

Varaždin, October 30th 2023

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

MANAGEMENT INTERIM REPORTS

For the third quarter of the year 2023 (cumulative period 01.01. – 30.09.2023./unaudited)

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

Operating income of Varteks Group (hereinafter: "Group") in the nine months of 2023 amounts to EUR 9,583 thousand, which is EUR 859 thousand or 8.23% less compared to the same period of the previous year. The Group's sales revenues amount to EUR 9,371 thousand, which is EUR 916 thousand or 8.9% less compared to the same period of the previous year.

On foreign markets, Varteks d.d. in the nine months of 2023 achieved sales revenues of EUR 2,742 thousand, which is 13% more than in the same period of 2022. The majority of exports are still to the countries of the European Union. The largest export was made to Italy and Sweden, where Varteks products were exported in the amount of EUR 2,276 thousand.

Total realized income in own retail in the analyzed period of 2023 was EUR 5,663 thousand, which is 21,8% less than the revenue realized in the same period of 2022.

A net cost of EUR 1,005 thousand was realized for financial activities in the observed period. The largest part of the financial cost refers to interest expenses.

On September 30th, 2023 the number of employees in the Group was 654, which is a decrease of 15% compared to September 30th, 2022, when the number of employees was 767.

The following is a chronology of important events in 2023:

- On March 29th 2023, Mr. Marko Vučijević acquired 1,252,090 shares of Varteks d.d. for which he obtained 24.91 % of voting rights in the share capital. He acquired the shares outside the official trading place, based on the Share Transfer Agreement.
- On May 8th, 2023, Mr. Antonio Popić acquired 536,289 shares of Varteks d.d., thereby achieving 10.67% of the voting rights in the share capital. He acquired the shares outside the official trading place, based on the Share Transfer Agreement.

R&D activities

Research and development activities are related mainly 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.

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 2023, the Parent Company has no active branches.

As at 30th September 2023, the Parent Company has investment in the subsidiary **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 nine months of 2023, the Company achieved EUR 1,277 thousand in operating income (nine months of 2022: EUR 730 thousand), which is an increase of 75% compared to the same period last year. In the nine-month period, the company realized a loss of EUR 88 thousand (nine months of 2022, a loss of EUR 205 thousand). The Company's assets on September 30th, 2023 amounted to EUR 659 thousand (on September 30th, 2022, EUR 742 thousand). Net capital on September 30th, 2023 was EUR 212 thousand (on September 30th, 2022 EUR 300 thousand). The company employed 26 people on September 30th, 2023 (28 on September 30th, 2022). The director of the company is Mrs. Petra Malek – Goričanec.

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:	01.01.2023	to	30.09.2023
Year:	2023		
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:	74780000Q0LH0TDGEO80
---------------------------------------	-------------	------	----------------------

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 period): 628

Consolidated report: KN (KN-not consolidated/KD-consolidated)

Audited: RN (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm: No (Yes/No) (name of the bookkeeping firm)

Contact person: Đurđica Šaško (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 30.09.2023

in EUR

Submitter: Varteks d.d.			
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	25.494.767	24.877.938
I INTANGIBLE ASSETS (ADP 004 to 009)	003	154.704	137.578
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	137.086	119.960
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	17.618	17.618
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	24.855.055	24.248.089
1 Land	011	2.637.884	2.637.884
2 Buildings	012	10.213.577	9.753.277
3 Plant and equipment	013	1.593.703	1.428.955
4 Tools, working inventory and transportation assets	014	199.010	216.996
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	97.280	97.280
7 Tangible assets in preparation	017	0	96
8 Other tangible assets	018	4.371	4.371
9 Investment property	019	10.109.230	10.109.230
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	482.982	491.506
1 Investments in holdings (shares) of undertakings within the group	021	173	173
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	482.026	490.550
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	783	783
IV RECEIVABLES (ADP 032 to 035)	031	2.026	765
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	2.026	765
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	9.059.444	6.268.812
I INVENTORIES (ADP 039 to 045)	038	4.103.926	2.793.153
1 Raw materials and consumables	039	1.155.426	953.965
2 Work in progress	040	156.306	25.418
3 Finished goods	041	2.453.770	1.559.774
4 Merchandise	042	262.800	171.665
5 Advances for inventories	043	75.624	82.331
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	4.362.089	3.428.664
1 Receivables from undertakings within the group	047	307.345	5.000
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	3.949.131	3.311.730
4 Receivables from employees and members of the undertaking	050	3.927	6.463
5 Receivables from government and other institutions	051	61.536	48.254
6 Other receivables	052	40.150	57.217
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	491.134	20.985
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	491.134	20.985
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	102.295	26.010
D) PREPAID EXPENSES AND ACCRUED INCOME	064	51.784	120.349
E) TOTAL ASSETS (ADP 001+002+037+064)	065	34.605.995	31.267.099
OFF-BALANCE SHEET ITEMS	066	397.434	380.420

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	4.308.966	320.256
I INITIAL (SUBSCRIBED) CAPITAL	068	6.671.559	6.671.559
II CAPITAL RESERVES	069	51.290	51.290
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	23.181	23.181
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	23.181	23.181
IV REVALUATION RESERVES	076	9.653.731	9.533.788
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	-8.885.930	-11.970.832
1 Retained profit	084	0	0
2 Loss brought forward	085	8.885.930	11.970.832
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-3.204.845	-3.968.730
1 Profit for the business year	087	0	0
2 Loss for the business year	088	3.204.845	3.968.730
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	570.889	570.889
1 Provisions for pensions, termination benefits and similar obligations	091	324.183	324.183
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	246.706	246.706
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	10.684.611	10.213.164
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	283.922	286.677
6 Liabilities to banks and other financial institutions	103	7.004.614	6.087.467
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	1.276.963	1.746.237
11 Deferred tax liability	108	2.119.112	2.092.783
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	18.690.816	19.999.139
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	7.392
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	9.880.196	10.095.728
6 Liabilities to banks and other financial institutions	115	2.092.589	3.170.364
7 Liabilities for advance payments	116	427.696	288.493
8 Liabilities to suppliers	117	3.201.013	3.091.765
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	448.466	460.972
11 Taxes, contributions and similar liabilities	120	1.260.648	1.534.071
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	1.380.208	1.350.354
E) ACCRUALS AND DEFERRED INCOME	124	350.693	163.651
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	34.605.995	31.267.099
G) OFF-BALANCE SHEET ITEMS	126	397.434	380.420

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2023 to 30.09.2023

in EUR

Submitter: Varteks d.d.

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	10.110.736	3.676.746	8.869.635	2.646.451
1 Income from sales with undertakings within the group	002	615.129	121.251	462.582	172.433
2 Income from sales (outside group)	003	9.331.992	3.510.931	8.186.100	2.348.162
3 Income from the use of own products, goods and services	004	3.891	0	11	11
4 Other operating income with undertakings within the group	005	11.837	3.817	11.137	4.059
5 Other operating income (outside the group)	006	147.888	40.747	209.805	121.786
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	13.658.384	4.973.150	11.880.388	3.891.469
1 Changes in inventories of work in progress and finished goods	008	342.344	1.167.678	916.155	413.462
2 Material costs (ADP 010 to 012)	009	4.595.987	953.845	3.287.865	903.349
a) Costs of raw materials and consumables	010	2.922.244	701.277	1.900.690	461.549
b) Costs of goods sold	011	425.569	114.368	338.063	143.006
c) Other external costs	012	1.248.174	138.200	1.049.112	298.794
3 Staff costs (ADP 014 to 016)	013	5.820.908	1.846.149	5.123.964	1.700.976
a) Net salaries and wages	014	3.893.999	1.236.233	3.396.212	1.123.564
b) Tax and contributions from salary costs	015	1.126.053	353.779	1.011.385	339.836
c) Contributions on salaries	016	800.856	256.137	716.367	237.576
4 Depreciation	017	1.004.621	386.883	914.004	304.292
5 Other costs	018	1.791.650	558.283	1.394.295	435.871
6 Value adjustments (ADP 020+021)	019	0	-33	15.080	15.080
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	-33	15.080	15.080
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	102.873	60.345	229.025	118.439
III FINANCIAL INCOME (ADP 031 to 040)	030	247.035	62.274	943	307
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	2.589	871	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	47.142	1.949	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	1.041	262	865	307
8 Exchange rate differences and other financial income	038	196.263	59.192	78	0
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	1.124.287	352.348	1.005.249	374.546
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	45.696	1.305	0	0
3 Interest expenses and similar expenses	044	820.078	266.719	1.005.098	376.419
4 Exchange rate differences and other expenses	045	258.513	84.324	151	122
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	0	-1.995
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	10.357.771	3.739.020	8.870.578	2.646.758
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	14.782.671	5.325.498	12.885.637	4.266.015
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-4.424.900	-1.586.478	-4.015.059	-1.619.257
1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-4.424.900	-1.586.478	-4.015.059	-1.619.257
XII INCOME TAX	058	-116.108	-9.639	-26.329	-8.776
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-4.308.792	-1.576.839	-3.988.730	-1.610.481
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-4.308.792	-1.576.839	-3.988.730	-1.610.481

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
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070			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
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074			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	-4.308.792	-1.576.839	-3.988.730	-1.610.481
1 Attributable to owners of the parent	076	-4.308.792	-1.576.839	-3.988.730	-1.610.481
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	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	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	-4.308.792	-1.576.839	-3.988.730	-1.610.481
1 Attributable to owners of the parent	100	-4.308.792	-1.576.839	-3.988.730	-1.610.481
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2023. to 30.09.2023.

in EUR

Submitter: Varteks d.d.			
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	-4.424.900	-4.015.059
2 Adjustments (ADP 003 to 010):	002	1.481.119	1.979.808
a) Depreciation	003	1.004.621	914.004
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-405.945	64.002
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	-3.630	-861
e) Interest expenses	007	820.078	1.002.663
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	65.995	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-2.943.781	-2.035.251
3 Changes in the working capital (ADP 013 to 016)	012	-366.878	1.277.762
a) Increase or decrease in short-term liabilities	013	929.646	775.794
b) Increase or decrease in short-term receivables	014	-1.988.762	-497.570
c) Increase or decrease in inventories	015	488.557	1.310.773
d) Other increase or decrease in working capital	016	203.681	-311.235
II Cash from operations (ADP 011+012)	017	-3.310.659	-757.489
4 Interest paid	018	-207.831	-117.481
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-3.518.490	-874.970
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	1.352.249	0
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	589.227	857.708
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	1.941.476	857.708
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-107.589	0
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-475.841	-870.670
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	-583.430	-870.670
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	1.358.046	-12.962
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	0
3 Cash receipts from credit principals, loans and other borrowings	037	2.340.403	1.467.502
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	2.340.403	1.467.502
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-485.271	-301.941
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-194.191	-353.914
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	-679.462	-655.855
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	1.660.941	811.647
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	-499.503	-76.285
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	522.827	102.295
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	23.324	26.010

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

in EUR

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 the from 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

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. -30.06.2023.

Notes to the financial statements for the quarterly periods include:

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

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

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

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,

the previous period)

There were no changes

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

6. average number of employees during the current period: 665 employees

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 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

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 VARTEKS PRO d.o.o., the last adopted financial report is for 2022.

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

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

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

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

Varaždin, October 30th 2023

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

Third quarter of 2023 (unaudited, unconsolidated)

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 d.d. (hereinafter: the Company) for the 3rd quarter of 2023 (unaudited, unconsolidated), 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 Company, with a description of most significant risks and uncertainties to which the Company is exposed.

Dražen Dobiš

/Member of the Management Board/