

# M+GRUPA

PEOPLE INSPIRED BY PEOPLE

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## **OPERATING RESULTS**

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

Report for the period January 1, 2020 – December 31, 2020

ZAGREB, February 2021



## CONTENTS

<b>1. STATEMENT BY THE PRESIDENT OF THE MANAGEMENT BOARD</b> .....	<b>3</b>
<b>2. KEY OPERATIONAL INDICATORS</b> .....	<b>4</b>
<b>3. SIGNIFICANT EVENTS FOR THE PERIOD UNTIL 31 DECEMBER 2020</b> .....	<b>7</b>
<b>4. MARKETS, CLIENTS, PRODUCTS, AND SERVICES</b> .....	<b>9</b>
Markets .....	10
Our services are provided on 5 continents, in 58 countries.....	10
Clients .....	11
Locations.....	12
Products and Services.....	13
<b>5. M+ GROUP ORGANIZATION</b> .....	<b>16</b>
<b>6. M+ GROUP MEMBERS</b> .....	<b>17</b>
<b>7. OWNERSHIP STRUCTURE</b> .....	<b>22</b>
<b>8. CONSOLIDATED FINANCIAL STATEMENTS</b> .....	<b>23</b>
8.1. CONSOLIDATED BALANCE SHEET .....	23
8.2. CONSOLIDATED PROFIT AND LOSS STATEMENT .....	25
8.3. CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD).....	27
8.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	28
8.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	30
<b>9. NONCONSOLIDATED FINANCIAL STATEMENTS</b> .....	<b>31</b>
9.1. NONCONSOLIDATED BALANCE SHEET .....	31
9.2. NONCONSOLIDATED PROFIT AND LOSS STATEMENT .....	33
9.3. NONCONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD).....	35
9.4. NONCONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	36
9.5. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS .....	38
<b>10. STATEMENT OF THE MANAGEMENT BOARD ON THE RESPONSIBILITY FOR FINANCIAL STATEMENTS</b> .....	<b>39</b>
<b>11. CONTACTS</b> .....	<b>40</b>

## 1. STATEMENT BY THE PRESIDENT OF THE MANAGEMENT BOARD



Looking back to 2020, it is my great pleasure to present the business results of the M + Group. Last year was one of the most challenging and the most uncertain years, but it was also the most successful. The Group achieved a large increase in revenue and profit through organic growth as well as through continued acquisitions. The synergy effects of the integration of the Turkish company CMC have contributed to the growth of profitability and the increase of the capacity to provide services in a wider geographical area. On the other hand, the acquisition and integration of the Geomant Group has opened a new chapter in IT products and services in the segment of customer support and software solutions for contact centers. M + Group concluded its most successful year by taking over a majority stake in the propulsive IT company Bulb d.o.o. which is a regional leader in the field of artificial intelligence (AI), machine learning (ML), and the improvement and optimization of business processes of user experience management.

The COVID-19 pandemic significantly affected the operations of all business segments, but thanks to the ability to rapidly adapt to new circumstances, a large diversification of clients, especially from crisis-resistant sectors, and the accelerated digitalization trend, the M+ Group achieved better business results and strengthened the foundations of a long-term sustainable positive trend

Despite the improving pandemic situation, primarily due to vaccines and more available information, we will continue to monitor all market conditions, make business decisions to create long-term sustainable business, while taking into account efficiency and the health and safety of our employees.

On this occasion, I would like to thank all M+ Group employees for their dedicated work and our clients and business partners for their trust. We will continue to care for all stakeholders in our business environment and local communities in which we operate.

I would also like to thank all current and future shareholders and investors who have recognized the potential of the M + Group.

Darko Horvat


President of the Management Board

## 2. KEY OPERATIONAL INDICATORS

**HRK 705**  
**million**  
of revenue in 2020



**105**  
**million**  
**calls**




**HRK 125**  
**million**  
**EBITDA**



**17 locations** in  
**9 countries**



**5,5**  
**million**  
chat  
interactions



**5,8**  
**million**  
email replies



**29** companies in the  
Group



**7.800+**  
employees



**260+**  
clients



**31**  
average employee age



**58** countries



**Operating income:** In the fourth quarter of 2020, the M+ Group continued to achieve good results despite the risks and uncertainties caused by the COVID 19 pandemic. Operating income in the period that ended on 31 December 2020 amounted to HRK 705 million. Relative to the comparable period last year, an increase of HRK **378** million or **115%** was achieved. Income growth was mostly influenced by the acquisition of the company CMC in the amount of HRK **286** million. Income from contact center services at the Group level continued to grow in the fourth quarter as well. Clients from the telecommunications sector, the financial industry and the "utilities" sector showed significant robustness in responding to the crisis, and this trend also was followed by the retail sector, where there was a large migration of business to digital channels, as well as a partial return to "normal" business. The Group has successfully established new business relationships with clients from the FMCG and the healthcare sector.

<i>(in HRK thousand)</i>	<i>1-12 2020</i>	<i>1-12 2019</i>	<i>Change</i>	<i>%</i>
<b>Operating income</b>	705.336	327.184	378.152	115%
<b>EBITDA</b>	125.735	36.952	88.783	240%
<b>Adjusted EBITDA<sup>1</sup></b>	135.152	44.652	90.500	202%
<b>Profit before taxes</b>	48.560	11.188	37.372	334%

**EBITDA:** Stable demand for BPTO services in all markets and cost optimization resulted in positive effects, and EBITDA amounted to HRK **125.7** million. Relative to the comparable period last year, an increase of HRK **88.7** million or 240% was achieved. EBITDA growth was mostly influenced by the acquisition of the company CMC, amounting to HRK 57 million, as well as an increase in efficiency in the Group's business, amounting to HRK 32 million.

**Adjusted EBITDA<sup>1</sup>:** Taking into account one-off effects, adjusted EBITDA amounted to HRK **135** million and was 202% higher relative to the one from the same period last year.

**Profit before taxes:** In 2020, the Group generated profit before taxes amounting to HRK 48.5 million, which constitutes an increase of 334% relative to the same period in 2019, when it amounted to HRK 11.1 million. Profit growth was generated from the growth of business activities and cost optimization.

<i>(in HRK thousand)</i>	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Change</b>	<b>%</b>
<b>Assets</b>	801.338	283,007	518.331	183%
<b>Equity</b>	425.844	115,600	310.324	268%
<b>Net cash</b>	12.975	30.602	(17.627)	

**Net cash:** On December 31<sup>st</sup> 2020, the Group had HRK 158 million on its accounts, while borrowings from financial institutinos amounted to HRK **145** million. Net cash amounted to HRK 13 million, which indicates a significant ability to generate positive cash flows, as well as a favorable position for regular servicing of credit liabilities.

**Assets:** As at 31 December 2020, the Group's assets amounted to HRK 801 million. Relative to 31 December 2019, an increase of HRK 283 million or **183%** was achieved. The increase in assets was primarily due to the acquisitions or transactions with the companies CMC, Concentric Technologies Ltd. and Bulb, In accordance with the results of the purchase price allocation test of Geomant Group, CMC and Bulb, the Group will adjust the potential additional effect of the transactions on the audited financial statements.

**Equity:** Group equity as at 31/12/2020 amounts to HRK 425.8 million and 53% relative to the total balance.

*<sup>1</sup> Adjustments pertain to the impacts that are considered to be one-off, that is, the ones that do not have repetitive characteristics or effects on income and costs. In order to adequately review the business performance, the Management Board monitors the Adjusted EBITDA and makes strategic and operational decisions to reach set targets.*

*In 2020, adjustments pertain to the following categories: a) costs of financial and legal advice related to M&A transactions; b) costs of establishing the "WFH - work from home" model; c) other one-off effects*

### 3. SIGNIFICANT EVENTS FOR THE PERIOD UNTIL 31 DECEMBER 2020

#### **M + Group has acquired 51% of the software company Bulb, the creator of an advanced platform for digitizing customer support**

At the end of 2020, M + Grupa announced a strategic cooperation with Bulb d.o.o. from Zagreb, a software company that has positioned itself as a regional leader in the segment of process digitalization and user experience management over the past 15 years. M + Group, through its subsidiary Meritus Management d.o.o., acquired 51% ownership rights over Bulb d.o.o.

Bulb d.o.o. is a company founded in 2006, and its long-term clients are leading telecom operators from this part of Europe. Bulb's software platform Cempreso has enabled a new innovative concept of automation of customer support and communication with customers, based on which Bulb is recognized as a leading company in the region in the field of automation and digitalization of processes and user experience.

#### **The M+ Group has successfully responded to the challenges of the COVID-19 pandemic and is ready to take advantage of market opportunities in the short and medium term.**

The COVID 19 pandemic has changed the way of doing business for most participants in the BPTO services market as well as other business sectors and represents further challenges in the business of all participants. The M + Group successfully responded to these challenges at the beginning of the pandemic by rapidly adapting and migrating over 7,000 employees to the work-from-home (WFH) model in just three weeks since the pandemic began. Our robust business model and geographical diversification showed high resilience and the ability to adapt, which resulted in increased profitability in 2020.

The Group has demonstrated the ability to adapt quickly to the implementation of the WFH model and the ability to increase its capacity in the short term to meet the specific requirements of customers who recorded a significant increase in demand for BPTO services during the pandemic.

Companies from different sectors have shown a greater willingness to outsource CRM services, which has led to new market opportunities for the M + Group.

The WFH model can have positive effects on profitability in the long run primarily in reducing the operating costs of office space. The Group continues to have all business premises at its disposal and physical capacities have not been reduced until further notice in order to enable a quick transition to work from the office and/or WFH in a short time, depending on the epidemiological situation. The situation with COVID 19 affected the acceleration of the transformation process towards digital solutions within the M

+ Group itself. Numerous business processes have been improved, as well as security policies and data protection being additionally strengthened in the work from home business model.

The M + Group is closely monitoring the development of the situation and will adequately respond to all challenges whose impact is now difficult to assess. Further uncertainty about the impact of the pandemic could have negative effects on the operations of all business sectors, which include BPTO services.

The complexity of possible situations requires elaborate and concrete alternative approaches to solving problems and relationships with different industries, in different territories, and in circumstances that are usually difficult to compare. Despite the negative impacts, these circumstances bring with them a number of opportunities as consumer habits change in favor of greater use of digital channels and tools.



## 4. MARKETS, CLIENTS, PRODUCTS, AND SERVICES



**HRK 705 million  
until 31  
December 2020**

In 2020, the M+ Group generated consolidated revenue in the amount of HRK **705** million



**7.800+  
employees**

With more than 7,800 employees, we are the largest employer of customer service agents in Southeast Europe and Asia Minor.



**provision of  
services in 58  
countries**

Although we provide services to clients in over 58 countries, our focus remains on our premium clients on the European, especially in the DACH region, and North American markets, including the US, Canada and Australia.



**260+  
clients**

We provide services to over 260 clients from a wide range of activities and from various locations. Our clients include both large players and fast-growing start-up companies.



**27  
languages**

With a language portfolio of 27 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 bringing us most of the revenue.



**13  
locations**

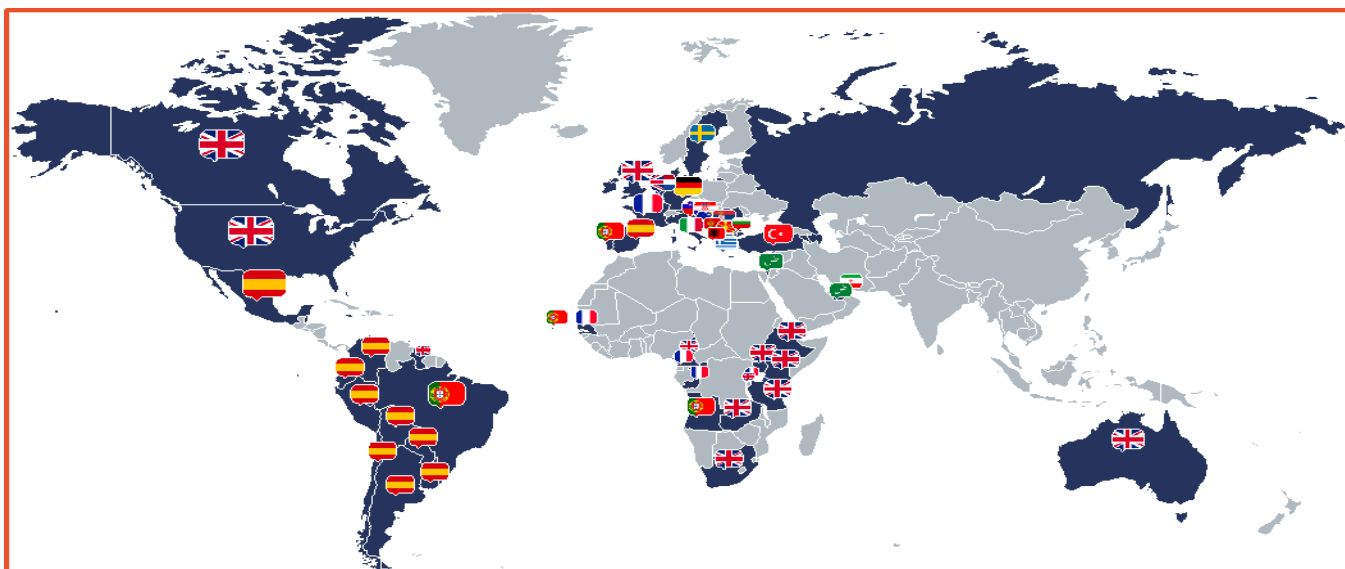
Our offices are located in:

- Ljubljana (Slovenia)
- Koper (Slovenia)
- Zagreb (Croatia)
- Sarajevo (Bosnia and Herzegovina)
- Banja Luka (Bosnia and Herzegovina)
- Belgrade (Serbia)
- Niš (Serbia)
- Istanbul (Turkey)
- Malatya (Turkey)
- Sanliurfa (Turkey)
- Bayburt (Turkey)
- Van (Turkey)
- Rize (Turkey)
- Budapest (Hungary)
- Cluj (Romania)

- London (UK)
- Charlottesville (USA)

## Markets

Our services are provided on 5 continents, in 58 countries.



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

## Clients

The M + Group has consolidated its leading position in local markets and provides services to more than 260 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 had the effect of increasing the profitability of the M + Group.

M + 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 M + Group, which leads to an increase in revenue and profitability. The wide 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, while we pay special attention to the development of customer needs that offer e-wallet and payment system services.

The development of the situation with the COVID 19 pandemic indicates that the demand for BPTO services is growing in most of our clients. Migration to digital channels and the need to provide services to customers/partners remotely will remain present for a longer period of time, and perhaps permanently.

In 2020, we expanded our operations to several markets in the European Union and North America. In addition to global operations in the services industry, the Group is additionally focused on the logistics and transport industry and has launched a customer support project in two different markets with significant potential for growth and further expansion into new geographies. In the fourth quarter, we started cooperation with several new clients, of which in this report we want to highlight an international pharmaceutical company, a pan-European e-commerce company in the fashion segment, one large telecom company, and a delivery company. At the same time, due to the consequences of the crisis, some of our clients have significantly reduced, postponed cooperation until the fall, or completely suspended orders. Despite the negative effects due to which individual companies of the Group go through a reduced volume of logistics and financing operations, the effects of such decisions on the operations of the entire Group are not yet significant and the operations as a whole are stable.

## Locations

The M+ Group currently provides contact center services from thirteen locations, in five countries of Southeast Europe.

- Ljubljana (Slovenia)
- Koper (Slovenia)
- Zagreb (Croatia)
- Sarajevo (Bosnia and Herzegovina)
- Banja Luka (Bosnia and Herzegovina)
- Belgrade (Serbia)
- Niš (Serbia)
- Istanbul (Turkey)
- Malatya (Turkey)
- Sanliurfa (Turkey)
- Bayburt (Turkey)
- Van (Turkey)
- Rize (Turkey)

During the first quarter of 2020, through its subsidiary, the M+ Group signed a commercial lease agreement for the purpose of opening another branch office in Sarajevo, namely in order to support organic growth of existing customers.



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+ Group is one of the largest providers of **business process outsourcing** services (BPO) in the region. The M+ Group provides a wide range of BPO-CRM solutions, structured around a multi-channel (telephone, email, chat and social networks) and multilingual (19 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), 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 M+ Group offers a unique platform for improving the business of its clients.

The provision of contact center services is the core activity of the M+ Group and its subsidiaries (consisting, *inter alia*, 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 M+ 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 leading 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, 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 Cempresso 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 Cempresso 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 M+ 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. The proprietary 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 the filling out of different forms, retrieving data from the web, the creation of 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.

### **Human resource management**

As a provider of human resource management services, the Smart Flex Temporary Employment Agency is the leading agency when it comes to the experience in hiring on large projects for clients doing businesses all over Croatia. SmartFlex has a unique years-long experience in finding, recruiting and selecting employees during high season, holidays and other periods of increased client demand. In recent years, the demand for temporary employment services in Croatia has been steadily increasing. Labor market flexibility is seen as being key to economic growth.

The Agency's business performance is based on its professional internal teams of recruitment and selection consultants, who are in daily contact with candidates with various profiles, which allows SmartFlex to recruit and select a large number of employees for its clients within a short time frame.

### **Quality and information security management**

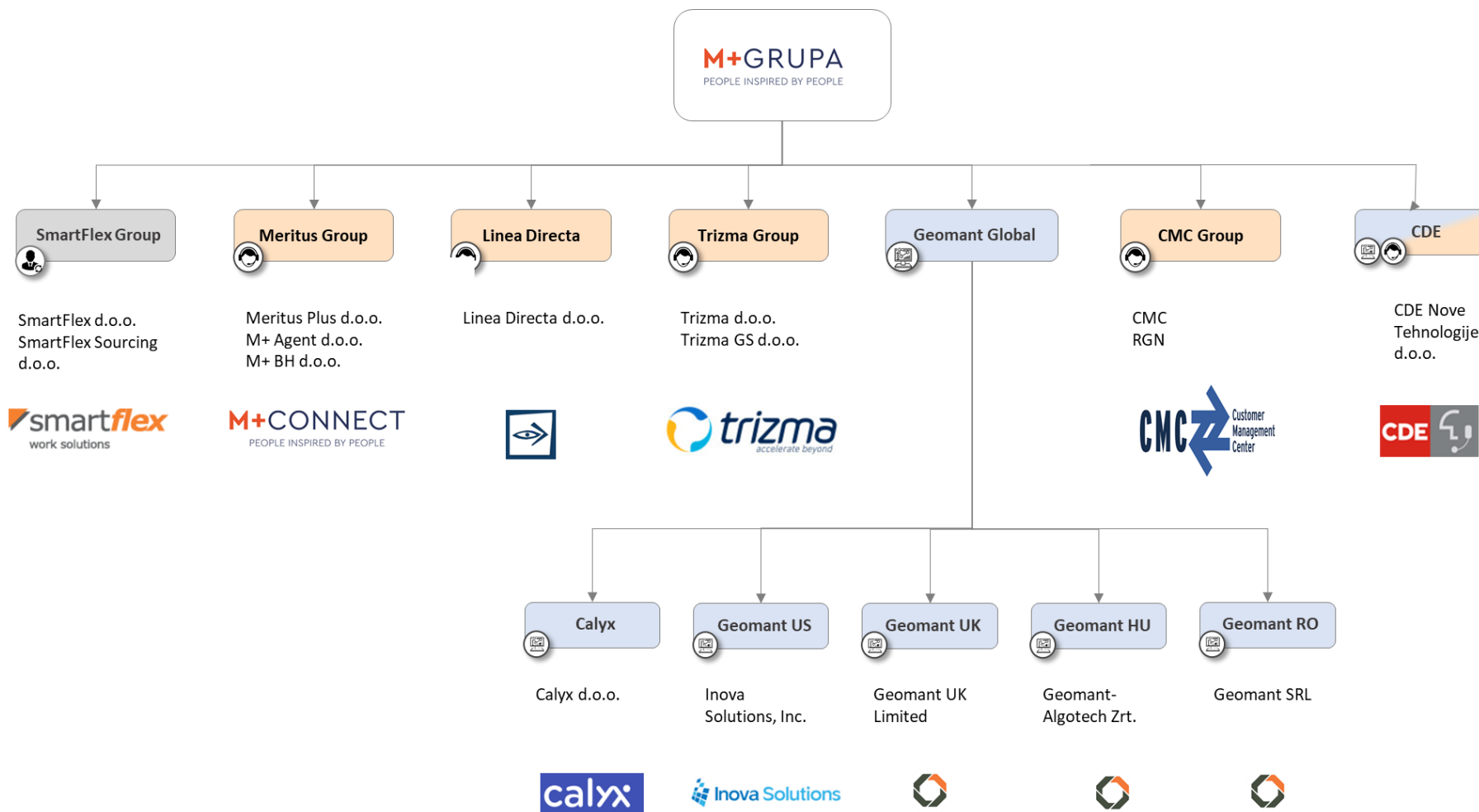
Quality and information security management is central to the operations of M + Group. Therefore, we continually set the highest quality standards, invest in monitoring and quality management systems and follow regional and global trends in the areas relevant to the quality of services we provide.

In the field of information security management, the reporting period was marked by activities with the subsidiary Trizma d.o.o.

In August, this company conducted an internal audit in preparation for external oversight, where it checked all business processes and determined whether they were carried out in accordance with the information security management system, which further drew attention to the risks of organizing work from home and managing it. It was also confirmed that employees have a high level of awareness of the importance of the requirements of the information security management system and their implementation in the organization and while working from home. In October, the team from Trizma d.o.o. successfully performed an external audit, i.e. recertification, of the information security management system ISO 27001: 2013. The company has shown that care for the quality of service to their clients, which includes successful information security management, is not absent in this extraordinary situation, and thus proved once again that with good organization and teamwork, it is ready to respond to all challenges.

As a Group we are committed to constant assessment and investment in the latest knowledge and technology in order to maintain the highest measure of data safety available on the market, and special attention was put on in this reporting period during a pandemic COVID-19 because of the organization's overall business working from home. We are convinced that we are well equipped to meet all legal and non-legislative requirements related to the data security of our clients and users around the world.

## 5. M+ GROUP ORGANIZATION





## 6. M+ GROUP MEMBERS

### Meritus Plus d.o.o.



**M+CONNECT** Contact center services  
PEOPLE INSPIRED BY PEOPLE

The legal predecessor of the company Meritus Upravljanje (i.e. Orso Plan) acquired in 2015 business shares which represent 34.4% of the shares in the share capital of Meritus Plus, on the basis of the Business Shares Sales and Purchase Agreement. As of that date, this investment was presented in the financial statements as an investment in an associate. The legal predecessor of Meritus Upravljanje acquired an additional 16.9% share in the share capital of Meritus Plus on the basis of the Business Shares Sale and Purchase Agreement concluded on 21 July 2016 and in its separate financial statements it stated this investment as a subsidiary. The company Meritus Upravljanje currently holds business shares which represent a total of 51.3% of the shares in the share capital of Meritus Plus. In accordance with International Financial Reporting Standards, the legal predecessor of Meritus Upravljanje, after acquiring control over the management of Meritus Plus through the establishment of its management structure, began to consolidate the company Meritus Plus in the second half of 2016

### CMC



Contact center services

In 2020, Meritus Upravljanje acquired business shares in the company CMC İletişim ve Çağrı Merkezi Hizmetleri based on the Business Shares Sales and Purchase Agreement, which represent 100% of the share capital of the said company. The company Meritus Upravljanje took over control in accordance with the above and began to consolidate these investments in the company CMC in accordance with International Financial Reporting Standards.

### Geomant Global d.o.o.



IT services

The company Meritus upravljanje d.o.o. has established a joint IT company with Concentric Technologies Ltd as a holding company for IT operations, in which Meritus upravljanje holds 51%. Meritus upravljanje d.o.o. has taken control and started consolidating these investments in the company Geomant Global d.o.o. in accordance with International Financial Reporting Standards. Shares of the companies Calyx d.o.o. and subsidiaries of the Geomant Group - Inova solutions Inc (US), Geomant UK Limited (UK), Geomant – Algotech Zrt. (HU), Geomant Srl (RO) were introduced into the aforementioned company.

**Bulb d.o.o.**

IT services

At the end of 2020, M + Group, through its subsidiary Meritus upravljanje d.o.o., acquired 51% ownership rights over Bulb d.o.o.

Bulb d.o.o. is a company founded in 2006, and its long-term clients are leading telecom operators from this part of Europe. Consolidation of this investment will be carried out in accordance with International Financial Reporting Standards.

**M+ Agent d.o.o.**

Contact center services

The company M+ Agent was founded in 2016, and the only founder/ member of the company was Meritus Plus. In view of the above, the legal predecessor of Meritus Upravljanje has consolidated its shares in M+ Agent since the takeover in 2016. The above investment in the company M+ Agent was recorded as an associate in accordance with International Financial Reporting Standards from 16 February 2016 until the takeover.

**Meritus Plus Centar Beograd d.o.o.**

Contact center services

Meritus Plus Centar Beograd was established in 2015 by Meritus Plus as its sole founder. In view of the above, the legal predecessor of Meritus Upravljanje has consolidated its shares in the company Meritus Plus Centar Beograd from the takeover in 2016. From 24 March 2015 until the takeover, the above investment in Meritus Plus Centar Beograd was recorded as an investment in an associate, in accordance with International Financial Reporting Standards.

**MPLUS BH d.o.o.**

Contact center services

MPLUS BH was incorporated in 2016 with the Limited Liability Company Articles of Incorporation. Since its incorporation, 70% shares in the company have been held by ASA INVEST d.o.o. from Sarajevo, and

the remaining 30% by Meritus Plus. From the date of incorporation of MPLUS BH, the legal predecessor of Meritus Upravljanje has in its consolidated financial statements reported the shares in the above-mentioned company as an investment in an associate.

On 27 August 2018, the company Meritus Plus acquired an additional 70% share in MPLUS BH, based on the Business Share Sales and Purchase Agreement concluded with ASA INVEST d.o.o. from Sarajevo. In view of the above, as of 27 August 2018, Meritus Plus holds the 100% share in MPLUS BH, and the company has been consolidated by the legal predecessor of Meritus Upravljanje in its financial statements in accordance with International Financial Reporting Standards.

### Trizma d.o.o.



Contact center services

In 2019, under the Sales and Purchase Agreement, Meritus ulaganja acquired shares in the Belgrade-based Trizma d.o.o., accounting for 51% of the company's share capital. Accordingly, Meritus took over and began to consolidate these investments in Trizma in accordance with International Financial Reporting Standards.

### Linea Directa d.o.o.



Contact center services

Based on the 2016 Shares Sales and Purchase Agreement, Meritus Plus acquired the 100% share in and took over Technology Services Holding B.V., a Dutch company that holds all shares in Linea Directa. In view of the above, based on the Business Share Sales and Purchase Agreement of 27 September 2016, the legal predecessor of Meritus Upravljanje started consolidating its shares in Linea Directa from that date in accordance with International Financial Reporting Standards.

### Calyx d.o.o.



IT services

On the basis of the 2017 Business Share Sales and Purchase Agreement, the legal predecessor of Meritus Upravljanje acquired shares in Calyx that account for 51% of the share capital of that company. Accordingly, the legal predecessor of Meritus Upravljanje took over and began to consolidate these investments in Calyx in accordance with International Financial Reporting Standards.

**CDE nove tehnologije d.o.o.**

Contact center and IT services

On the basis of the 2017 Business Share Sales and Purchase Agreement, Meritus Plus acquired shares in CDE that account for 73% of that company's share capital. Since then, the legal predecessor of the company Meritus Upravljanje has been consolidating the above company in its financial statements in accordance with International Financial Reporting Standards.

**Smart Flex d.o.o.**

Human resource management services

On the basis of the 2016 Business Share Sales and Purchase Agreement concluded with Kristijan Došen, Meritus Plus acquired shares in Smart Flex that account for 51% of the company's share capital. Since then, the legal predecessor of Meritus Upravljanje has been consolidating the above company in its financial statements in accordance with International Financial Reporting Standards.

**Smart Flex Sourcing d.o.o.**

Human resource management services

The company Smart Flex Sourcing was established in 2016 by Meritus Plus as its sole founder/company member. In view of the above, the legal predecessor of Meritus Upravljanje has indirectly, through its investments in Meritus Plus, consolidated its shares in Smart Felx Sourcing from the takeover in 2016. From 16 February 2016 until the takeover, the above investment in Smart Flex Sourcing was recorded as an investment in an associate, in accordance with International Financial Reporting Standards. On 7 December 2016, the company Meritus Plus transferred shares in Smart Flex Sourcing that accounted for 49% of that company's share capital to Kristijan Došen, as part of the purchase price of Smart Flex shares acquired by Meritus Plus from Kristijan Došen (for Smart Flex, see below). On 11 October 2018, SITRA Management purchased the 49% share in Smart Flex Sourcing from Kristijan Došen, so the Group members once again hold 100% of shares in Smart Flex Sourcing's share capital.

**Technology Services Holding B.V.**

Holding company

On the basis of the Business Share Sales and Purchase Agreement concluded on 27 September 2016, Meritus Plus acquired the 100% share in Technology Services Holding B.V. and took over that company. In view of the above, based on the Business Share Sales and Purchase Agreement of 27 September 2016, the legal predecessor of the company Meritus Upravljanje has been consolidating its shares in Technology Services Holding B.V. starting that date in accordance with International Financial Reporting Standards.

**Brza Produkcija d.o.o.**

n/a

Holding company

On the basis of the 2017 Business Share Sales and Purchase Agreement, Meritus Plus acquired shares in Brza produkcija that account for 75.5% of that company's share capital. Since then, the legal predecessor of Meritus Upravljanje has been consolidating the above company in its financial statements in accordance with International Financial Reporting Standards. On 15 November 2018, Meritus Plus acquired an additional 24.5% share in Brza produkcija. In view of the above, as of 15 November 2018, Meritus Plus holds all shares in Brza produkcija.

**SITRA management d.o.o.**

n/a

Holding company

Based on the 2017 Business Share Sales and Purchase Agreement, Meritus Plus acquired all shares in SITRA management and has been consolidating its investments in SITRA management in accordance with International Financial Reporting Standards.

## 7. OWNERSHIP STRUCTURE

Ordinal number	Account owner (holder) / Security co-holder (holder)	Number of shares	Percentage
1.	PIRC OREŠKOVIĆ MANICA	250.000	29,14
2.	OREŠKOVIĆ STJEPAN	249.910	29,13
3.	ADDIKO BANK D.D./PBZ CO OMF - B CATEGORY	82.350	9,60
4.	OTP BANKA D.D./ERSTE PLAVI OMF B CATEGORY	80.000	9,33
5.	OTP BANKA D.D./AZ OMF B CATEGORY	65.588	7,65
6.	HPB D.D./ NEK FUND FOR DECOMMISSION FINANCING NEK	53.154	6,20
7.	ADDIKO BANK D.D./RAIFFEISEN VOLUNTARY PENSION FUND	40.860	4,76
8.	ZAGREBAČKA BANKA D.D./AZ PROFIT OPEN VOLUNTARY PENSION FUND	11.715	1,37
9.	ADDIKO BANK D.D./RAIFFEISEN OMF A CATEGORY	7.250	0,85
10.	ADDIKO BANK D.D./PBZ CO OMF – A CATEGORY	3.735	0,44
11.	OTHER SHAREHOLDERS	13.243	1,53

## 8. CONSOLIDATED FINANCIAL STATEMENTS

### 8.1. CONSOLIDATED BALANCE SHEET

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	116.157.015	498.612.481
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	90.401.785	464.199.128
1 Research and development	004	0	17.018.753
2 Concessions, patents, licences, trademarks, software and other rights	005	8.131.427	65.242.776
3 Goodwill	006	38.970.474	278.770.103
4 Advances for the purchase of intangible assets	007	0	3.637
5 Intangible assets in preparation	008	4.353.578	4.353.578
6 Other intangible assets	009	38.946.306	98.810.281
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	21.684.287	26.880.263
1 Land	011	0	0
2 Buildings	012	15.499.451	14.545.840
3 Plant and equipment	013	6.184.015	11.876.000
4 Tools, working inventory and transportation assets	014	0	453.318
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	1.415
7 Tangible assets in preparation	017	821	821
8 Other tangible assets	018	0	2.869
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	367.446	267.767
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	2.500
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	367.446	265.267
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	3.824.178
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	3.765.136
4 Other receivables	035	0	59.042
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	3.703.497	3.441.145
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	161.028.195	282.982.016
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	87.735	1.147.519
1 Raw materials and consumables	039	87.735	446.386
2 Work in progress	040	0	17.652
3 Finished goods	041	0	1.931
4 Merchandise	042	0	364.556
5 Advances for inventories	043	0	316.994
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	47.625.949	115.719.322
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	37.804.045	90.010.695
4 Receivables from employees and members of the undertaking	050	40.671	145.872
5 Receivables from government and other institutions	051	4.473.528	19.913.957
6 Other receivables	052	5.307.705	5.648.798
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	3.010.551	7.959.095
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	3.010.551	7.629.409
9 Other financial assets	062	0	329.686

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
IV CASH AT BANK AND IN HAND	063	110.303.960	158.156.080
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>5.821.797</b>	<b>19.743.186</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>283.007.007</b>	<b>801.337.683</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	<b>067</b>	<b>115.600.000</b>	<b>425.844.060</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	85.780.500	88.789.100
II CAPITAL RESERVES	069	57.248.800	322.330.004
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	-43.581.219	-81.219.058
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	-43.581.219	-81.219.058
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	7.075.139	14.695.687
1 Retained profit	082	7.075.139	14.695.687
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	7.620.548	43.149.924
1 Profit for the business year	085	7.620.548	43.149.924
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	1.456.232	38.098.403
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>0</b>	<b>10.391.273</b>
1 Provisions for pensions, termination benefits and similar obligations	089	0	9.097.202
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	1.294.071
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>70.655.459</b>	<b>200.070.444</b>
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	41.452.939
6 Liabilities to banks and other financial institutions	101	45.446.515	108.031.564
7 Liabilities for advance payments	102	0	7.239.071
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	24.688.823	26.859.640
11 Deferred tax liability	106	520.121	16.487.230
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>94.131.137</b>	<b>130.266.039</b>
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	406.591
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	10.987.022	0
6 Liabilities to banks and other financial institutions	113	23.262.192	37.150.266
7 Liabilities for advance payments	114	0	197.704
8 Liabilities to suppliers	115	10.655.798	25.829.786
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	14.630.258	21.582.777
11 Taxes, contributions and similar liabilities	118	8.265.307	30.833.666
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	26.330.560	14.265.249
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>2.620.411</b>	<b>34.765.867</b>
<b>F) TOTAL - LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>283.007.007</b>	<b>801.337.683</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>0</b>	<b>0</b>



## 8.2. CONSOLIDATED PROFIT AND LOSS STATEMENT

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>327,183,645</b>	<b>84,121,873</b>	<b>705,335,838</b>	<b>190,144,553</b>
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	325,276,661	83,579,752	685,398,641	183,282,770
3 Income from the use of own products, goods and services	128	0	0	14,824	14,824
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	1,906,984	542,121	19,922,373	6,846,959
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>311,642,698</b>	<b>85,932,188</b>	<b>648,241,041</b>	<b>164,544,795</b>
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	28,188,583	6,061,137	94,799,776	26,800,297
a) Costs of raw materials and consumables	134	1,821,191	487,875	2,501,261	645,862
b) Costs of goods sold	135	59,382	43,813	8,968,169	1,833,188
c) Other external costs	136	26,308,010	5,529,449	83,330,346	24,321,247
3 Staff costs (ADP 138 to 140)	137	243,370,929	61,035,263	447,626,493	116,174,533
a) Net salaries and wages	138	164,397,993	51,908,262	303,636,019	78,667,140
b) Tax and contributions from salary costs	139	43,116,114	7,680,467	95,923,016	26,144,527
c) Contributions on salaries	140	35,856,822	1,446,534	48,067,458	11,362,866
4 Depreciation	141	21,408,264	10,440,698	68,640,678	13,918,482
5 Other costs	142	18,674,922	8,395,090	28,395,850	6,449,661
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	0	0	325,446	-314,147
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	325,446	-314,147
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	0	0	8,452,798	1,515,969
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>1,150,651</b>	<b>654,866</b>	<b>32,924,515</b>	<b>3,966,115</b>
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	141,863	39,589	1,613,028	551,426
8 Exchange rate differences and other financial income	162	896,092	609,810	8,291,565	3,352,009
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	112,696	5,467	23,019,922	62,680
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>5,503,484</b>	<b>2,853,556</b>	<b>41,459,073</b>	<b>11,193,036</b>
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	2,755,243	39,972	21,642,862	4,712,683
4 Exchange rate differences and other expenses	169	347,546	137,845	18,901,212	6,358,722
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	2,400,695	2,675,739	914,999	121,631
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>328,334,296</b>	<b>84,776,739</b>	<b>738,260,353</b>	<b>194,110,668</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>317,146,182</b>	<b>88,785,744</b>	<b>689,700,114</b>	<b>175,737,831</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>11,188,114</b>	<b>-4,009,005</b>	<b>48,560,239</b>	<b>18,372,837</b>
1 Pre-tax profit (ADP 177-178)	180	11,188,114	0	48,560,239	18,372,837
2 Pre-tax loss (ADP 178-177)	181	0	-4,009,005	0	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>3,567,566</b>	<b>220,592</b>	<b>5,410,315</b>	<b>875,101</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>7,620,548</b>	<b>-4,229,597</b>	<b>43,149,924</b>	<b>17,497,736</b>
1 Profit for the period (ADP 179-182)	184	7,620,548	0	43,149,924	17,497,736
2 Loss for the period (ADP 182-179)	185	0	-4,229,597	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	<b>7,620,548</b>	<b>-4,229,598</b>	<b>43,149,924</b>	<b>17,497,736</b>
1 Attributable to owners of the parent	200	495,239	-1,403,379	43,149,924	17,497,736
2 Attributable to minority (non-controlling) interest	201	7,125,309	-2,826,219	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	<b>7,620,548</b>	<b>-4,229,598</b>	<b>43,149,924</b>	<b>17,497,736</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	<b>-401,443</b>	<b>18,514</b>	<b>-37,637,839</b>	<b>-37,637,839</b>
1 Exchange rate differences from translation of foreign operations	204	-401,443	8,000	-37,637,839	-37,637,839
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	2,000	0	0
8 Other changes in equity unrelated to owners	211	0	8,514	0	0
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	<b>-401,443</b>	<b>18,514</b>	<b>-37,637,839</b>	<b>-37,637,839</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	<b>7,219,105</b>	<b>-4,211,084</b>	<b>5,512,085</b>	<b>-20,140,103</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)</b>	<b>215</b>	<b>7,219,105</b>	<b>-4,211,084</b>	<b>5,512,085</b>	<b>-20,140,103</b>
1 Attributable to owners of the parent	216	469,502	-1,394,079	5,512,085	-20,140,103
2 Attributable to minority (non-controlling) interest	217	6,749,603	-2,817,005	0	0

## 8.3. CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	11,188,114	48,560,239
2 Adjustments (ADP 003 to 010):	002	20,851,384	88,783,593
a) Depreciation	003	21,408,264	68,640,678
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	125,987	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	-1,613,028
e) Interest expenses	007	0	21,642,862
f) Provisions	008	0	325,446
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-682,867	-212,365
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>32,039,498</b>	<b>137,343,832</b>
3 Changes in the working capital (ADP 013 to 016)	012	-2,674,467	-35,089,008
a) Increase or decrease in short-term liabilities	013	4,212,079	-19,014,284
b) Increase or decrease in short-term receivables	014	-5,595,332	-5,069,373
c) Increase or decrease in inventories	015	106,879	-1,059,784
d) Other increase or decrease in working capital	016	-1,398,093	-9,945,567
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>29,365,031</b>	<b>102,254,824</b>
4 Interest paid	018	0	-21,642,862
5 Income tax paid	019	-3,567,387	-5,410,315
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>25,797,644</b>	<b>75,201,647</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	541,221	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	1,780,324	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>2,321,545</b>	<b>0</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-20,994,887	-26,093,300
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-4,516,679
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	-329,686
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-20,994,887</b>	<b>-30,939,665</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-18,673,342</b>	<b>-30,939,665</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	93,029,300	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	59,035,262	72,926,062
4 Other cash receipts from financing activities	038	103,494	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>152,168,056</b>	<b>72,926,062</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-44,043,223	-49,762,000
2 Cash payments for dividends	041	-1,689,636	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-11,654,332	-19,573,924
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-57,387,191</b>	<b>-69,335,924</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>94,780,865</b>	<b>3,590,138</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>101,905,167</b>	<b>47,852,120</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>8,398,793</b>	<b>110,303,960</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>110,303,960</b>	<b>158,156,080</b>



Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	268,089,804	0	0	0	0	0	0	0	0	0	0	0	268,089,804	36,642,171	304,731,975
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>23 Balance on the last day of the current business year reporting period (ADP 30 to 48)</b>	<b>49</b>	<b>85,780,500</b>	<b>325,338,604</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-81,219,058</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,695,687</b>	<b>43,149,924</b>	<b>387,745,657</b>	<b>38,098,403</b>	<b>425,844,060</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)</b>	<b>50</b>	<b>0</b>	<b>268,089,804</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-37,637,839</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>230,451,965</b>	<b>36,642,171</b>	<b>267,094,136</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)</b>	<b>51</b>	<b>0</b>	<b>268,089,804</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-37,637,839</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,149,924</b>	<b>273,601,889</b>	<b>36,642,171</b>	<b>310,244,060</b>
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 8.5. NOTES TO THE CONSOLIDATED 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: 01.01.2020. - 31.12.2020.

Notes to financial statements for quarterly periods include:

a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting 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

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 quarterly reporting period

c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly 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

d) a description of the financial performance in the case of the issuer whose business is seasonal.

The consolidated financial report for the period ending 31 December 2020 has not been audited.

## 9. NONCONSOLIDATED FINANCIAL STATEMENTS

### 9.1. NONCONSOLIDATED BALANCE SHEET

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	288.964.813	318.595.317
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	364.813	730.432
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	318.750	730.432
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	46.063	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	0	21.454.885
1 Land	011	0	0
2 Buildings	012	0	21.453.886
3 Plant and equipment	013	0	999
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	0	0
8 Other tangible assets	018	0	0
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	288.600.000	288.660.000
1 Investments in holdings (shares) of undertakings within the group	021	288.600.000	288.660.000
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	7.750.000
1 Receivables from undertakings within the group	032	0	7.750.000
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	178.421.594	89.360.836
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	0	0
1 Raw materials and consumables	039	0	0
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	23.619.929	34.459.522
1 Receivables from undertakings within the group	047	0	30.255.660
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	20.940.312	36.145
4 Receivables from employees and members of the undertaking	050	0	1.364
5 Receivables from government and other institutions	051	0	4.166.353
6 Other receivables	052	2.679.617	0
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	71.481.038	49.482.697
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	71.481.038	49.482.697
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
IV CASH AT BANK AND IN HAND	063	83.320.627	5.418.617
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>0</b>	<b>2.251</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>467.386.407</b>	<b>407.958.404</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	<b>067</b>	<b>389.953.466</b>	<b>397.252.552</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	85.780.500	85.780.500
II CAPITAL RESERVES	069	295.848.800	295.848.800
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	0	0
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-4.912	8.324.166
1 Retained profit	082	0	8.324.166
2 Loss brought forward	083	4.912	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	8.329.078	7.299.086
1 Profit for the business year	085	8.329.078	7.299.086
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>0</b>	<b>0</b>
1 Provisions for pensions, termination benefits and similar obligations	089	0	0
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>46.776</b>	<b>487.710</b>
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	0	487.710
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	46.776	0
11 Deferred tax liability	106	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>77.386.165</b>	<b>10.217.959</b>
1 Liabilities to undertakings within the group	108	0	9.067.615
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	0	0
7 Liabilities for advance payments	114	0	0
8 Liabilities to suppliers	115	2.904.989	962.135
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	27.309	41.302
11 Taxes, contributions and similar liabilities	118	0	112.014
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	74.453.867	34.893
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>0</b>	<b>183</b>
<b>F) TOTAL - LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>467.386.407</b>	<b>407.958.404</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>0</b>	<b>0</b>



## 9.2. NONCONSOLIDATED PROFIT AND LOSS STATEMENT

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>11,161</b>	<b>4,652</b>	<b>1,093,861</b>	<b>560,373</b>
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	0	0	0	0
3 Income from the use of own products, goods and services	128	0	0	14,824	13,434
4 Other operating income with undertakings within the group	129	0	0	1,050,894	534,250
5 Other operating income (outside the group)	130	11,161	4,652	28,143	12,689
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>11,294,634</b>	<b>10,189,735</b>	<b>8,488,466</b>	<b>2,553,581</b>
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	693,687	6,602	1,561,139	680,386
a) Costs of raw materials and consumables	134	34,675	6,602	26,521	12,093
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	659,012	0	1,534,618	668,293
3 Staff costs (ADP 138 to 140)	137	412,150	148,101	607,266	183,862
a) Net salaries and wages	138	262,530	81,475	379,822	114,241
b) Tax and contributions from salary costs	139	144,188	66,022	223,131	68,167
c) Contributions on salaries	140	5,432	604	4,313	1,454
4 Depreciation	141	11,516	2,879	724,871	324,772
5 Other costs	142	10,177,281	10,032,153	5,480,725	1,363,361
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	0	0	114,465	1,200
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>20,939,907</b>	<b>20,778,530</b>	<b>14,697,294</b>	<b>6,426,572</b>
1 Income from investments in holdings (shares) of undertakings within the group	155	20,682,380	20,682,380	6,000,000	6,000,000
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	251,594	96,150	2,047,294	426,572
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	5,922	0	0	0
8 Exchange rate differences and other financial income	162	11	0	0	0
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	6,650,000	0
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>1,327,356</b>	<b>42,529</b>	<b>3,603</b>	<b>2,700</b>
1 Interest expenses and similar expenses with undertakings within the group	166	1,727	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	0	402	2,877	2,025
4 Exchange rate differences and other expenses	169	0	0	726	675
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	1,325,629	42,127	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>20,951,068</b>	<b>20,783,182</b>	<b>15,791,155</b>	<b>6,986,945</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>12,621,990</b>	<b>10,232,264</b>	<b>8,492,069</b>	<b>2,556,281</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>8,329,078</b>	<b>10,550,918</b>	<b>7,299,086</b>	<b>4,430,664</b>
1 Pre-tax profit (ADP 177-178)	180	8,329,078	10,550,918	7,299,086	4,430,664
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>8,329,078</b>	<b>10,550,918</b>	<b>7,299,086</b>	<b>4,430,664</b>
1 Profit for the period (ADP 179-182)	184	8,329,078	10,550,918	7,299,086	4,430,664
2 Loss for the period (ADP 182-179)	185	0	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)</b>	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	216	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

### 9.3. NONCONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	8,329,078	7,299,086
2 Adjustments (ADP 003 to 010):	002	-245,138	-7,969,546
a) Depreciation	003	11,161	724,871
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-257,516	-2,047,294
e) Interest expenses	007	1,217	2,877
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	-6,650,000
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>8,083,940</b>	<b>-670,460</b>
3 Changes in the working capital (ADP 013 to 016)	012	-17,472,646	-77,406,510
a) Increase or decrease in short-term liabilities	013	5,897,127	-66,566,917
b) Increase or decrease in short-term receivables	014	-23,369,773	-10,839,593
c) Increase or decrease in inventories	015	0	0
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-9,388,706</b>	<b>-78,076,970</b>
4 Interest paid	018	-1,217	-2,877
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-9,389,923</b>	<b>-78,079,847</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>0</b>	<b>0</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-318,750	-21,820,504
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-318,750</b>	<b>-21,820,504</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-318,750</b>	<b>-21,820,504</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	93,029,300	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	21,998,341
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>93,029,300</b>	<b>21,998,341</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	0
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>0</b>	<b>0</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>93,029,300</b>	<b>21,998,341</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>83,320,627</b>	<b>-77,902,010</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>0</b>	<b>83,320,627</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>83,320,627</b>	<b>5,418,617</b>



Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>23 Balance on the last day of the current business year reporting period (ADP 30 to 48)</b>	<b>49</b>	<b>85,780,500</b>	<b>295,848,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,324,166</b>	<b>7,299,086</b>	<b>397,252,552</b>	<b>0</b>	<b>397,252,552</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,299,086</b>	<b>7,299,086</b>	<b>0</b>	<b>7,299,086</b>
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 9.5. NOTES TO THE UNCONSOLIDATED 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: 01.01.2020. - 31.12.2020.

Notes to financial statements for quarterly periods include:

a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting 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

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 quarterly reporting period

c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly 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

d) a description of the financial performance in the case of the issuer whose business is seasonal.

The unconsolidated financial report for the period ending 31 December 2020 has not been audited.

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

Zagreb, February 2021

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

The non-consolidated financial statements of the company Meritus plus d.d. (the Company) and the consolidated financial statements of the company Meritus Ulaganja d.d. and its subsidiaries (the Group or the M+ Group) are compiled in accordance with the International Financial Reporting Standards (IFRS) and the Croatian Accounting Act. Consolidated and non-consolidated unaudited financial statements of the Company and Group for the period of 1 January until 31 December 2020 provide a full and true record of the assets and liabilities, profit and loss, financial position and operations of the issuer and the companies involved into the consolidation as a whole. The Management Board's report for the period until 31 December 2020 contains the true and faithful record of the development and business result of the Company's operation with the description of the most prominent risks and uncertainties the Company is exposed to.



Darko Horvat  
President of the Management Board



Tomislav Glavaš  
Member of the Management Board

Meritus ulaganja d.d.  
Zagreb

## 11. CONTACTS

### Investor Relations Service



+385 (0) 99 3767 083



[investitori@mpluscc.com](mailto:investitori@mpluscc.com)

### Company Address



Heinzelova 62a, 10000 Zagreb, Croatia

### Web site of the company



[www.mplusgrupa.com](http://www.mplusgrupa.com)

### Contact centre services



[contact-center@mpluscc.com](mailto:contact-center@mpluscc.com)

### IT services



[it-services@mpluscc.com](mailto:it-services@mpluscc.com)

### HR management services



[hr-services@mpluscc.com](mailto:hr-services@mpluscc.com)



# M+GRUPA

PEOPLE INSPIRED BY PEOPLE



2  
9  
16  
23

2015 2016

2015	2016	% Growth
8,714	39,912	-11%
19,282	102,287	+37%
86,916	91,638	+42%
123,036	122,819	+78%
168,128	272,002	+119%
19,282	17,822	
47,028	167,912	

2015	2016	% Growth
112	158,287	-11%
78	91,638	+37%
203	126,819	+42%
278	272,002	+78%
233	11,822	+119%

Europe	2015	2016	% Growth
Product A01	237,689	563,980	15,000
Product A02	461,273	192,703	278,569
Product A03	4,567,264		

12,357	26,776	24,766	19,558
534	3,541		

2,568,790  
976,819  
869,870  
121,000  
421,015  
179,964  
686,144  
279,991  
89,426  
244,355  
75,380  
848,578  
237,689  
563,980  
15,000  
461,273  
192,703  
278,569  
4,567,264