

Mplus⁺

BUSINESS RESULTS

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

Financial statement for the period
that ended June 30, 2023

Zagreb, July 2023





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COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD

The company Meritus ulaganja d.d. and its subsidiaries (the Group) continue to achieve excellent results in the second quarter of 2023. The strong revenue growth of 52% compared to the same period in 2022 is the result of organic growth in our BPTO operations segment, as well as progress in the HR business segment through the acquisition of the Workplace Group. Organic growth of BPTO operations amounted to 26% compared to the same period last year, and the rest of the growth relates to revenue from HR operations, which are consolidated from April 1, 2023, and organic growth in other segments of the Group.

Despite the earthquake in Turkey, which had a negative impact on the Group's EBITDA of EUR 2,513 thousand, the Group was able to increase its EBITDA compared with the same period of the previous year. EBITDA reached EUR 11,879 thousand – an increase of 17% year-over-year. Adjusted EBITDA for the Group, taking into account adjustments for the earthquake in Turkey and other normalization items, amounted to EUR 16,076 thousand, which is an increase of 40%, i.e., EUR 4,619 thousand more compared to last year, which only confirms the strength of the Group.

We would like to point out that the success of the Group is based on three key values – operational excellence, efficiency, and speed. These values are at the core of our business strategy and are key to our sustainable growth and success in the market.

At the Group, we are constantly looking for new opportunities and ways to improve our business. We strive to be an industry leader and provide innovative and high-quality products and services to our customers worldwide. We are also conscious of the impact our business has on society and the environment, and therefore strive to achieve sustainable growth and make a positive impact on the communities in which we operate.

As part of our BPTO activities, Group launched Buzzeasy – a proprietary communication platform based on artificial intelligence (AI). The development of this product began more than a year and a half ago, before artificial intelligence gained the popularity it currently has. What differentiates us from our competitors is the fact that we develop our own technology and do not just resell others' products. It is also important to emphasize that we based our product development on feedback from our operations – we looked for the best solutions that would make our business more efficient. Our employees have developed and will manage this technology. We believe that AI will only contribute to the further development of the Group and open up some new potential that we have not yet been able to realize.

We are further pleased to report that on April 1, 2023, we successfully completed the acquisition of Integrator Holding d.o.o., MPS Integration d.o.o. and their subsidiaries. With this, we have taken a new step in building a dominant Human Resources (HR) industry vertical, which will operate under the Workplace brand. The Workplace Group will continue to operate through 18 companies, including companies that have Manpower licenses in six countries in the region and offer a wide range of HR services.

The Group has ambitious plans in the field of integrated human resources management, recruitment, and employment services, in which it will initiate the application of scalable technological solutions and implement best practices, with the aim of creating one of the leading European HR service providers.



The Group is firmly committed to achieving its ESG goals and strengthening its corporate structures. Integrating sustainability goals into our business strategy will continue to have a positive impact on our day-to-day operations. Our ambitious goals can serve as an example for the rest of the Croatian market on the road to sustainability. By pushing boundaries and setting higher standards, we hope to inspire others to do the same.

In June 2023, while maintaining continuity, we strengthened our Supervisory Board with new members. Ms. Tamara Sardelić, a long-time member of the Supervisory Board, became its new President. Mr. Philipp Rösler, former German Vice Chancellor, was appointed to the Supervisory Board and elected Deputy President. Ms. Ana Babić, who has more than 10 years of experience in the field of corporate governance and business compliance, was also appointed to the Board.

The results for the first half of 2023 demonstrate the success of our strategy and our commitment to ensure sustained growth for the Group. They are a testament to the hard work of our employees and our dedication to delivering value to our customers.

I am confident that this trend will continue as we enter the second half of the year.



KEY OPERATIONAL FIGURES





REVENUES: Meritus ulaganja d.d. (the Company) and its subsidiaries (the Group) continued with good results in 2023. Business revenues in the first half of 2023 amounted to EUR 126,936 thousand. Compared to the same period of the previous year, an increase of EUR 43,647 thousand or 52% was achieved.

The Group achieved the mentioned growth through the organic growth of its BPTO (Business Process and Technology Outsourcing) business, whose revenues grew from EUR 79,718 thousand to EUR 100,053 thousand compared to the same period of the previous year, which represents a growth of 26%. The Group has successfully established new business relationships with clients from various sectors with a special focus on clients from the Deutschland-Austria-Switzerland („DACH“) region. Organic revenue growth was achieved through a focus on business operations, increasing service quality, and achieving higher volumes.

The growth of revenue was also impacted by the acquisition of Workplace Group, which provides HR (Human Resource) services from April 1, 2023. In the period from April 1 to June 30, 2023, Workplace Group generated revenues in the amount of EUR 24,143 thousand.

In its other business segments, the Group also achieved revenue growth of EUR 1,943 thousand compared to the same period of the previous year.

EBITDA: Earthquake in Turkey had negative impact on the Group operations but despite that the Group managed to achieve growth in EBITDA in comparison to the first half of 2022. The earthquake in Turkey decreased EBITDA for EUR 2,513 through decrease in revenue and increase of unexpected costs. Stable demand for Business process and Technology Outsourcing (“BPTO“) services in all markets, successful integration and restructuring of Invitel GmbH and its subsidiaries (Invitel Group), implementation of new process and technologies during 2023, cost optimization and acquisition of Workplace Group resulted with positive impact and EBITDA was achieved in amount of EUR 11,879 thousand. In comparison to the previous year period there was increase of EUR 1,767 thousand or 17%.

Adjusted EBITDA for the period ending June 30, 2023, was EUR 16,076 thousand, where the largest adjustment, in the amount of EUR 2,513 thousand, relates to the impact of the earthquake in Turkey. Other adjustments in the amount of

EUR 1,684 thousand relates to the costs of M&A in the amount of EUR 909 thousand, EUR 321 thousand relates to restructuring costs in Germany, and other one-off items amount to EUR 454 thousand. Compared to the same period of the previous year, adjusted EBITDA increased by EUR 4,619 thousand, which is a growth of 40%.

With acquisition of the Workplace Group, the Group has made a significant step forward in the HR segment in addition to the BPTO operations segment, which will have a significant impact on the Group's further growth.

The Group continues to develop its BPTO operations as a key business segment through Mplus Croatia d.o.o. and its subsidiaries (Mplus Group). In 2023, the integration and restructuring of the Invitel Group will continue, and further positive effects of these processes on the results are expected. Investments in technological solutions during 2022 and 2023 are also beginning to show a positive impact on profitability.

We continued to scale our sales department significantly in all areas - from reporting and presales process to customer success management and activities which will expand client portfolio. Said activities will also allow the Group to utilize its unique market position with Invitel as a sourcing pool for the acquisition of additional clients in the DACH region but also in new markets, like United Kingdom (UK).

<i>(in EUR thousand)</i>	1-6 2023	1-6 2022 Restated*	Change	%
Total revenue	126,936	83,289	43,647	52%
EBITDA	11,879	10,112	1,767	17%
Adjusted EBITDA**	16,076	11,457	4,619	40%
Net profit	934	2,956	(2,022)	(68%)

* Adjustments are related on restatement previous reported data on 1-6 2022 according to IAS 29

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



Operationally, the Group enhanced its Human resources (“HR”) and Workflow Management (“WFM”) within its BPTo operations process by reorganizing and adding a strategic layer on the Group level while implementing two solutions covering the end-to-end HR process - from sourcing to scheduling and forecasting. This will allow the Group to allocate its talent across different geographies more efficiently, resulting in increased employee satisfaction and higher profitability in the midterm.

The Group has also started with the implementation of the Business Central (ERP business systems) to harmonize the finance and accounting departments throughout the entire Group, which will further improve the reporting and management process.

Impact on the margins during 2023 is affected by inflation and increase of minimum wages depending on the countries we operate in. 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 sources, gas, IT infrastructure, licenses, etc. has impact on the profitability in the longer period.

NET PROFIT: In the first half of 2023, the Group achieved EUR 934 thousand in net profit. The lower profit in first half of 2023 compared to the same period in 2022 is primarily the result of costs that did not exist during 2022, such as interest costs on Sustainability linked bonds (SLB) in the amount of EUR 700 thousand, higher cost depreciation on IT products and solutions developed by the Group in the last year and the effects of exchange rate differences due to changes in the exchange rate against the EUR (e.g. Turkish lira).

<i>(in EUR thousand)</i>	June 30, 2023	December 31, 2022	Change	%
Assets	233,321	201,681	31,640	16%
Equity	51,392	54,110	(2,718)	(5%)
Net debt	41,451	40,420	1,031	3%

ASSETS: As of June 30, 2023, the Group's assets amounted to EUR 233,321 thousand. Compared to December 31, 2022, assets increased by EUR 31,640 thousand or 16%. The group's asset growth was significantly influenced by the acquisition of the Workplace Group, whose assets amounted to EUR 26,134 thousand on 30 June 2023.

EQUITY: As of June 30, 2023, the Group's equity amounted to EUR 51,392 thousand, accounting for 22% of the total balance sheet. Equity decreased by 5%, or EUR 2,718 thousand as a result of an approved dividend of EUR 1,375 thousand and effects determined in accordance with International Accounting Standard 29: Financial Reporting in Hyperinflationary Economies (IAS 29).

NET DEBT: As at 30 June 2023, the Group held a strong cash position of EUR 58,693 thousand, while liabilities to financial institutions and liabilities for assets with right of use amounted to EUR 100,144 thousand, including liabilities on issued bonds and loans for purchase of real-estate for new corporate headquarters. Net debt amounted to EUR 41,451 thousand.

This net debt structure enables further organic growth, but also creates the potential for further acquisitions



Alternative performance indicators

Issue of bonds

On July 29, 2022, the company issued bonds related to the sustainable domestic capital market in the total nominal amount of EUR 40 million, with a fixed annual interest rate of 4.25%, with semiannual interest payments and a one-time maturity of the principal after five years, marks MRUL-O-277E and International Identification Number (ISIN) HRMRULO277E9 ("Bonds").

The Group created a Framework document for the issuance of Bonds related to sustainable operations, aligned with the Principles of bonds related to sustainable operations published by ICMA (The International Capital Market Association) in June 2020.

The framework document Bonds related to sustainable business defines two key performance indicators:

1 Reduce absolute Scope 1 and 2 greenhouse gas emissions by 25.2% to 2,148 tCO₂e in 2027 compared to the base year 2021

2 Achieve 51% representation of women in management teams (including management bodies) by the end of 2030 compared to the base year of 2020

Detailed information about this issue is published in the Prospectus, which is available at the link [The Prospectus](#) was published on July 14, 2022 and is publicly available on the Company's website:

According to the Prospectus, below is a table showing alternative performance indicators and explanations about alternative performance indicators were published in the Prospectus:

NAME OF INDICATOR	H1 2023 / EUR 000
Operating profit (EBIT)	3,632
EBITDA	11,879
EBITDA margin	9.36%
Consolidated normalized EBITDA	16,076
Consolidated net debt	41,451
Consolidated debt	100,144
Consolidated capital	51,392
The ratio of Consolidated net debt and Consolidated normalized EBITDA	1.09*
Ratio of Consolidated Debt and Consolidated Capital	1.95
Operating profit margin (EBIT margin)	2.86%
Net profit margin	0.74%
Liabilities for non-current loans received from banks	25,395
Liabilities for current loans received from banks	21,688
Liabilities for non-current loans received from shareholders	12,587
Current liabilities for leases received	4,197
Non-current liabilities for leases received	8,249

For the purpose of comparison, and exclusively for the calculation of the Ratio of Consolidated Net Debt and Consolidated normalized EBITDA, the Issuer used the Consolidated pro-forma normalized to EBITDA for the period from July 1, 2022 to June 30, 2023 in the amount of 38,150 thousands of EUR



Significant Events for the Period up to June 30, 2023

Acquisition of shares in the company Integrator holding d.o.o.

On December 20, 2022, the Group signed an agreement on the purchase and sale of business shares, which envisages the indirect acquisition of 90% of the shares in the company MPS Integration d.o.o. and a 51% stake in Integrator holding d.o.o., which owns companies that operate under the Manpower brand in the CEE region (Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Slovenia and Hungary).

Realization of the transaction based on the sales contract, was subject to the approval of the competent authorities of the Republic of Serbia. In March 2023, the Group obtained necessary approvals and as transaction date was determined April 1, 2023.

HR vertical of the Group will continue to operate through 18 companies under the umbrella brand Workplace. All Manpower licensed companies in seven countries of the region will operate under the Workplace brand, as well as the three HR companies Smartflex, Integrator and MPS Integration in Serbia and Croatia.

Above mentioned Group offers wide range of HR services including management recruitment, temporarily and permanent employment, consulting, implementation of high technology solutions, providing of BPO and HRM.

Group has ambitious plans in integrated human resources management services, selection, and employment, in which we will start applying scalable technological solutions, algorithm-driven smart technology, and implement best practices in human resources management with the goal of becoming a leading European HR provider.

The investment is estimated at EUR 5.9 million.

Earthquakes in Turkey and Syria

Strong earthquakes up to magnitude of 7.8 on Richter scale hit Turkey on Monday, February 6, 2023. Malatya and Şanlıurfa, cities in which the Group employs about 4,000 people, are situated in a strongly hit area. Ten of our employees have lost their lives in earthquakes, and a large number has lost their homes. The Group became involved in the efforts to help affected areas, and especially our employees and their loved ones.

Despite facing numerous challenges, on the first day of the earthquake, Mplus Turkey formed a crisis coordination team to manage all needs and communicate with local administration.

In less than 48 hours, we have started supplying food, heating, blankets, clothing, baby food, medicine, and other essentials to those in need. Furthermore, we opened our business premises to provide shelter for over 2,100 earthquake survivors, including our employees and their families, as well as other individuals in need.

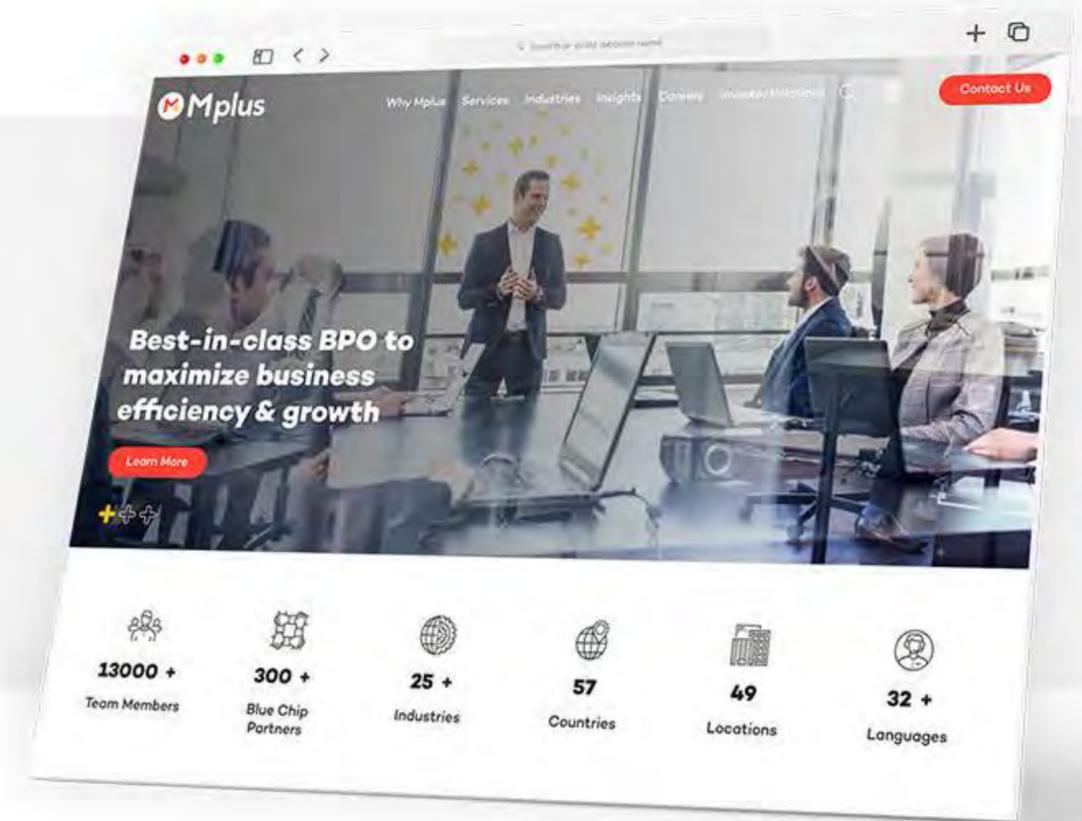
The crisis coordination team has formed project teams which will cover the following areas: accelerating post-traumatic recovery, finance, sustainability, logistics and technical support, employment. Project teams will also be supported by professional psychologists and behavioral scientists to provide optimal mental health assistance.



New Group website

In February 2023, the new Group's website was published at www.mplusgroup.eu. This continued the rebranding process of the BPO members of the Group gathered under the Mplus brand in order to provide all clients, users and employees with a harmonized and unique

corporate experience, which, along with the new logo, visual identity, redefined service structure, is now completed by the new website. The emphasis is on functionality and enabling easy access to information about the Group's services and solutions.



Acquisition of non-controlling interests in CDE nove tehnologije d.o.o.

In 2023, the Group purchased the remaining 23% stake in the company CDE nove tehnologije d.o.o. thus acquiring a 100% stake in the said company.

Introduction of Euro as official currency

The Government of the Republic of Croatia adopted the Decision on the announcement of the introduction of the euro as the official currency in the Republic of Croatia. With the decision, the euro becomes the official monetary unit and legal currency in the Republic of Croatia from January 1, 2023. The fixed conversion rate is set at HRK 7.53450 for one euro.

Mplus Elevate - First Global Leadership Development program tailored specifically for Mplus

In the first quarter of 2023, we launched the leadership program "Mplus Elevate" in partnership with the business school IEDC – Bled. The 9-month program deals with the key challenges of leadership in the future, including the impact of new technologies and sustainability. We believe that this program will have a great impact on the personal and professional development of the involved employees through the acquisition of advanced business competencies and numerous useful contacts with participants from other companies in the open part of the program. This program is also an opportunity to create new ideas and solutions that will lead to further success of Mplus. With it, we continue to invest in the greatest value of our company - our employees.

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. 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 affected the slowdown of the economies in which our customers operate did not impact our clients' business significantly. In the following period we will monitor impact of global political and economy changes on our clients' business to address potential business risks in timely manner.



Changes in the Supervisory Board

At its constituent session on April 17, 2023, the Supervisory Board of the Company unanimously elected Ms. Tamara Sardelić as the new President of the Supervisory Board, after the previous President, Mr. Sandi Češko, resigned for personal reasons on April 6, 2023.

Tamara Sardelić has been a member of the Supervisory Board since the company was founded and has more than 15 years of experience in commercial law, company law, capital markets law, corporate law, public procurement and media law. In her successful career, she has served as a legal advisor (position of General Counsel) to the World Bank and actively participates in various commissions and working groups dealing with legislation and policy, in particular harmonization of national laws with the legal framework of the European Union. Her expertise and very good knowledge of the Group's business will be key to the continued successful governance of the Supervisory Board, while also guiding and supporting its members, all with the aim of maintaining transparency, integrity and good corporate practice.

A new member joined the Supervisory Board in May 2023. In accordance with the law and internal acts, the employees of the Company held an election for the employee representative on the Supervisory Board of the Company on May 16, 2023, and elected Ms. Ana Babić as the employee representative for a mandate period of four years. Ana Babić has been part of the Group for 10 years and over the course of her work, she has perfected her skills in the field of corporate governance and compliance of the Company and the Group with legal regulations, standards, i.e., policies, guidelines, processes, and other acts.



Further, on June 30, Mr. Igor Varivoda ceased to hold office as Deputy President of the Supervisory Board, while the membership of Mr. Hrvoje Prpić, a member of the Supervisory Board, was terminated at the beginning of July due to the expiry of his mandate and, at his own request, was not renewed.

On June 27th, 2023, by resolution of the General Assembly, Mr. Philipp Rösler was appointed as a new member of the Supervisory Board and was also elected on July 10th its new Deputy President. Based on his extensive experience and impressive career, Mr. Philipp Rösler brings a new strategic direction for the further development of the Group.

Mr. Rösler devoted the early years of his career to medicine, where he earned a doctorate in cardiac surgery. After leaving medicine and entering politics, he held several highly important positions. He is best known as the former German Minister of Economics and Vice Chancellor in Angela Merkel's government. In his professional career, he has many years of experience in management and

supervisory boards of many well-known companies and institutions, including the Bertelsmann Foundation which manages RTL (2017-2022), the Volkswagen Group (2009-2010), Siemens Healthineers (2019-2023) and the German development bank KfW (2011-2013). Thus, Mr. Rösler developed a broad range of skills necessary to make key decisions in various sectors and complex business environments in which some of the Group's leading clients operate today.

Mr. Rösler's primary focus in all his senior management positions has been on cross-border investment advisory, market access and market development for Asia and Europe, with a particular focus on Vietnam and German-speaking countries. Due to his extensive experience, he is also a sought-after mentor for new business start-ups. From early-stage consulting to exit strategies, he guides companies through their start-up, growth, and internationalization phases. Mr. Rösler's focus on international business, technology-oriented companies, and his extensive expertise in managing the DACH market make him an excellent choice for the Group.



Buzzeasy – Communications Platform based on Artificial Intelligence (AI)

The Buzzeasy communication platform transforms a simple chat space into a multi-functional contact center that enables smooth and engaging customer interactions. It is Mplus's very own digital breakthrough, developed in-house, by our technology company, Geomant.

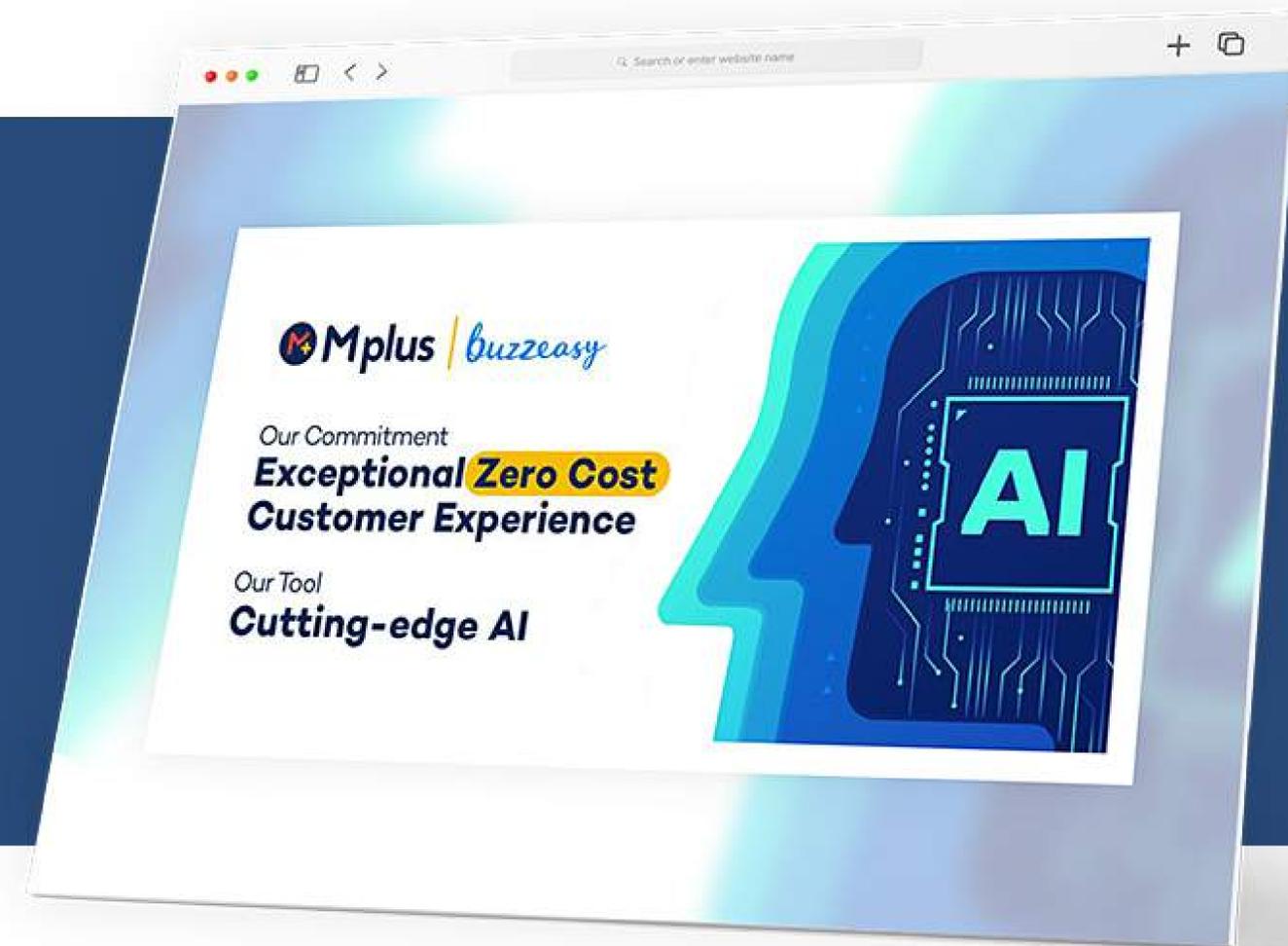
With new AI-powered features, Buzzeasy is changing how contact centers work, making things easier for agents and ensuring top-notch service to clients. Plus, it helps build strong customer relationships.

What makes Buzzeasy special is its adaptability – the platform can be tweaked and tuned to perfectly fit our client's unique needs.

Leveraging cutting-edge Cloud and Bot technology, Buzzeasy brings simplicity and convenience to the customer experience. Customers can switch from a digital chat to a live voice conversation effortlessly – no more waiting on hold.

Some of Buzzeasy's benefits include:

- **Quick and focused agent training:** With AI support, agents can learn fast and focus on tricky tasks.
- **Real-time agent assistance:** Our system suggests responses to customer inquiries, which means quicker replies and more problems solved the first time around.
- **Language translation for messaging:** Customers can chat in their preferred language, while agents send and receive messages in their own language.





Sustainability Report

The Group has published its third Sustainability Report in accordance with the Consolidated Set of the GRI Standards for 2022, which provides a clear definition of ESG (Environmental, Social, Governance) initiatives at the level of the entire Group – from the economic impact of our operations to environmental initiatives and social responsibility.

Despite the global challenges that continue to impact businesses worldwide, 2022 was significant for the Group and marked by continued growth and sustainable development. In 2022, work continued to achieve the United Nations Sustainable Development Goals (UN SDGs) by adopting the Ten Principles of the UN Global Compact and introducing them into the daily work of all Group member companies. One of the main goals is gender equality in the operating companies, particularly in the management teams. This includes gender balance in the management teams and the implementation of an improved diversity policy at the level of the entire Group. In 2022, a significant achievement was achieved with 46% women in management positions.

In line with the Group's multiculturalism and plans for further expansion, the focus is being put on integration and fostering an inclusive work environment. Other Group activities focus on implementing policies based on equality, diversity, gender equality, and work-life balance. Another area the Group is focusing on is the further introduction of energy efficiency and waste management measures.

In doing so, the Group has laid the foundation for achieving positive change for all employees, business partners and the communities in which it operates.

For more information on ESG activities and implemented initiatives at the Group level, please visit: <https://mplusgroup.eu/esg>



New Company Address

The company changed the address of its registered office. The new address is Ulica grada Vukovara 23, 10 000 Zagreb, Croatia.



MERITUS ULAGANJA AND ITS SUBSIDIARIES

Key Informations and Corporate Milestones

Meritus ulaganja d.d. (Company) and its subsidiaries (Group) form a group that operates in six business areas including Business Process and Technology Outsourcing (BPTO), Information Technology (IT), E-commerce, Human resources (HR), Education, and Real Estate. Over the past 8 years, the Company has created one of the fastest growing groups in the region through a dynamic process of acquisitions and organic growth.

The Company's shares were listed on the Official Market of the Zagreb Stock Exchange (Zagrebačka burza d.d.) under the mark MRUL-R-A on August 6, 2019, through an initial public offering of shares (IPO). The IPO raised additional capital in the amount of EUR 11,385 thousand. On June 2, 2021, the Company decided to increase its capital by issuing shares through a secondary public offering on the Zagreb Stock Exchange, raising EUR 14,015 thousand in the period from July 12 to July 26, 2021, through two subscription rounds in which qualified investors and retail investors participated.

Ownership structure of the Company as at June 30, 2023:

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 & STEIERMÄRKISCHE 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 & STEIERMÄRKISCHE BANK d.d./PBZ CO OMF – Category A	0,59



In 2022, the Company issued the first Sustainability-Linked Bond (SLB) in the Republic of Croatia, collecting EUR 40 million from institutional, private and individual investors. It is a security whose interest rate for investors depends on the successful implementation of the Group's environmental, social and governance objectives. This is the Company's third successful issue on the domestic capital market, following the aforementioned IPO in 2019 and the secondary public offering in 2021.

The most significant business line within the Group is BPTO. Mplus Croatia d.o.o. and its subsidiaries (Mplus Group) are today the leading European provider of BPTO services. Mplus Group is proud of its long-standing relationships with more than 300 clients, both local industry leaders and global conglomerates. The business of BPTO activities is characterized by strong organic growth, but also by a series of 17 company acquisitions since 2016. The Mplus Group currently operates from 15 countries and employs more than 11,700 people in 42 locations, providing services to customers in 57 countries.

It is also important to note that in 2019, the Company entered into a strategic partnership in the BPTO segment with Mid Europa Partners (MEP) by merging its BPTO operations with CMC in Turkey, creating a major European player in the BPTO segment.

Another integral part of the BPTO business are the companies from the Information Technology segment (IT), which support the BPTO business by providing high-tech solutions, thus ensuring a strategic advantage in the provision of BPTO services.

In December 2022, the Group started the process of acquiring the companies Integrator Holding d.o.o. (Integrator) and MPS Integration d.o.o. (MPS), which together with their subsidiaries form the Workplace Group. The acquisition process was successfully completed on April 1, 2023, after all the necessary approvals from the relevant authorities were obtained, marking a new stage in the development of the HR vertical within the Group. Integrator owns companies in six countries (Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Slovenia, and Hungary) operating under the Manpower brand.

The Group's HR vertical will continue to operate through 18 companies in seven countries under the umbrella brand Workplace. All Manpower licensed companies in six countries in the region and three HR process companies will operate within the Workplace Group under the independent brands Smartflex, Integrator and MPS.

In the first half of 2023, the Workplace Group generated revenues of EUR 46,231 thousand and employed 1,800

people. The plan is to grow the business over the next three years through organic growth and acquisitions to a level that will make the Group a major European player in the HR industry.

During 2022, the Group has also made investments in companies in the e-commerce, education, and real estate sectors, which currently are not significant sectors within the Group. The Group will continue to expand its activities to new markets in the coming period, both in the aforementioned segments and in new industries.



Contact Center services

- M Plus Croatia d.o.o.
- M+ Agent d.o.o.
- M+ BH d.o.o.
- M Plus Serbia d.o.o.
- Trizma GS d.o.o.
- Linea Directa d.o.o.
- CDE Nove tehnologije d.o.o.
- CMC iletişim ve Çağr 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 Lunenburg GmbH
- PİT İnsan Kaynakları ve Danışmanlık A.Ş
- ISS Sigorta Acentelik Hizmetleri A.Ş.
- M+ Deutschland BPTO 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
- M+ Slovakia, S.R.O.
- SIA M+ Latvia

Group Structure

Today, the Group has 69 members in 17 countries.

HR services

- Smart Flex d.o.o.
- Smart Flex Sourcing d.o.o.
- Manpower d.o.o., Hrvatska
- Manpower Savjetovanje d.o.o.
- Manpower d.o.o., BiH
- Manpower Bulgaria
- Manpower Group, Bulgaria
- Manpower Munkaerő
- Szervezési Kft
- Manpower Business Solutions Kft.
- Manpower d.o.o., Slovenija
- Business Integrator
- Manpower d.o.o., Srbija
- Manpower Business Solutions d.o.o
- Workplace Projekt - Adria d.o.o.
- Workplace Projekt d.o.o.
- MPS Integration
- Integrator Holding
- Workplace Project B.V.

IT services

- Bulb d.o.o.
- Calyx d.o.o.
- Geomant - Algotech Zrt.
- Geomant Srl
- Geomant UK limited
- Inova Solutions Inc.
- Geomant Global d.o.o.
- Bulb Upravljanje d.o.o.

Other Companies

- Technology Services Holdings B.V.
- Meritus Plus Centar d.o.o. Beograd
- Meritus Global Real Estate Management d.o.o.
- Meritus Global technology d.o.o.
- Meritus Global Strategics d.o.o.
- Moderna Ventures B.V.
- Moderna Ventures S.A.
- TVPD Holdings B.V.
- Dvorec Zemono.d.o.o.
- Global People Solutions d.o.o.
- Real Estate Development projekti - Projekt Vukovarska d.o.o.
- Go Health d.o.o.



Mplus Group (BPTO Operations)

Mplus Croatia d.o.o. and its subsidiaries (Mplus Group) are one of the ten largest European BPTO service providers.

Mplus Group has managed not only to maintain its leading market position in the local markets where it is present, but also to expand it. In 2023, the Group operates in 42 locations in 15 countries and employs more than 11,700 people. This makes it the largest provider of BPTO services in Southeastern Europe.

The user base has grown to more than 300 clients, which include the largest global companies, as well as leading local companies and fast-growing startups.

Mplus Group is focused on building partnerships with leading global clients across various industries by providing end-to-end solutions and it recognizes opportunities to attract new global clients.

A strong growth trend has been confirmed with existing clients, and new clients have been successfully acquired in various segments such as banking, technology, and mobility. It currently serves clients in over 57 countries, with a focus on premium clients in the European market, particularly in the DACH region, and in the North American market, including the US, Canada, and Australia.

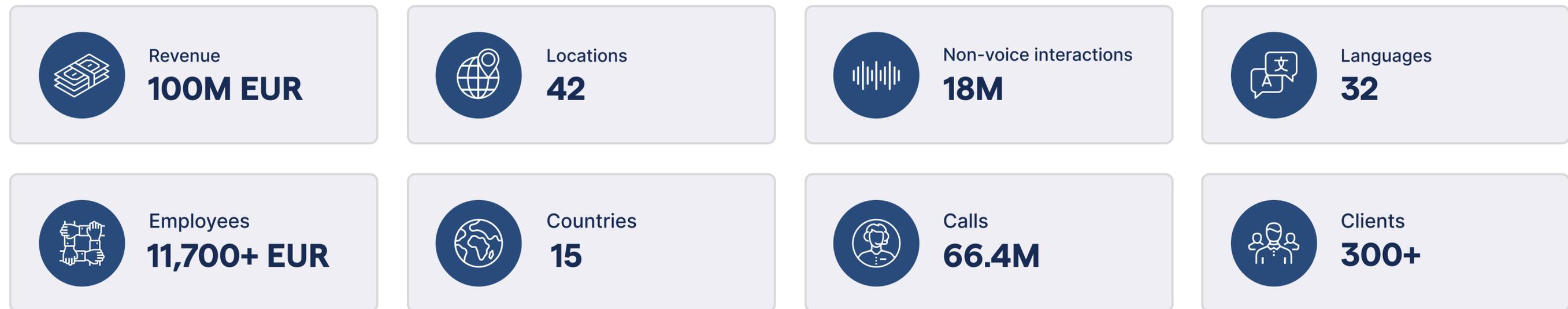
Mplus Group offers a wide range of BPTO services, including advanced contact center services, customer data management, content moderation, video identity verification, sales and customer management, business analytics and robotic process automation.

In addition to multi-channel communication solutions, the Mplus Group has continuously expanded its product portfolio, increasingly focusing on digital interaction solutions, automation (RPA) and process consulting.

In addition, the Mplus Group launched the development of new solutions based on artificial intelligence (AI) to develop new solutions that ensure the evolution of the quality of services provided to clients.

With a language portfolio of 32 languages, the Mplus Group is one of the few service providers of its size that can truly meet all the language needs of large global clients. The core competencies remain in the languages of the region as well as English, German, Turkish, and Italian, and services in these languages also generate the majority of revenues. The Group currently provides contact center services from 42 locations in 15 countries.

Research and development (R&D) centers have been established in 5 locations, focusing on the development of new technologies, artificial intelligence (AI), machine learning (ML) and software for contact centers.





Thus, in addition to contact center services, Mplus Group also offers IT services and solutions in its portfolio (CEP, CRM, Buzzeasy software for contact centers, video identification (SaaS) and development of specific software solutions), RPA (Robotic Process Automation), business process automation solutions and human resources management services developed as complementary services to the aforementioned main activity. By merging the above-mentioned business areas, Mplus Group offers a unique platform for improving the business of its clients.

Mplus Group offered its clients a successful combination of nearshore and offshore services by moving its operations to countries such as Turkey, Croatia, Romania, and Serbia. This approach has become a successful model, confirming Mplus Group's capability and flexibility, especially for clients with high requirements in e-commerce and logistics.

Mplus Group has technology companies in its portfolio (Calyx, Geomant and Bulb Technologies) whose solutions achieve a high level of digitalization, automation, and self-service:

- **Geomant** is an established, innovative software development company and systems integrator specializing in solutions to improve contact center operations;
- **Bulb Technologies** is a software company focused on digitizing customer support and engagement through solutions for customer-centric departments and self-service applications.

Significant investments are made in product development and solutions for the most advanced customer care scenarios. Some of the solutions are:

- **Workspace**, a multi-channel platform for managing customer relations and Smart Agent, an interactive knowledge sharing software that significantly shortens the process of employee training and education;
- **Totti** – Robotic Process Automation (RPA) solution for robotic automation of business processes;
- **BA Framework**, which is used for creating advanced reports for any business area and combining data from any source.



Workplace Group (HR Operations)

After receiving the approval from the Commission for Protection of Competition in the Republic of Serbia for the acquisition of Integrator holding d.o.o. (Integrator), on March 29, 2023, the Group completed the transaction to acquire 51% of Integrator and 90% of MPS integraton d.o.o. (MPS), with April 1, 2023 as the acquisition date.

Integrator's subsidiaries are companies operating under the Manpower brand in six countries (Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Bulgaria, and Hungary). The closing of the transaction marks the beginning of the cooperation with Manpower International, which is expected to lead to the acquisition of new companies operating under the Manpower brand on a global scale. Manpower International (USA) is a global leader in human resources management, operating in more than 80 countries.

Integrator, MPS and their subsidiaries together with Smartflex d.o.o. and Smartflex sourcing d.o.o. form the

Workplace Group, which is a new HR vertical within the Group. In the coming period, the Group will further expand the HR vertical with the aim of creating a significant European provider of HR services. The Workplace Group has 18 companies in seven countries and employs more than 1,800 highly qualified experts in the field of human resources.

In 2023, it worked with more than 1,000 global and local companies, recruited more than 3,000 experts, and managed more than 3,800 employees for its clients.

Workplace Group offers a wide range of services including permanent employment and selection; temporary and permanent employment; payroll, finance, human resource management; provision of advanced outsourcing services; human resource management and consulting, training and strategy development in human resources.

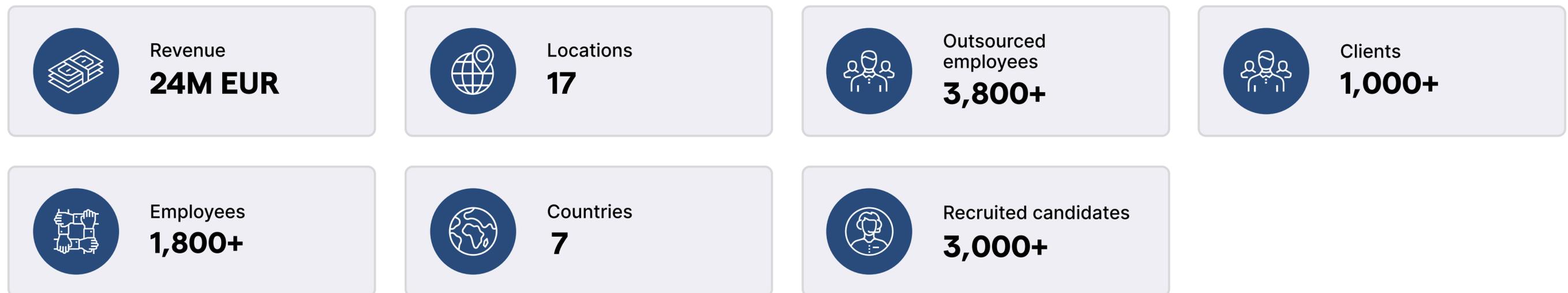
Active efforts are being made to expand the range of services offered in order to provide clients with a comprehensive solution in the field of human resources

management. Through state-of-the-art technological solutions and specialized teams with proven experience in the field of human resources, the individual offerings of all member companies will be expanded to create a single location for comprehensive HR solutions.

State-of-the-art technology solutions will be deployed and specialized teams with proven HR experience will be made available with the goal of matching clients with top talent to meet their individual needs. The goal is to provide a comprehensive workforce management service so that clients can devote their full attention to their core business.

Research solutions will also be offered to provide a detailed and realistic overview of working conditions in the market before employment begins.

The Group will continue its active policy of acquiring and merging companies operating under the Manpower brand in cooperation with Manpower International, companies with high-tech solutions in the field of human resources, and leading regional companies.





Quality management and information security management

Quality management and information security management are central to the Mplus Group's operations. Accordingly, we continuously set the highest quality standards, investing in quality monitoring and management systems, and monitoring regional and global trends in areas relevant to the quality of services we provide.

To ensure the quality and information security of our business, we have established a system of triple review:

- 1. Internal audit
- 2. External audit
- 3. Customer audit

As a Group, we are committed to continuous assessment and investment in the latest knowledge and technology to maintain the highest data security measures available on the market. We are convinced that we are well equipped to meet all legal and non-legal requirements related to the data security of our clients and users around the world.

Group holds ISO certificates:



ISO 27701
Personal Data Management System



ISO 37001
Anti-Corruption Management System



ISO 9001
Quality Management



ISO 27001
Information Security Management System



ISO 22301
Business Continuity Management System



ISO 18295-1
Contact Center and Customer Relationship Management Services



ISO 10002
Multichannel Contact Center and Customer Relationship Management Services



ISO 20000-1
Information Technology Service Management



ISO 45001
Occupational Health and Safety Management System



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

<i>*in EUR thousands</i>	December 31, 2022	June 30, 2023
Non-current assets		
Goodwill	23,134	23,883
Intangible assets	39,585	50,591
Right of use assets	11,045	10,160
Property, plant, and equipment	25,625	24,181
Non-current financial assets	3,401	1,810
Deferred tax assets	3,005	3,003
Total non-current assets	105,795	113,628
Current assets		
Inventories	211	422
Other current financial assets	165	1,922
Trade receivables	28,423	43,637
Other receivables	4,882	4,891
Accrued income and prepaid expenses	4,682	10,128
Cash and cash equivalents	57,523	58,693
Total current assets	95,886	119,693
TOTAL ASSETS	201,681	233,321



*in EUR thousands

December 31, 2022

June 30, 2023

	December 31, 2022	June 30, 2023
Equity		
Share capital	13,034	13,034
Other reserves	(20,260)	(22,523)
Capital reserves	19,784	19,784
Legal reserves	1,763	1,838
Retained earnings and profit for the period	13,828	13,959
To the owners of the parent	28,149	26,091
Non-controlling interests	25,961	25,300
Total equity	54,110	51,391
Non-current liabilities		
Dugoročne obveze		
Long-term borrowings	36,594	37,982
Liabilities for bonds	40,000	40,000
Long-term lease liabilities	7,481	8,249
Deferred tax liability	4,280	4,219
Other non-current liabilities	4,040	9,024
Total non-current liabilities	92,395	99,474
Current liabilities		
Trade payables	6,358	7,330
Liabilities to employees	9,680	18,366
Other current liabilities	6,222	15,834
Short-term borrowings	19,783	22,303
Short-term lease liabilities	5,730	4,196
Accrued expenses and Deferred Income	7,403	14,427
Total current liabilities	55,176	82,456
TOTAL EQUITY AND LIABILITIES	201,681	233,321



Consolidated Profit and Loss Account

<i>*in EUR thousands</i>	2022		2023	
	Cumulative Restated	Quarter Restated	Cumulative	Quarter
Revenues	81,489	42,032	124,739	74,729
Other revenues	1,800	1,334	2,197	1,163
Total revenues	83,289	43,366	126,936	75,892
Costs of raw materials and supplies	(187)	(97)	(558)	(390)
Cost of goods sold	(422)	(202)	(279)	(132)
Costs of services	(7,243)	(4,072)	(11,710)	(7,728)
Staff costs	(59,995)	(31,279)	(97,986)	(59,983)
Depreciation and amortization	(6,498)	(3,063)	(8,248)	(4,676)
Other operating expenses	(5,330)	(3,792)	(4,523)	(2,104)
Total operating expenses	(79,675)	(42,505)	(123,304)	(75,013)
Profit from operations	3,614	861	3,632	879
Financial income	4,041	2,831	1,202	762
Financial expenses	(2,259)	(1,170)	(3,152)	(1,360)
Gain/(loss) from financial activities	1,782	1,661	(1,950)	(598)
Profit before taxation	5,396	2,522	1,682	281
Income tax	(2,440)	(214)	(748)	(476)
Profit for the period	2,956	2,308	934	(195)
Attributable to:				
To the owners of the Company	2,867	1,822	1,580	1,074
Non-controlling interests	89	486	(646)	(1,269)
Other comprehensive income				
Profit for the period	2,956	2,308	934	(195)
<i>Items that can later be transferred to profit or loss</i>				
<i>Exchange rate differences from the translation of foreign parts of operations</i>	7,458	(1,287)	(2,264)	(2,264)
Other comprehensive income for the period	7,458	(1,287)	(2,264)	(2,264)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,414	1,021	(1,330)	(2,459)
Attributable to:				
The owners of the Company	10,325	535	(684)	(1,190)
Non-controlling interests	89	486	(646)	(1,269)



Consolidated Cash Flow Statement

*in EUR thousands	2022 Restated	2023
Profit before taxation	5,396	1,682
Depreciation	6,498	8,248
Interest and dividend income	(170)	(99)
Interest expenses	1,492	2,977
Provisions	247	54
Exchange rate differences (unrealised)	(326)	(1,711)
Other adjustments for non-cash transactions and unrealised gains and losses	(3,013)	(1,806)
Cash flow increase before changes in working capital	10,124	9,345
(Decrease)/increase in short-term liabilities	(2,119)	5,640
Increase in short-term receivables	(4,180)	(2,411)
Increase in inventories	(114)	(211)
Other changes in working capital	(2,696)	(999)
Cash used in operating activities	1,015	11,364
Interest paid	(389)	(1,441)
Income tax paid	(633)	(748)
Net cash (used in)/from operating activities	(7)	9,175
Cash payments for the purchase of fixed tangible and intangible assets	(4,304)	(7,899)
Cash payments for loans and deposits for the period	(427)	(66)
Other cash inflows from investment activities	3,265	-
Other cash payments from investment activities	(1,073)	-
Net cash used in investment activities	(2,539)	(7,965)
Cash receipts from credit principals, loans and other borrowings	8,305	9,345
Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	(6,490)	5,145
Dividend payout	(1,303)	-
Cash payments for leases	(2,013)	(2,726)
Other cash inflows from financing activities	3,982	-
Other cash payments from financing activities	(14,849)	-
Net cash (used in)/from financing activities	(12,368)	1,194
Net (decrease)/increase in cash and cash equivalents	(14,914)	2,404
Unrealised exchange rate differences in respect of cash and cash equivalents	(587)	(1,234)
Cash and cash equivalents at the beginning of the period	46,216	57,523
Cash and cash equivalents at the end of the period	30,715	58,693



Consolidated Statement of Changes in Equity

<i>*in EUR thousands</i>	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, 2021	13,034	(8,792)	19,784	737	(5,723)	12,277	31,317	22,974	54,291
Profit for the period (Restated)	-	-	-	-	-	2,867	2,867	89	2,956
Other comprehensive income for the period	-	-	-	-	7,458	-	7,458	-	7,458
Transfer to legal reserves	-	-	-	748	-	(748)	-	-	-
Dividend payout	-	-	-	-	-	(1,303)	(1,303)	-	(1,303)
Acquisitions of non-controlling interests	-	(12,914)	-	-	-	2,468	(10,446)	(3,156)	(13,602)
Balance at June 30, 2022	13,034	(21,706)	19,784	1,485	1,735	15,561	29,893	19,907	49,800
Balance at December 31, 2022.	13,034	(22,287)	19,784	1,763	2,027	13,828	28,149	25,962	54,111
Profit for the period	-	-	-	-	-	1,580	1,580	(646)	934
Other comprehensive income for the period	-	-	-	-	(2,264)	-	(2,264)	-	(2,264)
Transfer to legal reserves	-	-	-	75	-	(75)	-	-	-
Dividend payout	-	-	-	-	-	(1,375)	(1,375)	-	(1,375)
Other changes	-	-	-	-	-	-	-	(14)	(14)
Balance at June 30, 2023	13,034	(22,287)	19,784	1,838	(237)	13,958	26,090	25,302	51,392



Notes of 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

01.01.2023. - 30.06.2023.

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)
In cases where a member of the Group is classified as a hyperinflationary economy, indexation is applied in accordance with IAS 29. In 2022, the Republic of Turkey met the requirements of IAS 29 for the said classification, and the corresponding indexes were applied to the comparative data for the year 2022, and to current data for 2023.

The effects of this indexation on previously published data as of June 30, 2022 are presented in the following table.

The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency that will be calculated prospectively and does not represent an event after the reporting date that requires retroactive changes in our financial statements

- 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
Access is provided on official webpage <https://mplusgroup.eu/financial-reports>.

- 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 accounting policies compared to previous periods.
- 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

	Previously reported	Adjusted	Adjustment effect
Operating income	80,559	83,289	2,730
Operating expenses	75,653	79,675	4,022
Financial income	1,028	4,041	3,003
Financial expenses	1,990	2,259	269
Profit before tax	3,944	5,396	1,452
Income tax	367	2,440	2,072
Profit after tax	3,577	2,956	(621)



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, EUR 10,353 thousand is due after more than 5 years. Total debts to banks and financial institutions are covered by promissory notes and by collateral
- 6 average number of employees during the financial year 12,314
- 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 EUR 3,003 thousand while Deferred Tax Liabilities amount to EUR 4,219 thousand
- 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



UNCONSOLIDATED FINANCIAL STATEMENTS

Unconsolidated Balance Sheet

<i>*in EUR thousands</i>	December 31, 2022	June 30, 2023
Non-current assets		
Intangible assets	4	6
Property, plant, and equipment	2,608	2,560
Non-current financial assets	72,018	75,290
Total non-current assets	74,630	77,854
Current assets		
Trade receivables	206	532
Other receivables	686	709
Accrued income and prepaid expenses	225	223
Cash and cash equivalents	36,014	32,576
Total current assets	37,131	34,040
TOTAL ASSETS	111,761	111,894



<i>*in EUR thousands</i>	December 31, 2022	June 30, 2023
Equity		
Share capital	13,034	13,034
Capital reserves	51,447	51,447
Legal reserves	340	414
Retained earnings and profit for the period	2,443	(254)
Total equity	67,264	64,641
Non-current liabilities		
Long-term borrowings	1,508	1,359
Liabilities for bonds	40,000	40,000
Total non-current liabilities	41,508	41,359
Current liabilities		
Trade payables	2,066	3,134
Liabilities to employees	9	45
Other current liabilities	708	2,090
Short-term borrowings	200	200
Accrued expenses and Deferred Income	6	425
Total current liabilities	2,989	5,894
TOTAL EQUITY AND LIABILITIES	111,761	111,894



Unconsolidated Profit and Loss Account

<i>*in EUR thousands</i>	2022		2023	
	Cumulative	Quarter	Cumulative	Quarter
Revenues	195	98	268	133
Other revenues	2	1	2	1
Total revenues	197	100	270	134
Costs of raw materials and supplies	(8)	(3)	(12)	(4)
Costs of services	(124)	(118)	(652)	(552)
Staff costs	(66)	(37)	(112)	(73)
Depreciation and amortization	(80)	(39)	(50)	(25)
Other operating expenses	(307)	(273)	(75)	(39)
Total operating expenses	(586)	(471)	(901)	(693)
Loss from operations	(389)	(371)	(631)	(559)
Financial income	123	68	336	171
Financial expenses	(48)	(16)	(953)	(474)
Gain/(loss) from financial activities	75	52	(617)	(303)
Loss before taxation	(314)	(319)	(1,248)	(862)
Income tax	-	-	-	-
Loss for the period	(314)	(319)	(1,248)	(862)
Other comprehensive income				
Loss for the period	(314)	(319)	(1,248)	(862)
<i>Items that can later be transferred to profit or loss</i>	-	-	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(314)	(319)	(1,248)	(862)



Unconsolidated Cash Flow Statement

<i>*in EUR thousands</i>	2022	2023
Loss before taxation	(314)	(1,248)
Depreciation	80	50
Gains and losses from sale or disposal of fixed assets	60	-
Interest and dividend income	(111)	(336)
Interest expenses	32	933
Cash flow decrease before changes in working capital	(253)	(601)
(Increase)/ decrease in short-term liabilities	(26)	2,483
Decrease in short-term receivables	(99)	(348)
Other changes in working capital	182	424
Cash (used in)/ from operating activities	(196)	1,958
Interest paid	-	(899)
Net cash (used in)/ from operating activities	(196)	1,059
Cash payments for the purchase of fixed tangible and intangible assets	-	(3)
Cash payments for loans and deposits	(1,711)	(2,969)
Net cash used in investment activities	(1,711)	(2,972)
Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	(178)	(150)
Dividends paid	(1,303)	(1,375)
Leases paid	(5)	-
Net cash used in financing activities	(1,486)	(1,525)
Net decrease in cash and cash equivalents	(3,393)	(3,438)
Cash and cash equivalents at the beginning of the period	15,397	36,014
Cash and cash equivalents at the end of the period	12,004	32,576



Unconsolidated Statement of Changes in Equity

<i>*in EUR thousands</i>	Share capital	Capital reserves	Legal reserves	Retained earnings	To the owners of the Company
Balance at December 31, 2021	13,034	51,447	269	2,325	67,075
Loss for the period	-	-	-	(314)	6
Transfer to Legal reserves	-	-	71	(71)	6
Dividends paid	-	-	-	(1,303)	(1,303)
Balance at June 30, 2022	13,034	51,447	340	637	65,458
Balance at December 31, 2022	13,034	51,447	340	2,443	67,264
Loss for the period	-	-	-	(1,248)	(1,248)
Transfer to Legal reserves	-	-	74	(74)	-
Dividends paid	-	-	-	(1,375)	(1,375)
Balance at June 30, 2023	13,034	51,447	414	(254)	64,641



Notes to the Financial Statements

Notes to the 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:

01.01.2023. - 30.06.2023.

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)
- The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency that will be calculated prospectively and does not represent an event after the reporting date that requires retroactive changes in our financial statements

- 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

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, EUR 10,352,7125.15 is due after more than 5 years. Total debts to banks and financial institutions are covered by promissory notes and by collateral.
- 6 Average number of employees during the financial year: 12,314
- 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.



Statement of the Management Board on Responsibility for the Financial Statements

Zagreb, July 2023

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 (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 that ended March 31, 2023 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 that ended June 30, 2023, 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



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