



**Presentation of M+ Group's business
results for 2020**

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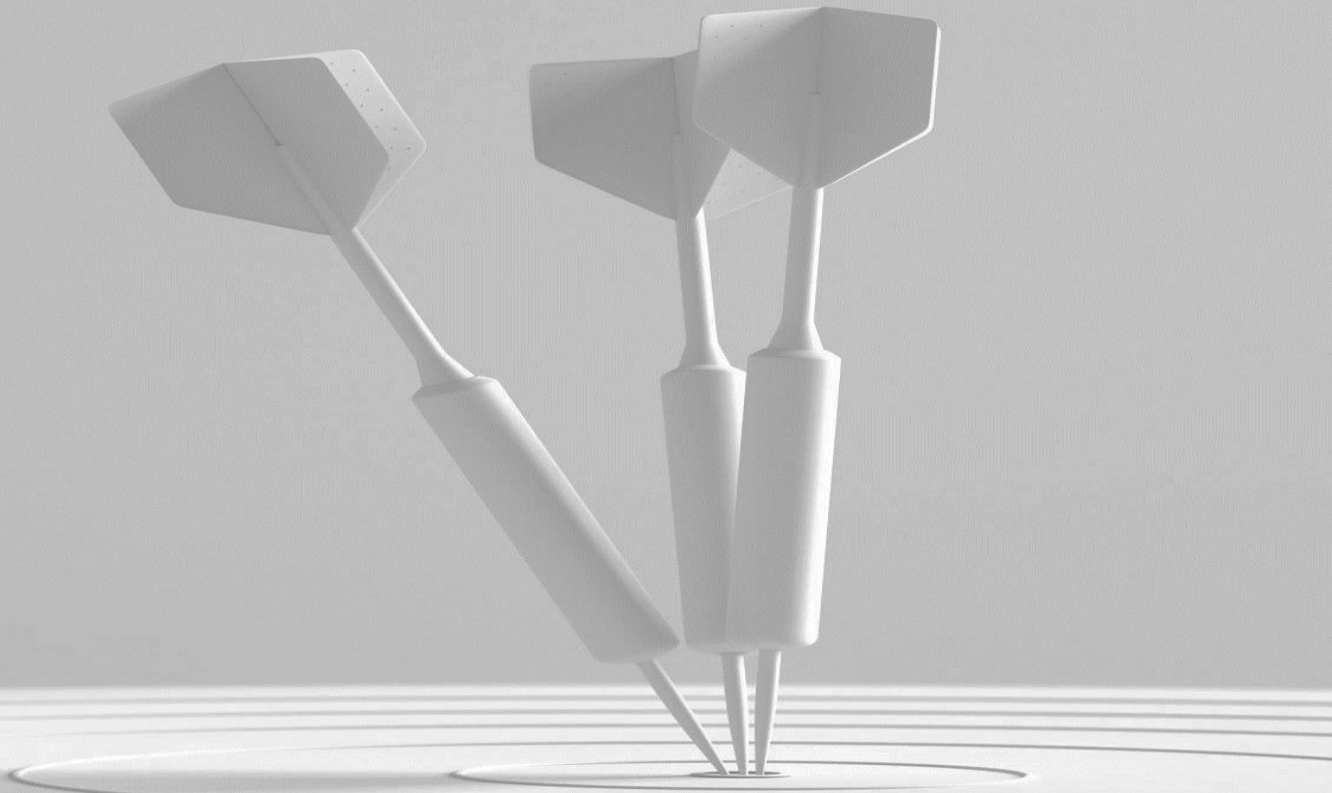
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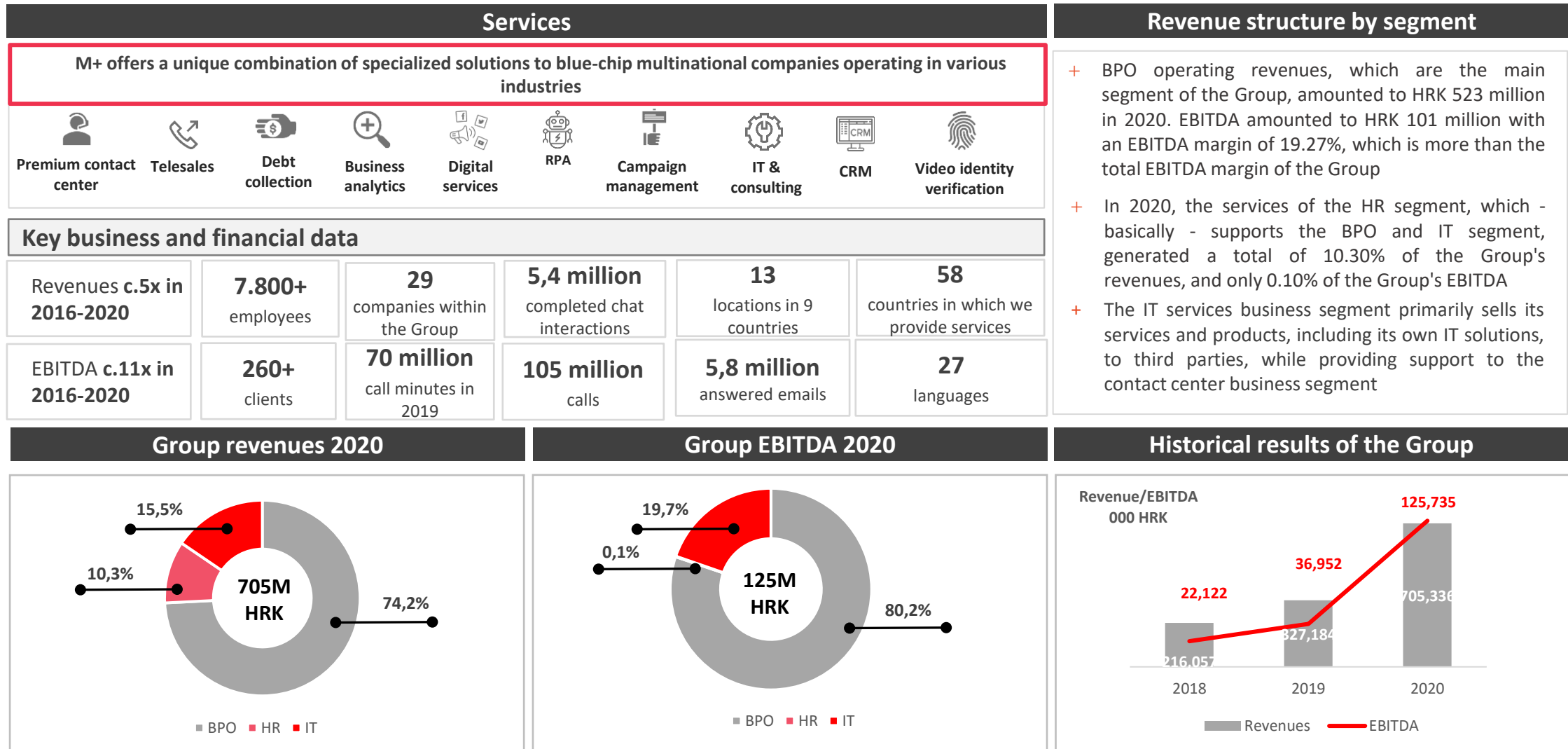


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Overview of the M+ Group

In 2020, the Group generated revenues of HRK 705 million and EBITDA of HRK 125 million, generating 3.2 higher revenues and 5.7 times higher EBITDA than two years ago



Overview of the M+ Group

The Group is the leading provider of BPO services in Central Europe, operating in 17 locations

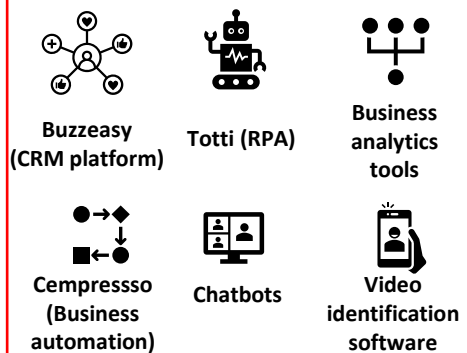
Basic information

- + Founded in 2007 as a customer relations company, it has achieved significant organic growth and growth through M&A transactions in the past 5 years
- + M+ Group is a leading European provider of BPO services with a focus on BPO CRM, IT, and HR solutions. Within these segments, the company focuses on providing high value services through digital channels and technology solutions
- + The M + Group is among the industry leaders when it comes to the quality of delivering services. It provides its services through a network of 13 onshore and nearshore BPO sites, reinforced with 4 R&D centers
- + The Company serves clients from a diverse set of very attractive and resilient sectors, such as e-commerce, financial services, technology, and telecommunications
- + The Group went public on the Zagreb Stock Exchange in 2019, raising HRK 93 million of fresh capital. In 2020, it entered into a strategic partnership with Mid Europa Private Equity Partners by merging their BPO activities in Turkey (CMC)

BPO CRM



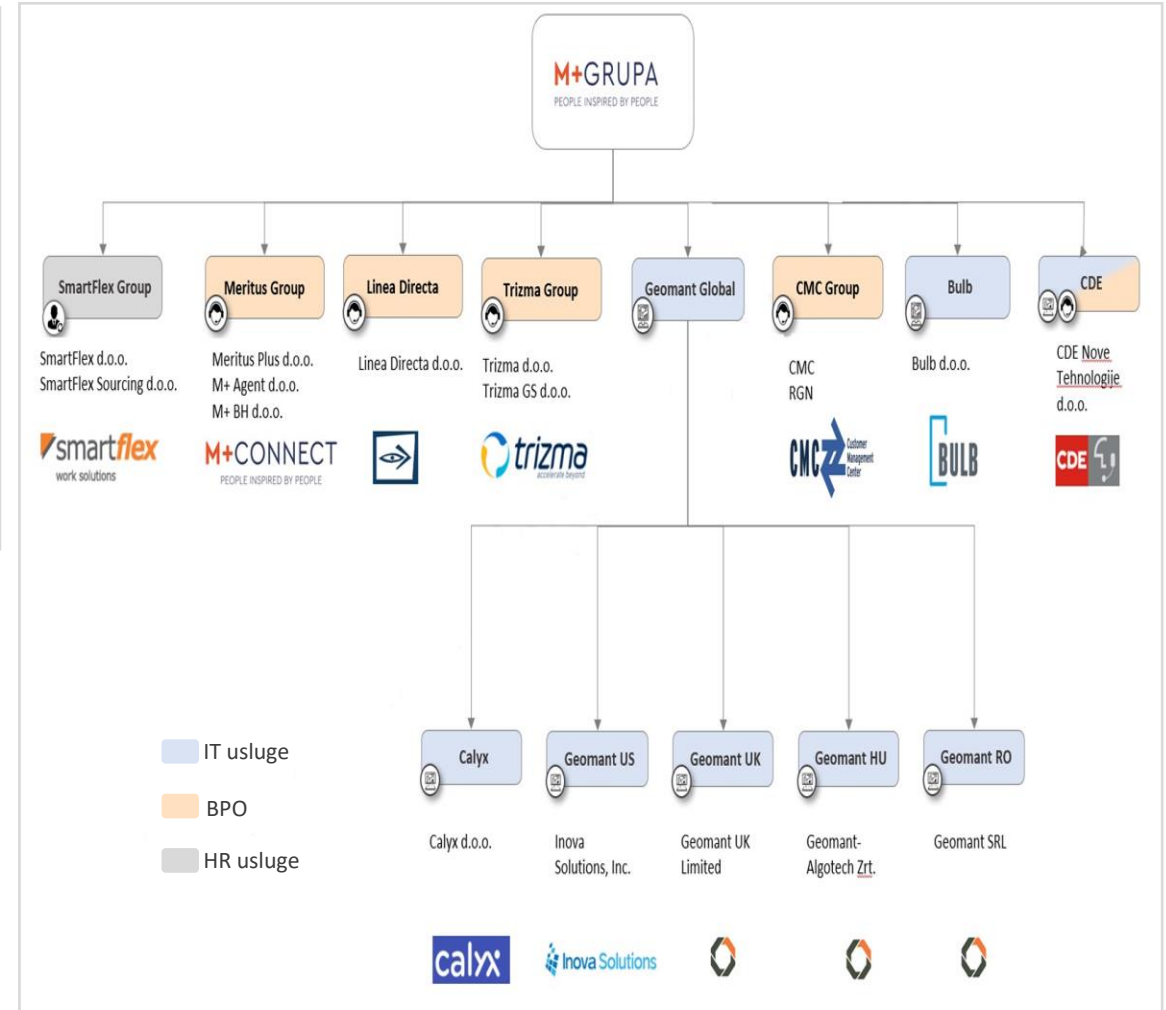
IT services



HR services



Group structure

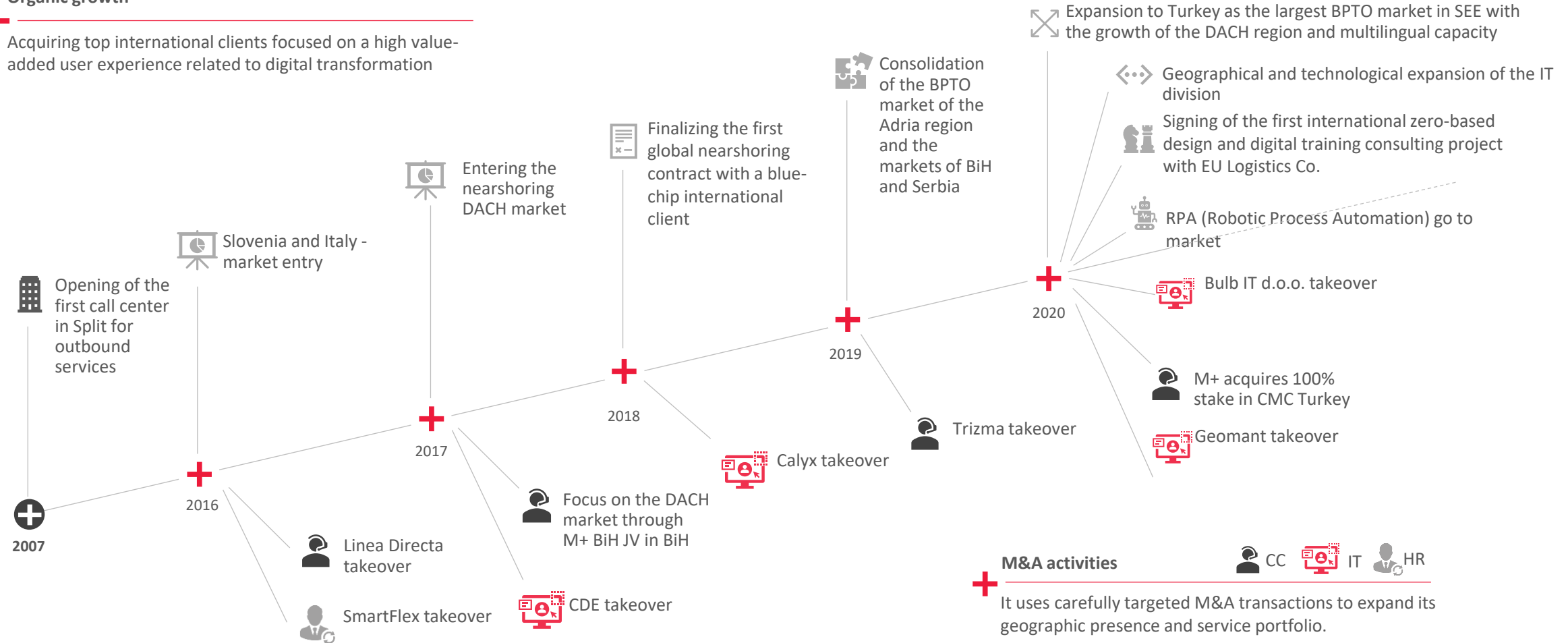


Overview of the M+ Group

The M + Group has stimulated its growth in recent years through organic means, but also through an aggressive M&A strategy

Organic growth

Acquiring top international clients focused on a high value-added user experience related to digital transformation



M&A activities

It uses carefully targeted M&A transactions to expand its geographic presence and service portfolio.

* Only a part of M&A transactions is listed



Overview of the M+ Group

The best management team of top professionals with many years of experience

People inspired by People

The Group brings together professionals who are industry leaders. They manage change successfully and ensure high value for their clients

An international management team that has the necessary knowledge and skills

An experienced operational team supports a strong sales team in all relevant Western European markets



+ Sandi Češko
Chairman of the Supervisory Board

Successful entrepreneur with extensive business experience, known as the founder and chairman of the Supervisory Board of Studio Moderna Holdings - a leading multi-brand, omnichannel retailer company in Central and Eastern Europe



+ Darko Horvat
Chairman of the Board

Over 10 years of executive experience in industry and professional companies (audit, consulting, and tax consulting companies). Former Senior Manager for Deloitte Croatia and Deloitte USA, in charge of risk assessment, financial planning for key clients, and corporate finance



+ Tomislav Glavaš
Member of the Board - CEO

Prior to taking up the position of CEO, he was Head of Controlling and CEO of M+. BPTO and restructuring specialist. Five years of experience in Deloitte Croatia, and Hrvatski Telekom, where he was in charge of planning, reporting, and restructuring



+ Banu Hızlı
Group COO

23 years of experience in the banking and customer sector, previously CEO and top director of CMC. Prior to joining CMC, she managed BPO procurement for Finansbank for 8 years. She graduated in business administration at METU

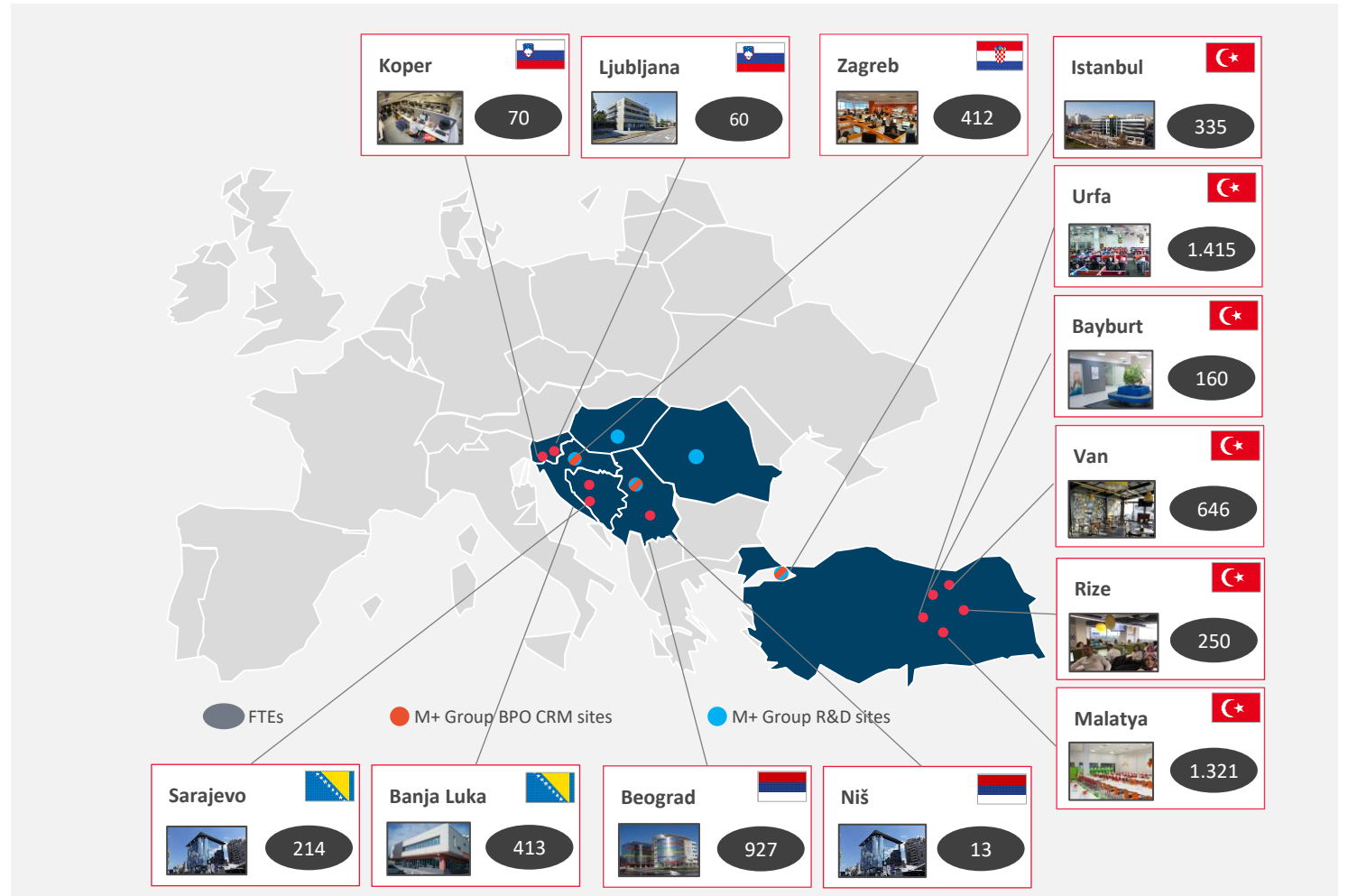
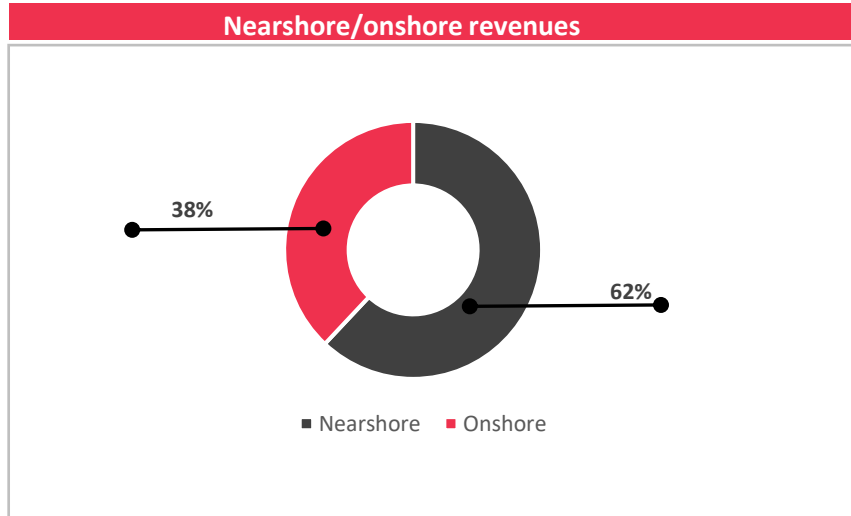
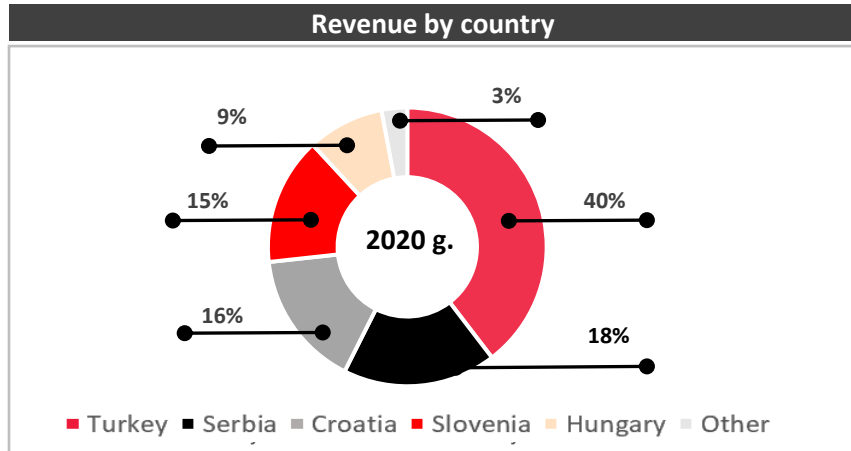


+ Domagoj Karadjole
Group CFO

Over 18 years of professional experience in financial institutions in several Central and Eastern European countries (Erste Group, HPB). Specializes in business development, risk management, financial management, with years of C-level managerial experience

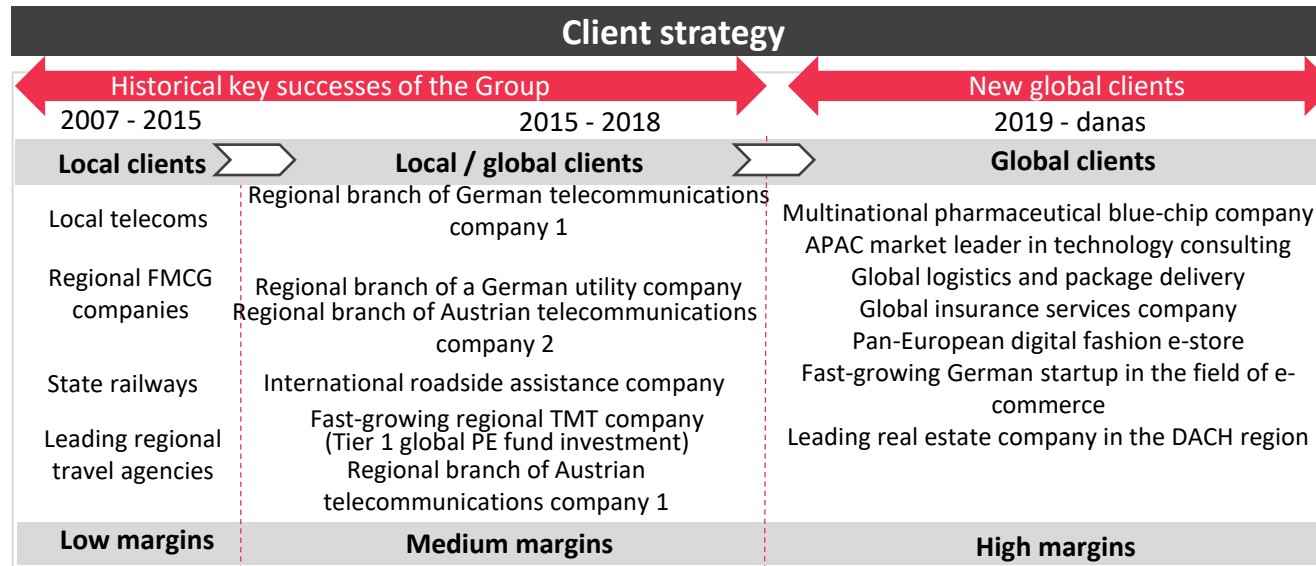
Overview of the M+ Group

A widespread network of 13 onshore and nearshore BPO CRM sites strategically located across Europe



Development strategy

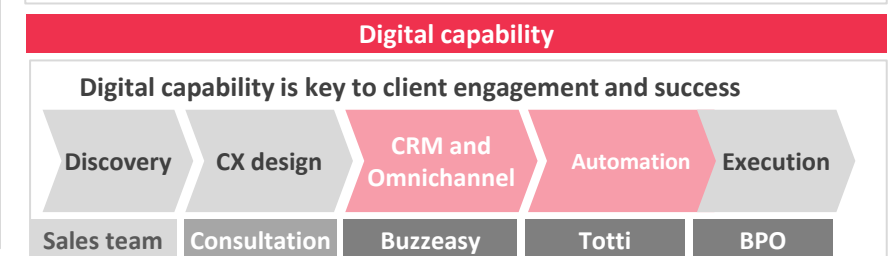
Through organic growth, the Group has increased its nearshoring segment with a focus on premium global clients



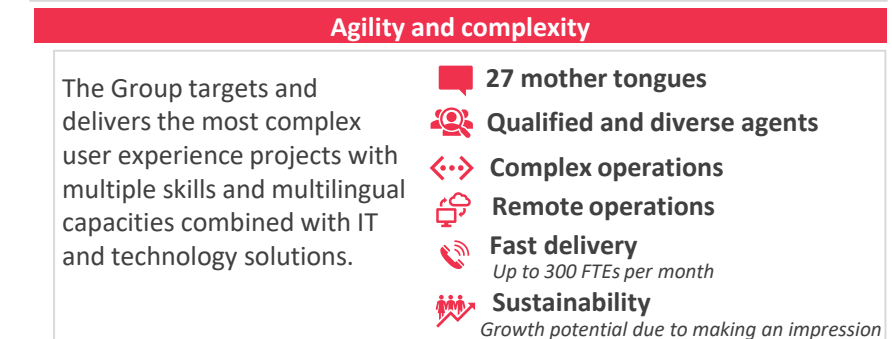
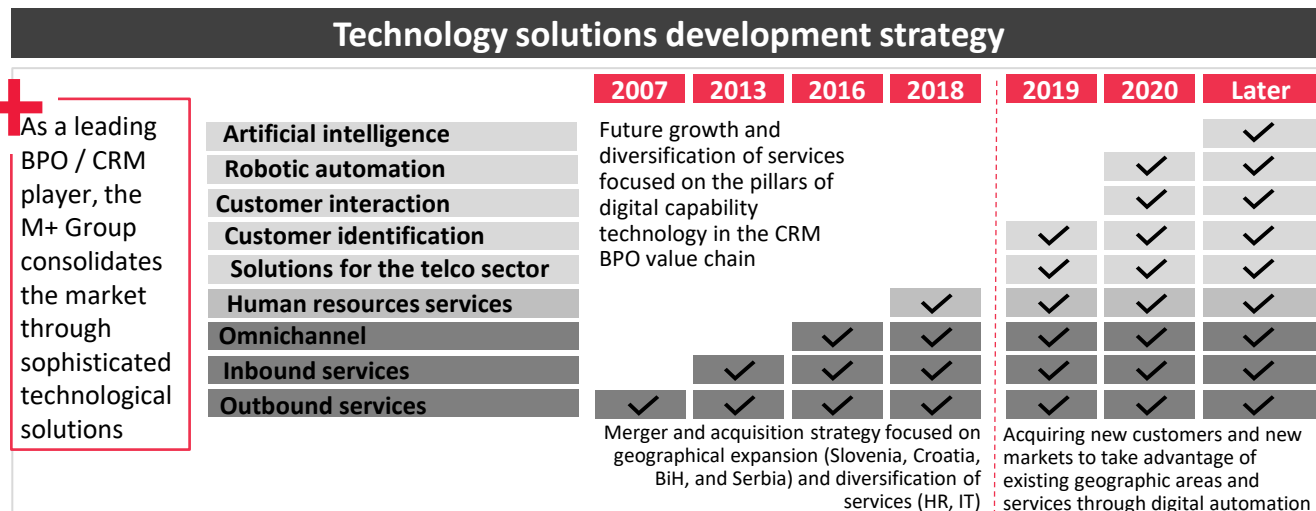
Unique sales offers

Deep sectoral know-how

	% of revenue	Total FTE
Banking and financial services	23.2%	2.013
E-commerce and logistics	19.5%	982
Electronics	17.9%	841



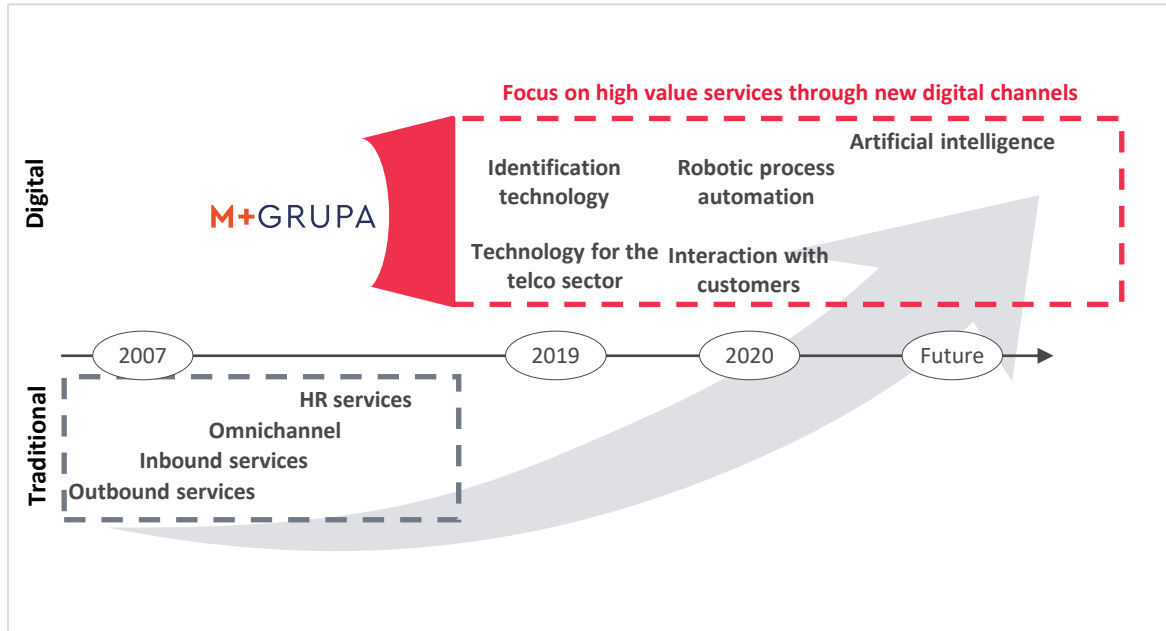
The complete delivery model begins with an analysis of the CX journey, where the CRM needs are covered by Buzzeasy, repetitive tasks are automated with Totti, and user experience management is performed by the BPO segment of the M+ Group.



Development strategy

The M+ Group offers a wide range of services focused on highly complex BPO CRM solutions

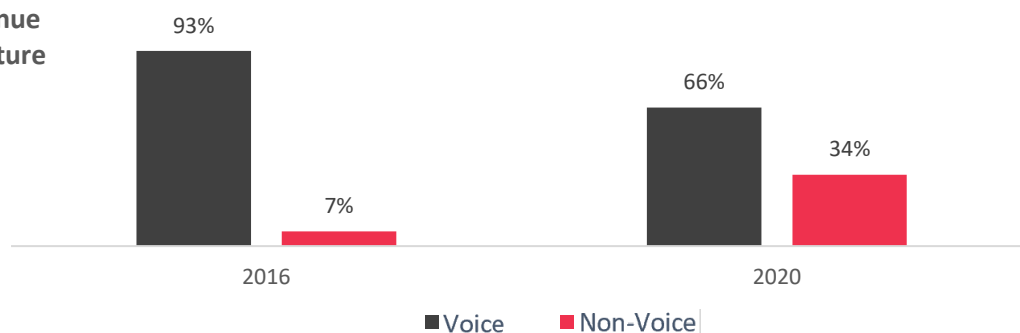
Solution strategy and service development



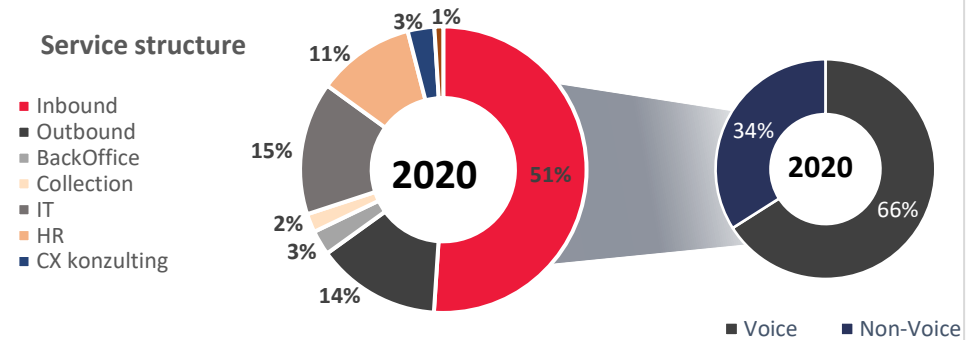
Products and services

- + The Group offers its clients a wide range of services aimed at providing the most complex user experience projects
- + Service delivery is based on the capabilities of multiple skills and multiple languages combined with IT and technology solutions
- + The Group focuses on providing high quality technology services through digital channels, including augmented reality and artificial intelligence
- + In the future, the Group plans to accelerate the transition from voice to non-voice services
- + It delivers the most complex user experience projects with multiple capabilities and multilingual resources combined with IT and technology solutions
- + Its strong research and development team made up of over 150 dedicated people enables the Group to be at the forefront of all technological advances in the market

Revenue structure



Service structure

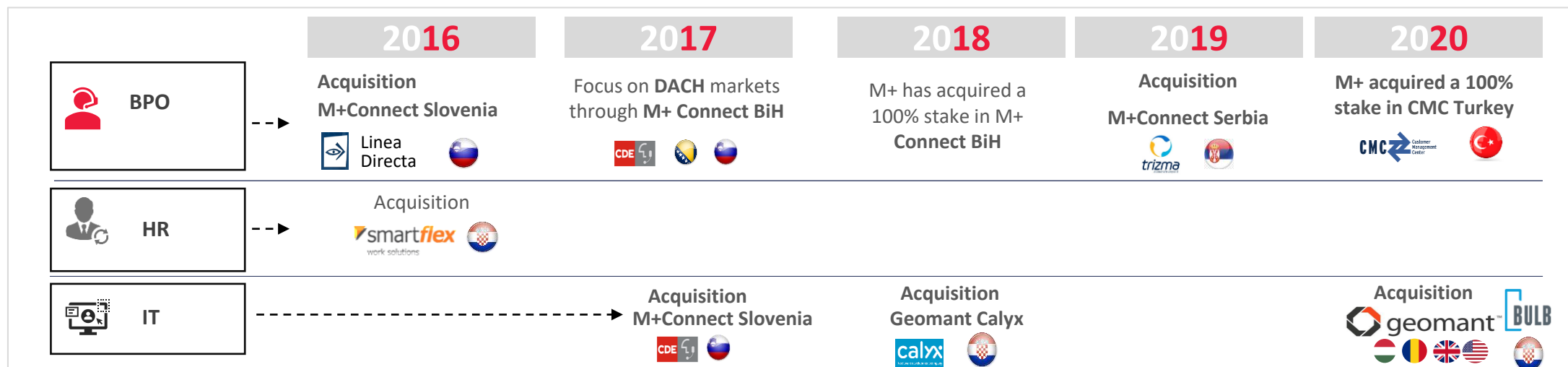


Development strategy

A proven M&A platform based on a buy and build strategy significantly influenced the growth of the Group in the previous period

M&A focus	13 M&A transaction in the period from 2017 to 2020	3 M&A acquisitions in 2020	187% average revenue increase of companies after acquisition	192% average EBITDA increase of companies after acquisition
<ul style="list-style-type: none"> + The Group has established a platform for the acquisition and further development of companies. + The Group has an internal M&A team with significant experience that continuously works on potential transactions. + In addition, the Group has shown strong business integration results, showing that it can significantly affect the increase in operating revenues and EBITDA of acquired companies. + Central, Eastern, and Western European markets have been consolidated through M&A activities. + The offer of products and services has been expanded through acquisitions of companies in Croatia and abroad. + M&A activities were focused on markets that were strategic for the further development of the Group. 				

M+ Group has successfully integrated new acquisitions with significant synergies



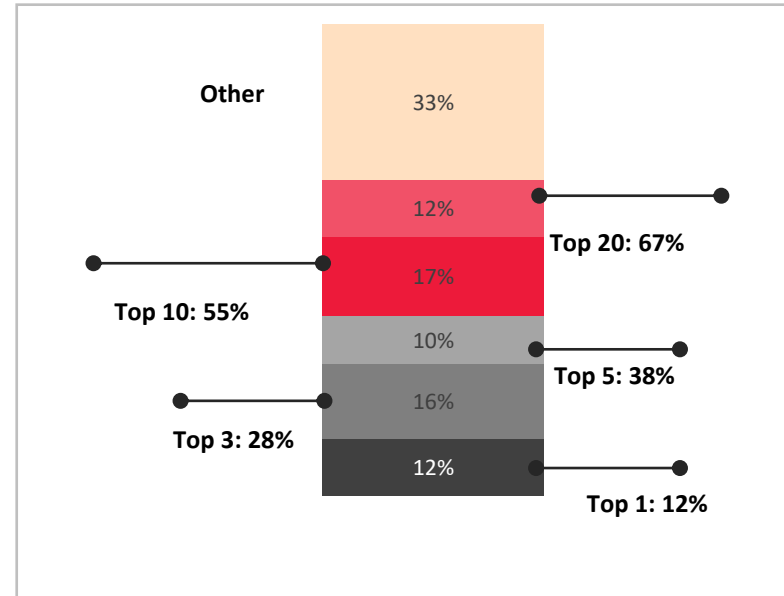
Group clients and industries

A diverse customer base from attractive industries ensures the Group's high level of resilience in times of crisis

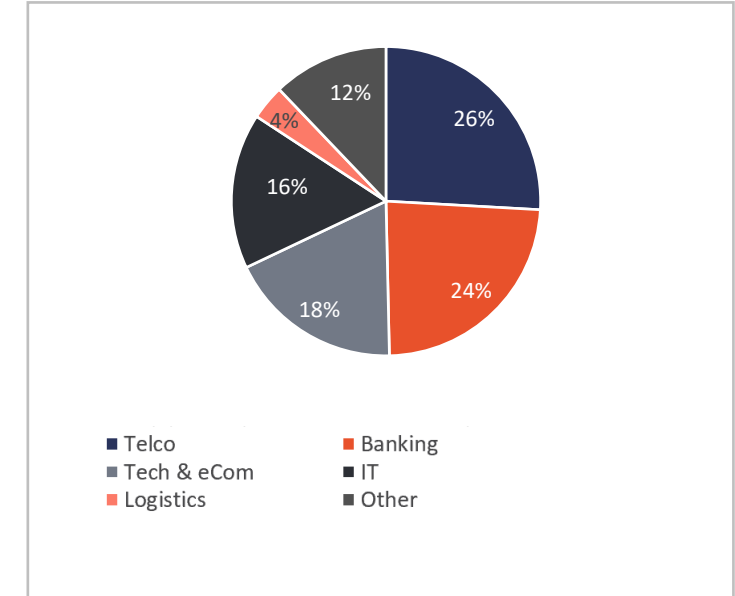
Group clients

- + M + Group services fast-growing, highly profitable, and stable industries, including technology, e-commerce, financial services, banking, and IT
- + The Group offers high quality services and maintains long-term relationships with clients, which is highlighted in an average relationship duration of over 9 years for the Top 10 clients
- + The company serves over 260 clients in a variety of attractive markets
- + In the circumstances of the COVID-19 pandemic, the Group managed to significantly increase its presence in the logistics, technology, and e-commerce industry and gain new blue-chip customers
- + The diversification of the customer base and the low concentration of the largest customers strongly contribute to stability and profitability

Client diversification



Distribution of income by industry



Telecommunications

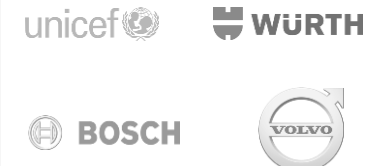
Banking

Technology and e-commerce

IT

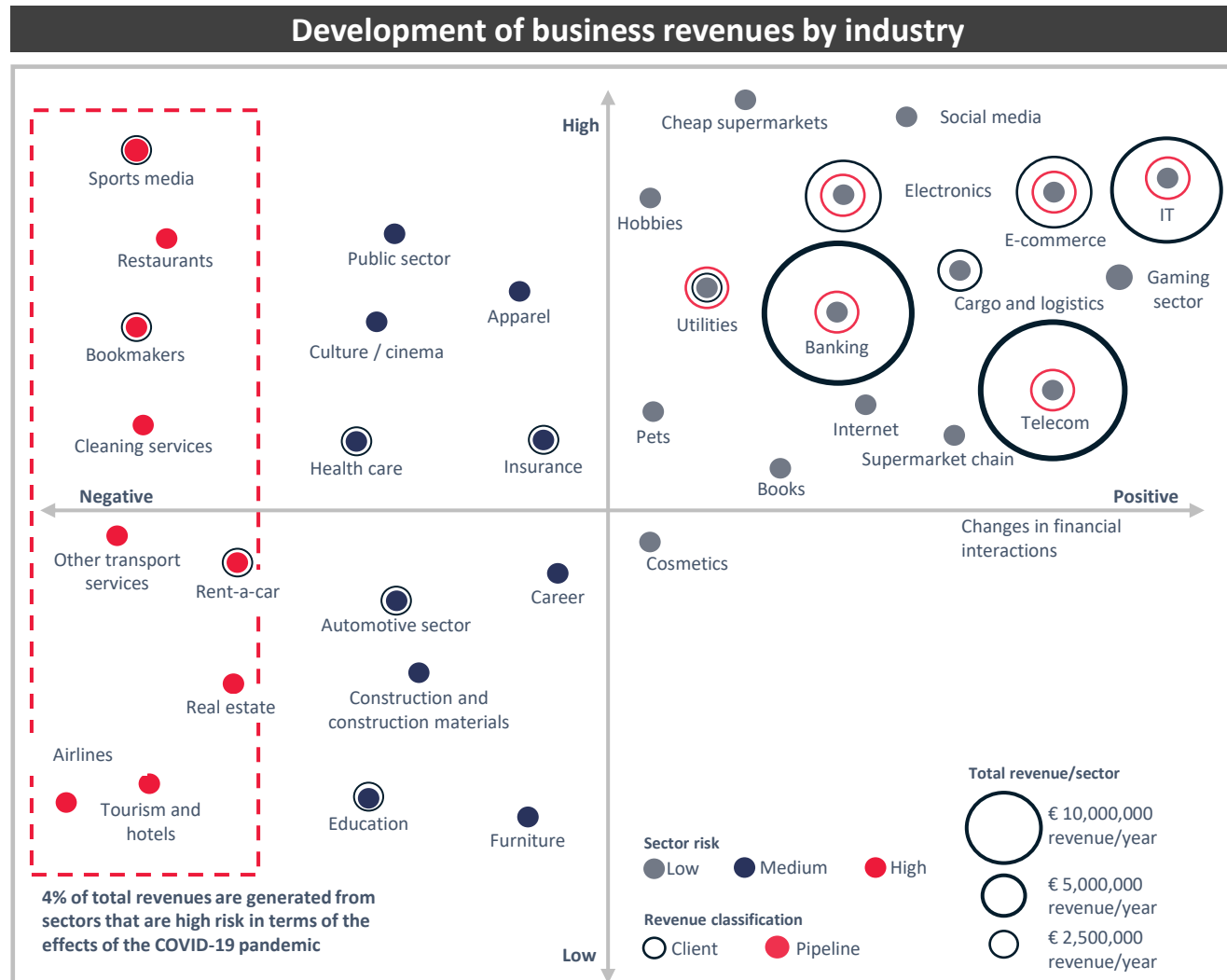
Logistics

Other



Group clients and industries

The Group does business with clients in industries that show high resilience and low business risk even in times of pandemic



- ### COVID-19
- + The combination of the Group's customers and activities has shown significant resilience to the crisis as major industry segments have not experienced a decline in volume
 - + The Group implemented concrete short-term measures to address the challenges posed by the February 2020 pandemic, including the migration of services and employees to a work-from-home model. In all entities and countries, it functioned smoothly and was completed in less than three weeks
 - + As a result, the pandemic has led to new opportunities due to the increased willingness of the client to outsource and the overall cost benefits of the model of working from home

The Group's main verticals

Telecommunications Low risk	Financial industry Low risk
Technology sector Low risk	E-commerce Low risk
IT Low risk	Logistics Low risk

Source: Internal analysis of the Issuer





COVID-19 impact

The Group demonstrated significant resilience during the COVID 19 crisis, as well as the ability to adjust its operations in a short period of time

Significant crisis resilience

The mix of industries within the Group's portfolio showed significant resilience to the crisis as major industry segments did not experience a decline in business volume. The M+ Group has demonstrated the ability to quickly adjust its operations, applying a model of working from home wherever possible. After the first few weeks, the Group was able to increase the volume of its business, which ultimately resulted in better financial results

Implemented short-term measures

-  Implementation of all preventive health measures to ensure the safe return of agents and other employees to offices
-  Rigorous monitoring of all preventive health measures is carried out
-  Full implementation of the business model of working from home
-  Development of a business continuity plan for the next waves of COVID-19



In just nine days, after the so-called lockdown, 100% of agents moved to work from home during the first wave and the start of COVID-19



Response time to work from home (100%)

CROATIA	6 days
SLOVENIA	8 days
SERBIA	4 days
B&H	9 days
TURKEY	9 days

The so-called "new normal"

Remote interaction

Businesses and customers need to adapt to work on remote locations in the future

Digitalization

Impact on CX, but also cost reduction and increased profitability

Market consolidation

Weaker players will consolidate or go bankrupt and disappear

Virtual locations

Companies need to change from physical locations to virtual ones

Communication

Changing user channel communication from traditional to digital

Price volatility

More volatile changes in customer expectations and market conditions

Flexibility

Focus on flexibility to protect margins in future challenging periods

AI

Development of AI and other IT solutions dealing with the new CX

Focus on competencies

Concentrating on high margin segments, making them core organizational competencies



COVID-19 has changed the way companies operate in all industries and has also affected the CRM industry. Adapting to these changes is not only a challenge, but also an opportunity

TOP 5 factors in the medium and long term



Designing a fully digital user experience



Implementation of AI process solutions



Development of BCM for the next crisis



Market Consolidation (M&A)



Development of alternative operating models

Financial results of the Group

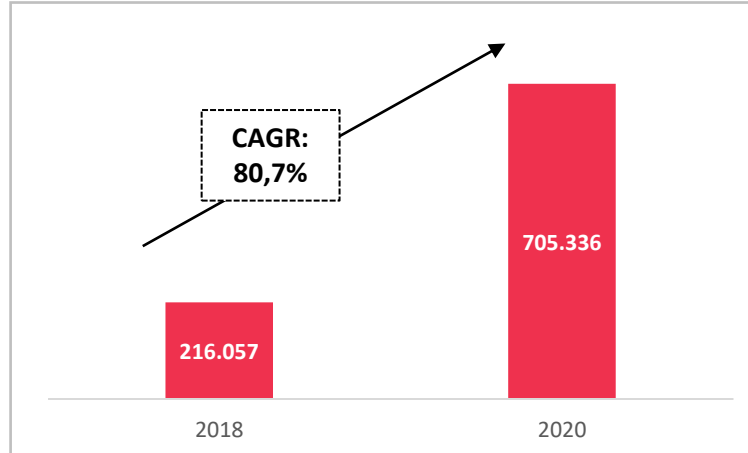
Strong financial position and growing profitability based on economies of scale

Financial data

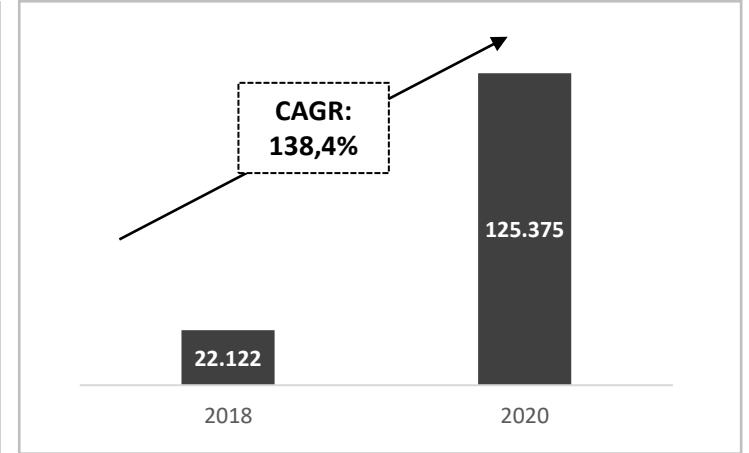
000 HRK	2018	2019	2020
Revenues	216.057	327.184	705.336
EBITDA	22.122	36.952	125.735
<i>EBITDA margin</i>	10,24%	11,29%	17,83%
Net profit	8.465	7.621	43.150
Net money / (net debt)	(52.589)	30.602	12.975

Source: Group financial statement

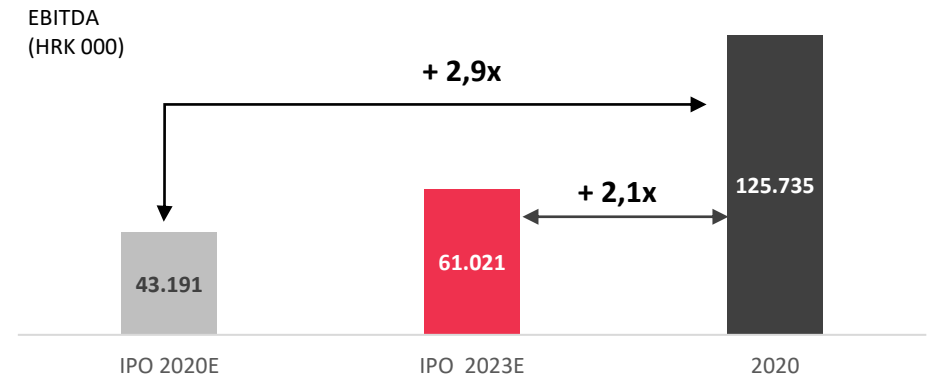
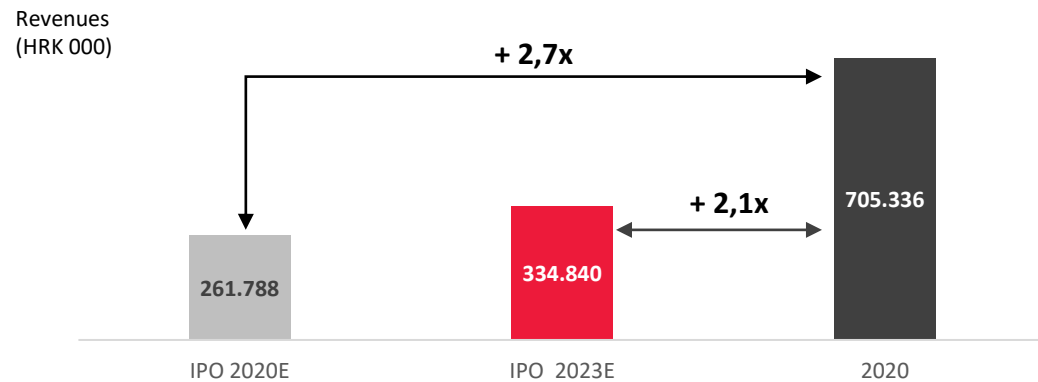
Revenues (000 HRK)



EBITDA (000 HRK)



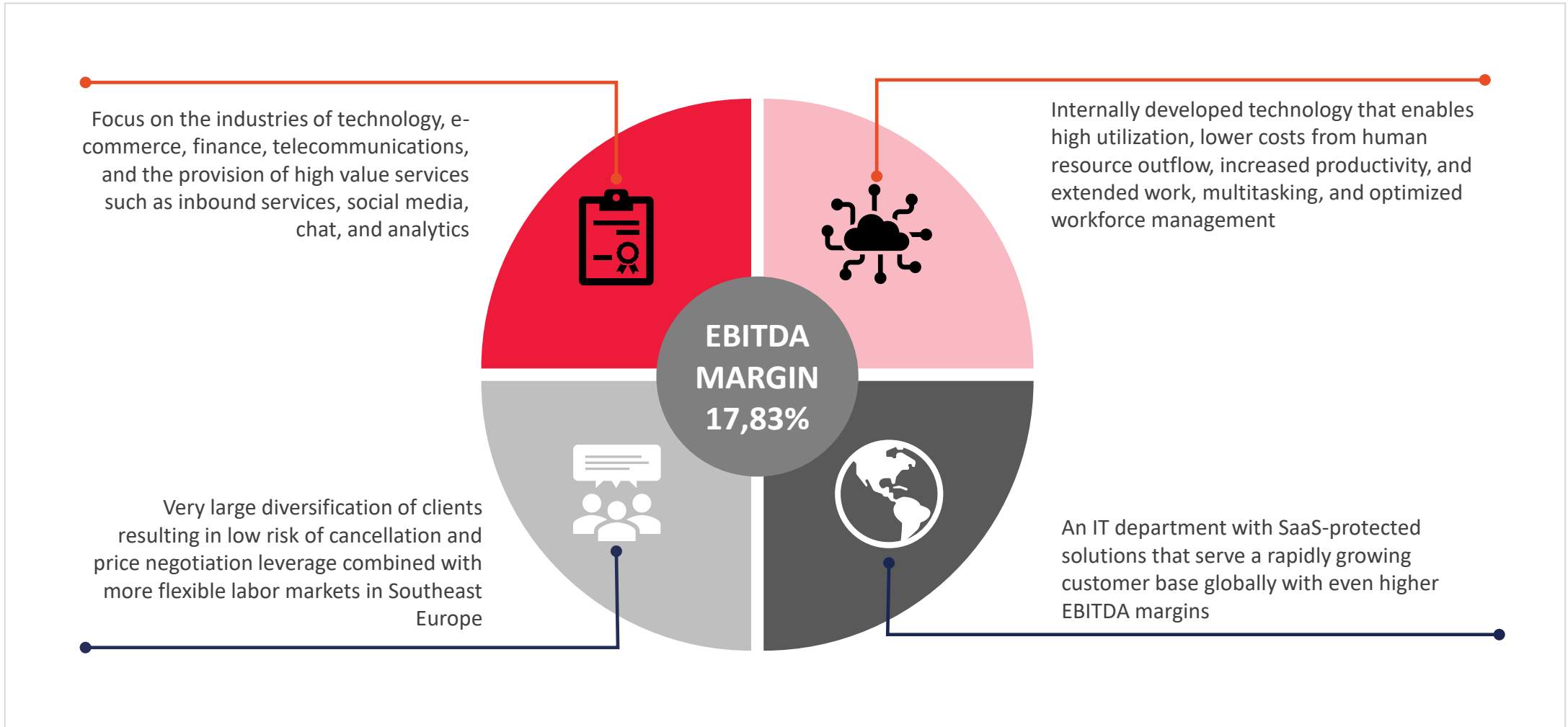
Realization / IPO



Source: Group Financial Statement, Prospectus 2018 (IPO)

Financial results of the Group

Above-average profitability as a result of a diversified customer base, nearshoring strategy, and IT segment within the Group



Key elements of the Group's successful business performance

- + Leading European BPO platform with a highly developed nearshoring model of operational business**
- + Strategy focused on digital transformation and migration to non-voice services ensures growth above market averages**
- + A diversified customer base from different industries ensures resilience and stability in business**
- + Proven M&A platform based on buy and build strategy**
- + Strong financial results characterized by rapid revenue growth, high EBITDA margins, and low debt level**
- + A management team with years of experience in the industry**

Annex



Consolidated balance sheet

In HRK	on December 31, 2018 (revised, consolidated)	on December 31, 2019 (revised, consolidated)	on December 31, 2020 (unrevised, unconsolidated)
ASSETS	107.034.080	283.007.007	801.337.683
FIXED ASSETS	57.567.376	116.157.015	498.612.481
Intangible assets	33.497.685	90.401.785	464.199.128
Tangible assets	18.903.649	21.684.287	26.880.263
Long-term financial assets	1.634.333	367.446	267.767
Receivables	0	0	3.824.178
Deferred tax assets	3.531.709	3.703.497	3.441.145
CURRENT ASSETS	46.571.829	161.028.195	282.982.016
Supplies	127.221	87.735	1.147.519
Receivables	35.058.968	47.625.949	115.719.322
Current financial assets	2.986.847	3.010.551	7.959.095
Money in the bank and the cash register	8.398.793	110.303.960	158.156.080
Deferred expenses paid and uncollected income	2.894.875	5.821.797	19.743.186
LIABILITIES	107.034.080	283.007.007	801.337.683
CAPITAL AND RESERVES	15.577.917	115.600.000	425.844.060
RESERVATIONS	0	0	10.391.273
LONG-TERM LIABILITIES	43.871.885	70.655.459	200.070.444
Liabilities for loans, deposits and the like	0	0	41.452.939
Liabilities to banks and other financial institutions	43.871.885	45.446.515	108.031.564
Liabilities for advances	0	0	7.239.071
Other long-term liabilities	0	24.688.823	26.859.640
Deferred tax liability	0	520.121	16.487.230
CURRENT LIABILITIES	47.130.879	94.131.137	130.266.039
Liabilities to companies connected by participating interest	0	0	406.591
Liabilities for loans, deposits and the like	10.854.845	10.987.022	0
Liabilities to banks and other financial institutions	6.261.002	23.262.192	37.150.266
Liabilities for advances	0	0	197.704
Liabilities towards suppliers	5.275.035	10.655.798	25.829.786
Liabilities towards employees	13.821.005	14.630.258	21.582.777
Liabilities for taxes, contributions and similar benefits	3.490.011	8.265.307	30.833.666
Other current liabilities	7.428.981	26.330.560	14.265.249
Deferred payment of expenses and future income	453.399	2.620.411	34.765.867

Profit and loss account

In HRK	2018 (revised, consolidated)	2019 (revised, consolidated)	2019/2018	2020 (unrevised, consolidated)	2020/2019
OPERATING REVENUE	216.057.420	327.183.645	51,4%	705.335.838	116%
Sales revenue	213.776.998	325.276.661	52%	685.398.641	111%
Revenues based on the use of own products, goods, and services	0	0	-	14.824	-
Other operating revenue	2.280.422	1.906.984	-16%	19.922.373	945%
OPERATING EXPENSES	210.604.967	311.642.698	48%	648.241.041	108%
Material costs	24.513.975	28.188.583	15%	94.799.776	236%
Staff costs	161.613.247	243.370.929	51%	447.626.493	84%
Depreciation	4.488.746	21.408.264	377%	68.640.678	221%
Other costs	7.808.001	18.674.922	139%	28.395.850	52%
Value adjustments	12.180.998	0	-100%	0	-
Reservations	0	0	-	325.446	-
Other business expenses	0	0	-	8.452.798	-
FINANCIAL REVENUE	6.187.726	1.150.651	-81%	32.924.515	2761%
FINANCIAL EXPENSES	3.063.171	5.503.484	80%	41.459.073	653%
PROFIT BEFORE TAX	8.577.008	11.188.114	30%	48.560.239	334%
PROFIT TAX	1.964.498	3.567.566	82%	5.410.315	52%
NET PROFIT	6.612.510	7.620.548	15%	43.149.924	466%

Cash flow

In HRK	2018 (revised, consolidated)	2019 (revised, consolidated)	2020 (unrevised, consolidated)
Money from business operations	23.185.735	29.365.031	102.254.824
Cash interest expenses	0	0	-21.642.862
Paid income taxes	-2.086.896	-3.567.387	-5.410.315
CASH FLOW FROM OPERATING ACTIVITIES	21.098.839	25.797.644	75.201.647
Cash inflows from sale of financial instruments	0	541.221	0
Other cash inflows from investing activities	1.280.332	1.780.324	0
Cash outflows for the purchase of tangible and intangible fixed assets	-9.134.287	-20.994.887	-26.093.300
Cash outflows for the acquisition of financial instruments	-229.223	0	0
Cash outflows from loans and savings deposits for the period	0	0	-4.516.679
Other cash outflows from investing activities	0	0	-329.686
CASH FLOW FROM INVESTMENT ACTIVITIES	-8.083.178	-18.673.342	-30.939.665
Cash receipts from increase of share capital	0	93.029.300	0
Cash receipts from principal of loans, borrowings, and other borrowings	18.596.443	59.035.262	72.926.062
Other cash inflows from financing activities	0	103.494	0
Cash outflows for repayment of principal of loans, borrowings, and other borrowings and debt financial instruments	-25.389.433	-44.043.223	-49.762.000
Cash outflows for dividend payment	-10.122.230	-1.689.636	0
Other cash outflows from financial activities	0	-11.654.332	-19.573.924
CASH FLOW FROM FINANCIAL ACTIVITIES	-16.915.220	94.780.865	3.590.138
NET INCREASE OR DECREASE IN CASH FLOWS	-3.899.559	101.905.167	47.852.120
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	12.298.352	8.398.793	110.303.960
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8.398.793	110.303.960	158.156.080

Definitions and abbreviations

AI	Artificial Intelligence	FMCG	Fast Moving Consumer Goods
APAC	Asia-Pacific	FTE	Full-time employee
BCM	Business Continuity Management	HR	Human Resources
BiH	Bosnia and Herzegovina	HRK	Croatian kuna
BPO	Business Process Outsourcing	IT	Information technology
BPTO	Business Process and Information Technology Outsourcing	SEE	Southeast Europe
CAGR	Compound Annual Growth Rate	JV	Joint venture
CC	Call center	M&A	Merger & acquisitions
CEO	Chief Executive Officer	RPA	Robotic Process Automation
CFO	Chief Financial Officer	R&D	Research and Development
CRM	Customer Relationship Management	SaaS	Software as a Service
CX	Customer Experience		
DACH	Germany (D), Austria (A), Switzerland (CH)		
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization		

Thank you for your
attention!

