income statement or balance sheet
Pursuant to the provisions of Article 474 of the Capital Market Act, a company

October 12 – Management of Varteks d.d. informs the public about convening the General Assembly for November 22, 2022. years

Varaždin, October 28th 2022

**STATEMENT OF LIABILITY FOR PREPARING FINANCIAL STATEMENTS OF
ISSUER**

Third quarter of 2022 (unaudited, consolidated)

With this statement, in accordance with the Capital Market Act, we declare that to the best of our knowledge:

- set of financial statements of the Varteks Group (hereinafter: Group) for the 3st quarter of 2022 (unaudited, consolidated), have been prepared in accordance with International Financial Reporting Standards, and in accordance with the Croatian Accounting Law, provide a complete and fair view of the Company's assets and liabilities, profit and loss, financial position and operations, except for the correction of prior period errors the effects of which are described in the management interim report.
- The management interim report contains a fair presentation of development and results of the operations and position of the , with a description of most significant risks and uncertainties to which the Group is exposed.

Dražen Dobiš

/Member of the Management Board/