Financial Statement of SARANTIS HUNGARY Kft.

for the period

from 1 January 2023 to 31 December 2023

Budapest, 09. February 2024

Contents

STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023	31 December 2022
ASSETS			
Fixed assets			
Property, plant and equipment	1	11.951	5.995
Right-of-use assets	1	75.539	39.634
Intangible assets	2	50.232	44.064
Deferred tax assets	3	1.572	1.482
Loans receivable		0	7.923
Total fixed assets		**139.294**	**99.098**
Current assets			
Inventory	4	1.231.081	1.212.140
Trade and other receivables	5	752.822	872.781
Cash and cash equivalents	8	485.667	215.422
Total current assets		**2.469.570**	**2.300.343**
Assets classified as held for sale			
TOTAL ASSETS		**2.608.864**	**2.399.441**
LIABILITIES			
Nominal share capital		1.319.410	1.319.410
Special Reserves		1.980	0
Retained profits	10	310.970	102.531
Total equity		**1.632.360**	**1.421.942**
Long-term liabilities			
Provision			
Deferred tax liability			
Lease liabilities	13	44.335	6.172
Total long-term liabilities		**44.335**	**6.172**
Short-term liabilities			
Trade and other liabilities	15	834.902	848.923
Lease liabilities	13	32.388	33.518
Tax liabilities	16	64.879	88.886
Total short-term liabilities		**932.169**	**971.237**
Total liabilities and equity		**2.608.864**	**2.399.441**

Management of the Company:

Csodó Tamás Ádám – managing director

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 December 2023	31 December 2022
Sales income	17	**5.010.560**	**4.970.176**
Other income	**18**	3.365	837
Depreciation	1;2	-59.507	-94.697
Consumption of materials and power		-33.812	-39.880
External services		-672.011	-248.713
Taxes and fees		-318.412	-162.812
Salaries		-294.880	-279.776
Social insurance and other benefits		-63.580	-49.397
Cost of trade goods and materials sold		-3.230.394	-3.885.178
Other costs	19	-83.206	-101.687
		-4.755.802	**-4.862.140**
Total cost on operating activity			
Profit from operating activities		**258.123**	**108.873**
Financial revenues		88.449	71.720
Financial expenses		-56.384	-119.557
including leasing interest			
Net financial revenues and expenses	20	**32.065**	**-47.837**
Profit before tax		**290.188**	**61.036**
Income tax	24	-26.223	-5.510
Net profit		**263.965**	**55.526**
Net other comprehensive income			
Revaluation of property and plant			
Income tax related to revaluation of property, plant and equipment			
Other net total income			
Total comprehensive income		**263.965**	**55.526**

Management of the Company:

Csodó Tamás Ádám – managing director

STATEMENT OF CASH FLOWS

	Note	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Cash flows - operational activity			
Gross profit from the business activity		**290 188**	**61 036**
Adjustments for:		167 508	-471 073
Depreciation and impairment of property, plant and equipment		59 507	94 697
(Profit)/loss on account of foreign exchange differences		9.311	47 647
Profit from the sale of property, plant and equipment		-1.117	
Interest income and profit sharing		25.448	2 474
Interest expenses		-12.505	12 173
Increase/decrease in inventories		-18.940	- 465 464
Increase in trade and other receivables	5	114.377	- 204 692
Increase in trade and other payables	15	6.382	59 212
Change in the value of accruals and deferrals		-133.983	- 14 533
Change in provisions		139.741	- 5 818
Income tax paid		-20.713	3 231
Net cash flows from operating activities		**457.696**	**- 410 037**
Cash flows - investment activities			
Revenues generated from sale of fixed assets		5.581	-
Acquisition of tangible fixed assets and intangible assets		-100.838	38 866
Loans granted to affiliates		-	-
Net cash used in investing activities		**-95.257**	**- 38 866**
Cash flow - financial activities			
Repayment of loans and borrowings	16	38.162	-78 087
Interest paid			
Dividends paid		-120.195	- 68 000
Other financial expenses		-1.130	-12 173
Net cash provided by/(used in) financial activities		**-83.163**	**-158 260**
Net change in cash and cash equivalents		279.276	- 529 431
Effect of exchange rate changes		-9.030	- 47 647
Balance sheet change in the cash value		270.246	- 577 078
Cash and cash equivalents on 1 January		215.421	792 499
Cash and cash equivalents on 31 December		**485.667**	**215 421**

Management of the Company:

Csodó Tamás Ádám – managing director

STATEMENT OF CHANGES IN EQUITY

	Nominal share capital	Nominal share premium	Special Reserves	Retained earnings	Total equity
Equity as at 1 January 2022	**1.319.410**			**181.654**	**1.501.064**
Net profit				55.526	55.526
Dividend to be paid to shareholders				-134.649	-134.649
Equity as at 31 December 2022	**1.319.410**			**102.531**	**1.421.941**
Net profit				263.965	263.965
Dividend paid to shareholders				-55.526	-55.526
Stock option			1.980		1.980
Equity as at 31 December 2023	**1.319.410**		1.980	310.970	**1.632.360**

Management of the Company:

Csodó Tamás Ádám – managing director

ADDITIONAL INFORMATION AND EXPLANATIONS

The general information

1. Name, address, the basic object of the activity of the Company

The business of Sarantis Hungary Kft., hereinafter referred to as statement "Company", is mainly the sales activity in the scope of household articles made of artificial materials and skin care cosmetics. The Company was registered on 27.07.1993 by the Court in Hungary under the number 13-09-156730.

Company address

Budafoki út 209. 1117, Budapest.

2. Management of the Company

On 31 December 2023 the Management of the Company is composed of:

Csodó Tamás Ádám – Managing director
Ionnis Bouras – Managing director

3. To represent the Company are entitled:

Managing Directors - individually

4. Statutory auditor

BDO Hungary Audit Ltd.

1103 Budapest, Kőér u. 2/A

The financial statement for financial year 2023 was prepared by Erzsebet Katlan. Registration n. 178958.

5. Name of the parent company

GR Sarantis SA, Greece (address: GR-15125 Athen, Amaroussiou-Halandriou 26.)

6. Principles of presentation

Information on principles adopted for preparation of financial statement for 2023

The financial statement has been prepared in accordance with accounting principles contained in the International Financial Reporting Standards adopted by the European Union. The financial statement covers the period from 1 January to 31 December 2023 and the comparative period from 1 January to 31 December 2022.
The financial statement is compliant with all IFRS requirements adopted by the EU and present a true and fair view of the Company's financial position as of 31 December 2023 and 31 December 2022, results of its activity and cash flows for the year ended 31 December 2023 and 31 December 2022.

7. Statement of the Management

1) The Management of the Company hereby honestly and sincerely declares that to the best of its knowledge the foregoing financial statement and comparative data were prepared in compliance with International Financial Reporting Standards adopted by the European Union (IFRS). The statement reflects true and fair view on financial position and its financial result of the Company. and that the Management Board Commentary on the Company's Operations presents true overview of Company's development, achievement and business situation of Company, including basic risks and exposures.
2)The Management of the Company declares that the entity, authorized to audit and conduct the audit of financial statements, was selected in compliance with the law and that entity and auditors conducting the audit met the conditions to issue an independent opinion in compliance with relevant regulations of the domestic law.

Basis for the preparation of the report and accounting principles

Basis of the financial statement

Financial statement of the Company is prepared in accordance with International Accounting Standards adopted by European Union. The statement was prepared assuming that the company will continue its activity in the forseeable future. On the day in which this statement was accepted there is no circumstances indicating any danger to continue of business activity of Company.

Consolidated financial statement

Consolidated financial statement, which includes also subsidiary entities is performed by highest level parent company GR Sarantis SA, based in Athens, Greece.

Functional currency and presentation currency of financial statements

Functional currency is the currency of the primary economic environment in which the entity operates. Presentation currency is the currency in which financial statements are presented.
The Company operates in Hungary, which is the primary economic environment. Therefore, functional and presentation currencies are the Hungarian Forint.

Judgments and evaluations

Judgments, evaluations and assumptions, which have significant influence on accounting principles, presenting value of assets, liabilities, costs and incomes are required by the Management. Evaluations and assumptions based on the historical experience and other factors rationally justified, their results allow to estimate balance sheet value of assets and liabilities. Fair value may be different from estimated value. Evaluations and assumptions are verified on a current basis. Change in accounting estimations is included in the period in which the accounting estimations were changed or in the current and future periods.

Errors

Errors concerning certain parts of the financial statement's presentation or valuation may occur. A financial statement does not comply with IFRS, if

- It has errors over the materiality level
- It has non-material-, but deliberate error that distorts the IFRS required presentation.

Definition of the materiality of errors is the responsibility of the Chief Financial Officer. In case of the occurrence of an error, it has to be presented to the Chief Financial Officer.

Sarantis defines the materiality threshold as 2% of the total SOFP balance. Affected asset-, or liability or equity elements have to be re-measured retrospectively from the first feasible period.

INTANGIBLE FIXED ASSETS

An Intangible asset is an identifiable non-monetary asset without physical substance. An asset is a resource that is controlled by the Company as a result of past events (for example, purchase or self-creation) and from which future economic benefits (inflows of cash or other assets) are expected.

Intangible assets are initially recognized at acquisition cost. Following the initial recognition, intangible assets are measured at cost minus accumulated amortization and any impairment loss that may have emerged. In line with IAS 38, only directly attributable costs to the development of the intangible could be capitalized as an asset.

The Company's intangible assets mainly include the acquired SAP software used in production and other software licenses.

The amortization of the intangible fixed assets is calculated with the straight line method along their economic life.

Depreciation for SAP is determined as 22 years

For other intangibles 5 years

For low value asset 1 years

Low value asset is determined as assets, which has a gross values lower, than HUF 200,000. These are depreciated immediately, after acquisition. The useful economic life and depreciation method are reviewed at least at the end of each reporting period. If the estimated useful life have changed, the changes are accounted for as changes in accounting estimates.

TANGIBLE FIXED ASSETS

Property, plant, and equipment are measured at cost minus accumulated amortization and any impairment loss.

The acquisition cost of fixed assets includes all expenses directly attributed to the acquisition of the assets. Subsequent expenses are registered as an increase of the tangible assets' book value or as a separate fixed asset, only to the extent where such expenses increase the future economic benefits expected to arise from the use of the

fixed assets, and the cost of such may be reliably calculated. The cost of repairs and maintenance are recognized as cost in the SPLOCI.
Self-produced tangible assets constitute an addition to the acquisition cost of tangible assets at values that include the direct payroll cost for staff that participates in the construction, the cost of used materials and other general costs, directly attributable to the asset. The company uses straight-line method for calculating the depreciation rate of its tangible assets

The following general rates are used:

Buildings 16-17 years 6%
Machinery 6-7 years 14,50%
Office equipment 6-7 years 14,50%
IT equipment 3 years 33,33%
Low value assets >1 year 100%

Low value asset is determined as assets, which has a gross values lower, than HUF 200,000. These are depreciated immediately, after acquisition.
The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the residuals values, the expected useful life or expected consumption rate of future economic benefits incorporated in an asset have changed, the changes are accounted for as a change in accounting estimate

Leasing

IFRS 16 introduces a unified model for the accounting treatment on behalf of the lessee. The model requires that the lessee recognizes assets and liabilities for all leasing agreements with duration longer than 12 months, unless the underlying asset has no significant value.
The Company uses the following recognition exemptions:

i) leases with a lease term of 12 months or less and containing no purchase options – this election is made by class of underlying asset; and

ii) leases where the underlying asset has a low value when new (such as personal computers or small items of office furniture) – this election is made on a lease-by-lease basis. Low value leases are leases where the underlying asset has a lower value as USD 5000 (or the equivalent HUF amount)

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For a contract that contains a lease component and additional lease and non-lease components, such as the lease of an asset and the provision of a maintenance service, lessees shall allocate the consideration payable on the basis of the relative stand-alone prices, which shall be estimated if observable prices are not readily available.
The company applies the practical expedient in the case of vehicle leases, and does not separate non-lease components from lease components and instead accounts for all components as a single lease.
The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by The Company.
After lease commencement, The Company measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. Right-of-use asset is depreciated during the lease term in a straight line basis. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be

readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. The Company uses the incremental borrowing rates for all types of leases for both HUF and EUR leases.
Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability and are initially measured using the index or rate as at the commencement date.

The lease liability is subsequently remeasured to reflect changes in:
the lease term (using a revised discount rate); the assessment of a purchase option (using a revised discount rate); the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); or future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate). The remeasurements are treated as adjustments to the right-of-use asset. The Company remeasures the lease liability if the lease payments are indexed (inflation, CPI, etc.) at the end of the reporting period. The change is also accounted as an increase in the right-of-use asset.

When determining the lease term, the management reviews all relevant events and circumstances that create an economic incentive to exercise the right to extend the lease or to not exercise the right to terminate the lease. Extension rights (or periods of termination) are included in the lease term only if it is reasonably certain that it will be extended (or not terminated).
A reassessment of the lease term takes place with the occurrence of a significant event or a significant change in circumstances that affects this estimate and falls under the control of The Company to determine the reference borrowing rate to be used, the Company uses its judgment to set the appropriate reference rate and the corresponding credit spread.

The Company applies the IFRS 16 standard from the mandatory adoption date on the 1st of January 2019. The Company applies the simplified transition method and will not restate the comparative figures for the year prior to the first adoption of the standard.

Financial instruments

Financial assets are classified at initial recognition and subsequently measured at either:
- amortized cost,
- at fair value through other comprehensive income or
- fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flows of the financial asset and the business model of the Company and the Group for their management. With the exception of trade receivables that do not contain a significant financial component, the Company and the Group initially measure financial assets at their fair value plus, in the case of a financial asset not valued through profit or loss, transaction costs.
Receivables from customers that do not have a significant financial component are valued at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through total income, cash flows that are "solely payment exclusive capital and interest payments (SPPIs)" of the original capital must be obtained.

The Company's and Group's business model for managing financial assets refers to the way in which it manages its financial capabilities to generate cash flows. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both.
The purchase or sale of financial assets that require the delivery of assets within a timeframe specified by a regulation or a contract on the market is recognized on the trade date meaning on the date on which the Company commits to purchase or sell the asset.

For the purpose of subsequent measurement, financial assets are classified in the following categories:
- Financial assets measured at fair value through profit or loss

  Financial assets valued at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless defined as effective hedging instruments. Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

- Financial assets at amortized cost

  The Company and the Group measure financial assets at amortized cost if both of the following conditions are met: (a) the financial asset is retained in a business model in order to hold financial assets for the collection of contractual cash flows; and (b) the contractual clauses of the financial asset generate cash flows on specific dates that consist only of capital and interest payments on the balance of the original capital.

- Financial assets measured at fair value through total income without recycling of cumulative gains and losses on de-recognition

  Upon initial recognition, the Company and the Group may choose to irrevocably classify its equity investments as equity instruments at fair value through other comprehensive income when they meet the definition of equity in accordance with IAS 32 Financial Instruments: Presentation and not held for trading purposes. Classification is determined by financial instrument.

  Profits and losses from these financial assets are never recycled to profits or losses. Dividends are recognized in the income statement when the payment entitlement has been established, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, so that the gains are recognized in the statement of comprehensive income. Equity instruments measured at fair value through total income are not subject to an impairment test.

A financial asset is derecognized primarily when:
- The rights to receive cash flows from the asset have expired, or
- The Company and the Group have transferred their rights to receive cash flows from the asset or have undertaken to fully pay the cash flows received without significant delay to a third party under a pass-through agreement and either (a) the Company and the Group have transferred substantially all the risks and rewards of the asset or (b) the Company and the Group have not transferred or held substantially all the risks and estimates of the asset but have transferred the control of the asset.
- When the Company and the Group have transferred the rights to receive cash flows from an asset or have entered into a transfer agreement, they assess whether and to what extent they own the risks and rewards of ownership.

When the Company and the Group have not transferred or hold substantially all the risks and rewards of the asset and have not transferred ownership of the asset, they continue to recognize the transferred asset to the extent of its continued involvement. In this case, the Company and the Group also recognize any relevant obligation. The transferred asset and the related liability are valued on the basis of the rights and obligations that the Company and the Group hold.

Financial liability and effective interest method

An instrument is classified as a financial liability if it is:

• a contractual obligation:
  - to deliver cash or other financial assets; or
  - to exchange financial assets or financial liabilities with another entity under potentially unfavorable conditions (for the issuer of the instrument); or

• a contract that will or may be settled in the entity’s own equity instruments and is:
  - a non-derivative that comprises an obligation for the entity to deliver a variable number of its own equity instruments; or
  - a derivative that will or may be settled other than by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Subsequent to initial recognition, financial liabilities are measured at amortized cost calculated under the effective interest method except for liabilities:

• measured at FVTPL;
• that arise when a transfer of a financial asset does not qualify for derecognition or is accounted for using the continuing involvement approach;
• that are commitments to provide a loan at a below-market interest rate and not measured at FVTPL; and
• that are financial guarantee contracts

The ‘effective interest method’ is a method of calculating the amortized cost of a financial asset or financial liability and allocating the interest income or expense over the relevant period. It differs from the straight-line method in that the amortization under the effective interest method reflects a constant periodic return on the carrying amount of the asset or liability.

The effective interest rate is calculated on initial recognition of a financial asset or a financial liability. It is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
• the gross carrying amount of the financial asset; or
• the amortized cost of the financial liability. [IFRS 9.A]
On initial recognition, the gross carrying amount of a financial asset, or the amortized cost of a financial liability, is generally equal to the fair value of the instrument, adjusted for transaction costs

The effective interest rate is revised as a result of:
• periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest
• fair value hedge adjustments at the date on which an entity begins to amortize them; and
• it appears, costs and fees arising as part of modifications that do not result in derecognition.
To calculate interest income or expense in each relevant period, the effective interest rate is applied to the gross carrying amount of the asset (or amortized cost of credit-impaired assets) or the amortized cost of the liability.

Inventories

Inventories are measured at the lower of cost and net realizable value, considering any inventory allowances. The net realizable value is the selling price estimated in the ordinary course of business activity less the estimated costs of completion and the estimated selling costs.
Cost of goods sold is determined based on the weighted average costs formula.
Inventories are written-down to net realizable value, if there is indication, that the NRV is significantly lower, than the book value of inventory. Indicators included inventories with a slow turnover period (above 180 days). At every closing date inventories are investigated based on their inventory turnover.

Receivables

Receivables from customers are recognized when there is an unconditional right to receive the consideration for the client's contractual obligations to the entity. A contract asset is recognized when the Company and the Group have satisfied their obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Company's right and also the Group’s right to issue an invoice. Receivables from customers on credit are initially recognized at their fair value, which corresponds to the nominal value, net of impairment losses.

Impairment of trade receivables
Regarding non-doubtful trade receivables, the Company and the Group apply the simplified approach of IFRS 9 and calculate the expected credit losses over the life of the receivables. For this purpose, the Company uses a maturity forecast table based on the historical data for credit losses, adjusted for future factors in relation to borrowers and the economic environment. The bad debts are evaluated one by one for the calculation of the relevant provision. The calculation is updated every year.

The applied method is the following:

- Step 1: Total amount of debtors for the years for the former four fiscal years from current fiscal year and for the current fiscal year – so total five year-period (the amount that is presented in BL - debtors with credit outstanding balance should not be included).
- Step 2: For the period defined: a fiscal year is defined: the line items which were posted during 01.01 and 31.12 of the exact fiscal year and are open (not paid) until 30.09. of the following fiscal year etc.
- Step 3: Calculate for the first three years average ratio (so from the first one to the third one): overdue/total debtors – period 1
- Step 4: Apply the ratio (step 3) to debtors balances of the forth fiscal year
- Step 5: The amount that derives from Step 4 will be posted to Equity (IFRS 9 1st adoption 01.01. of the current fiscal year
- Step 6: Calculate the average ratio for the period from second fiscal year to fourth fiscal year: overdue/total debtors – period 2
- Step 7: Apply the ratio (step 3) to debtors balances of current fiscal year
- Step 8: The difference of Step 4 vs Step 7 will be the provision of the current fiscal year (could be income or loss)
- Step 9: A table should be prepared that will depict for the periods Current / 01-09 /91-180/181-270/ 271-360/ 361+ a) Total Debtors of the fourth fiscal year (step 1) and b) the overdue amounts of the fourth fiscal year (step 2). Complete overdue allocation table (sheet Overdue allocation)

The Company chooses to recognize expected credit losses at a higher of
(i) 1% the total trade receivables balance and
(ii) the ratio calculated with the above methodology

Cash and cash equivalent

Cash & cash equivalents include cash in banks and in hand, as well as short-term highly liquid investments such as repos and bank deposits with a maturity less than three months.

Sales revenues

IFRS 15 establishes a five-step model for determining revenue from customer contracts.

The five steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Step 1: Identify the contract with the customer

A contract with a customer will be within the scope of IFRS 15 if all the following conditions are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.

If a contract with a customer does not yet meet all of the above criteria, Sarantis will continue to re-assess the contract going forward to determine whether it subsequently meets the above criteria. From that point, the entity will apply IFRS 15 to the contract.

If certain conditions are met, a contract modification will be accounted for as a separate contract with the customer. If not, it will be accounted for by modifying the accounting for the current contract with the customer. Whether the latter type of modification is accounted for prospectively or retrospectively depends on whether the remaining goods or services to be delivered after the modification are distinct from those delivered prior to the modification. Further details on accounting for contract modifications can be found in the Standard

Step 2: Identify the performance obligations in the contract. At the inception of the contract, the entity should assess the goods or services that have been promised to the customer, and identify as a performance obligation

- a good or service (or bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A series of distinct goods or services is transferred to the customer in the same pattern if both of the following criteria are met:

- each distinct good or service in the series that the entity promises to transfer consecutively to the customer would be a performance obligation that is satisfied over time (see below);

and

- a single method of measuring progress would be used to measure the entity's progress towards complete satisfaction of the performance obligation to transfer each distinct good or service in the series to the customer.

A good or service is distinct if both of the following criteria are met:

- the customer can benefit from the good or services on its own or in conjunction with other readily available resources; and
- the entity's promise to transfer the good or service to the customer is separately idenitifable from other promises in the contract.

Factors for consideration as to whether a promise to transfer goods or services to the customer is not separately identifiable include, but are not limited to:

- the entity does provide a significant service of integrating the goods or services with other goods or services promised in the contract;
- the goods or services significantly modify or customize other goods or services promised in the contract;
- the goods or services are highly interrelated or highly interdependent.

The performance obligations of the Company are usually the goods to be sold.

Step 3: Determine the transaction price

The transaction price is the amount to which an entity expects to be entitled in exchange for the transfer of goods and services. When making this determination, an entity will consider past customary business practices.

Where a contract contains elements of variable consideration, the entity will estimate the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise, for example, as a result of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. Variable consideration is also present if an entity's right to consideration is contingent on the occurrence of a future event. Variable consideration is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved

Type	Description	Handling IFRS
Financial discount	Discount given for early payment	Revenue decreasing
Invoiced price discount	the sales invoice contains the discount on the spot,	Revenue decreasing
A posteriori price discount	Price discount given subsequently (eg. Due to achieving a number of orders). Modifying discount issued	Revenue decreasing
Rebate	Discount given subsequently	Revenue decreasing
Debt forgiveness	Debt released	Other expense
Marketing payments 1	Marketing payment depending on the quantity of the sold goods	Revenue decreasing
Marketing payments 2	Marketing services received	Revenue decreasing, if marketing service is distinct: service

Step 4: Allocate the transaction price to the performance obligations in the contracts

Where a contract has multiple performance obligations, an entity will allocate the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices. If a standalone selling price is not directly observable, the entity will need to estimate it. Any overall discount compared to the aggregate of standalone selling prices is allocated between performance obligations on a relative standalone selling price basis. In certain circumstances, it may be appropriate to allocate such a discount to some but not all of the performance obligations.
Where consideration is paid in advance or in arrears, the entity will need to consider whether the contract includes a significant financing arrangement and, if so, adjust for the time value of money.
The Company applies the practical expedient, where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months, then there is no financing components.
The Companyi usually has a single performance obligation, therefore, allocation is rarely necessary.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is defined as the amount that an entity expects to be entitled to receive in exchange for the goods or services it has transferred to a client, except for amounts collected on behalf of third parties (value added tax, other sales tax). Variable amounts are included in the consideration and are calculated using either the "expected value" method or the "most likely amount" method.

Revenue is recognized as control is passed, either over time or at a point in time. Control of an asset is defined as the ability to direct the use of and obtain substantially all of the remaining benefits from the asset. This includes the ability to prevent others from directing the use of and obtaining the benefits from the asset. The benefits related to the asset are the potential cash flows that may be obtained directly or indirectly. These include, but are not limited to.

- using the asset to produce goods or provide services;
- using the asset to enhance the value of other assets;
- using the asset to settle liabilities or to reduce expenses;
- selling or exchanging the asset;
- pledging the asset to secure a loan; and
- holding the asset.

An entity recognizes revenue over time if one of the following criteria is met:

- the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The customer acquires control of the good or service if the customer is able to direct the use and derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

If an entity does not satisfy its performance obligation over time, it satisfies it at a point in time.

Revenue will therefore be recognized when control is passed at a certain point in time. Factors that may indicate the point in time at which control passes include, but are not limited to:

- the entity has a present right to payment for the asset;
- the customer has legal title to the asset;
- the entity has transferred physical possession of the asset;
- the customer has the significant risks and rewards related to the ownership of the asset;

and

- the customer has accepted the asset.

The Company is active in the production and distribution of consumer products. The main products of the Company and the Group are perfumes, personal care products, sunscreen products, hair care products as well as food packaging products, plastic garbage bags and household cleaning products. Net proceeds from sales are measured at the fair value of the consideration received or receivable and are declared net of discounts on sales and the consideration paid to customers.

These are, in particular, incentives to promote sales which are recorded as deductions from sales.

Performance obligation is performed at a point in time.

The customer receivable is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer. A contract asset is recognized when the Company and the Group have satisfied their obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Company's right and Group to issue an invoice.

The contractual obligation is recognized when the Company and the Group receive a consideration from the client (prepayment) or when it retains the right to a price that is unconditional (deferred income) before performing the obligations of the contract and the transfer of the goods or services. The contractual obligation is de-recognized when the contractual obligations are executed and the income is recorded in the income statement.

Equity capital

Equity capital is divided by the types accordance with low rights and resolutions of Company Statute. The Equity consists of share capital and reserves.
- Share capital: paid capital by owner(s).
- Reserves: consist of result carried forward from former fiscal years and current fiscal year’s result.

- Option reserve: the Company's managing director receives a share option as part of a 3-year MRP remuneration, for which the Company first formed a reserve in 2023. Another option reserve is expected to be formed in the following years, which amount will be formed by the Company based on the decision of the Greek management

Dividends to pay are recognized against the reserves.
Before categorizing anything as equity it should be determined that it is not a liability.
Share capital is presented in the nominal value, in the amount according to the Company Statute and entry in the commercial register. Declared but no made contributions are included by due contributions to the initial capital. Own founds of the Company are decreased by due contributions to the share capital.
Non-divided profits for the previous years and the current results (profits) are presented in the financial statement as the retained profits.

Transactions in foreign currency

Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency with the effective exchange rates during the balance sheet date, are registered in the results.
A foreign currency transaction should be recorded initially at the rate of exchange at the date of the transaction. The Company uses exchange rates published by National Bank of Hungary.
At each subsequent balance sheet date:
- foreign currency monetary amounts should be reported using the closing National Bank of Hungary rate
- non-monetary items carried at historical cost should be reported using the exchange rate at the date of the transaction
- non-monetary items carried at fair value should be reported at the rate that existed when the fair values were determined.

For the balance valuation, the following exchange rates were adopted:

Exchange rate at the day	*31.12.2023*	*31.12.2022*
USD	346,44	375,88
EUR	382,78	400,25
PLN	88,04	85,34

CURRENT AND DEFERRED TAXATION

Current tax for the current and prior periods is recognized as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due.

The period’s charge with income tax consists of current taxes and deferred taxes. Tax is recognized in the “Statement of comprehensive income”, unless it is related to amounts recognized directly in “Equity”. In the latter case tax is also recognized in Equity.

Income tax on earnings, is calculated based on the tax law in effect during the balance sheet date and is recognized as an expense during the period when earnings are gained. Management periodically reviews cases where the relevant tax law needs clarifications when interpreted. When deemed necessary provisions are made on the amounts expected to be paid to the tax authorities.

Deferred income tax is calculated according to the liability method which results from the temporary differences between the book value of assets or liabilities in the financial statements

with their respective tax base. Deferred income tax is not recorded if such results from the initial recognition of an asset or liability in a transaction, apart from a business combination, which did not affect the accounting or the tax profit or loss when realized. Deferred tax is defined according to the tax rates and laws in effect during the balance sheet date and those expected to be effective when the deferred tax assets will be realized or the deferred tax liabilities repaid.

Deferred tax liability is recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that there will be future taxable profit for the use of the temporary difference that creates the deferred tax asset. Deferred tax assets and liabilities are offset only when the law permits the offsetting of tax assets and liabilities and given that the deferred tax assets and liabilities arise from the same tax authority on one entity that is taxed or on different entities when the settlement is intended to take place throughoffsetting.

The Company will determine the deferred tax asset to be recognized based on a 5 year simplified forecast.

Based on the normal operation the Company has the following normal transactions which results in deferred tax:

- Accounts receivables: According impairment of receivables is not allowed as a tax

deduction in the calculation corporate income tax (only if it is deemed unrecoverable).

IFRS 9 requirements for providing for expected losses will also increase the booked impairment resulting in a differed tax asset.

- Loss carry forward: Local tax authority allows the entity to carry forward the loss and use that loss as a deductible item in order to lower its taxable income in the following periods (the amount depending on the tax rules), this creating a deferred tax asset. Loss carry forward balances are reviewed annually regarding their usability.
- Non-current assets: the difference in accounting and tax depreciation rates relating to fixed assets and intangibles
- Leases: leases at initial recognition have no deferred tax effect, although in later periods will have deferred tax effect, since the tax value of the right of use asset and the lease liability is zero.

Fixed assets available to sale

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the SPLOCI. Assets classified as held for sale, and the assets and liabilities included within a disposal group classified as held for sale, must be presented separately on the face of the statement of financial position.

In general, the following conditions must be met for an asset (or 'disposal group') to be classified as held for sale

- management is committed to a plan to sell
- the asset is available for immediate sale
- an active programme to locate a buyer is initiated
- the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions)
- the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn

The assets need to be disposed of through sale. Regarding their measurement, the following principles applied:
- At the time of classification as held for sale
- After classification as held for sale
- Impairment
- Assets carried at fair value prior to initial classification.
- Subsequent increases in fair value
- No depreciation

Provisions

The Company shall recognize a provision when it has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and if a reliable estimation may be made of the amount of the obligation. The provisions are reviewed at balance sheet date and adjusted to reflect the best current estimation.

Application of the accounting principles

The above principles are applicable for comparative data.

New standard and amendments

For reporting periods beginning on or after 1 January 2023	
Related Standard	Effective date
Amendments to IAS 1 and IAS 8: Definition of Material	2023.01.01
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform	2023.01.01
Amendment to IFRS 16 Leases: Covid 19-Related Rent Concessions	2021.04.01

For financial years of later reporting periods	Effective date
IFRS 17 Insurance Contracts	2023.01.01
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	2023.01.01
Amendments to IAS 16: Proceeds before Intended Use	2023.01.01
Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract	2022.01.01
Annual Improvements to IFRS Standards 2018–2020	2022.01.01
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9	2021.01.01
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2	2021.01.01

The Company does not apply these standards and it is not expected to have any impact, but it will be reviewed in detail in 2024.

1. Tangible fixed assets

	31.12.2023	31.12.2022
Buildings, premises and structures of land and water engineering	613	1 136
Right-of-use asset	75 539	169 844
Machinery and technical equipment	11 338	4 860
Transportation means		
Total tangible fixed assets	**87 490**	**45 629**

Changes in tangible fixed assets according to the category criterion:

Gross value of tangible fixed assets	Property, Plant and equipment	Right-Of-use asset	Total
Gross value as at 1st January 2022	**80 872**	**355 061**	**435 933**
Increases:			
acquisition	1 179	21 979	23 158
revaluation			
Decreases:			
sales			
liquidation	6 150	230 464	236 614
transfer			
Gross value as at 31st December 2022	**75 901**	**146 576**	**222 477**
Gross value as at 01st January 2023	**75 901**	**146 576**	**222 477**
Increases:			
acquisition	15 138	69 712	84 850
Decreases:			
sales	43 916		43 916
liquidation	14 383	52 075	66 458
transfer			
Gross value as at 31th December 2023	**32 740**	**164 213**	**196 953**

Changes of tangible fixed assets were following:

Gross value of tangible fixed assets	Property, Plant and equipment	Right-Of-use asset	Total
Gross value as at 31st December 2022	**75 901**	**146 576**	**222 477**
Increases:			
acquisition	15 138	69 712	84 850
revaluation			
Decreases			
disposal			
write off	58 299	52 075	110 374
Gross value as at 31st December 2023	32 740	164 213	196 953

	Property, Plant and equipment	Right-Of-use asset	Total
Accumulated depreciation and impairment loss as at 1st January 2022	**74 040**	**185 217**	**259 257**
Increases:			
depreciation for the year	2 016	90 165	92 181
depreciation of disposal, write off	-6 150	-168 439	-174 589
Accumulated depreciation and impairment loss as at 31st December 2022	**69 906**	**106 943**	**176 849**
1st January 2023	**69 906**	**106 943**	**176 849**
Increases:			
depreciation for the year	5 253	50 056	55 309
depreciation of disposal, write off	-54 370	-68 325	-122 695
Accumulated depreciation and impairment loss as at 31st December 2022	**20 789**	**88 674**	**19 4639**
Net accounting value:			
as at 31st December 2022	**5 999**	**39 634**	
as at 31st December 2023	**11 951**	**75 539**	

In 2023 and 2022, the Company did not make any changes to depreciation periods.

2. Intangible fixed assets

	31. 12.2023	31. 12.2022
Computer software	50 232	44 064
Total intangible fixed assets	**50 232**	**44 064**

Changes of intangible fixed assets were following:

Gross value of intangible fixed assets

	Computer Software	Total
Gross value as at 31st December 2022	**129 209**	**129 209**
Increases:		
acquisition	10 276	10 276
Decreases:		
disposal	34 778	34 778
Gross value as at 31st December 2023	**104 707**	**104 707**

	Computer Software	Total
Accumulated depreciation and impairment loss as at 1st January 2022	**80 112**	**80 112**
Increases:		
depreciation for the year	2 516	2 516
depreciation of disposal		
Accumulated depreciation and impairment loss as at 31st December 2022	**82 628**	**82 628**
Decreases:		
depreciation for the year	-6 625	-6 625
depreciation of disposal	-34 778	-34 778
Accumulated depreciation and impairment loss as at 31st December 2023	**54 475**	**54 475**
Net accounting value:		
as at 31st December 2022	**44 064**	**44 064**
as at 31st December 2023	**50 232**	**50 232**

In 2023 and 2022, the Company did not make any changes to depreciation periods.

3. Deferred tax

Deferred tax as at 31 December 2023 and 31 December 2022 is resulting from:

	31.12.2023	31.12.2022
Right of Use asset	1 298	1 298
Bad debt	274	184
Intangible asset – SAP	0	0
	1 572	**1 482**

As of 2023, deferred tax assets and deferred tax liabilities are presented in net value with the amount of 1 572 THUF asset.

4. Inventories

	31.12.2023	31.12.2022
Trade goods	1 204 346	1 196 337
Materials	26 735	15 803
	1 231 081	**1 212 140**

In 2022 there was not any write-off. In 2023 the Company decided to write off inventories with 15 410 THUF against 14 332 THUF provision.

5. Trade receivables and other receivables

	31.12.2023	31.12.2022
Trade receivables from related parties	9 742	414
Trade receivables from other entities	740 443	851 742
Expected credit loss on trade receivables	-17 472	-16 472
Prepayment of stock	0	0
Other items and trade accruals	20 109	37 097
Short-term receivables	**752 822**	**872 781**

Trade receivables' term of payment is 30-60 days. The Company created provision for bad debts 987 THUF in 2022 and 1 000 THUF in 2023.

Movements regarding provision for bad debts were following:

	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Beginning of a period	**16 472**	**15 485**
Increases	1 000	987
Usage		
Decreases – reversal		0
At the end of a period	**17 472**	**16 472**

The Company uses a maturity forecast table based on the historical data for credit losses, adjusted for future factors in relation to borrowers and the economic environment. The bad debts are evaluated one by one for the calculation of the expected credit loss. As at December 31, 2023 and December 31, 2022 the amount of expected credit loss is 17 472 THUF and 16.472 THUF accordingly.

Below is an analysis of trade receivables, which as at December 31, 2023 and December 31, 2022 which confirms the amount of overdue receivables.

			Overdue, but recoverable				
Year	**Total (THUF)**	**Not overdue**	**01-90 days**	**91 - 180 days**	**181 - 270 days**	**271 -360 days**	**> 361 days**
2023	752 822	708 878	73 944	0	0	0	0
2022	872 781	893 537	-27 684	6 579	-4	508	-155

Currency structure of short-term trade receivables and other receivables

	31.12.2023	**31.12.2022**
Receivables in the local currency	730 793	837 205
Receivables in the foreign currency	21 929	35 576
	752 722	**872 781**

	31.12.2023	**31.12.2022**
Receivables in EUR	21 929	35 576
Receivables in PLN	0	0
	21 929	**35 576**

6. Transactions with related parties

The Management of the company declares that the related party transactions took place on market prices.

Receivables from related parties	**31.12.2023**	**31.12.2022**
Gr. Sarantis SA	2 071	0
Sarantis Polska	0	140
Sarantis Slovakia s. r. o.	0	0
Sarantis Czech Republic, s.r.o	3 198	274
Ergopack	4 475	20
	9 744	**414**

Liabilities to related parties	**31.12.2023**	**31.12.2022**
Gr. Sarantis S.A.	29 362	334 234
Polipak SP. Z O.O.	9 576	26 773
Sarantis Romania S.A.	114	0
Sarantis Polska S.A.	170 250	250 858
Sarantis Czech Republic s.r.o.	0	0
Ergopack	3 188	6 711
	212 490	**618 576**

Income from the sales	**31.12.2023**	**31.12.2022**
Sarantis Czech Republic s.r.o.	14 254	7 208
Gr. Sarantis SA	2 071	0
Sarantis Polska	0	3 844
SARANTIS d.o.o.	10 046	0
Ergopack	4 475	0
Sarantis Romania S.A.o	5 715	0
Sarantis Bulgaria EOOD	2 481	0
	39 042	**11 052**

Goods purchased from related parties	**31.12.2023**	**31.12.2022**
Gr. Sarantis SA	347 744	484 702
Polipak SP. Z O.O.	131 006	196 808
Sarantis Czech Republic s.r.o.	0	6 285
Sarantis D.O.O	5 394	1 493
Sarantis Polska	776 755	1 269 062
ERGOPACK	39 171	44 220
Sarantis Romania S.A.	10 498	0
Sarantis Bulgaria	6 134	1 832
	1 316 702	**2 004 401**

7. Deferrals and accruals

Deferred expenses - assets

	31.12.2023	31.12.2022
Other revenue	598	
Other expenses	4 608	2 976
	5 206	**2 976**

8. Cash and cash equivalents

	31.12.2023	31.12.2022
Cash in hand	0	15
Cash in banks	30 667	215 407
Deposit	455 000	0
	485 667	**215 422**

	31.12.2023	31.12.2022
In local currency	484 111	53 518
In foreign currency	1 556	161 904
	485 667	**215 422**

	31.12.2023	31.12.2022
Cash in HUF	29 111	53 503
Cash in EUR	8	161 383
Cash in USD	1 078	290
Cash in PLN	470	231
	30 667	**215 407**

9. Assets classified as held for sale

At the balance sheet date, the Company has no any assets held for sale.

10. Retained profits and limitations connected with capital

	31.12.2023	31.12.2022
Profit (loss) from previous years	102 531	181 654
Net profit in current period	263 965	55 526
Paid dividend	-55 526	-134 649
Total retained profits	**310 970**	**102 531**

Based on the Act V of 2013 on the Civil code § 3:133 if a business association's equity is not sufficient to cover the subscribed capital prescribed for its specific corporate form over two consecutive financial years, and the members fail to provide for the necessary equity within a period of three months after approval of the annual account for the second year, the business association shall be required to adopt a decision within sixty days of this deadline for its transformation. Instead of transformation the business association may opt dissolution without succession or for merger.

11. Suggested division of profit for 2023

The Management proposes a net profit for 2023, in amount of 263 910 THUF payable as dividend.

12. Credits, loans and other liabilities

As at December 31, 2023, there is no any banking loans or credit limits.

13. Leasing

The company has right-of-use assets (office and cars) with the following carrying amount that relate to the following classes of underlying assets and which were subject to the following depreciation charges in 2023:

The underlying asset class	**Carrying amount of the right of use**	**depreciation of the right of use**
	31.12.2023	**from 01.01 to 31.12.2023**
Buildings and structures	69 712	13 748
Cars	94 501	75 197
Total	**164 213**	**88 674**

The leasing agreement in progress in 2023 are the lease of the office and cars with a carrying value of the right of use in the amount of 164 213 THUF as at the balance sheet day. The lease agreement of warehousing was terminated in January of 2023, it was outsourced by the Company. The new office agreement concludes for 60 months. The car leasing agreement concludes is within a year.

Future minimum lease payments remaining as at the balance sheet date are:

	Lease payments payable in the period:			
	up to1 year	from 1 to 5 years	over 5 years	Total
As of 31.12.2023				
Leasing fees - building	12 169	44 335	0	56 504
Leasing fees - cars	20 219		0	20 219
Current value			0	76 723

The Company does not recognize liabilities under short-term leases and leases in respect of which the underlying asset is of low value.

Total leasing expenditure in 2023 was:

	from 01.01 to 31.12.2023
Repayment of leasing liabilities	50 571
Interest repayment	2 413
Total expenses	52 984

14. Financial instruments

Financial instruments in accordance with category:	**31.12.2023**	**31.12.2022**
Granted loans and own receivables:		
- trade receivables	732 713	835 683
- other receivables	20 109	37 097
Cash	485 667	215 422
	1 238 489	**1 088 203**
Liabilities:		
Trade payables	669 075	736 682
Lease liabilities	80 795	39 690
	749 870	**776 372**

15. Short-term trade payables and other liabilities

	31.12.2023	**31.12.2022**
Trade payables to related parties	214 179	535 835
Trade payables to other entities	454 896	200 847
Advances receives	0	608
Liabilities towards to founders	0	82 739
Liabilities towards to the State Budget	77 014	14 361
Deferrals and accruals	261 654	14 533
Total short-term liabilities	**1 007 743**	**848 923**

			Overdue liabilities				
Year	**Total (THUF)**	**Not overdue**	**01-90 days**	**91 - 180 days**	**181 - 270 days**	**271 -360 days**	**> 361 days**
2023	669 075	654 957	14 110	0	0	0	0
2022	736 682	490 013	246 669	0	0	0	0

Currency structure of short-term liabilities

	31.12.2023	31.12.2022
Liabilities in local currency	285 409	173 403
Liabilities in foreign currency	383 666	675 520
	669 075	**848 923**

	31.12.2023	31.12.2022
Liabilities in EUR	200 616	409 237
Liabilities in USD	13 878	3 509
Liabilities in PLN	169 172	262 774
	383 666	**675 520**

16. Income tax liabilities

	31.12.2023	31.12.2022
Corporate income tax	13 944	0
Innovation contribution	3 599	1 338
VAT payable	4 498	79 789
Local municipality tax	42 839	2 740
Other tax	0	5 019
	64 879	**88 886**

17. Sales revenue

	31.12.2023	31.12.2022
Revenue from goods sales	5 010 560	4 970 176
Revenue from recharged expenses and price reduction	0	0
	5 010 560	**4 970 176**

	31.12.2023	31.12.2022
Revenue from domestic sales	4 968 869	4 959 124
Revenue from export	41 691	11 052
	5 010 560	**4 970 176**

The Management statement includes detailed information about sales structure and basic factors affected on the sales value.

18. Other revenue

	31.12.2023	31.12.2022
Stock count differences	0	0
Other	3 365	837
	3 365	**78 977**

19. Cost of operating activity

Other cost

	31.12.2023	31.12.2022
Provision for stock write off	5 561	432
Provision for bad debts	1 000	1 000
Late payment	1 230	4 463
Insurances	6 305	2 679
Shopper expenses	1 180	920
Others	56 695	76 932
Stock count differences	1 136	5 751
Bank charges, dues	10 092	9 510
	83 206	**101 687**

External services

	31.12.2023	31.12.2022
Transportation	105 412	106 887
Warehousing	165 344	0
Marketing	137 871	66 260
Advertising and production cost	155 582	0
Repairing and maintenance	44 049	45 453
Market research	28 750	3 245
Other consultant	15 505	8 794
Royalty fee	15 145	16 090
Travelling	4 353	1 984
	672 011	**248 713**

In January 2023, the Company outsourced the warehousing activity, so the Warehousing cost was included in the External Services.
In terms of advertising costs, the Company had no A&P spend in 2022, however, in 2023 due to the Hewa-Fino brand change and the launch of the STR8 Game product, the Company supported the two brands with TV advertising, which will continue in 2024.
The EPR (extended producers responsibility) fee entered into force on July 1, 2023 significantly increased the company's costs. The EPR fee is the fee paid for the collection and processing of the generated waste, which is paid by the Company to MOL Hulladékgazdálkodási Zrt., within the framework of the Waste Management Act for its marketed products, thus contributing to the proper management and recycling of the generated waste, which is crucial for a sustainable future.

Taxes, contribution

	31.12.2023	31.12.2022
Environmental Tax	62 564	116 499
EPR fee	189 639	0
Municipality tax	46 839	31 179
Innovation contribution	7 071	4 913
Other taxes	12 299	7 521
Rehabilitation tax	0	2 700
	318 412	**162 812**

Salaries

	31.12.2023	31.12.2023
Gross salaries	255 799	249 426
Bonuses	24 214	21 391
Other (severance, sick leave)	12 887	8 959
Stock Options	1 980	- 0
	294 880	**279 776**

Cost of goods sold

	31.12.2023	31.12.2022
COGS	- 3 320 394	3 885 178
	3 320 394	**3 885 178**

20. Financial costs and revenues

Financial revenue	**31.12.2023**	**31.12.2022**
Interest on receivables	0	0
Exchange rate differences	63 001	69 246
Bank interest	25 448	2 474
Others	0	0
	88 449	**71 720**

Financial costs	**31.12.2023**	**31.12.2022**
Exchange rate differences	54 365	116 894
Interest under the leasing agreements	2 413	2 663
Other	0	0
	56 384	**119 557**

21. Income tax

Major components of income tax for the years ended 31 December 2023 and 31 December 2022 are as follows:

	31.12.2023	31.12.2022
Current income tax	26 313	5 694
Corrections of income tax in current year	0	0
Creation/ reversal of deferred tax	-90	-184
Income tax shown in the profit and loss account	**26 223**	**5 510**

	31.12.2023	31.12.2022
Gross financial results	290 188	61 036
Taxbase increasing items	*61 923*	*101 531*
- Depreciation based on Accounting law	59 745	94 697
- Non-business-related expenditure	1 136	5 751
- Penalty	42	83
- Impairment of receivables	1 000	1 000
- Provision		
- Impairment of debtors		
- Write off bad debts		
Taxbase decreasing items:	*59 745*	*99 903*
- Depreciation based on Tax Law	59 745	94 697
- Reversal of impairment for bad debts	0	0
- Loss carried forward	0	0
- Other revenue regarding PY	0	5 206
Calculated tax base	**292 366**	**62 664**
Current income tax 9%	**26 313**	**5 639**

Effective tax rate 9%

Corporate income tax calculation based on IFRS for financial year 2023 was not calculated so the above tax calculation represents the Hungarian rules for corporate income tax.

22. Credit risk management

The overall objective of the Company's market risk management is to reduce the volatility of cash flows and potential economic losses caused by the events that may have a negative impact on the individual. Market risk management includes identification, measurement and definition of risk mitigation.

Credit risk

Credit exposure is monitored currently according with the credit policy realized by the Company. Evaluation of credibility is conducted in relation with clients lending needs over the determined amount. Receivables are weekly monitored by financial department.

Sales is stopped and receivables collection is started in connection with overdue receivables according with procedures and discussed weekly at the Sales Meeting.

The company is exposed to risk, that the creditors do not pay for their liabilities and cause the Company`s losses.

Year	Total (THUF)	Not overdue	Overdue receivables < 91 days	91 - 180 days	181 - 270 days	271 -360 days	> 361 days
2023	**752 822**	**708 808**	**43 944**	**0**	**0**	**0**	**0**
2022	**872 781**	**893 537**	**-27 684**	**6 579**	**-4**	**508**	**-155**

As of 31 December 2023 65% of all receivables were receivables from the Key Accounts, 33% from the Wholesalers, 1% from Affiliates and 1% from the foreign partners. The Management Board considers that there is not significant concentration of credit risk, because of the great number of customers. Allowances for bad debts was made in line with the accounting policy.

Exchange rate risk

Transactions of purchase goods in foreign currency are the main sources of exchange rate risk. Significant part of trade payables is in foreign currency, in EUR, in USD and in PLN. The sales is generally conducted in Hungarian currency HUF.

Sensitivity of financial results to EUR, USD and PLN exchange rates fluctuations which are rationally possible is presented in following table:

Financial statement item (THUF)	Accounting value of financial instruments	Average exchange rate in 2022	Influence on financial results	Influence on equity capital	Influence on financial results	Influence on equity capital
			Increase by 20%	Increase by 20%	Decrease by 20%	Decrease by 20%
Assets denominated in currency						
Receivable in EUR (in THUF)	21 929	381,94	4 386	4 386	-4 386	-4 386
Cash in EUR (in THUF)	0	381,94	0	0	0	0
Liabilities denominated in currency						
Liabilities in EUR (in THUF)	-200 616	381,94	-40 123	-40 123	40 123	40 123
Liabilities in USD (in THUF)	-13 878	353,23	-2 776	-2 776	2 776	2 776
Liabilities in PLN (in THUF)	-169 173	84,13	-33 385	-33 385	33 385	33 385
Total			**-72 348**	**-72 348**	**72 348**	**72 348**

Liquidity risk

The Company is not exposed to liquidity risk arising from of the relationship of current liabilities to current assets. Operating activities are carried out under the assumption of maintaining a constant excess liquidity and credit lines. In accordance with the age structure, 98% of receivables are not overdue on 31 December 2023. Management believes that the carrying value of financial assets and liabilities reflect their fair value. In the opinion of the Management, because of a significant amount of cash on the balance sheet date, available credit, and good standing of the Company's financial result, the liquidity risk should be assessed as insignificant.

The maturity analysis of financial liabilities in 2023 and 2022 was as follows:

			Liabilities due in the period				
Year	**Total (THUF)**	**Not overdue**	**< 91 days**	**91 - 180 days**	**181- 270 days**	**270-360 days**	**> 361 days**
2023	**669 067**	**654 957**		**0**	**0**	**0**	**0**
2022	**736 682**	**490 013**	**246 669**	**0**	**0**	**0**	**0**

Price risk

Price of materials is a component, which has a minor impact on the total profitability of Company as they are only used in repackaging.

Price risk of goods is a component, which has a major impact on the total profitability of Company. Changes in prices of purchasing goods can result from the international demand trends for the selected materials and from the exchange rates. In connection with big fluctuations of raw materials prices on the world markets and exchange rates, purchase departments of Sarantis companies make comparative analysis of purchases from different sources, to measure profitability of domestic and foreign purchases. It is a one of main instruments of price risk minimization. The Company regularly monitors the profitability of individual products and on the basis of these data takes action related to the optimization of the sale of products.

23. Capital management

The main purpose of company capital management is retaining a good credit rating and safe capital indexes, which will support operational activity of the Company and increase value for its shareholders. The Company manages the capital structure and as a result of the economic changes conditions it enters adjustments are made. For the purpose of retaining or correcting of capital structure, the company can regulate the dividend payment for shareholders.

24. Structure of employment

Average employment in Company was as follows:

	31.12.2023	**31.12.2022**
Full time employees		
- blue collar worker	1	0,11
- white collar worker	23,31	30,35
	24,31	**30,46**

25. Salaries of key management personnel

Total value of gross salaries in 2023 for key management personnel was 99 458 THUF. In 2022 total amount of gross salaries paid for key management personnel was 88 120 THUF.

26. Events after date of balance sheet day

There was no any events after date of balance sheet day which had been affect of the Company’s operation or the Financial Statement.

Budapest, 9th February, 2024.

The Management of the Company:

Csodó Tamás Ádám – managing director