



BUSINESS RESULTS

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

Financial statement for the year that ended December 31, 2022

ZAGREB, February 2023

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1. COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD

People are the focus of our business and our people are the ones who make the difference. Our employees, clients and investors are the most responsible for the success of the Group, and I would like to sincerely thank them for their contributions this year, marked by excellent business results. The Group's operations in 2022 are characterized by a strategic growth in the volume of operations through further expansion of operations in the region and strengthening of existing market positions. The Group's revenues grew by 69%, to the amount of HRK 1.35 billion. Of the total revenue growth, new sales, i.e. organic growth, was more than 20% of the revenue achieved in 2021, i.e. around HRK 160 million, which confirms the correctness of the strategic decisions we made when setting up our business model, facilitating growth through acquisitions and market consolidation, a few years ago, as well as its long-term sustainability. The rest of the revenue growth is due to the consolidation of acquisitions after January 1, 2022.

Other key business indicators also grew at significant rates compared to last year. In the comparable period, EBITDA increased by 32 percent, to HRK 197 million compared to last year's HRK 150 million, and adjusted EBITDA increased by 38 percent to HRK 220 million.

At the very end of 2022, we made a big step forward in our Human Resources (HR) industry vertical, concluding an agreement on the purchase and sale of business shares, which envisages the indirect acquisition of a group of companies operating under the Manpower brand in the region. Realization of the transaction based on the above-mentioned sales contract is subject to the approval of the competent authorities of the Republic of Serbia. The group expects to be able to inform the public about the fulfilment of the aforementioned conditions in the first quarter of 2023.

The HR industry vertical will continue to operate under the umbrella brand Workplace, under which all Manpower licensed companies in six countries of the region will operate and three companies for HR processes under the independent brands Smartflex, Integrator and MPS Integration in Serbia and Slovenia. Workplace will operate through 15 companies operating in six countries.



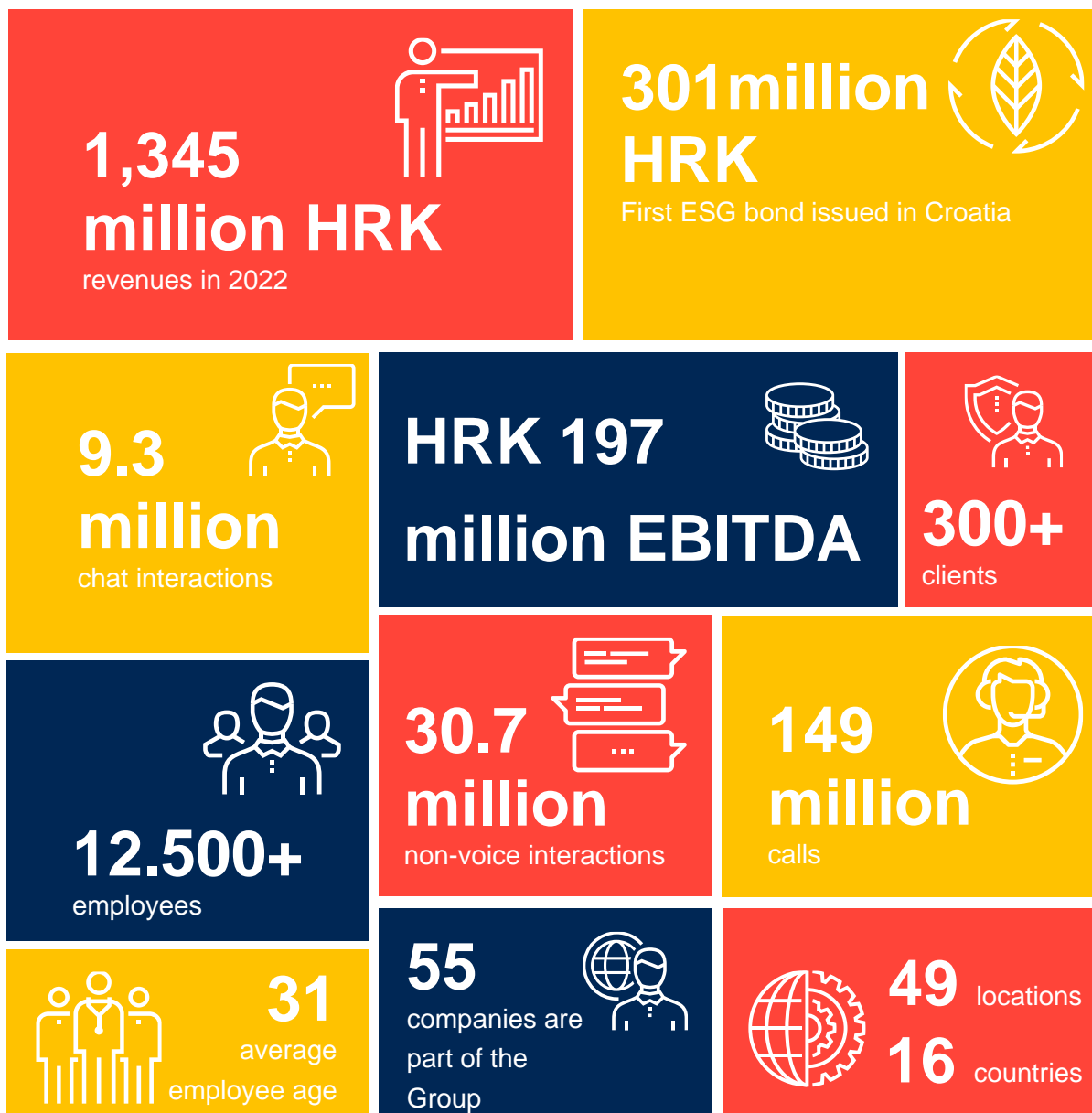
According to data for the year 2021, the new HR industry vertical would already have 90 million euros of consolidated revenues, and our plan is to develop its business over the next three years to the level which will make it a material industry vertical in the Group through both organic growth and acquisitions.

With the expansion of the Human Resources industry vertical, the weakening of inflationary pressures and revised global growth forecasts, we expect that in 2023 we will achieve a significant increase in profitability compared to earlier forecasts.

Along with the investment into improvement of operations and business processes, we also made progress in the field of corporate communication through the rebranding of the BPO industry vertical.

It is impossible not to look back at the tragic series of earthquakes that hit Turkey, including cities of Malatya and Şanlıurfa, where the Group employs about four thousand people. Ten of our employees lost their lives, and a large number of them were left without homes. The group immediately gave preserved business buildings as temporary accommodation to the most vulnerable and focused on providing the necessary assistance to the local population, especially to our employees and their relatives. I would also like to take this opportunity to express my deepest condolences to the families of those who died on behalf of the entire Group, and with our engagement we will try to contribute as much as possible to the local community and the population of the cities of Malatya and Şanlıurfa.

2. KEY OPERATIONAL FIGURES



Revenues: Meritus ulaganja d.d. (the Company) and its subsidiaries (the Group) continued to perform well in 2022. Operating revenues in the year that ended December 31, 2022, amounted to HRK 1,345 million. Compared to the comparable period last year, an increase of HRK 551 million or 69% was achieved. 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 through synergies gained through the integration of new group companies. Of the total revenue growth, new sales, i.e. organic growth, was more than 20% of the revenue achieved in 2021, i.e. around HRK 160 million

<i>(in HRK thousand)</i>	<i>1-12 2022</i>	<i>1-12 2021</i>	<i>Change</i>	<i>%</i>
Operating revenue	1,345,211	794,449	550,762	69%
EBITDA	196,818	149,604	47,214	32%
Adjusted EBITDA*	219,937	159,500	60,437	38%
Profit before tax	62,644	71,174	(8,530)	-12%

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

EBITDA: Stable demand for Business process and Technology Outsourcing (“BPTO“) services in all markets and cost optimization resulted in positive effects, and EBITDA amounted to HRK 196.8 million. Relative to the comparable period last year, an increase of HRK 47.2 million or 32% was achieved. EBITDA growth was mostly, driven by the growing volume of business with existing and new clients and the acquisition of Invitel GmbH and its subsidiaries (“Invitel Group” or “Invitel“). The integration process of Invitel into the Group is continuous from the day we took control.

During 2022, the Group invested heavily in multiple streams by enlarging and further professionalizing the team and introducing new technology solutions. This move was essential to enable further growth in the following period and ensure that quality and service level will remain as high as it is now, especially considering Group growth ambition from one side and challenges we faced globally during this year. In addition to that, in H2 2022 we were also investing in Information technology (“IT“) stream of the Group to facilitate faster delivery and cross sell of existing products to clients. During 2022 the Group invested into increasing the profitability of the German operations, which will be also a 2023 process.

In Q4 2022 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 fully utilize its unique market position with Invitel as sourcing pool for the acquisition of additional clients in the DACH region. During this period, we also digitalized our entire sales process by introducing and integrating HubSpot software into our organization, accelerating Group efforts in digital transformation. In addition, the Group marketing department was focused on creating a new brand identity of the Group that will empower existing integration efforts by creating a “one view-one voice” approach while simplifying overall group brand architecture, making it more appealing to current and future employees as well as to the overall market.

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

During May and June of 2022, the IT part of the Group enhances the current IT infrastructure by creating redundant solutions that will ensure the highest security level and create a stable baseline for future growth.

Impact on the margins during 2023 will be affected by inflation and increase of minimum wages depending on the countries we operate from. Transfer of increase of minimum wages to clients is done through existing contracts which facilitates transfer in shorter to medium term with some impact on profitability, while inflation impact on other cost structure of Group like electricity, other energy, gas, IT infrastructure, licenses, will have impact on the profitability in the longer period. We keep insisting on working from home for all clients, depending on their approval, to balance possible impact of inflation as much as possible.

Profit before tax: In 2022, the Group generated HRK 62.7 million in profit before tax, which is a decrease of 12% compared to 2021.

<i>(in HRK thousand)</i>	<i>December 31, 2022</i>	<i>December 31, 2021</i>	<i>Change</i>	<i>%</i>
Assets	1,517,243	911,654	605,589	66%
Equity	384,094	409,050	(24,956)	-6%
(Net debt)/net cash	(303,266)	44,817	(348,083)	n/a

Assets: On December 31, 2022, the Group's assets amounted to HRK 1,517 million. Compared to December 31, 2021, assets increased for HRK 606 million or 66%. The increase in assets was due to the operating growth of the Group's operations, consolidation of Invitel and issuance of sustainability linked bonds and purchase of real-estate for new corporate headquarters.

Equity: On December 31, 2022, the Group's equity amounted to HRK 384 million, accounting for 25% of the total balance sheet. Equity decreased for HRK 25 million in comparison to Dec 31, 2021. Major impact on decrease of equity was acquisition of non-controlling interests in subsidiaries M Plus Serbia d.o.o. and M+ Deutschland GmbH in the amount of HRK 110 million which is presented as negative equity, while the positive effect on the equity was net income for 2022.

Net debt: On December 31, 2022, the Group had a strong cash position in the amount of HRK 431 million, able to facilitate future organic growth and growth through acquisitions, while liabilities to financial institutions and liabilities for assets with right of use amounted to HRK 734 million including liabilities from issued bonds and loans for purchase of real-estate for new corporate headquarters. Net debt amounts to HRK 303 million.

Increase in Net debt for HRK 348 million was primarily caused by purchase of non-controlling interests in subsidiaries M Plus Serbia d.o.o. and M+ Deutschland GmbH in the amount of HRK 110 million. Also, in 2022 the Group had net repayment of loans from financial institutions in the amount of HRK 14 million. In 2022 lease and rent payments increased for HRK 21 million, while recognized rent and lease liabilities at year end increased for HRK 51 million. Both, increase of lease payments and increase in recognized lease and rent liabilities at year end is mostly related to M+ Deutschland GmbH and its subsidiaries in Germany which are consolidated since January 1, 2022. Also, increase of net debt was caused by capex and other investments into operations needed to facilitate organic growth and growth through acquisitions. Purchase of real-estate for new corporate headquarters engaged HRK 86 million of debt to financial institutions.

3. SIGNIFICANT EVENTS FOR THE PERIOD UP TO DECEMBER 31, 2022

3.1. Acquisition of Invitel

The Group acquired a majority stake in the German company Invitel GmbH and its subsidiaries (“Invitel”) and expanded its business to the area of Western Europe. With this acquisition the Group has confirmed its position as the leading independent provider of Business process and Technology Outsourcing (“BPTO”) services in Europe in the area that spans from Hanover to Istanbul, with more than 12 thousand employees.

Invitel employs about 1,500 people and generates about 42 million euros in revenue annually. If we look at the business results for 2021, with the new acquisition, the Group’s annual revenues exceeded HRK 1 billion.

With the acquisition of Invitel, the Group has gained clients from new sectors in which it has not been present so far, including companies focused on renewable energy sources, carbon management, energy transition, and technological innovations, all key to a successful global transition to a low carbon economy which is aligned with the Group’s sustainability strategy.

During 2022 the Group invested into increasing the profitability of the German operations, which will be also a 2023 process.

Following this acquisition, the Group has expanded its operations to 48 locations across Europe and the United States, making Germany the Group’s largest revenue-generating market, which is the culmination of a strategy to build a leading BPO provider for the Deutschland-Austria-Switzerland („DACH”) market. At the same time, this transaction is a continuation of the Group’s acquisition strategy, in which each new takeover strengthens the synergistic effects of all members of the Group.

3.2. War in Ukraine

The Group closely monitors developments in Ukraine and assesses short-term and long-term effects on business operations. The Group is not directly exposed to negative business developments, as it does not do business with clients from Ukraine or Russia. 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.

3.3. Increase in equity of the Group

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

3.4. Acquisition of non-controlling interests in M Plus Serbia d.o.o.

In 2022, the Group purchased the remaining 49% stake in the subsidiary M Plus Serbia d.o.o., thus acquiring a 100% stake in the said company.

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

During the second quarter of 2022, the Group purchased the remaining 44% stake in the subsidiary M+ Deutschland GmbH, thus acquiring a 100% stake in the said company.

3.6. Sustainability report

The Group has published its second Group Sustainability Report, which includes information on the Group's economic, environmental, and social performance. The Report covers the period ended on December 31, 2021.

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



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

importance to our Group.

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

The Group will publish its third Sustainability report for the period that ended on December 31, 2022, during the second quarter of 2023.



3.7. The Sustainability-Linked Bonds Issue

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



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

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

On 14 July 2022, the Company published on its website the [Simplified Prospectus for Public Offering and Listing of Sustainability-Linked Bonds](#) dated 14 July 2022 (“**Prospectus**”). The Prospectus was approved by the Croatian Agency for Supervision of Financial Services (“**HANFA**”) by its Decision, class: UP/I 996-02/22-01/06, ref. no. 326-

01-60-62-22-16, dated 14 July 2022.

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

3.7.1. Sustainability-Linked Bond Framework

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

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

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

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

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

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

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

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

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

3.7.2. Second-Party Opinion – SPO - Sustainalytics

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

Conclusion of the Second-Party Opinion:

The Group Sustainability-Linked Bond Framework defines two KPIs:

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

KPI power level:

KPI#1: Strong

KPI#2: Strong

Ambitiousness of SPTs:

SPT #1: Very ambitious

SPT #2: Ambitious

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

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

performance.

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



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

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

In 2022, the group introduced a new brand name – Mplus for the segment of BPO operations. After acquiring a number of companies from the BPO sector, the Group started the process of rebranding its corporate image in 2022. The rebranding process was successfully completed in 2022, uniting BPO operators under the Mplus brand. The goal was achieved, which provides all clients, users and employees with a harmonized and unique experience that comes with a new logo, visual identity, redefined service structure and a new website.

The new brand name and visual identity is a response to the significant growth and expansion of the Group, whose target markets and services have evolved significantly, and reflects the strong synergy of all its members, vision and plans.

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

3.9. 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 own companies that operate under the Manpower brand in the CEE region (Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Slovenia and Hungary). The aforementioned represents the beginning of cooperation with Manpower International, USA in the field of Human Resources (HR) services.

Realization of the transaction based on the aforementioned sales contract, is subject to the approval of the competent authorities of the Republic of Serbia, the fulfillment of which conditions the Group is expecting to inform the public during first quarter of 2023.

HR industry vertical of the Group will continue to operate under the umbrella brand Workplace, under which all Manpower licensed companies in six countries of the region will operate, and three companies for HR processes under the independent brands of Smartflex, Integrator and MPS Integration in Serbia and Slovenia. Workplace will have 15 companies operating in six countries. Such new HR Group achieved EUR 90 million in revenue in 2021 and employed 350 people and our plan is to develop its business over the next three years to the level which will make it a material industry vertical in the Group through both organic growth and acquisitions.

We have 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.

The total value of the investment is estimated at approximately EUR 5.9 million.

3.10. Recognitions and awards

Frost & Sullivan's 2022 European Entrepreneurial Company of the Year Award



Mplus has been awarded the prestigious Frost & Sullivan's 2022 European Entrepreneurial Company of the Year Award in the area of customer experience in outsourcing services industry. Frost & Sullivan, as a leading research and consulting company, applies an analytical process to evaluate nominees for each award category. The process involves a detailed evaluation of criteria across two dimensions - Entrepreneurial Innovation and Customer impact. Mplus has demonstrated excellence in both areas by leveraging its cutting-edge technology and skilled talent pool to meet the rapidly growing demand for BPO delivery in Europe. The recognition by Frost & Sullivan positions Mplus as a key player in driving growth and shaping the future of the outsourcing industry.

Zagreb Stock Exchange award for the contribution to the development of capital markets



The Group was awarded the annual award from Zagreb Stock Exchange for the contribution to the development of capital markets. We were recognized for our continuous activity, creating value by following corporate governance standards, as well as setting goals of advancing sustainability and social equity.

4. EVENTS AFTER REPORTING DATE

4.1. Earthquakes in Turkey and Syria

Strong earthquakes up to magnitude of 7.8 on Richter scale hit Turkey on Monday, February 6, 2023, and felt in most of the country as well as in several neighbouring countries. In area that was strongly hit Malatya and Şanlıurfa are situated, cities where Group employs about four thousand people. 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 almost 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 best support in the right way.

4.2. New Mplus 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.

5. MARKETS, CLIENTS, PRODUCTS, AND SERVICES



HRK 1,345 million up to December 31, 2022

In 2022, the Group generated consolidated revenue in the amount of HRK 1,345 million.



12,500+ employees

With more than 12,500 employees, we are the largest employer of customer service agents in Southeast Europe.



Provision of services in 57 countries

We provide services to clients in over 57 countries, with high focus on our premium clients in the European (especially in the DACH region) and North American markets, including the USA, Canada, and Australia.



300+ clients

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



32 languages

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



49 locations

Our offices are located in:

- Ljubljana (Slovenia)
- Koper (Slovenia)
- Vipava (Slovenia)
- Zagorje ob Savi (Slovenia)
- Zagreb (Croatia)
- Osijek (Croatia)
- Sarajevo (BiH)
- Banja Luka (BiH)
- Belgrade (Serbia)
- Niš (Serbia)
- Istanbul (Turkey)
- Malatyi (Turkey)
- Urfa (Turkey)
- Bayburt (Turkey)
- Van (Turkey)
- Rize (Turkey)
- Izmir (Turkey)
- Budapest (Hungary)
- Székesfehérvár (Hungary)
- Segedinu (Hungary)
- Cluj (Romania)
- Helmstedt (Germany)
- Boitzenburg (Germany)
- Prenzlau (Germany)
- Leipzig (Germany)
- Lüneburg (Germany)
- Magdeburg (Germany)
- Potsdamu (Njemačka)
- Sangerh (Germany)
- Halle (Germany)
- Braunschweig (Germany)
- Bielefeld (Germany)
- Bremen (Germany)
- Nordhausen (Germany)
- Maspalomas (Spain)
- Bucharest (Romania)
- Amsterdam (Netherlands)
- Giubiascu (Switzerland)
- Londonu (UK)
- Charlottesvilleu (USA)
- Atlanta (USA)
- Tbilisiju (Georgia)
- Bratislava (Slovakia)
- Riga (Latvia)

Markets

We provide services to clients on 5 continents in 57 countries around the world:



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



Clients

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

The 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 has increased their willingness to outsource CRM services, or their current BPTO service providers are unable to respond to their needs.

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

The COVID-19 pandemic has further boosted migration to digital channels, so the need to provide services to customers/partners remotely became reality.

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

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

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

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

Locations

The Group currently provides contact center services in 34 locations in 9 countries in Southeast Europe, Germany, and Spain.

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



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

- Zagreb
- Ljubljana
- Belgrade
- Istanbul
- Budapest

Products and Services

Contact Center Services



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

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

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

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

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

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

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

IT services



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

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

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

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

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

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

6. GROUP MEMBER COMPANIES



Contact Center services

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



IT services

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



HR services

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

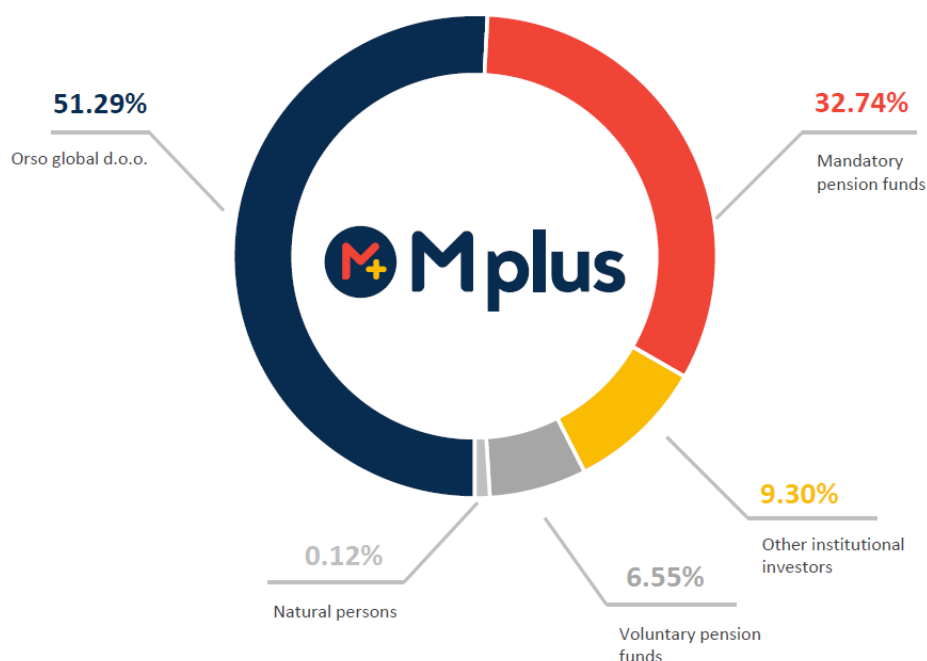


Other Companies

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

7. OWNERSHIP STRUCTURE

Ownership structure as at December 31, 2022:



The ten largest shareholders of the Company as at December 31, 2022, were:

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

8. CONSOLIDATED FINANCIAL STATEMENTS

8.1. CONSOLIDATED BALANCE SHEET

<i>*in HRK thousands</i>	31 December 2021	31 December 2022
Non-current assets		
Goodwill	83,470	185,913
Intangible assets	184,671	273,742
Right of use assets	47,307	90,541
Property, plant, and equipment	32,515	187,798
Non-current financial assets	7,710	50,372
Deferred tax assets	2,997	3,146
Total non-current assets	358,670	791,512
Current assets		
Inventories	670	1,787
Other current financial assets	85	5,019
Trade receivables	130,775	219,860
Other receivables	35,826	37,159
Accrued income and prepaid expenses	37,411	31,217
Cash and cash equivalents	348,217	430,689
Total current assets	552,984	725,731
TOTAL ASSETS	911,654	1,517,243
Equity		
Share capital	98,203	98,203
Other reserves	(109,360)	(159,529)
Capital reserves	149,060	149,060
Legal reserves	5,550	13,246
Retained earnings and profit for the current year	92,502	135,038
To the owners of the parent	235,955	236,018
Non-controlling interests	173,095	148,076
Total equity	409,050	384,094
Non-current liabilities		
Long-term borrowings	187,125	291,261
Liabilities for bonds	-	301,380
Long-term rent and lease liabilities	30,884	61,192
Deferred tax liability	6,287	29,258
Other non-current liabilities	8,212	27,592
Total non-current liabilities	232,508	710,683
Current liabilities		
Trade payables	31,794	43,373
Liabilities to employees	40,001	70,893
Other current liabilities	32,356	78,592
Short-term borrowings	109,478	133,328
Short-term rent and lease liabilities	17,247	39,759
Accrued expenses and Deferred Income	39,220	56,521
Total current liabilities	270,096	422,466
TOTAL EQUITY AND LIABILITIES	911,654	1,517,243

8.2. CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>*in HRK thousands</i>	2021		2022	
	Cumulative	Quarter	Cumulative	Quarter
Revenues	786,806	209,267	1,319,997	389,371
Other revenues	7,643	1,799	25,214	7,476
Total revenues	794,449	211,066	1,345,211	396,847
Costs of raw materials and supplies	(7,338)	(5,406)	(3,480)	(1,315)
Cost of goods sold	(11,438)	(2,693)	(5,214)	(923)
Costs of services	(64,496)	3,550	(119,118)	(42,057)
Staff costs	(529,128)	(154,302)	(958,612)	(277,291)
Depreciation and amortization	(60,255)	(16,948)	(122,019)	(56,332)
Other operating expenses	(32,446)	(2,697)	(61,969)	(7,888)
Total operating expenses	(705,101)	(178,496)	(1,270,412)	(385,806)
Profit from operations	89,348	32,570	74,799	11,041
Financial income	3,297	(10,338)	23,553	11,784
Financial expenses	(21,471)	4,473	(35,708)	(11,083)
Losses from financial activities	(18,174)	(5,865)	(12,155)	701
Profit before taxation	71,174	26,705	62,644	11,742
Income tax	(6,195)	(4,272)	(19,149)	(15,531)
Profit for the year	64,979	22,433	43,495	(3,789)
Attributable to:				
To the owners of the Company	39,243	9,272	32,879	(19,608)
Non-controlling interests	25,736	13,161	10,616	15,819
Other comprehensive income				
Profit for the year	64,979	22,433	43,495	(3,789)
<i>Items that can later be transferred to profit or loss</i>				
Exchange rate differences from the translation of foreign parts of operations in the current business year	(24,780)	(24,484)	60,162	63,586
Other comprehensive income for the year	(24,780)	(24,484)	60,162	63,586
TOTAL COMPREHENSIVE INCOME FOR THE CURRENT YEAR	40,199	(2,051)	103,657	59,797
Attributable to:				
The owners of the Company	14,463	(15,212)	93,041	43,978
Non-controlling interests	25,736	13,161	10,616	15,819

8.3. CONSOLIDATED CASH FLOW STATEMENT

<i>*in HRK thousands</i>	2021	2022
Pre-tax profit	71,174	62,644
Depreciation	60,255	122,019
Interest and dividend income	(1,992)	(242)
Interest expenses	2,823	30,747
Provisions	(1,200)	(9,475)
Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	403	-
Exchange rate differences (unrealised)	(1,271)	(4,127)
Other adjustments for non-cash transactions and unrealised gains and losses	(111)	(23,039)
Cash flow increase before changes in working capital	130,081	178,527
Increase/(decrease) in short-term liabilities	8,924	(11,145)
Increase in short-term receivables	(48,708)	(60,563)
Decrease/(increase) in inventories	289	(1,118)
Other changes in working capital	1,036	(2,367)
Cash from operations	91,622	103,334
Interest paid	(4,442)	(9,193)
Income tax paid	(3,163)	(5,149)
Net cash generated in business activities and changes in working capital	84,017	88,992
Cash payments for the purchase of fixed tangible and intangible assets	(69,488)	(111,874)
Cash payments for loans and deposits for the period	(3,355)	(38,921)
Other cash payments from investment activities	(14,297)	(1,346)
Net cash used in investment activities	(87,140)	(152,141)
Cash receipts from credit principals, loans and other borrowings	234,638	111,402
Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	(90,620)	(125,022)
Cash receipts from the issue of equity financial instruments and debt financial instruments	104,234	301,380
Cash payments for dividends	(7,859)	(9,820)
Cash payments for rents and leases	(20,875)	(42,069)
Cash inflows from increase in equity in subsidiary	-	30,000
Cash payments for acquisition of non-controlling interests	(13,819)	(111,880)
Net cash from financing activities	205,699	153,991
Net increase in cash and cash equivalents	202,576	90,842
Unrealised exchange rate differences in respect of cash and cash equivalents	(13,630)	(8,370)
Cash and cash equivalents at the beginning of the period	159,271	348,217
Cash and cash equivalents at the end of the period	348,217	430,689

8.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>*in HRK 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, 2020	85.780	(66.754)	57.249	-	(18.336)	67.178	125.117	147.359	272.476
Profit for the current year	-	-	-	-	-	39.243	39.243	25.736	64.979
Increase in share capital and reserves	12.423	-	91.811	-	-	-	104.234	-	104.234
Other comprehensive income for the current year	-	510	-	-	(24.780)	(510)	(24.780)	-	(24.780)
Transfer to reserves	-	-	-	5.550	-	(5.550)	-	-	-
Dividend payment	-	-	-	-	-	(7.859)	(7.859)	-	(7.859)
Balance at December 31, 2021	98.203	(66.244)	149.060	5.550	(43.116)	92.502	235.955	173.095	409.050
Balance at December 31, 2021	98.203	(66.244)	149.060	5.550	(43.116)	92.502	235.955	173.095	409.050
Profit for the current year	-	-	-	-	-	32.879	32.879	10.616	43.495
Other comprehensive income for the current year	-	-	-	-	60.162	-	60.162	-	60.162
Transfer to reserves	-	2.193	-	7.696	-	(9.889)	-	-	-
Dividend payment	-	-	-	-	-	(9.820)	(9.820)	-	(9.820)
Acquisitions of non-controlling interests	-	(101.909)	-	-	-	18.751	(83.158)	(35.635)	(118.793)
Balance at December 31, 2022	98.203	(165.960)	149.060	13.246	17.046	124.423	236.018	148.076	384.094

8.5. NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: Meritus ulaganja d.d.

Personal identification number (OIB): 62230095889

Reporting period: 01.01.2022. - 31.12.2022.

Notes to financial statements for quarterly periods include:

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

In Turkey, cumulative inflation rates over a three-year period exceeded 100% in Q2/2022. The big 4 accounting firms have recently reached a consensus that all necessary conditions based on IAS 29 are in place and that the country should be formally classified as a hyperinflationary economy. Appropriate indexations are applied in this financial statement.

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

n/a

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

n/a

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

n/a

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

n/a

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

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

n/a

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

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

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

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

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

n/a

5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
Of the total debts, HRK 75,725,654 is due after more than 5 years. Total debts to banks and financial institutions are covered by promissory notes, and to a lesser extent by collateral.

6. average number of employees during the financial year
12,517

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

n/a

8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year

The value of Deferred Tax Assets recognized is HRK 3,145,809, while Deferred Tax Liabilities amount to HRK 29,258,079.

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

9. UNCONSOLIDATED FINANCIAL STATEMENTS

9.1. UNCONSOLIDATED BALANCE SHEET

<i>*in HRK thousands</i>	31 December 2021	31 December 2022
Non-current assets		
Intangible assets	508	32
Property, plant, and equipment	20,364	19,649
Non-current financial assets	384,545	522,618
Total non-current assets	405,417	542,299
Current assets		
Trade receivables	1,018	1,558
Other receivables	12,153	25,167
Accrued income and prepaid expenses	41	1,650
Cash and cash equivalents	116,074	271,346
Total current assets	129,286	299,721
TOTAL ASSETS	534,703	842,020
Equity		
Share capital	98,203	98,203
Capital reserves	387,630	387,630
Legal reserves	2,030	2,559
Retained earnings and profit for the current year	17,520	18,427
Total equity	505,383	506,819
Non-current liabilities		
Long-term borrowings	12,363	11,361
Long-term rent and lease liabilities	292	-
Liabilities for bonds	-	301,380
Total non-current liabilities	12,655	312,741
Current liabilities		
Trade payables	14,522	15,569
Liabilities to employees	14	47
Other current liabilities	45	-
Short-term borrowings	1,959	6,844
Short-term rent and lease liabilities	99	-
Accrued expenses and Deferred Income	26	-
Total current liabilities	16,665	22,460
TOTAL EQUITY AND LIABILITIES	534,703	842,020

9.2. UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

**in HRK thousands*

	2021		2022	
	Cumulative	Quarter	Cumulative	Quarter
Revenues	2,887	1,276	3,930	1,684
Other revenues	112	84	398	374
Total revenues	2,999	1,360	4,328	2,058
Costs of raw materials and supplies	(68)	(38)	(115)	(21)
Costs of services	(642)	213	(1,683)	(535)
Staff costs	(1,081)	(517)	(931)	(204)
Depreciation and amortization	(1,378)	(345)	(781)	104
Other operating expenses	(4,904)	(1,337)	(5,600)	(1,571)
Total operating expenses	(8,073)	(2,024)	(9,110)	(2,227)
Profit from operations	(5,074)	(664)	(4,782)	(169)
Financial income	16,579	15,430	23,054	21,206
Financial expenses	(921)	(504)	(7,016)	(6,498)
Gain from financial activities	15,658	14,926	16,038	14,708
Profit before taxation	10,584	14,262	11,256	14,539
Income tax	-	-	-	-
Profit for the year	10,584	14,262	11,256	14,539
Other comprehensive income				
Profit for the year	10,584	14,262	11,256	14,539
<i>Items that can later be transferred to profit or loss</i>	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE CURRENT YEAR	10,584	14,262	11,256	14,539

9.3. UNCONSOLIDATED CASH FLOW STATEMENT

<i>*in HRK thousands</i>	31 December 2021	31 December 2022
Pre-tax profit	10,584	11,256
Depreciation	1,378	781
Interest and dividend income	(16,486)	(22,956)
Interest expenses	476	5,859
Other adjustments for non-cash transactions and unrealised gains and losses	56	-
Cash flow decrease before changes in working capital	(3,992)	(5,060)
Increase in short-term liabilities	4,447	939
Increase in short-term receivables	(30)	(1,073)
Other changes in working capital	(12)	(1,476)
Cash from/(used in) operations	413	(6,670)
Interest paid	(425)	(499)
Net cash used in business activities and changes in working capital	(12)	(7,169)
Cash payments for the purchase of fixed tangible and intangible assets	(65)	-
Cash payments for loans and deposits	(938)	(127,597)
Net cash used in investment activities	(1,003)	(127,597)
Cash receipts from the increase in initial (subscribed) capital	104,204	-
Cash receipts from credit principals, loans and other borrowings	29,986	-
Cash receipts from the issue of equity financial instruments and debt financial instruments	-	301,357
Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	(15,764)	(1,455)
Cash payments for dividends	(6,659)	(9,820)
Cash payments for rents and leases	(97)	(44)
Net cash from financing activities	111,670	290,038
Net increase or decrease in cash and cash equivalents	110,655	155,272
Cash and cash equivalents at the beginning of the period	5,419	116,074
Cash and cash equivalents at the end of the period	116,074	271,346

9.4. UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**in HRK thousands*

	Share capital	Capital reserves	Legal reserves	Retained earnings	To the owners of the Company
Balance at December 31, 2020	85,780	295,848	-	15,625	397,253
Profit for the current year	-	-	-	10,584	10,584
Increase in share capital and reserves	12,423	91,782	-	-	104,205
Transfer to legal reserves	-	-	2,030	(2,030)	-
Dividend payment	-	-	-	(6,659)	(6,659)
Balance at December 31, 2021	98,203	387,630	2,030	17,520	505,383
Balance at December 31, 2021	98,203	387,630	2,030	17,520	505,383
Profit for the current year	-	-	-	11,256	11,256
Transfer to legal reserves	-	-	529	(529)	-
Dividend payment	-	-	-	(9,820)	(9,820)
Balance at December 31, 2022	98,203	387,630	2,559	18,427	506,819

9.5. NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly reporting periods)

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

Personal identification number (OIB): 62230095889

Reporting period: 01.01.2022. - 31.12.2022.

Notes to financial statements for quarterly periods include:

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

n/a

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

n/a

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

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

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

n/a

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

n/a

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

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

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

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

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

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

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

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

n/a

5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security

Of the total debts, HRK 5,274,150 is due after more than 5 years. Total debts to banks and financial institutions are covered by promissory notes, and to a lesser extent by collateral.

6. average number of employees during the financial year

2

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

n/a

8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year

n/a

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

n/a

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

n/a

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

n/a

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

n/a

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

n/a

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

n/a

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

n/a

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

n/a

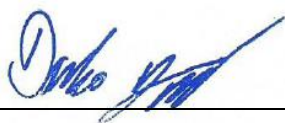
17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet.

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

Zagreb, February 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 from January 1 to December 31, 2022 provide a complete and true view of the assets and liabilities, profit and loss, financial position, and operations of issuers and companies included in the consolidation as a whole. The Management Board's report for the period up to December 31, 2022, contains a true and fair view of the development and results of the Company's operations with a description of the most significant risks and uncertainties to which the Company is exposed.



Darko Horvat
President of the Management
Board



Tomislav Glavaš
Member of the Management Board

11. CONTACTS

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Ana Babić

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**Corporate online
presentation**



www.plusgroup.eu



Mplus



			12,357	10,725	21,365	16,565
Product B - North America	531	190	534	2,841	155	1,808
Product A - Australia	340	526	428	248	516	124
Product A - Europe	29,589	42,700	10,899	29,228	20,000	47,740
Product A - Asia						

2,568,700
870,818
869,870
121,060
191,269
179,984
886,184
279,901
88,420
87,777