

ATTICA MEDIA SRB D.O.O., BEOGRAD

Financial Statements
Year Ended December 31, 2023

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STATEMENT OF COMPREHENSIVE INCOME**Year Ended December 31, 2023***All amounts are in thousands of Euro, unless otherwise stated*

	Notes	Year Ended December 31,	
		2023	2022
Sales	5	855	904
Cost of sales	6	(393)	(496)
Gross profit		462	408
Selling and distribution cost	7	(100)	(223)
Administrative expenses	8	(248)	(265)
		(348)	(488)
Profit from operation		114	(79)
Financial loss	9	(41)	(24)
Profit before income tax	10	73	(103)
NET PROFIT FOR THE YEAR		73	(103)

The accompanying notes on the following pages form
an integral part of these financial statements.

These financial statements were approved by the General Manager
of Attica Media SRB d.o.o., Beograd on March 29, 2024.

Signed on behalf of Attica Media SRB d.o.o., Beograd:

Enrico Vigano
Legal Representative



Buro Panda
Accounting office



STATEMENT OF FINANCIAL POSITION

As of December 31, 2023

All amounts are in thousands of EUR, unless otherwise stated

BALANCE SHEET	December 31, 2023	December 31, 2022
ASSETS		
Non-current assets		
Intangible fixed assets	21	
Tangible fixed assets	15	20
	<u>36</u>	<u>19</u>
Current assets		
Inventory	5	
Trade receivables	213	241
Other receivables		17
Other assets	8	64
Cash and cash equivalents	81	45
	<u>307</u>	<u>367</u>
TOTAL ASSETS	<u>343</u>	<u>387</u>
EQUITY AND LIABILITIES		
Equity		
Permanent investment	2,358	2,358
Accumulated losses	(2,529)	(2,602)
Foreign currency translation reserve	98	174
	<u>(72)</u>	<u>(70)</u>
Long-term liabilities		
Borrowings	43	86
	<u>43</u>	<u>86</u>
Current liabilities		
Trade and other payables	330	325
Borrowings	42	42
Accrued liabilities		4
	<u>372</u>	<u>371</u>
TOTAL EQUITY AND LIABILITIES	<u>343</u>	<u>387</u>

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an integral part of these financial statements.

These financial statements were approved by the General Manager
of Attica Media SRB d.o.o., Beograd on March 29, 2024.

Signed on behalf of Attica Media SRB d.o.o., Beograd:

Enrico Vigano
Legal Representative



Buro Panda
Accounting office



STATEMENT OF CHANGES IN EQUITY

Year Ended December 31, 2023

All amounts are in thousands of Euro, unless otherwise stated

	Permanent Investment	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
Balance, January 1, 2023	2,358	(2,602)	174	(70)
Translation difference	-		(76)	(76)
Net profit for the year	-	73	-	73
At December 31, 2023	<u>2,358</u>	<u>(2,529)</u>	<u>98</u>	<u>(72)</u>

The accompanying notes on the following pages form
an integral part of these financial statements.

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Signed on behalf of Attica Media SRB d.o.o., Beograd:

Enrico Vigano
Legal Representative



Buro Panda
Accounting office



NOTES TO THE FINANCIAL STATEMENTS**At December 31, 2023***All amounts expressed in thousands of Euro, unless otherwise stated***1. GENERAL INFORMATION**

Attica Media SRB DOO (hereinafter referred to as "the Entity") is a limited liability company, established in Belgrade on November 19, 2004 (the Entity's tax identification number - "PIN" is SR103618033). The Entity is a subsidiary of Attica Publications S.A., a company registered in Greece.

The Entity's registered office is located at the address: Belgrade, Takovska 45. The Entity is represented by the Legal representative Enrico Vigano.

The operations of Attica Media SRB DOO include the trading and publication of monthly magazines. The Entity publishes the Serbian Edition of the Italian magazines *Grazia*, and Serbian edition of the U.S. title *Harper's Bazaar*.

In 2023 the results of the company improved significantly compared to 2022 as a result of change of management and business strategy.

The company is now concentrating in developing digital activities related to the websites of the magazines and female portals and event organization

As at December 31, 2023 the total number of the Entity's employees was 7 (December 31, 2022: 13 employees).

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION**2.1. Statements of compliance**

The financial statements of the Entity have been prepared in accordance with International Financial Reporting Standards for small and medium-sized entities as issued by the International Accounting Standards Board (IASB).

2.2. Basis of Preparation and Presentation of Financial Statements

The accompanying financial statements are prepared under the historical cost convention.

The functional currency of the Entity in the Republic of Serbia is Serbian Dinar (RSD). For the purpose of presenting financial statements into the presentation currency EUR, the Entity's assets and liabilities are expressed in EUR using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and recognized in the Entity's foreign currency translation reserve.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1. Revenue**

Revenue is recognized to the extent that it is probable that future economic benefits will flow to the Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

3.1.1. Sales of goods

Revenues derived from the sale of goods are recognized when the risks and rewards associated with the right of ownership are transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS**At December 31, 2023***All amounts expressed in thousands of Euro, unless otherwise stated***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.1. Revenue (Continued)****3.1.1. Sales of goods (Continued)**

The Group policy concerning revenue recognition is as follows:

- Revenue from circulation: the revenues have to be included in the Entity's P&L as of the date of the first magazines sold, the base of assumption is that most of the copies are sold during the first week of sale, accordingly revenues from the sale of January (cover) issue are included in previous year results.

3.1.2. Rendering of services

Revenue from services rendered is recognized by reference to the state of completion of the transaction as at the balance sheet date, if that stage can be reliably measured, as well as the costs incurred on and the costs to complete the transaction. The stage of completion is determined following analysis of the completed work.

Revenues from advertisement services are recognized when the respective advertisements are published.

No revenue is recognized when significant doubt exists regarding the recovery of the amount due, the related costs or when there is probability for the goods to be returned.

3.1.3. Interest

Interest income is recognized as the interest accrues (using the effective interest rate method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

3.2. Barter transactions

Barter transactions related to exchange of dissimilar advertising services are recognized in the income statement at the fair value of the advertising services that the Entity provides in a barter transaction, by reference to non-barter transactions that involve advertising similar to the advertising in the barter transaction; occur frequently and do not involve same counterparty as in the barter transaction.

Revenue from barter transactions (advertising space in the magazines provided in exchange for goods and services) are recognized as income when commercials are published, and merchandise or service received are charged to expense or capitalized as appropriate when received or used.

3.3. Tangible fixed assets

Equipment is stated at cost, including their purchase price and all costs to the commissioning of the asset less accumulated depreciation and any impairment in value.

Depreciation

Depreciation is calculated on straight-line basis over the estimated useful life of the assets as follows:

<u>Description</u>	<u>Depreciation rates p.a.</u>
Computer equipment	20 %
Other equipment	15 - 20%

The carrying values of equipment are reviewed for impairment when events change or changes in circumstances indicate that the carrying value may not be recoverable. If any such indications exist and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. Impairment losses and reversal of impairment losses reported in prior periods are taken to the income statement. The recoverable amount of equipment is the greater of net selling price and value in use.

NOTES TO THE FINANCIAL STATEMENTS**At December 31, 2023***All amounts expressed in thousands of Euro, unless otherwise stated***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.4. Inventories**

Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to complete this asset and the estimated costs to make the sale.

As the Group policy prescribes the inventory related to the unsold copies had been impaired to zero value.

3.5. Trade and other receivables

Trade receivables are presented and carried at the amount of the originally issued invoice, less any allowance for any uncollectible amounts.

The estimate of doubtful and uncollectible amounts is made when the collectability of the total amount is no longer probable. Uncollectible receivables are fully written down when identified.

3.6. Cash and cash equivalents

Cash includes cash in hand and cash held at current accounts with domestic banks.

3.7. Payables to suppliers and other payables

Payables to suppliers and other current payables are stated at the original invoice amount (acquisition cost), which is considered as the fair value of the transaction and will be paid in the future for the goods and services received.

3.8. Borrowings

Borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

3.9. Income tax – Current and Deferred*Current Income Taxes*

Income tax is payable at the rate of 15% on the tax base reported in the annual corporate income tax return as reduced by any applicable tax credits. The taxable base stated in the income tax return includes the profit shown in the statutory statement of income, as adjusted for differences that are specifically defined under statutory tax rules.

Deferred Income Taxes

Deferred income taxes are provided using the balance sheet liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. The currently enacted tax rates or the substantively enacted rates at the balance sheet date are used to determine the deferred income tax amount. Deferred tax assets are recognized for all deductible temporary differences, and the tax effects of income tax losses and credits are available for carry forward, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the tax loss/credits of the carry forwards can be utilized.

NOTES TO THE FINANCIAL STATEMENTS**At December 31, 2023***All amounts expressed in thousands of Euro, unless otherwise stated***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.9. Income tax – Current and Deferred (Continued)***Deferred Income Taxes (Continued)*

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. As of December 31, 2023, deferred tax assets and liabilities were measured at the rate of 15% (December 31, 2022: 15%).

Indirect Taxes and Contributions

Indirect taxes and contributions include property taxes and various other taxes and contributions paid pursuant to republic and municipal regulations.

3.10. Financial instruments

The Entity's financial instruments, other than trade debtors and trade creditors which arise directly from its operations, are cash and loans payable. The main risks arising from these financial instruments are foreign currency risks, interest rate risk and credit risk.

Foreign currency risk

The Entity enters into transactions denominated in foreign currencies related to its operating activities; as a result of outstanding at the balance sheet date amount payable in US dollars, Euro and GBP the Entity's balance sheet can be affected by movements in these exchange rates. The Entity does not use any special financial instruments to hedge against these risks.

Credit risk

The Entity is exposed to credit risk in the event where its customers from the sale of services and magazines fail to meet their payment obligations. The Entity's policy is to trade with recognized, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Entity's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

Interest rate risk

The Entity's exposure to market risk for changes in interest rates relates to the Entity's interest-bearing loans and borrowings, payable to the parent company, which is at fixed interest rate. Therefore, the Entity is not exposed to material interest rate risk.

Fair value of financial instruments

The fair value of cash and cash equivalents, trade and other receivables, interest bearing loans and borrowings approximates their carrying value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATIONS

In the application of the Entity's accounting policies, which are described in note 3, the Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS**At December 31, 2023***All amounts expressed in thousands of Euro, unless otherwise stated***4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATIONS (Continued)****4.1. Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2. Impairment of trade receivables

Impairment for doubtful accounts is calculated based on estimated losses resulting from the inability of our customers to make required payments. The management estimates are based on the aging of account receivables balance and historical write-off experience, customer creditworthiness and changes in customer payment terms when evaluating the adequacy of the impairment loss for doubtful accounts. These involve assumptions about future customer behaviour and the resulting future cash collections. The management believes that there is no additional impairment provision required to be recognized in these financial statements.

4.3. Fair Value

The fair value of financial instruments for which no active market exists is assessed by means of appropriate methods. The Group applies professional judgment in selecting appropriate methods and assumptions. The methods used for measuring the fair value of financial instruments are presented in note 19.

5. SALES

	Year Ended December 31,	
	2023	2022
Sale of magazines:		
- Grazia	16	23
- Harper's Bazaar	33	45
	<u>49</u>	<u>68</u>
Advertising services:		
- Grazia	129	145
- Harper's Bazaar	345	358
	<u>474</u>	<u>503</u>
Other	<u>332</u>	<u>333</u>
	<u>855</u>	<u>904</u>

6. COST OF SALES

	Year Ended December 31,	
	2023	2022
Salaries	120	186
Printing cost	93	148
Editorial/Production cost	102	140
Freelancer	11	8
Events and others	66	14
	<u>392</u>	<u>496</u>

NOTES TO THE FINANCIAL STATEMENTS**At December 31, 2023***All amounts expressed in thousands of Euro, unless otherwise stated***7. SELLING AND DISTRIBUTION COST**

	Year Ended December 31,	
	2023	2022
Promotion cost	54	178
Royalties	46	45
	<u>100</u>	<u>223</u>

8. ADMINISTRATIVE EXPENSES

	Year Ended December 31,	
	2023	2022
Salaries	44	39
Postage costs	5	5
Rent	21	23
Consulting services	104	115
Audit services		4
Depreciation and amortization	6	10
Telephones and Internet cost	9	10
Maintenance costs	19	11
Other expenses	43	48
	<u>248</u>	<u>265</u>

9. FINANCIAL LOSS

	Year Ended December 31,	
	2023	2022
Interest expense (net)	21	19
Foreign exchange gain/loss (net)	20	5
	<u>41</u>	<u>24</u>

NOTES TO THE FINANCIAL STATEMENTS

At December 31, 2023

All amounts expressed in thousands of Euro, unless otherwise stated

10. TRADE RECEIVABLES

	December 31, 2023	December 31, 2022
Trade receivables:		
- from domestic customers	219	202
- from foreign customers	28	39
Provision for bad debts	-	-
	<u>247</u>	<u>241</u>

11. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Current accounts:		
- in RSD	43	6
- in foreign currencies	38	39
	<u>81</u>	<u>45</u>

12. PERMANENT INVESTMENT

As of December 31, 2023, the capital amounts to EUR 2,358 thousand and is allocated among owners as follows:

- Attica Publications S.A. - Greece – 2,144,276 EUR
- Simeon Tshomokos - Cyprus – 213,394 EUR

As of December 31, 2020, subscribed and paid-in capital were as follows:

	% of stake	Subscribed Capital December 31, 2023	Paid in Capital December 31, 2023
Attica Publications S.A. - Greece	90.95	2,144,276	2,144,276
Simeon Tshomokos - Cyprus	9.05	213,394	213,394
	<u>100.00</u>	<u>2,357,670</u>	<u>2,357,670</u>

NOTES TO THE FINANCIAL STATEMENTS**At December 31, 2023***All amounts expressed in thousands of Euro, unless otherwise stated***13. BORROWINGS**

	December 31, 2023	December 31, 2022
Current	227	218
Non-current	43	86
	<u>270</u>	<u>304</u>

Long-term borrowings

The structure of short-term borrowings as of December 31, 2023 and December 31, 2022 is presented in the following table:

	December 31, 2023	December 31, 2022
Borrowing from banks – Direktna Banka a.d., Beograd	43	86
	<u>43</u>	<u>86</u>

Short-term borrowings

The structure of short-term borrowings as of December 31, 2023 and December 31, 2022 is presented in the following table:

	December 31, 2023	December 31, 2022
Borrowing from banks – Direktna Banka a.d., Beograd (current portion)	42	42
Attica Publications S.A., Athens	185	176
	<u>227</u>	<u>218</u>

Loan from Direktna Banka a.s. (previously Piraeus Bank a.d., Beograd) was approved to the Entity in December 2011 in the amount of EUR 500 thousand with the repayment period one year at the interest rate of 3M EURIBOR + 6% p.a. In January 2013, Annex 1 of the loan contract was concluded between the bank and the Entity which extended maturity date of the loan up to January 8, 2016. The loan repayment is securitized by the guarantee issued by Piraeus bank S.A., Athens valid up to June 17, 2018, based on the last Annex concluded. On 29 September 2017 the Entity agreed with Piraeus to transform the loan in local currency (RSD) with an interest rate which is 3M BELIBOR + 5,5% p.a. and to start repaying the credit line every trimester, starting December 2017 of 10.000 Euro. The repayment will last till 31.12.2020 when in total the Entity will have repaid 150.000 Euro. As of January 21, 2023, the Company signed annex 6 with the bank (new name Direktna banka) in which it is agreed that the repayment will last till 31.12.2025. Repayment will be done in 36 monthly instalments starting from 31.01.2023.

In June 2005 the Entity received an intercompany loan from the Parent company (Attica Publications S.A.) amounting to EUR 200 thousand at the interest rate of 5% p.a. As per the Annex to the Borrowing Agreement executed between the Entity and Attica Publications S.A. on June 23, 2006, maturity date has been extended until December 26, 2009. The Entity received two new tranches of the loan in the amount of EUR 25 thousand and EUR 16 thousand in April and November 2014, respectively. In November 2014, new Annex to the Borrowing Agreement was concluded and December 31, 2015 was agreed as a new maturity date for repayment of the loan. Interests on the loan is not paid but capitalized to the principal (capitalized interest for the year 2023 amounts to EUR 9).

The Entity agreed with Attica Publications to extend the repayment plan due to the effect on cash flow caused by pandemic and will resume repay once the business conditions will stabilize.

NOTES TO THE FINANCIAL STATEMENTS**At December 31, 2023***All amounts expressed in thousands of Euro, unless otherwise stated***14. TRADE AND OTHER PAYABLES**

	December 31, 2023	December 31, 2022
Liabilities for advances received	23	
Payables to domestic suppliers	70	99
Payables to foreign suppliers	41	42
Other	10	8
	<u>144</u>	<u>149</u>

15. RELATED PARTY DISCLOSURES*Outstanding receivables and liabilities (in Euro)*

	December 31, 2023	December 31, 2022
<i>Intercompany Loan and interest</i>		
- Attica Publications S.A., Greece	185,240	176,420
	<u>185,240</u>	<u>176,420</u>

16. EVENTS AFTER THE REPORTING PERIOD

Since December 31, 2023 there have been no events that would require adjustments to or additional disclosures in the Entity's financial statements or notes to the financial statements.

17. TAXATION RISKS

The Republic of Serbia tax legislation is subject to different interpretations and changes occur frequently. The interpretation of tax legislation by tax authorities as applied to the transactions and activity of the Entity may not coincide with that of the management. As a result, transactions may be challenged by tax authorities and the Entity may be assessed additional taxes, penalties and interest, which can be significant. The periods remain open to review by the tax authorities with respect to tax liabilities for five years.

These financial statements were approved by the General Manager of Attica Media SRB d.o.o., Beograd on March 29, 2024.

Signed on behalf of Attica Media SRB d.o.o., Beograd:

Enrico Vigano
Legal Representative



Buro Panda
Accounting office

