

BOSQAR INVEST

REPORT ON PERFORMANCE INDICATORS OF SUSTAINABILITY-LINKED BONDS AS OF DECEMBER 31, 2024

Zagreb, March 5, 2025

This version of the independent limited assurance report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

CONTENT

| | |
|--|----|
| INTRODUCTION | 2 |
| SUSTAINABILITY-LINKED BONDS | 3 |
| KEY PERFORMANCE INDICATORS AND SPTS LINKED TO SUSTAINABILITY AS OF 31 DECEMBER 2024 | 4 |
| INDEPENDENT LIMITED ASSURANCE REPORT | 11 |

Based on the Framework and the Prospectus of the sustainability-linked bonds, and in accordance with the GHG Protocol published by the World Resources Institute and the World Business Council for Sustainable Development, the Management Board of Bosqar d.d. Zagreb, Ulica grada Vukovara 23, registered in the Commercial Court in Zagreb under the company registration number (MBS): 081210030, OIB: 62230095889 (hereinafter: 'the Company'), prepares the following:

REPORT ON PERFORMANCE INDICATORS OF SUSTAINABILITY-LINKED BONDS AS OF DECEMBER 31, 2024

INTRODUCTION

BOSQAR d.d. (the "Company") and its subsidiaries (BOSQAR INVEST or the "Group") have, over the past eight years, grown into one of the region's fastest-expanding business groups through a dynamic combination of acquisitions and organic growth. The Group initially focused on scaling its business process and technology outsourcing (BPTO) vertical. Before rebranding as BOSQAR INVEST, it operated under the Mplus Group brand. Today, the Group is active in business process and technology outsourcing (BPTO), human resources (HR) solutions, eCommerce (Eplus Ventures), food (Future Food), and several other smaller segments.

The Company's shares were listed on the Official Market of the Zagreb Stock Exchange d.d. (ZSE) under the ticker MRUL-R-A on August 6, 2019, through an initial public offering (IPO).

To show our commitment to sustainable business practices, ensure business resilience to climate change, and secure sustainable financing, on July 29, 2022, the Group issued the very first Sustainability-Linked Bond (SLB) in Croatia.

The Management Board has prepared this Report in accordance with the Prospectus, with the aim of disclosing whether the set performance indicators related to sustainability have been achieved as of December 31, 2024.

More details on the bonds, key performance indicators, and target achievement are provided below.

SUSTAINABILITY-LINKED BONDS

The SLB was issued in the nominal amount of EUR 40 million, with a fixed annual interest rate, semi-annual interest payments, and a one-off maturity of the principal after five years.

To measure the achievement of the Sustainability Performance Targets, as defined in the Prospectus, the Group uses key performance indicators (KPI) and the associated sustainability performance targets (SPT) listed in the table below.

| | |
|--------------|--|
| KPI 1 | Decreasing Scope 1 and Scope 2 GHG emissions |
| SPT 1 | Reduce absolute Scope 1 and Scope 2 emissions by 25.2% to 2,148 Scope 1 and Scope 2 CO ₂ -equivalent emissions in 2027 from the 2021 baseline |
| KPI 2 | Reach a more balanced gender diversity in management teams |
| SPT 2 | Achieve 51% representation of women in management teams (including governance bodies) by the end of 2030 |

The SLB links the cost of borrowing to the achievement of the stated KPIs. If these KPIs are not met, the coupon will be adjusted, resulting in an increased interest rate.

For the purpose of assessing progress in achieving the key performance indicators, the Prospectus has established December 31, 2024, as the performance observation date for achieving both SPTs.

As of December 31, 2024, the Group must achieve a reduction in absolute Scope 1 and Scope 2 emissions of greenhouse gas by at least 15%, respectively, to at least 2,441.03 tCO₂ equivalent emissions in 2024 compared to the base year 2021.

As of December 31, 2024, the Group must achieve a representation of women in the management teams of the Group of at least 47%, i.e., an increase of at least 4 percentage points compared to the base year 2022.

To ensure transparency and inform internal and external stakeholders, the Company committed to reporting annually on the progress of key performance indicators and the achievement or failure to meet the SPTs.

KEY PERFORMANCE INDICATORS AND SUSTAINABILITY-RELATED SPTS

When determining the KPIs to which we will commit, we started from our own operations and business as a whole.

Given the nature of our business, people have always been at the very center of our focus, whether it be our employees, clients, or our clients' customers. Therefore, when it comes to sustainability and ESG (Environmental, Social, and Governance) criteria, the Group has placed the greatest emphasis on the social aspect. However, the social and environmental aspects are inherently connected, and our growing workforce inevitably impacts the environment - an impact we must take into account. The Group acknowledges its environmental footprint and is actively integrating sustainability into its corporate strategy, values, and culture.

Key Performance Indicator 1 – Decreasing Scope 1 and Scope 2 GHG emissions

Our overall strategic GHG emissions reduction target is to reduce absolute Scope 1 and Scope 2 emissions by 58.8% by 2035 compared to the 2021 baseline.

Our SPT, to which we are committed through the SLB, is based on a linear reduction from the baseline year to the target year, as defined from the Absolute Contraction Approach criteria of the Science Based Target Initiative (SBTi) to align with the 1.5°C scenario of the Paris Agreement (without official validation from the SBTi).

Description of KPI 1 and SPT 1

Decreasing Scope 1 and Scope 2 greenhouse gas emissions is our first key performance indicator.

The performance target we aim to achieve with this KPI is to decrease our absolute emissions from Scope 1 and Scope 2 by 25.2%, to 2,148 tCO₂ equivalent emissions in 2027, compared to the baseline value from 2021.

It is important to note that since the issuance of the SLB, several acquisitions have taken place, which has led to a change in the absolute amount of emission reductions in tCO₂, as outlined below.

Key Performance Indicator 1 – Decreasing Scope 1 and Scope 2 GHG emissions (continued)

Procedure for determining the baseline year and data collection

The procedure for determining the baseline year is described in the Framework, specifically the Sustainability-Linked Bond Framework, as well as in the sustainability reports for 2021 and 2022.

Considering the changes in the structure of the Group and updated data collection procedures, the baseline value for greenhouse gas emissions for 2021 had to be recalculated with each change to incorporate relevant data from newly acquired companies.

The effects of acquiring other companies on the baseline year, as well as its recalculations, have been published in the Group's sustainability reports for 2022 and 2023.

In 2024, a Group member company, Future Food Solution d.o.o., acquired a 51% stake in Panvita Holding d.o.o., the parent company of the Panvita agricultural-food group in Slovenia. After receiving approval from the relevant competition authorities, this transaction was completed in early November 2024.

Consequently, our baseline values have changed, which also impacted the value expressed by the SPT: following the acquisition of the Panvita Group, this now represents a reduction of absolute Scope 1 and Scope 2 emissions by 25.2%, or to 4,045 tCO₂ in 2027.

In calculating greenhouse gas emissions, the methodology and definitions outlined in the Greenhouse Gas (GHG) Protocol were used. Greenhouse gas emissions were consolidated using the operational control approach.

Scope 1 emissions

For the calculation of Scope 1 emissions, we used Tier 1 emission factors from the EMEP/EEA Air Pollutant Emission Inventory Guidebook 2023¹.

Information regarding fuel density was obtained from the European Environment Agency, and a GWP rate of 273 for N₂O was used based on the IPCC AR6 report. The calculation included CO₂ and N₂O gases.

¹ Available on: [EMEP/EEA inventar emisija onečišćujućih tvari u zraku \(europa.eu\)](https://www.eea.europa.eu/en/air/air-quality/air-pollutant-emission-inventory-guidebook-2023)

Key Performance Indicator 1 – Decreasing Scope 1 and Scope 2 GHG emissions (continued)

Scope 2 emissions

In terms of calculating Scope 2 emissions, the latest country-specific emission factors were used to convert energy consumption into CO2 equivalents.

When converting electricity and fuel consumption data into megajoules, the methodology of the Cambridge Regional College, Washington Edu, and UN Statistics conversion factors was applied.

When calculating emissions from electricity consumption (Scope 2), the renewable energy certificates (REC) held by Mplus Türkiye were taken into account. Mplus Türkiye, as the REC owner, has the exclusive right to classify the amount of purchased electricity associated with the RECs as zero-emissions electricity.

Additionally, when calculating Scope 2 heating emissions for Mplus Germany, certain estimations were made based on the square footage of the premises and consumption patterns of buildings with similar characteristics at comparable locations.

Scope 2 emissions included CO₂, CH₄, and N₂O. We used GWP values from the IPCC AR6 report and emission factors as follows:

- for operating companies based in Croatia, Germany, and Bosnia and Herzegovina, we utilized data for 2024 from relevant national energy distributors;
- for those in Slovenia, Romania, the UK, Hungary, Slovakia, and Bulgaria, we used 2023 data from Nowtricity;
- a residual mix was applied for operating companies in Serbia; and finally,
- for operations in Georgia and Turkey, we used the 2023 emission factor from Carbon Footprint².

Mplus Georgia was unable to collect the data on energy consumption needed to calculate GHG emissions. Since it is a company operating from small offices with a limited number of employees, it has been deemed immaterial from the Group's greenhouse gas emissions perspective.

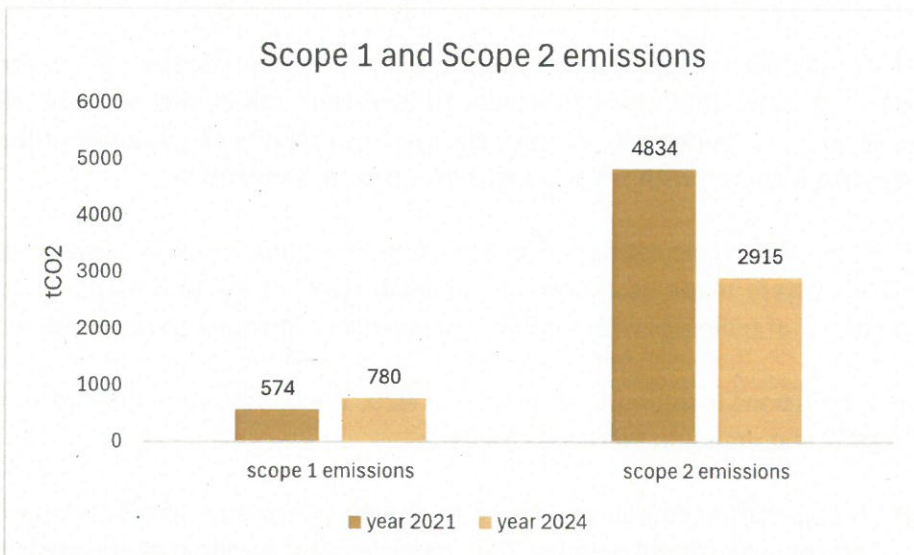
² Available on: carbonfootprint.com - Home of Carbon Footprinting

**Key Performance Indicator 1 – Decreasing Scope 1 and Scope 2 GHG emissions
(continued)**

**Achievement of Key Performance Indicator 1 and SPT1 - Decrease in Scope 1 and
Scope 2 Emissions**

As of the observation date, December 31, 2024, Scope 1 emissions amounted to 780 tCO₂ compared to the recalculated baseline value of 574 tCO₂.

On the same date, Scope 2 emissions amounted to 2,915 tCO₂ compared to the recalculated baseline value of 4,834 tCO₂.

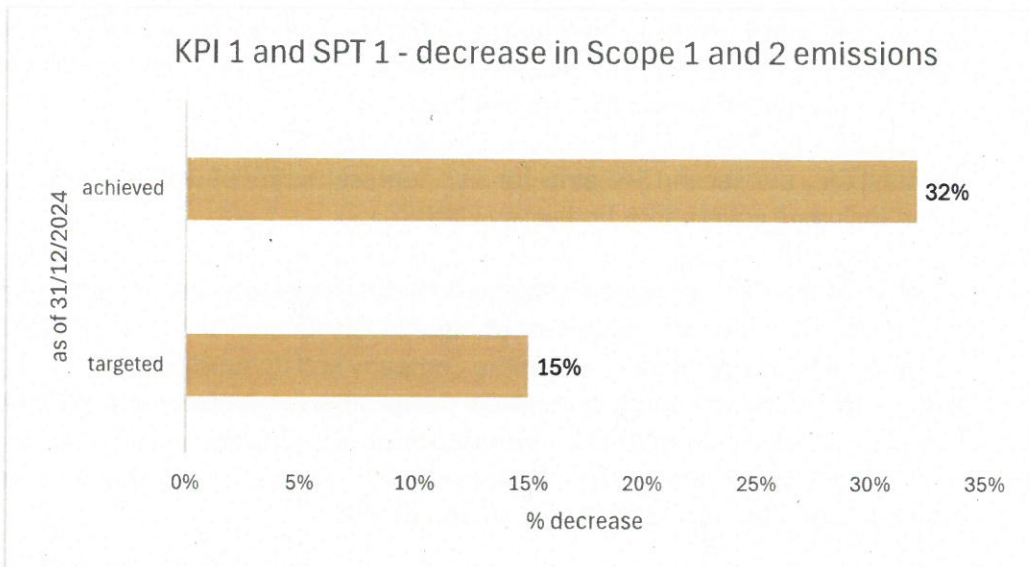


Total Scope 1 and Scope 2 emissions as of December 31, 2024, amount to 3,695 tCO₂.

The recalculated value of total Scope 1 and Scope 2 emissions for the baseline year (2021) amounts to 5,408 tCO₂. Accordingly, Scope 1 and Scope 2 emissions have decreased by 32%, or 1,713 tCO₂, compared to the baseline year, exceeding the planned target, as shown below.

Key Performance Indicator 1 – Decreasing Scope 1 and Scope 2 GHG emissions (continued)

Achievement of Key Performance Indicator 1 and SPT1 - Decrease in Scope 1 and Scope 2 Emissions



This reduction in emissions also represents the full achievement of KPI 1, which was reached significantly ahead of schedule and has greatly exceeded the overall target of a 25.2% reduction in absolute Scope 1 and Scope 2 emissions.

Key performance indicator 2 - Achieving a More Balanced Gender Diversity Ratio in Management Teams

Description of KPI and SPT

Our business prioritizes inclusivity, respecting human rights, achieving gender balance, and upholding ethical practices. Hence, our second KPI focuses on enhancing gender diversity within our management teams.

To fulfill this, our second SPT aims for 51% representation of women in management roles, including governance bodies, by 2030.

In terms of this KPI, management teams include members of the management board, i.e., executive directors, members of supervisory boards or management boards, heads of organizational units within the Company and its subsidiaries; as well as team leaders (team leaders in call centers are responsible for overseeing and monitoring a group of call center employees - their responsibilities include ensuring team objectives are met, conducting performance evaluations for each team member, providing training, and offering feedback to team members).

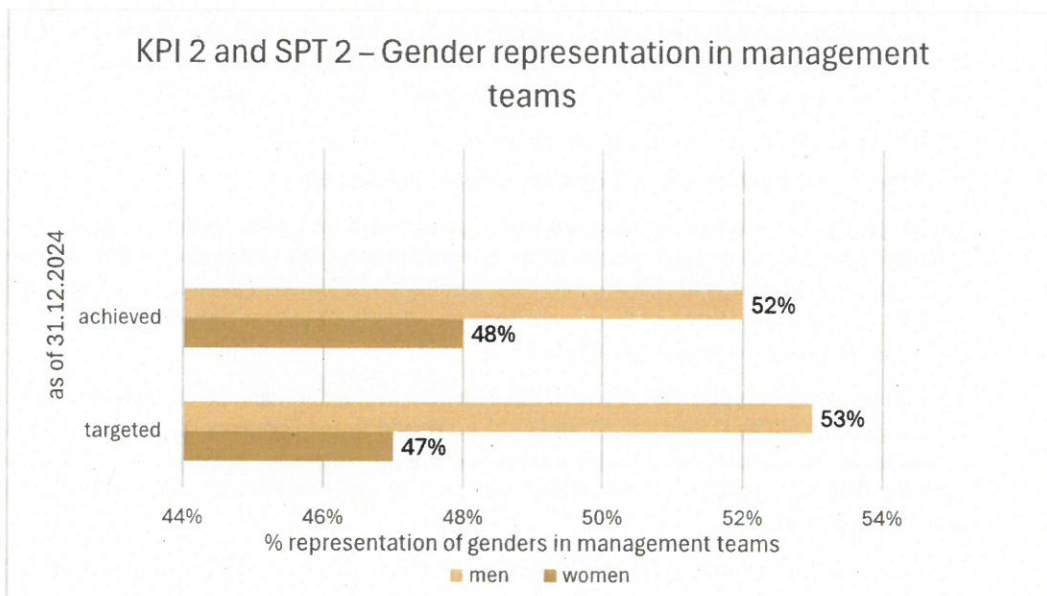
Data collection

We utilized our human resources database to collect data on gender balance within the Group's management teams. Upon receiving data from each HR team, we identified relevant management categories for inclusion in our calculations. The aggregated records were then used to calculate the percentage of women in our management teams, including management and supervisory boards, as well as other governing bodies.

Key performance indicator 2 - Achieving a More Balanced Gender Diversity Ratio in Management Teams (continued)

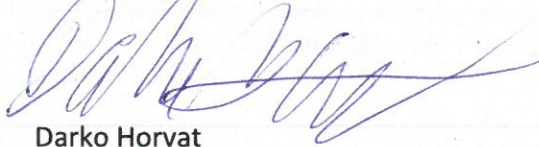
Achievement of Key Performance Indicator 2 and SPT 2 – gender diversity in management teams

The representation of women in management teams as of December 31, 2024, is 48%. The target percentage set in the Prospectus was 47% on the observation date, meaning the target has been achieved on the observation date. This is shown below.



In Zagreb, March 5, 2025

BOSQAR INVEST


Darko Horvat


Tomislav Glavaš

BOSQAR d.d.
Zagreb
OIB: 62230095889

Independent Limited Assurance Report on the Limited Assurance Engagement on the Indicators Presented in the Report on performance indicators of Sustainability-Linked Bonds of the company BOSQAR d.d. and its subsidiaries („BOSQAR INVEST”) as at 31 December 2024

To the Management Board of BOSQAR d.d.

Subject Matter and Applicable Criteria

We have undertaken a limited assurance engagement on the following key performance indicators presented in the **Report on performance indicators of Sustainability-Linked Bonds of BOSQAR INVEST as at 31 December 2024** (the “The KPI Report”) prepared by BOSQAR d.d. (the “Company”):

KPI 1: Scope 1, Scope 2 greenhouse gas emissions

KPI 2: % Achieving a more balanced gender diversity in mana teams.

The subject of the examination referred to the confirmation of the adequacy of the methodology for calculating the KPIs in terms of sustainability, the confirmation of the accuracy and/or appropriateness of the adjustments of the KPIs, if any as outlined under point 5.4.10 of Simplified Prospectus for Issuing a Public Offering and Listing of Sustainability Linked Bonds (“Sustainability Linked Bond Prospectus”) published by the Company on 14 July 2022.

Key performance indicators KPI 1 and KPI 2 presented in the KPI Report were prepared in accordance with the Sustainability Linked Bond Framework published by the Company in June 2022 (“Sustainability Linked Bond Framework”), and Sustainability Linked Bond Prospectus (point 5.4.10), and in accordance with the GHG Protocol published by World Resources Institute and World Business Council for Sustainable Development.

Our limited assurance engagement is limited to the selected indicators presented in the KPI Report.

Responsibility of the Management Board of the Company

The Management Board of the Company is responsible for the preparation and presentation key performance indicators KPI 1 and KPI 2 presented in the KPI report in accordance with the Sustainability Linked Bond Framework and Prospectus (point 5.4.10) published by the Company, and in accordance with the GHG Protocol published by World Resources Institute and World Business Council for Sustainable Development. This responsibility includes establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. The Management Board of the Company is also responsible for the provision of reliable, correct, and fair information, and for the accurate preparation of the documentation provided to us.

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The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 80, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the key performance indicators KPI 1 and KPI 2 presented in the KPI Report based on the procedures we have performed and the evidence we have collected. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether that the key performance indicators KPI 1 and KPI 2 contained in the report are not inconsistent with the Sustainability Linked Bond Framework and Prospectus (point 5.4.10) published by the Company, and with the GHG Protocol.

The procedures performed under the limited assurance engagement are different in nature and limited in scope both in terms of risk assessment procedures, including an understanding of internal control, and in terms of the procedures performed in response to the risks assessed compared to the reasonable assurance engagement. As a result, the level of assurance obtained through an assurance service providing limited assurance is significantly lower than the level of assurance that could be obtained through an assurance service providing reasonable assurance.

The procedures we performed were based on our professional judgement, our assessment of the risk of material misstatement of the indicators due to intentional actions or misstatements, and included interviews, observations of the processes performed, examination of documents, analytical procedures, assessments of the appropriateness of calculation methods and reporting policies, and reconciling with underlying records.

Summary of the Work Performed

In order to form our conclusion on the key sustainability indicators of KPI 1 and KPI 2 presented in the KPI Report, we performed the following procedures:

- Through inquiries, obtained an understanding of control environment and information systems for BOSQAR INVEST relevant to reporting the indicators under review, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Obtained through inquiries, analytical procedures, observation and other applicable evidence gathering procedures on a sample basis, an understanding on the key structures, systems, processes, procedures and internal controls relating to collation, aggregation, validation and reporting of data for the indicators under review.
- Compared the information contained in the ESG Report with the Sustainability Linked Bond Framework and Prospectus (point 5.4.10), and with the GHG Protocol for key performance indicators KPI 1 and KPI 2.

- Compared the information included in the KPI Report to internal documentation of the Company for key performance indicators KPI 1 and KPI 2.

Inherent limitations

The process the organization adopts to define, gather, and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection, and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organizations and from year to year within the organization as methodologies develop. The accuracy and completeness of the information disclosed in the ESG Report is subject to inherent limitations given its nature and the methods for determining, calculating, or estimating such information.

Conclusion

Based on the work we have done and the procedures we have performed, nothing has come to our attention that causes us to believe that the key performance indicators KPI 1 and KPI 2 from the scope of our work presented in the KPI Report as at 31 December 2024 prepared by BOSQAR d.d. have not been prepared or compiled, in all material respects, in accordance with the Sustainability Linked Bond and Prospectus and point 5.4.10 published by the Company, and in accordance with the GHG Protocol published by World Resources Institute and World Business Council for Sustainable Development.

Limitation on the Use of Our Report

Our report is intended solely for the Company BOSQAR d.d.

In the event of additional information or data provided to us, or in the event of misleading oral or written statements or explanations, our findings, interpretations or conclusions in our Independent Limited Assurance Report may be incomplete or may result in the need for additional procedures not included in the scope of this engagement.

To the maximum extent permitted by law, we do not accept any responsibility and do not agree to any obligations to any other party, except to the Management Board of the company BOSQAR d.d., related to our work or this Independent Limited Assurance Report or the conclusions we reached.

Katarina Kadunc

Director and Certified Auditor

Deloitte d.o.o.

5 March 2025

Radnička cesta 80

10 000 Zagreb

Republic of Croatia

For signatures, please refer to the original Croatian auditor's report, which prevails.