



BUSINESS RESULTS

of the company Meritus ulaganja d.d. and its subsidiaries (M Plus)

Financial statement for the period that ended on September 30, 2022

ZAGREB, October 2022

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1. COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD

It is my great pleasure to inform investors and all other stakeholders of M Plus of yet another extraordinarily successful business period. In the past 9 months, our revenues grew by more than 60 percent compared to the same period last year, reaching HRK 948 million on the last day of September, and by the time this editorial is written, they certainly will have exceeded the magical figure of one billion HRK, much earlier than we expected. Of the revenue growth in the first three quarters, as much as HRK 112 million was related to new sales, which confirms the correctness of the strategic decisions we made when setting up our business model a few years ago, as well as its long-term sustainability. It is also important to mention that new sales now account for 12 percent of revenue, which is an increase compared to the first six months of this year, when it accounted for 10 percent of revenue. The rest of the revenue growth is due to the consolidation of acquisitions after January 1, 2022. Other key business indicators also grew at significant rates compared to the same period last year. In the comparable period, EBITDA increased by 29.33 percent to HRK 129 million compared to last year's HRK 100 million, adjusted EBITDA increased by 33 percent to HRK 144 million.

In order to provide all clients, users and employees with a harmonized and unique experience, we have started the process of rebranding the members of the BPTO sector under the M Plus brand, which includes a new logo, visual identity, redefined service structure and a new website, which is currently in the final development process. We plan to complete the rebranding process of the BPTO sector members by the end of 2022.

M Plus proved in the past quarter as well that it is a trendsetter in the domestic capital market, this time with the first domestic issue of a sustainable or ESG Bond. We recognized the growing need of investors for innovative products on the capital markets and responded to their needs for investment, which will not only be profitable, but will also bring positive business effects to the community in which the issuer operates. Thanks to the extraordinarily well-prepared



issue, as well as the reputation that M Plus enjoys among investors, we obtained HRK 300 million in capital with the first Croatian ESG Bond on the Zagreb Stock Exchange. Our assessment that the Croatian capital market is sufficiently sophisticated and ready for a modernized bond issue turned out to be fully correct.

I am particularly pleased with the fact that Erste&Steiermärkische Bank and the European Bank for Reconstruction and Development (EBRD) were our strategic partners of the issue, and the other bond investors are reputable institutional investors, including a number of insurance companies and investment funds.

In this historic edition for the Croatian market, we undertook to reduce our carbon emissions by 25 percent and increase the representation of women in management teams to 51 percent. As a company that pays particular attention to sustainable operations and regularly reports on the ESG effects of its operations, we will be very pleased to start achieving the aforementioned goals.

As always, we put people at the centre of our business. Our employees, clients and investors are the ones to be given the greatest credit for the success of M Plus so far, and I hereby sincerely thank them for their contribution in another quarter marked by excellent business results.

A handwritten signature in blue ink, appearing to be 'Dario V. M.', written over a horizontal line.

2. KEY OPERATIONAL FIGURES



Revenues: Group continued to perform well in first three quarters of 2022. Operating revenues in the period ended September 30, 2022, amounted to HRK 948 million. Compared to the comparable period last year, an increase of HRK 365 million or 63% was achieved. Revenues from the new sales were HRK 112 million, while the rest relates to newly acquired companies which we started to consolidate from Jan 1, 2022. The Group has successfully established new business relationships with clients from various sectors with a special focus on clients from the DACH region. Organic revenue growth was achieved through a focus on business operations, increasing service quality, and achieving higher volumes through synergies gained through the integration of new members.

<i>(in HRK thousand)</i>	1-9 2022	1-9 2021	Change	%
Operating revenue	948,365	583,383	364,982	63%
EBITDA	129,444	100,086	29,358	29%
Adjusted EBITDA*	143,536	107,979	35,557	33%
Profit before tax	50,901	44,469	6,432	14%

*Adjustments pertain to the impacts that are considered one-off (i.e., they do not have repetitive characteristics or effects on income and costs).

Adjusted EBITDA for the last twelve months was as follows: **for the period from October 1, 2021 to September 30, 2022 in the amount of HRK 197,164 thousand and for the period from October 1, 2020 to September 30, 2021 in the amount of HRK 150,971 thousand.**

EBITDA Stable demand for BPTO services in all markets and cost optimization resulted in positive effects, and EBITDA amounted to HRK 129,4 million. Relative to the comparable period last year, an increase of HRK 29,4 million or 29% was achieved. EBITDA growth was mostly influenced by the increase in efficiency in the Group's business, driven by the growing volume of business with existing and new clients and the acquisition of the Invitel Group. Integration process of Invitel into Group is continuous from the day we took control.

During first nine months of 2022 The Group invested heavily in multiple streams by enlarging and further professionalizing the team and introducing new technology solutions, which in the short term resulted in a slight adverse effect on the EBITDA margin. Still, this move was essential to enable further growth in the following period and ensure that quality and service level will remain as high as it is now, especially considering Group growth ambition from one side and potential challenges we might face globally by the end of this year on the other. In addition to that, in last 3 months we were also investing in IT stream of the Group to facilitate faster delivery and cross sell of existing products to clients.

In Q3 we have continued to scale our sales department significantly in all areas, from reporting and presales process to customer success management and hunting activities which will drive future sales leads and allow the Group to fully utilize its unique market position with Invitel as sourcing pool for the acquisition of additional clients in the DACH region. During this period, we also digitalized our entire sales process by introducing and integrating HubSpot software into our organization, accelerating Group efforts in digital transformation. In addition, the Group marketing department was focused on creating a new brand identity that will empower existing integration efforts by creating a "one view-one voice" approach while simplifying overall group brand architecture, making it more appealing to current and future employees as well as to the overall market.

Operationally, Group enhanced its HR and WFM process by reorganizing and adding a strategic layer on the group level while implementing two other solutions covering the end-to-end overall HR process from sourcing to scheduling and forecasting. This will allow Group to allocate its talent across different geographies more efficiently, resulting in increased employee journey satisfaction and higher profitability in the mid-run.

During May and June, Group IT enhances the current IT infrastructure by creating redundant solutions that will ensure the highest security level and create a stable baseline for future growth.

Impact on the margins will also have inflation and increase of minimum wages depending on the countries we operate from. Transfer of increase of minimum wages to clients is done through existing contracts which facilitates transfer in shorter to medium term with some impact on profitability, while inflation impact on other cost structure of Group like electricity, other energy, gas, IT infrastructure, licenses, will have impact on the profitability in the longer period. We keep insisting to work from home for all clients, depending on their approval, to balance possible impact of inflation as much as possible.

Profit after tax: In the first three quarters of 2022, the Group generated HRK 50.9 million in profit before tax, which is an increase of 14% compared to the same period in 2021, when profit before tax amounted to HRK 44.5 million.

<i>(in HRK thousand)</i>	<i>September 30, 2022</i>	<i>December 31, 2021</i>	<i>Change</i>	<i>%</i>
Assets	1,279,664	911,654	368,010	40%
Equity	336,157	409,050	(72,893)	(18%)
(Net debt)/net cash	(106,896)	82,401	(189,297)	n/a
*Net debt/Adjusted EBITDA	0.54	n/a**	-	-

*Adjusted EBITDA for the last twelve months was as follows: for the period from October 1, 2021 to Sep 30, 2022 in the amount of HRK 197,245 thousand and for the period from January 1, 2021 to December 31, 2021 in the amount of HRK 161,607 thousand.

**Did not calculate as on Dec 31, 2021 The Group was in net cash position.

Net debt: On September 30th, 2022, the Group had HRK 475 million on its bank accounts, while liabilities to financial institutions amounted to HRK 581,8 million including liabilities from issued bonds. Net debt amounts to HRK 107 million. On Sep 30, 2022 Net debt/Adjusted EBITDA ratio is 0.54, showing very low indebtedness.

Assets: On September 30th, 2022, the Group's assets amounted to HRK 1.280 million. Compared to December 31, 2021, an increase of HRK 368 million or 40% was realized. The increase in assets was due to the operating growth of the Group's operations, consolidation of Invitel and issuance of sustainability linked bonds.

Equity: On September 30th, 2022, the Group's equity amounted to HRK 336 million, accounting for 26% of the total balance sheet. The reduction in equity was due to the share repurchase from minority owners in the Group's members.

3. SIGNIFICANT EVENTS FOR THE PERIOD UP TO SEPTEMBER 30, 2022

3.1. Acquisition of Invitel

The M Plus Group acquired a majority stake in the German company Invitel GmbH and its subsidiaries. By expanding its business to the geographical area that spans from Hanover to Istanbul, the M+ Group has confirmed its position as the leading independent provider of BPTO services in Europe, with almost 12 thousand employees. The acquired German company Invitel employs about 1,500 people and generates about 45 million euros in revenue annually. If we look at the business results for 2021, with the new acquisition, the Group's annual revenues exceed HRK 1 billion.

With the acquisition of Invitel, the Group has gained clients from new sectors in which it has not been present so far, i.e., companies focused on renewable energy sources, carbon management, energy transition, and technological innovations, all key to a successful global transition to a low carbon economy. This fits perfectly into the company's sustainability strategy. In addition, the company gained a large number of valuable employees and a very experienced management team with excellent contacts in the industry, which will certainly contribute to its further growth and development.

Following this acquisition, the Group has expanded its operations to 48 locations across Europe and the United States, making Germany the Group's largest revenue-generating market, which is the culmination of a strategy to build a leading BPO provider for the DACH market, i.e., the German-speaking area. At the same time, this transaction is a continuation of the Group's acquisition strategy, in which each new takeover strengthens the synergistic effects of all members of the M+ Group.

3.2. War in Ukraine

The Group closely monitors developments in Ukraine and assesses short-term and long-term effects on business operations. The Group is not directly exposed to negative business developments, as it does not do business with clients from Ukraine or Russia in the BPTO segment. The sanctions imposed on Russia do not limit or reduce the contracted volumes of business with our clients.

Indirect negative consequences such as rising energy costs, inflationary pressures, and other negative elements that may affect the slowdown of the economies in which our customers operate can not be estimated at the moment.

3.3. Increase in equity of the Group

In 2022, Convex Holding Ltd entered the ownership structure of the subsidiary M Plus Croatia d.o.o. with a 1.8% stake, increasing the Group's equity by HRK 30 million.

3.4. Acquisition of non-controlling interests in Agencija za privremeno zapošljavanje Trizma d.o.o.

In 2022, the Group purchased the remaining 49% stake in the company Agencija za privremeno zapošljavanje Trizma d.o.o., thus acquiring a 100% stake in the said company.

3.5. Acquisition of non-controlling interests in the M+ Deutschland GmbH

During the second quarter of 2022, the Group purchased the remaining 46% stake in the company M+ Deutschland GmbH, thus acquiring a 100% stake in the said company.

3.6. Sustainability report

The Company has published its second Group Sustainability Report, which includes information on the Group's economic, environmental, and social performance, and is aimed at stakeholders. The Report covers the period from January 1, 2021, to December 31, 2021.



The Report was compiled with regard to the consolidated set of GRI standards for 2021. It covers the Group's operations in 2021. The Report also includes information on our work in the context of the United Nations Global Compact (UNGC) principles, along with the UNGC table of contents at the end of the Report. It presents the Group's activities in the field of sustainability during 2021 and draft plans to encourage improvement, as well as the publication of information on all environmental, social, and governance (ESG) initiatives of the Group.

Within the framework of the Sustainability Report, the Group transparently communicates its activities and results. It also intends to continue this practice in future periods by creating and publishing annual sustainability reports. In order to identify and prioritize material issues to be reported in the Report, a survey was conducted as part of our Materiality Assessment to gather internal and external stakeholders' views on the most prominent ESG topics and their importance to our organization.

More details on ESG topics in the Group can be found in the [2021 Sustainability Report](#).



3.7. The Sustainability-Linked Bonds Issue

As of July 29th 2022, the Company has issued the Sustainability-Linked bonds on the domestic capital market in the nominal amount of EUR 40,000,000.00, with a fixed annual interest rate and semi-annual interest payments and one-off maturity of the principal after five years with the ticker MRUL-O-277E and the ISIN HRMRULO277E9 (the **Bonds**). Total allocated nominal amount of the Bonds issue is EUR 40,000,000.00.



The Bonds are issued on the basis of the Decision of the Management Board dated 31 May 2022 and with the consent of the Supervisory Board of the Company dated 31 May 2022.

The Issue Agent is Erste&Steiermärkische Bank d.d., Rijeka, Jadranski trg 3/a, OIB: 23057039320 (the **Issue Agent**).

On 14 July 2022, the Company published on websites of the Company the [Simplified Prospectus for Public Offering and Listing of Sustainability-Linked Bonds](#) dated 14 July 2022 (the **Prospectus**). The Prospectus was approved by the Croatian Agency for Supervision of Financial Services (the **HANFA**) by its Decision, class: UP/I 996-02/22-

01/06, ref. no. 326-01-60-62-22-16, dated 14 July 2022.

Introduction of sustainability-linked financing to M+ Group’s toolbox of financial instruments is a natural step in the Group’s growing commitment to sustainability and our transformation aimed at having a greater positive ESG impact. By issuing Sustainability-Linked Bonds M+ Group intends to align its source of financing with its sustainability strategy: setting ambitious key performance indicators (“KPIs”) based on our identified impacts and reinforcing this commitment through investor engagement will accelerate our journey towards achieving sustainability ambitions. Issuance will support our Group’s efforts in unlocking the true potential of sustainable business operations.

3.7.1. Sustainability-Linked Bond Framework

The Group created the Sustainability-Linked Bond Framework aligned with the Sustainability-Linked Bond Principles published by the International Capital Markets Association (“ICMA”) in June 2020 and its core components are:

1. Selection of KPIs;
2. Calibration of Sustainability Performance Targets (“SPTs”);
3. Financial Characteristics;
4. Reporting;
5. Verification

The above present a set of guiding principles for M+ Group which are aimed at the achievement of material, quantitative, predetermined, ambitious, regularly monitored and externally verified ESG objectives through KPIs and SPTs.

The KPIs selected are relevant, core and material to our overall business and consistent with the Group’s strategic priority to reduce its GHG emissions and achieve a more balanced gender diversity in management teams, both of which form part of our sustainability strategy endeavor.

KPI 1	KPI 2
Decreasing Scope 1 and Scope 2 greenhouse gas emissions (GHG)	Reach a more balanced gender diversity in management teams

These two KPIs contribute to the achievement of the UN Sustainable Development Goals related to climate change and the promotion of diversity and inclusion, namely SDG 13 (Take urgent action to combat climate change and its impacts), SDG 5 (Achieve gender equality and empower all women and girls) and SDG 10 (Reduce inequality within and among countries), relating to climate change and promoting diversity and inclusion. All of the three SDGs are part of the “Spotlight SDGs” group which are in our primary focus.

Climate change is the biggest environmental challenge the world nowadays faces, impacting our own operations as well as our supply chain. The centrality of the issue of climate change is broadly recognized and shared throughout society and by governments worldwide and is therefore considered a central issue for M+ Group as well. We recognize that our Group has a relatively low impact on climate change since our activities are not overly carbon-intensive, but our commitment to reducing GHG emissions could produce a ripple effect with our stakeholders, and this is also one of our goals in terms of positive impact.

On the other hand, diverse and inclusive workplace is one that makes everyone, regardless of who they are or what they do for the business, feel equally involved in and supported in all areas of the workplace. Our overall sustainability strategy revolves around diverse and inclusive work environment because we believe that a genuinely inclusive organization, here people can work together effectively without fear or discomfort, can proactively accommodate different needs and make sure everyone can thrive professionally.

Moreover, it has been repeatedly proven that a diverse and inclusive workforce provides different and new views and as such accomplishes better results, including financial ones.

3.7.2. Second-Party Opinion – SPO - Sustainabilitycs

Meritus Ulaganja d.d. has engaged Sustainalytics to review the M+ Group Sustainability-Linked Bond Framework dated June 2022 and provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2020.

Conclusion of the Second-Party Opinion:

The M+ Group Sustainability-Linked Bond Framework defines two KPIs:

- (1) To reduce absolute scope 1 and 2 GHG emissions by 25.2% to 2,148 tCO₂e in 2027, against a 2021 baseline
- (2) To achieve 51% representation of women in management teams (including governance bodies) by the end of 2030, against a 2020 baseline

KPI power level:

KPI#1: Strong

KPI#2: Strong

Ambitiousness of SPTs:

SPT #1: Very ambitious

SPT #2: Ambitious

Sustainalytics considers both KPIs to be strong, based on their materiality, relevance, scope of applicability and adequacy to external benchmarking.

Sustainalytics considers SPT 1 to be highly ambitious based on past performance, peer performance and alignment with science. Sustainalytics considers SPT 2 to be ambitious based on past performance and peer

performance.

More details from the Sustainability-Linked Bond Framework and Second-Party Opinion are available on our [website](#).



The framework document is aligned with ICMA's Principles for Bonds Related to Sustainable Business Operations

3.8. Rebranding - M+ Group changes its brand name to M Plus

M+ Group presented a new brand name - M Plus. The numerous Group members from the BPTO sector acquired through the Group's proactive M&A strategy of mergers and acquisitions have started actively implementing the rebranding process. By uniting under the M Plus brand, the goal is to provide all clients, users, and employees with a harmonized and unified experience that comes with a new logo, visual identity, redefined service structure, and a new website which is currently in the final phase of creation.

Brand architecture - vibrant colors and a new slogan



The new brand name and visual identity are a response to the significant growth and expansion of the company, whose target markets and services have evolved significantly. They reflect the strong synergy of all its members, the company's vision, and plans. The "M" shape symbolizes growth with a special emphasis on "Mastery," while the Plus (+) represents the added

value delivered to the Group's employees and clients. Based on these premises, a unique and holistic mastery approach is put forward, focused on people and supported by the state-of-the-art technology, articulated through the new slogan "*Mastery and Beyond...*".

The new logo uses blue color to support the company's long-term values; self-confidence, success, courage, wisdom, trust, and inspiration, but also adds the newly adopted values that M Plus has acquired as a growing, diverse, multinational, and adaptable Group. The red color expresses energy, excitement, strength, ambition, and enthusiasm, while yellow expresses creativity, joy, and happiness.

M Plus remains focused on building a healthy team environment, providing opportunities for growth and development, encouraging inclusion, respecting different cultures, and using its diversity to provide superior services to its clients and their users. With this rebranding process, M Plus enters a new phase of growth as one of the leading players in the European BPTO market, with the ambition of conquering the global market.

Existing M Plus members from the BPTO sector plan to start the rebranding process by the end of 2022.

4. MARKETS, CLIENTS, PRODUCTS, AND SERVICES



HRK 948 million
up to **September**
30, 2022

In the first half of 2022, the Group generated consolidated revenue in the amount of HRK 607 million.



12,000
employees

With more than 11,000 employees, we are the largest employer of customer service agents in Southeast Europe.



Provision of
services in 58
countries

We provide services to clients in over 58 countries, with high focus on our premium clients in the European (especially in the DACH region) and North American markets, including the US, Canada, and Australia.



300+
clients

We provide services from a wide range of activities and from various locations to more than 300 clients. Our clients include both large companies and fast-growing start-up companies.



32 languages

With a language portfolio of 32 languages, we remain one of the few service providers of our size able to truly meet all language needs of large global clients. Our core competencies still pertain to the languages of the region, as well as to English, German, Turkish, and Italian, with the services in said languages generating most of our revenue.

Our offices are located in:

- Ljubljana (Slovenia)
- Koper (Slovenia)
- Vipava (Slovenia)
- Zagorje ob Savi (Slovenia)
- Zagreb (Croatia)
- Osijek (Croatia)
- Sarajevo (BiH)
- Banja Luka (BiH)
- Belgrade (Serbia)
- Niš (Serbia)
- Istanbul (Turkey)
- Malatya (Turkey)
- Urfa (Turkey)
- Bayburt (Turkey)
- Van (Turkey)
- Rize (Turkey)
- Izmir (Turkey)
- Budapest (Hungary)
- Székesfehérvár (Hungary)
- Szeged (Hungary)
- Cluj (Romania)
- Helmstedt (Germany)
- Boitzenburg (Germany)
- Prenzlau (Germany)
- Leipzig (Germany)
- Lüneburg (Germany)
- Magdeburg (Germany)
- Potsdam (Njemačka)
- Stendal (Germany)
- Sangerh (Germany)
- Halle (Germany)
- Braunschweig (Germany)
- Bielefeld (Germany)
- Bremen (Germany)
- Weimar (Njemačka)
- Nordhausen (Germany)
- Maspalomas (Spain)
- Bucharest (Romania)
- Amsterdam (Netherlands)
- Giubiasco (Switzerland)
- London (UK)
- Charlottesville (USA)
- Atlanta (USA)
- Tbilisi (Georgia)



48 locations

Markets

We provide services to clients on 5 continents in 58 countries around the world



1. Albania
2. Angola
3. Argentina
4. Armenia
5. Australia
6. Azerbaijan
7. The Bahamas
8. Barbados
9. Belgium
10. Belize
11. Bolivia
12. Bosna and Herzegovina
13. Brazil
14. Bulgaria
15. Cape Verde
16. Cameroon
17. Canada
18. Chile
19. Colombia
20. Croatia
21. Cyprus
22. Democratic Republic of the Congo
23. Denmark
24. Ecuador
25. Ethiopia
26. France
27. Germany
28. Greece
29. Guyana
30. Ireland
31. Israel
32. Italy
33. Jamaica
34. Kenya
35. Macedonia
36. Mexico
37. The Netherlands
38. Paraguay
39. Peru
40. Portugal
41. Russia
42. Rwanda
43. Senegal
44. Serbia
45. Slovenia
46. Republic of South Africa
47. Spain
48. Sweden
49. Switzerland
50. Tanzania
51. Trinidad and Tobago
52. Türkiye
53. UAE
54. Uganda
55. UK
56. Uruguay
57. USA
58. Zambia



Clients

The M Plus Group has consolidated its leading position in local markets. It provides services to more than 300 clients, mostly from industries that have shown high resilience to the crisis, such as the financial services, e-commerce, telecom, and technology sectors. Leading clients from these industries increased their demand for BPTO services, which positively impacted operations of the Group.

The M Plus Group is focused on establishing partnerships with leading clients from various industries by providing end-to-end solutions and sees an opportunity in the acquisition of new international clients with whom activities are underway. A part of the clients have increased their willingness to outsource CRM services, or their current BPTO service providers are unable to respond to their needs.

A significant part of existing clients is expanding its cooperation with the Group, which leads to an increase in revenue. The comprehensive geographical coverage of BPTO service deliveries has been further increased with the "WFH" business model. A significant number of clients have increased demand for communication segments such as webchat, digital onboarding, and omnichannel services. At the same time, we pay special attention to the development of client needs in the segment of artificial intelligence and process automation.

The COVID-19 pandemic has further boosted migration to digital channels, so the need to provide services to customers/partners remotely will remain present for a long time, perhaps even permanently.

We have continued to expand our portfolio of services with an existing technology client in the field of e-commerce delivery, and preparations are underway for entering new markets.

The Group was selected to provide services to a digital bank from the DACH market in an international tender.

During the first three quarters of 2022, the number of international agents within the framework of the so-called nearshoring model of service delivery has increased significantly, especially in Turkey, mainly for e-commerce clients.

During the 2nd quarter of 2022, we started cooperation with another digital bank and with the acquisition of Invitel, the Group has expanded the share of clients from the energy, logistics, and utility sectors, continuing long-term cooperation with these clients. The growth potential was successfully realized through the migration of new volumes in the nearshoring business model.

Locations

The Group currently provides contact center services in 34 locations in eight countries in Southeast Europe, Germany, and Spain.

- Ljubljana (Slovenia)
- Kopar (Slovenia)
- Zagreb (Croatia)
- Osijek (Croatia)
- Sarajevo (Bosnia and Herzegovina)
- Banja Luka (Bosnia and Herzegovina)
- Beograd (Serbia)
- Niš (Serbia)
- Istanbul (Turkey)
- Malatya (Turkey)
- Izmir (Turkey)
- Bayburt (Turkey)
- Van (Turkey)
- Rize (Turkey)
- Urfa (Turkey)
- Helmstedt (Germany)
- Boitzenburg (Germany)
- Tbilisi (Georgia)
- Prenzlau (Germany)
- Leipzig (Germany)
- Lüneburg (Germany)
- Magdeburg (Germany)
- Halle (Germany)
- Stendal (Germany)
- Sangerh (Germany)
- Braunschweig (Germany)
- Bielefeld (Germany)
- Bremen (Germany)
- Weimar (Germany)
- Nordhausen (Germany)
- Maspalomas (Spain)
- Bucharest (Romania)



Research and development (R&D) centers have been established in 5 locations. Their focus is on the development of new technologies, artificial intelligence (AI), machine learning, and contact center software:

- Zagreb
- Ljubljana
- Belgrade
- Istanbul
- Budapest

Products and Services

Contact Center Services



The M Plus Group is one of the largest providers of **business process outsourcing services** (BPO) in the region. The Group provides a wide range of BPO-CRM solutions structured around a multi-channel (telephone, email, chat, and social networks) and multilingual (32 languages) customer experience platform, primarily through the contact center.

In addition to its **contact center services**, the company also offers **IT services** (CEP, CRM, the Buzzeasy contact center software, video identification (SaaS), and the development of specific software solutions), **robotic process automation** (RPA), and **human resource management services** (selection and identification of potential staff and temporary employment), developed as complementary services to said core activities. By merging all three business lines, the Group offers a unique platform for improving the business of its clients.

The provision of contact center services is the core activity of the Group and its subsidiaries (consisting, among other things, of the provision of inbound and outbound services, insource and outsource models, voice and non-voice services, back-office services, and video identification services).

At the heart of our company's business lies the provision of customer service on different channels, such as the voice channel (incoming and outgoing calls), email, ticketing systems, chat, and, most importantly, digital contacts, especially on platforms such as Facebook, LinkedIn, WhatsApp, Viber, Social Listening, Twitter, etc. Our contact with customers takes place 24 hours a day, seven days a week.

Corporate clients are also provided with the service of peak capacity management (Overflow handling), where clients have their own call centers, but during peak flow, when their operators cannot answer all inquiries, they can transfer excess calls to the call center of the Group and provide their customers with a prompt and professional response to inquiries. The portfolio also includes customer data verification services, the optimization of the sales and order management process, debt collection, and identity verification via video, a simple and extremely safe security measure for the verification of the identity of online users.

Contact center services are also characterized by the application of high-tech IVR solutions, chat bots, and artificial intelligence robots that ensure the effectiveness of the offered solutions at all times.

We also provide business support to our clients through business analytics services that include the collection, verification, storage, protection, and processing of data in order to provide reliable and timely operations reports.

IT services



With the integration of the Geomant Group, IT operations are gaining in importance, and the ability to provide even better services through the vertical connection of IT solutions and services as part of providing key services to our customers in the segments of contact center and HR services.

Geomant Group is a provider of services and solutions for customer interaction and integration of customer experience solutions. It has been developing its business for years in various markets, including the United Kingdom, the United States, Hungary, and Romania. Geomant offers a unique combination of software solutions, Cloud technologies, and the possibility of system integration through long-term partnerships with leading service providers such as Avaya, Microsoft, and Verint.

By acquiring a majority stake in Bulb d.o.o., the range of IT technology is further expanded, which complements business solutions in the segments of process optimization and user experience in the best possible way. The Cempreso platform is a software solution that fully automates operational processes in all interactions, from contact centers to solving user requirements by using artificial intelligence (AI) and machine learning. Key features of the Cempreso platform include service activation, service configuration, fault identification and removal, quality assurance, and data analysis.

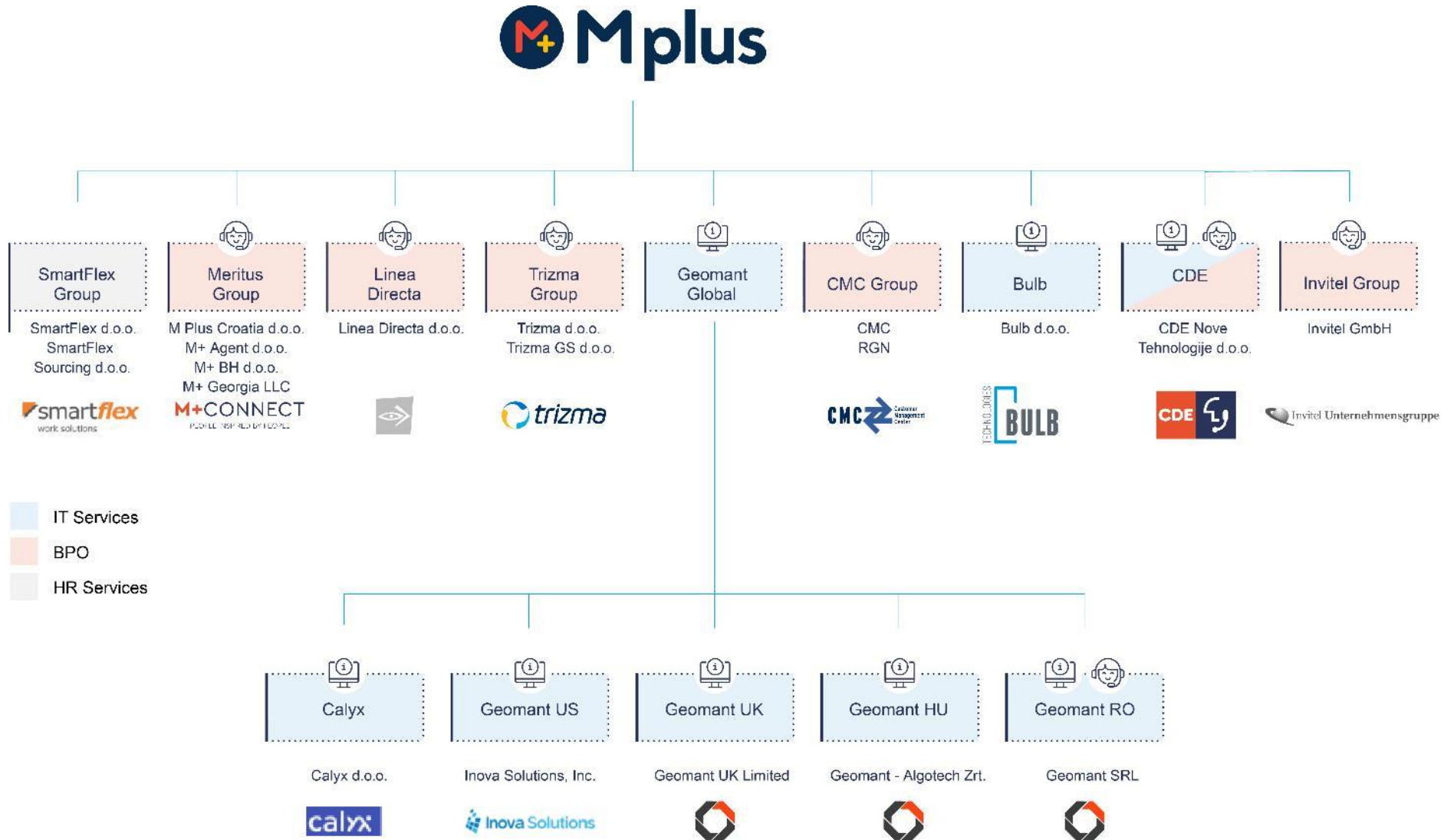
As IT service providers, CMC, Calyx d.o.o. and CDE nove tehnologije d.o.o., as subsidiaries of the Group, have over 20 years of experience in developing solutions for the largest telecommunications operators, financial institutions, and fast-moving consumer goods distribution companies (FMCG). Along with their thorough knowledge of the business area, a competitive advantage of CMC, Calyx d.o.o. and CDE nove tehnologije d.o.o. are their fast and efficient adaptation and the integration of existing solutions. Their references include a large number of successfully implemented projects of high complexity, namely entirely tailored to the client's need, from consultations to the implementation, all with the participation of experienced designers and engineers.

Information technology services focus on the development and integration of advanced information and telecommunications technologies, with an emphasis on customer service solutions, customer relations management, and customer engagement management. Buzzeasy platform is a unique customer interaction platform enabling one to transform a traditional contact center into a customer interaction center. It uses voices, e-mail, SMS, chat, and social networks within a single platform, along with complete business management tools. These tools are used for the creation of advanced segmentation, as well as in every interaction with the target group.


In addition, CMC has developed the multi-channel customer relations management platform Workspace, as well as the interactive SMART AGENT knowledge sharing software, which greatly shortens the employee training and education process. Within the CMC R&D center, what stands out is an internally developed RPA (robotic process automation) solution for business process automation. By imitating human actions, the above solution masters repetitive tasks such as filling out different forms, retrieving data from the web, creating calculations, etc.

The product portfolio also offers a video identification tool that complies with KYC and ALM regulations, which can be adapted to all business needs and is fully harmonized with the client's processes.

5. GROUP ORGANIZATION




6. GROUP MEMBER COMPANIES




Contact Center services

- M Plus Croatia d.o.o.
- M+ Agent d.o.o.
- M+ BH d.o.o.
- Trizma d.o.o.
- Trizma GS d.o.o.
- Linea Directa d.o.o.
- CDE Nove tehnologije d.o.o.
- CMC iletişim ve Çağrı Merkezi Hizmetleri A.Ş.
- RGN iletişim Hizmetleri A.Ş.
- Meritus Georgia LLC
- Invitel GmbH
- BusinessLine GmbH
- Invitel Halle GmbH
- Invitel Helmstedt GmbH
- Invitel Leipzig GmbH
- Invitel Lünenburg GmbH
- Invitel Magdeburg GmbH
- Invitel Prenzlau GmbH
- ISF MicroUnits GmbH
- SalesKultur GmbH
- Simon & Focken Bielefeld GmbH
- Simon & Focken Braunschweig GmbH
- Simon & Focken Bremen GmbH
- Simon & Focken S.L.U.
- M Plus Smart Hub Romania SRL




IT services

- Bulb d.o.o.
- Calyx d.o.o.
- Geomant – Algotech Zrt.
- Geomant Srl
- Geomant UK limited
- Inova Solutions Inc.
- CDE IT d.o.o.



Other Companies

- Technology Services Holdings B.V.
- Meritus Plus Centar d.o.o. Beograd
- Trizma Plus d.o.o. Beograd
- Meritus Global Real Estate Management d.o.o.
- Meritus Global technology d.o.o.
- Meritus Global Strategics d.o.o.
- Geomant Global d.o.o.
- Bulb Upravljanje d.o.o.
- Pit insan Kaynaklari ve Danışmanlik A.Ş.
- ISS Sigorta Acentelik Hizmetleri A.Ş.
- M+ Deutschland BPTO GmbH
- Moderna Ventures B.V.
- Moderna Ventures S.A.
- TVPD B.V.
- Dvorec Zemono

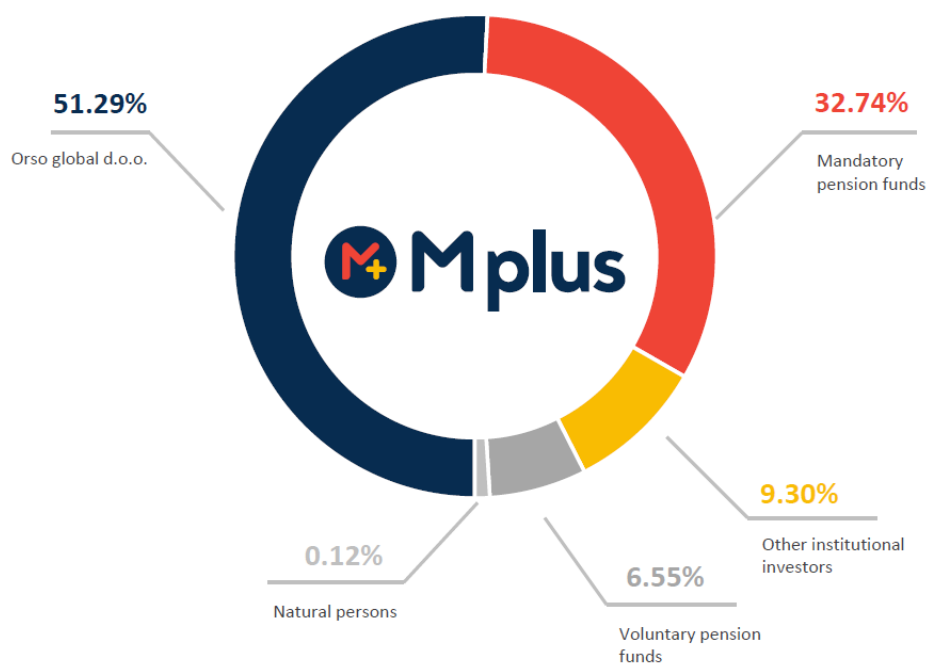


HR services

- Smart Flex d.o.o.
- Smart Flex Sourcing d.o.o.

7. OWNERSHIP STRUCTURE

Ownership structure as at September 30, 2022:



The ten largest shareholders of the Company as at September 30, 2022, were:

Shareholders	Percentage of shares (%)
1 Orso Global d.o.o.	51.29
2 OTP BANKA d.d./ERSTE PLAVI OMF Category B	9.55
3 ERSTE & STEIERMARKISCHE BANK d.d./PBZ CO OMF – Category B	9.31
4 HPB d.d./Fond za financiranje razgradnje NEK	8.41
5 OTP BANKA d.d./AZ OMF Category B	7.96
6 Raiffeisenbank Austria d.d./Raiffeisen Dobrovoljni Mirovinski Fond	4.16
7 Privredna banka Zagreb d.d./ Raiffeisen OMF Category B	4.10
8 Zagrebačka banka d.d./AZ Profit Otvoreni Dobrovoljni Mirovinski Fond	1.39
9 Privredna banka Zagreb d.d./ Raiffeisen OMF Category A	0.74
10 ERSTE & STEIERMARKISCHE BANK d.d./PBZ CO OMF – Category A	0.59

8. CONSOLIDATED FINANCIAL STATEMENTS

8.1. CONSOLIDATED BALANCE SHEET

<i>*in HRK thousands</i>	31 December 2021	30 September 2022
Non-current assets		
Goodwill	83,470	128,776
Intangible assets	184,671	181,869
Right of use assets	47,307	83,550
Property, plant, and equipment	32,515	57,751
Non-current financial assets	7,710	33,361
Deferred tax assets	2,997	5,868
Total non-current assets	358,670	491,175
Current assets		
Inventories	670	1,462
Other current financial assets	85	28,602
Trade receivables	130,775	202,921
Other receivables	35,826	33,182
Accrued income and prepaid expenses	37,411	47,337
Cash and cash equivalents	348,217	474,985
Total current assets	552,984	788,489
TOTAL ASSETS	911,654	1,279,664
Equity		
Share capital	98,203	98,203
Other reserves	(109,360)	(209,342)
Capital reserves	149,060	149,060
Legal reserves	5,550	11,192
Retained earnings and profit for the current year	92,502	142,928
To the owners of the parent	235,955	192,041
Non-controlling interests	173,095	144,116
Total equity	409,050	336,157
Non-current liabilities		
Long-term borrowings	187,125	231,689
Liabilities for issued bonds	-	300,435
Long-term lease liabilities	30,884	61,344
Deferred tax liability	6,287	5,548
Other non-current liabilities	8,212	17,759
Total non-current liabilities	232,508	616,775
Current liabilities		
Trade payables	31.794	35.905
Liabilities to employees	40.001	71.596
Other current liabilities	32.356	28.875
Short-term borrowings	109.478	113.659
Short-term lease liabilities	17.247	28.840
Accrued expenses and Deferred Income	39.220	47.857
Total current liabilities	270,096	326,732
TOTAL EQUITY AND LIABILITIES	911,654	1,279,664

8.2. CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>*in HRK thousands</i>	2021		2022	
	Cumulative	Quarter	Cumulative	Quarter
Revenue from contracts with customers	577,539	200,036	930,627	337,187
Other revenue	5,844	2,151	17,738	4,204
Total revenue	583,383	202,187	948,365	341,391
Costs of raw materials and supplies	(1,932)	(812)	(2,166)	(756)
Cost of goods sold	(8,745)	(1,746)	(4,291)	(1,114)
Costs of services	(68,046)	(23,703)	(77,061)	(25,676)
Staff costs	(374,826)	(129,962)	(684,119)	(245,598)
Depreciation and amortization	(43,307)	(15,610)	(65,688)	(21,868)
Other operating expenses	(29,748)	(9,946)	(51,284)	(19,586)
Total operating expenses	(526,604)	(181,779)	(884,609)	(314,598)
Profit from operations	56,779	20,408	63,756	26,793
Financial income	13,635	4,999	11,769	4,024
Financial expenses	(25,945)	(7,078)	(24,624)	(9,632)
Losses from financial activities	(12,310)	(2,079)	(12,855)	(5,608)
Profit before taxation	44,469	18,329	50,901	21,185
Income tax	(1,923)	(1,079)	(3,617)	(849)
Profit for the year	42,546	17,250	47,284	20,336
Attributable to:				
To the owners of the Company	29,971	13,413	52,487	26,206
Non-controlling interests	12,575	3,837	(5,203)	(5,870)
Other comprehensive income				
Profit for the year	42,546	17,250	47,284	20,336
<i>Items that can later be transferred to profit or loss</i>				
Exchange rate differences from the translation of foreign parts of operations in the current business year	(296)	2,121	(3,423)	(788)
Other comprehensive income for the year	(296)	2,121	(3,423)	(788)
TOTAL COMPREHENSIVE INCOME FOR THE CURRENT YEAR	42,250	19,371	43,861	19,548
Attributable to:				
The owners of the Company	29,675	15,534	49,064	25,418
Non-controlling interests	12,575	3,837	(5,203)	(5,870)

8.3. CONSOLIDATED CASH FLOW STATEMENT

<i>*in HRK thousands</i>	30 September 2021	30 September 2022
Pre-tax profit	44,469	50,901
Depreciation	43,307	65,688
Interest and dividend income	(1,856)	(1,436)
Interest expenses	8,798	16,220
Provisions	683	3,562
Exchange rate differences (unrealised)	4,378	5,887
Other adjustments for non-cash transactions and unrealised gains and losses	(2,400)	(3,451)
Cash flow increase or decrease before changes in working capital	97,379	137,371
Increase or decrease in short-term liabilities	4,752	(9,640)
Increase or decrease in short-term receivables	(55,985)	(46,778)
Increase or decrease in inventories	(840)	(792)
Other increase or decrease in working capital	(7,883)	(28,806)
Cash from operations	37,423	51,355
Interest paid	(6,821)	(6,596)
Income tax paid	(2,107)	(5,617)
Net cash generated in business activities and changes in working capital	28,495	39,142
Cash payments for the purchase of fixed tangible and intangible assets	(38,126)	(50,023)
Cash payments for loans and deposits for the period	(4,186)	(43,492)
Other cash inflows from investment activities	-	25,236
Other cash payments from investment activities	(3,782)	(13,922)
Net cash from investment activities	(46,094)	(82,201)
Cash receipts from credit principals, loans and other borrowings	99,930	67,190
Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	(60,729)	(80,799)
Cash receipts from the issue of equity financial instruments and debt financial instruments	104,284	300,435
Cash payments for dividends	(7,859)	(9,820)
Cash payments for finance lease	(12,437)	(20,750)
Other cash inflows from financing activities	-	30,000
Other cash payments from financing activities	(10,050)	(111,880)
Net cash from financing activities	113,139	174,376
Net increase or decrease in cash and cash equivalents	95,540	131,317
Unrealised exchange rate differences in respect of cash and cash equivalents	-	(4,549)
Cash and cash equivalents at the beginning of the period	159,271	348,217
Cash and cash equivalents at the end of the period	254,811	474,985

8.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**in HRK thousands*

	Share capital	Other reserves	Capital reserves	Legal reserves	Reserves from foreign exchange differences from investment in foreign operations	Retained earnings	To the owners of the Company	Non-controlling interests	Total
Balance at December 31, 2020	85,781	(65,426)	57,249		(18,336)	65,850	125,118	147,359	272,477
Profit for the current year	-	-	-	-	-	29,971	29,971	12,575	42,546
Increase in share capital and reserves	12,423	-	91,811	-	-	-	104,234	-	104,234
Other comprehensive income for the current year	-	(221)	-	-	-	-	(221)	-	(221)
Transfer to legal reserves	-	(1,135)	-	5,419	-	(3,483)	801	-	801
Dividend payment	-	-	-	-	-	(7,859)	(7,859)	-	(7,859)
Balance at September 30, 2021	98,204	(66,782)	149,060	5,419	(18,336)	84,479	252,044	159,934	411,978
Balance at December 31, 2021	98,203	(66,244)	149,060	5,550	(43,116)	92,502	235,955	173,095	409,050
Profit for the current year	-	-	-	-	-	52,487	52,487	(5,203)	47,284
Other comprehensive income for the current year	-	-	-	-	(3,423)	-	(3,423)	-	(3,423)
Transfer to legal reserves	-	-	-	5,642	-	(5,642)	-	-	-
Dividend payment	-	-	-	-	-	(9,820)	(9,820)	-	(9,820)
Acquisitions	-	(101,762)	-	-	-	18,604	(83,158)	(23,776)	(106,934)
Balance at September 30, 2022	98,203	(168,006)	149,060	11,192	(46,539)	148,131	192,041	144,116	336,157

8.5. NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly reporting periods)

Name of the issuer: Meritus ulaganja d.d.

Personal identification number (OIB): 62230095889

Reporting period: 01.01.2022. - 30.09.2022.

Notes to financial statements for quarterly periods include:

a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)

On July 29, 2022, the company issued sustainability-linked bonds (English: Sustainability-Linked Bonds) on the domestic capital market in the total nominal amount of EUR 40,000,000.00, with a fixed annual interest rate, with semiannual interest payments and a one-time maturity principal after five years, code MRUL-O-277E and international identification number (ISIN) HRMRULO277E9 ("Bonds"). The total registered nominal amount of Bonds was EUR 40,000,000.00.

b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period

n/a

c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)

n/a

d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)

n/a

e) other comments prescribed by IAS 34 - Interim financial reporting

n/a

f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration

n/a

2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
There were no changes in the applied accounting policies compared to the previous reporting period.

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately

There are no financial liabilities, guarantees or contingencies that are not included in the balance sheet.

4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence

n/a

5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
Of the total debts, HRK 43,945,287 is due after more than 5 years. Total debts to banks and financial institutions are covered by promissory notes, and to a lesser extent by collateral.

6. average number of employees during the financial year
11,994

7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries
n/a

8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year
The value of Deferred Tax Assets recognized is HRK 5,868,040, while Deferred Tax Liabilities amount to HRK 5,548,329.

9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking - n/a

10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital - n/a

11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer - n/a

12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
n/a

13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member
n/a

14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13
n/a

15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available
n/a

16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking
n/a

17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet

In Turkey, cumulative inflation rates over a three-year period exceeded 100% in Q2/2022. Although there was not an official announcement yet, the big 4 accounting firms have recently reached a consensus that all necessary conditions based on IAS 29 are in place and that the country should be formally classified as hyperinflationary economy. Calculations of the impact of IAS 29 as well as discussion on indexes is underway. Once that all facts and calculations are known, appropriate indexation will be applied on current as well as comparative period.

9. UNCONSOLIDATED FINANCIAL STATEMENTS

9.1. UNCONSOLIDATED BALANCE SHEET

<i>*in HRK thousands</i>	31 December 2021	30 September 2022
Non-current assets		
Intangible assets	508	37
Property, plant, and equipment	20,364	19,535
Non-current financial assets	384,545	497,233
Total non-current assets	405,417	516,805
Current assets		
Trade receivables	1,018	2,751
Other receivables	12,153	4,637
Accrued income and prepaid expenses	41	1,894
Cash and cash equivalents	116,074	296,706
Total current assets	129,286	305,988
TOTAL ASSETS	534,703	822,793
Equity		
Share capital	98,203	98,203
Capital reserves	387,630	387,630
Legal reserves	2,030	2,559
Retained earnings and profit for the current year	17,521	3,888
Total equity	505,384	492,280
Non-current liabilities		
Long-term borrowings	12,363	11,332
Long-term lease liabilities	292	-
Liabilities for issued bonds	-	300,435
Total non-current liabilities	12,655	311,767
Current liabilities		
Trade payables	14,522	14,667
Liabilities to employees	14	72
Other current liabilities	44	-
Short-term borrowings	1,959	1,507
Short-term lease liabilities	99	-
Accrued expenses and Deferred Income	26	2,500
Total current liabilities	16,664	18,746
TOTAL EQUITY AND LIABILITIES	534,703	822,793

9.2. UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

**in HRK thousands*

	2021		2022	
	Cumulative	Quarter	Cumulative	Quarter
Revenue from contracts with customers	1,612	543	2,246	776
Other revenue	28	7	24	7
Total revenue	1,640	550	2,270	783
Costs of raw materials and supplies	(30)	(7)	(93)	(31)
Costs of services	(855)	(333)	(1,149)	(216)
Staff costs	(563)	(183)	(725)	(226)
Depreciation and amortization	(1,033)	(345)	(884)	(282)
Other operating expenses	(3,571)	(586)	(4,032)	(1,712)
Total operating expenses	(6,052)	(1,454)	(6,883)	(2,467)
Profit from operations	(4,412)	(904)	(4,613)	(1,684)
Financial income	1,150	392	1,849	922
Financial expenses	(416)	(289)	(519)	(158)
Gain from financial activities	734	103	1,330	764
Profit before taxation	(3,678)	(801)	(3,283)	(920)
Income tax	-	-	-	-
Profit for the year	(3,678)	(801)	(3,283)	(920)
Other comprehensive income				
Profit for the year	(3,678)	(801)	(3,283)	(920)
<i>Items that can later be transferred to profit or loss</i>	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE CURRENT YEAR	(3,678)	(801)	(3,283)	(920)

9.3. UNCONSOLIDATED CASH FLOW STATEMENT**in HRK thousands*

	30 September 2021	30 September 2022
Pre-tax profit	(3,678)	(3,283)
Depreciation	1,033	884
Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	-	-
Interest and dividend income	(1,110)	(1,763)
Interest expenses	317	370
Cash flow increase or decrease before changes in working capital	(3,438)	(3,792)
Increase or decrease in short-term liabilities	266	61
Increase or decrease in short-term receivables	6,744	(1,736)
Other increase or decrease in working capital	2,664	782
Cash from operations	6,236	(4,685)
Interest paid	(317)	(370)
Net cash generated in business activities and changes in working capital	5,919	(5,055)
Cash receipts from repayment of loans and deposits	1,110	-
Cash payments for the purchase of fixed tangible and intangible assets	(12)	-
Cash payments for loans and deposits for the period	-	(103,405)
Net cash from investment activities	1,098	(103,405)
Cash receipts from the increase in initial (subscribed) capital	104,284	-
Cash receipts from credit principals, loans and other borrowings	29,248	-
Cash receipts from the issue of equity financial instruments and debt financial instruments	-	300,435
Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	-	(1,484)
Cash payments for dividends	(6,659)	(9,820)
Cash payments for finance lease	-	(39)
Other cash payments from financing activities	(938)	-
Net cash from financing activities	125,935	289,092
Net increase or decrease in cash and cash equivalents	132,952	180,632
Cash and cash equivalents at the beginning of the period	5,419	116,074
Cash and cash equivalents at the end of the period	138,371	296,706

9.4. UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**in HRK thousands*

	Share capital	Capital reserves	Legal reserves	Retained earnings	To the owners of the Company
Balance at December 31, 2020	85,781	295,849	-	15,626	397,256
Profit for the current year	-	-	-	(3,678)	(3,678)
Increase in share capital and reserves	12,423	91,812	-	-	104,235
Dividend payment	-	-	-	(6,659)	(6,659)
Balance at September 30, 2021	98,204	387,661	-	5,289	491,154
Balance at December 31, 2021	98,203	387,630	2,030	17,520	505,383
Profit for the current year	-	-	-	(3,283)	(3,283)
Transfer to legal reserves	-	-	529	(529)	-
Dividend payment	-	-	-	(9,820)	(9,820)
Balance at September 30, 2022	98,203	387,630	2,559	3,888	492,280

9.5. NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly reporting periods)

Name of the issuer: Meritus ulaganja d.d., Zagreb

Personal identification number (OIB): 62230095889

Reporting period: 01.01.2022. - 30.09.2022.

Notes to financial statements for quarterly periods include:

a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)

On July 29, 2022, the company issued sustainability-linked bonds (English: Sustainability-Linked Bonds) on the domestic capital market in the total nominal amount of EUR 40,000,000.00, with a fixed annual interest rate, with semiannual interest payments and a one-time maturity principal after five years, code MRUL-O-277E and international identification number (ISIN) HRMRULO277E9 ("Bonds"). The total registered nominal amount of Bonds was EUR 40,000,000.00.b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period

n/a

c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)

There were no changes in the applied accounting policies compared to the previous period annual financial statements.

d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)

n/a

e) other comments prescribed by IAS 34 - Interim financial reporting

n/a

f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration

Meritus ulaganja d.d., Zagreb, Hrvatska, MB: 05012228, OIB: 62230095889

2. adopted accounting policies (only an indication of whether there has been a change from the previous period)

There were no changes in the applied accounting policies compared to the previous reporting period.

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately

There are no financial liabilities, guarantees or contingencies that are not included in the balance sheet.

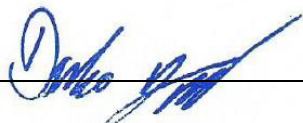
4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
n/a
5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
Of the total debts, HRK 5,269,069 is due after more than 5 years. Total debts to banks and financial institutions are covered by promissory notes, and to a lesser extent by collateral.
6. average number of employees during the financial year
2
7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries
n/a
8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year
n/a
9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking
n/a
10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital
n/a
11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer
n/a
12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
n/a
13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member
n/a
14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13
n/a
15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available
n/a
16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking
n/a
17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet
n/a

10. STATEMENTS OF THE MANAGEMENT BOARD ON RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Zagreb, October 2022

Statement of the Management Board on the responsibility for the financial statements

The unconsolidated financial statements of Meritus ulaganja d.d. (the Company) and the consolidated financial statements of Meritus ulaganja d.d. and its subsidiaries (M Plus or the Group) are prepared in accordance with International Financial Reporting Standards (IFRS) and the Croatian Accounting Act. The unaudited non-consolidated and consolidated financial statements of the Company and the Group for the period from January 1 to September 30, 2022 provide a complete and true view of the assets and liabilities, profit and loss, financial position, and operations of issuers and companies included in the consolidation as a whole. The Management Board's report for the period up to September 30, 2022, contains a true and fair view of the development and results of the Company's operations with a description of the most significant risks and uncertainties to which the Company is exposed.



Darko Horvat
President of the Management
Board



Tomislav Glavaš
Member of the Management Board

11. CONTACTS

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department**



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Ana Babić

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IT services



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HR management services



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Mplus



2019's target

	2019	2019	2019
Product R - North America	131	190	15,555
Product A - Australia	340	435	1,918
Product A - Europe	29,589	42,700	10,309
Product A - Asia			24,328
			25,000
			47,740

	2019	2019	2019
Europe	846,878		
Product A01	277,400		
Product A02	563,800		
Product A03	15,900		
Australia	161,275		
Product A01	182,700		
Product B01	278,561		
Total	4,067,284		

	2019	2019	2019
Product R - North America	131	190	15,555
Product A - Australia	340	435	1,918
Product A - Europe	29,589	42,700	10,309
Product A - Asia			24,328
			25,000
			47,740