

M+GRUPA

PEOPLE INSPIRED BY PEOPLE

OPERATING RESULTS

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

Report for the period January 1, 2020 – September 30, 2020

ZAGREB, October 2020



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1. STATEMENT BY THE PRESIDENT OF THE MANAGEMENT BOARD



It gives me great pleasure to present to you the business results of the M+ Group at the end of the third quarter of 2020. The achieved results confirm the robust business model of the M + Group and the ability to quickly adapt to new circumstances and market trends. M + Group continued with excellent results in the 3rd quarter, which can be seen primarily in revenue growth and increasing profitability. Half a year ago, all members of the M + Group adopted new protocols and business models for rapid adaptation and transformation into "WFH" - work from home or office depending on the epidemiological situation related to the COVID 19 pandemic. The M + Group, at the beginning of the pandemic, migrated the entire business to the model of work from home in less than 3 weeks and, in the past period, continued to improve the model of migration in both directions. Software solutions as well as security protocols have been further improved and/or developed to keep the business at the highest level of efficiency and security.

Given the trends that are growing in demand for services in the BPTO (business processes and technology outsourcing) sector, the situation with the pandemic has accelerated in most clients the additional need for BPTO services due to the "lockdown" in the first and second quarters and the uncertain epidemiological situation in the future. In addition, the excellent results of the M + Group were influenced by the high degree of diversification of clients, especially from sectors that responded successfully to the pandemic or were relatively less affected by the crisis.

During the summer months, we continued to integrate the operations of CMC and Geomant Group and increased synergies. We are proud of our employees who achieved the set goals in these changed circumstances through their commitment, understanding, and dedication to the job.

Due to the worsening situation with the pandemic we are witnessing these days, the M + Group will closely monitor the development of the situation and adequately adjust its business, taking into account the safety of employees and the efficiency and profitability of business.

A handwritten signature in blue ink, appearing to read 'Darko Horvat', written over a horizontal line.

Darko Horvat


President of the Management Board

2. KEY OPERATIONAL INDICATORS


HRK 515
million HRK
 of revenue in the first 6
 months of 2020



70
million
calls



HRK 86
million
EBITDA



13 locations in
5 countries



3,6
million
 chat
 interactions



4,2
million
 email replies



25 companies in the
 Group



7.500+
 employees



260+
 clients



31
 average employee age



58 countries



Operating income: In the third 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 30 September 2020 amounted to HRK 515 million. Relative to the comparable period last year, an increase of HRK 272 million or 112% was achieved. Income growth was mostly influenced by the acquisition of the company CMC in the amount of HRK 214 million. Income from contact center services at the Group level continued to grow in the third 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>1-9 2020</i>	<i>1-9 2019</i>	<i>Change</i>	<i>%</i>
Operating income	515,191	243,154	272,037	112%
EBITDA	86,217	27,397	58,820	215%
Adjusted EBITDA¹	93,280	35,193	58,087	165%
Profit before taxes	30,187	14,539	15,648	108%

EBITDA: Stable demand for BPO services in all markets and cost optimization resulted in positive effects, and EBITDA amounted to HRK 86 million. Relative to the comparable period last year, an increase of HRK 59 million or 215% was achieved. EBITDA growth was mostly influenced by the acquisition of the company CMC, amounting to HRK 40 million, as well as an increase in efficiency in the Group's business, amounting to HRK 19 million.

Adjusted EBITDA¹: Taking into account one-off effects, adjusted EBITDA amounted to HRK 93,3 million and was 165% higher relative to the one from the same period last year.

Profit before taxes: in the first nine months of 2020, the Group generated profit before taxes amounting to HRK 30 million, which constitutes an increase of 108% relative to the same period in 2019, when it amounted to HRK 14.5 million. Profit growth was generated from the growth of business activities and cost optimization.

<i>(in HRK thousand)</i>	30/09/2020	31/12/2019	Change	%
Assets	492,484	283,007	209,477	74%
Equity	140,252	115,600	24,652	+21%
(Net debt) / Net cash	(27,325)	30,608	(57,933)	

(Net debt)/Net cash: On September 30th 2020, the Group had HRK 127 million on its accounts, while borrowings from financial institutions amounted to HRK 154,5 million. Net debt amounted to HRK 27 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 30 September 2020, the Group's assets amounted to HRK 492 million. Relative to 31 December 2019, an increase of HRK 209 million or 74% was achieved. The increase in assets was primarily due to the acquisitions or transactions with the companies CMC and Concentric Technologies Ltd., as well as due to the recognition of additional goodwill in the amount of HRK 76 million. During 2020, the Group will make the allocation test of the purchase price of the companies Geomant Group and CMC and, in accordance with the results, adjust the effect of transactions on financial statements.

Equity: Group equity as at 30/09/2020 amounts to HRK 140 million and 28% relative to the total balance. The profit realized in 2019 was distributed to retained earnings.

¹ 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

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) provisions for the negative effects of the COVID 19 pandemic; e) other one-off effects

3. SIGNIFICANT EVENTS FOR THE PERIOD UNTIL 30 SEPTEMBER 2020

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 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 the third quarter of 2020.

After the implementation of short-term measures during the first wave of the pandemic, the improvement of procedures and protocols for efficient and safe operations in the case of the second wave that is expected or already present has continued. 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 515 million
until 30
September 2020**

In the first half of 2020, the M+ Group generated consolidated revenue in the amount of HRK 515 million



**7.500+
employees**

With more than 7,500 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.



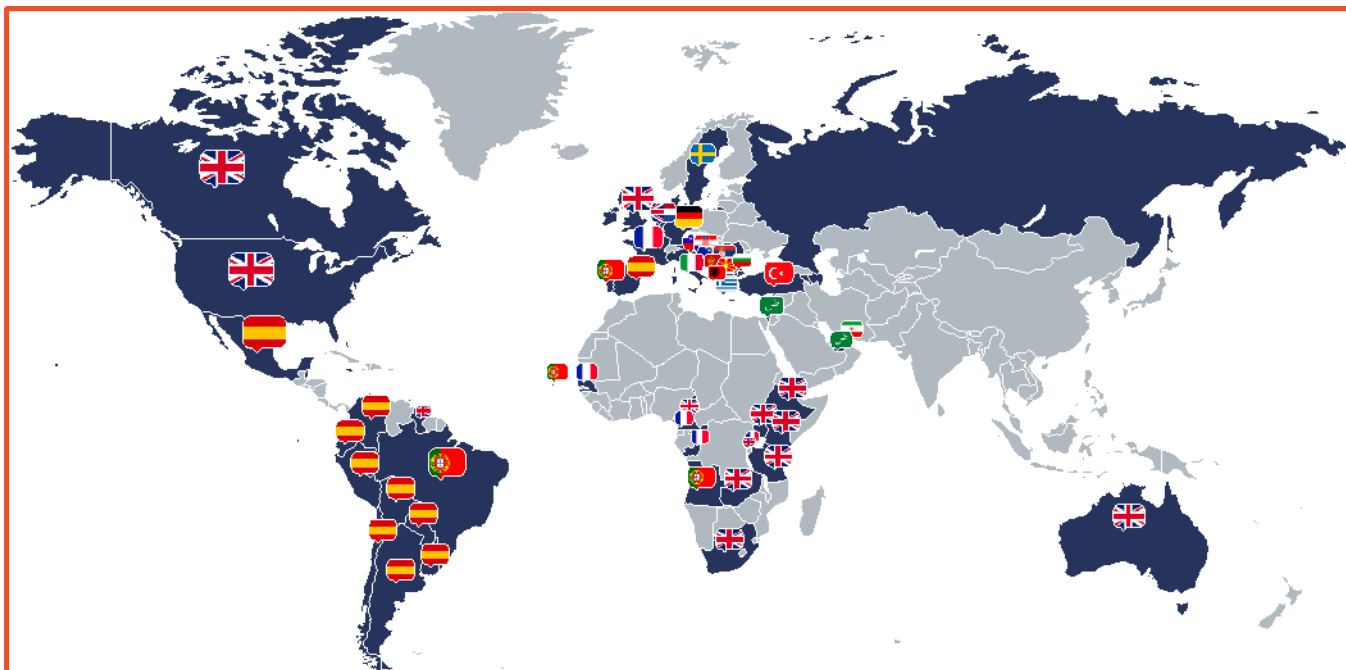
**13
locations**

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)

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 the first 9 months of 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 third quarter, we started working with several new clients, of which, in this report, we want to highlight the company for delivery, packages, and urgent mail. 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.

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 COCOS 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.

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.



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.

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 COCOS client participation platform is known throughout the CEE and CIS region. COCOS CEP 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

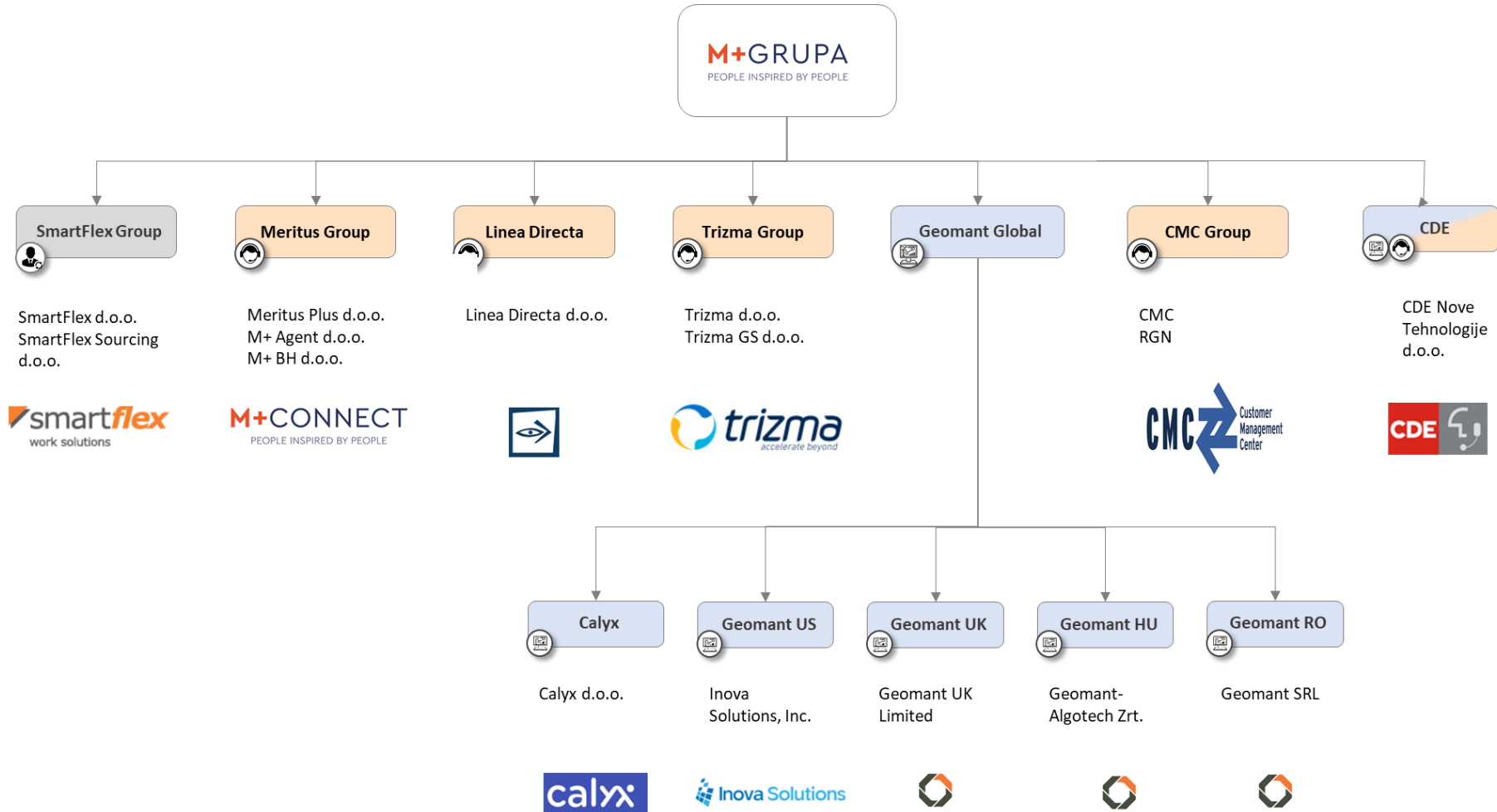
Quality and information security management is central to the operations of M + Group. Therefore, we continually set the highest quality standards, invest in monitoring and quality management systems and follow regional and global trends in the areas relevant to the quality of services we provide.

In the field of information security management, the reporting period was marked by activities with the subsidiaries of Meritus Plus d.o.o., CDE Nove tehnologije d.o.o. and Linea Directa d.o.o..

In July, these companies conducted internal audits in preparation for external oversight, where they 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 early September, teams from CDE Nove tehnologije d.o.o. and Linea Directa d.o.o. have successfully performed an external audit of the information security management system ISO 27001: 2013, while the company Meritus Plus d.o.o. was exempted from the audit as it was a control year of supervision. These companies have 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, they are 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.

M+ Agent d.o.o.



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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.



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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.



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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 Flex 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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	116.157.015	229.358.139
I INTANGIBLE ASSETS (ADP 004 to 009)	003	90.401.785	193.280.773
1 Research and development	004	0	9.790.994
2 Concessions, patents, licences, trademarks, software and other rights	005	8.131.427	56.587.024
3 Goodwill	006	38.970.474	114.223.365
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	4.353.578	4.353.578
6 Other intangible assets	009	38.946.306	8.325.812
II TANGIBLE ASSETS (ADP 011 to 019)	010	21.684.287	31.986.697
1 Land	011	0	0
2 Buildings	012	15.499.451	14.820.890
3 Plant and equipment	013	6.184.015	16.930.794
4 Tools, working inventory and transportation assets	014	0	221.742
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	108
7 Tangible assets in preparation	017	821	9.387
8 Other tangible assets	018	0	3.776
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	367.446	345.917
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	278.501
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	64.916
IV RECEIVABLES (ADP 032 to 035)	031	0	25.169
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	0
4 Other receivables	035	0	25.169
V DEFERRED TAX ASSETS	036	3.703.497	3.719.583
C) CURRENT ASSETS (ADP 038+046+053+063)	037	161.028.195	249.467.077
I INVENTORIES (ADP 039 to 045)	038	87.735	1.496.251
1 Raw materials and consumables	039	87.735	361.920
2 Work in progress	040	0	0
3 Finished goods	041	0	1.907
4 Merchandise	042	0	382.810
5 Advances for inventories	043	0	749.614
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	47.625.949	110.460.160
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	94.760.674
4 Receivables from employees and members of the undertaking	050	40.671	188.386
5 Receivables from government and other institutions	051	4.473.528	11.041.103
6 Other receivables	052	5.307.705	4.469.997
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	3.010.551	10.040.236
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	2.464.971
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	3.010.551	7.271.638
9 Other financial assets	062	0	303.627

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	127.470.430
D) PREPAID EXPENSES AND ACCRUED INCOME	064	5.821.797	13.658.992
E) TOTAL ASSETS (ADP 001+002+037+064)	065	283.007.007	492.484.208
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	115.600.000	140.251.978
I INITIAL (SUBSCRIBED) CAPITAL	068	85.780.500	85.780.500
II CAPITAL RESERVES	069	57.248.800	57.248.800
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	-43.581.219	-44.581.429
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	-44.581.429
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	20.866.915
1 Profit for the business year	085	7.620.548	20.866.915
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	1.456.232	6.241.505
B) PROVISIONS (ADP 089 to 094)	088	0	9.228.513
1 Provisions for pensions, termination benefits and similar obligations	089	0	7.500.904
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	1.727.609
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	70.655.459	190.726.347
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	41.493.040
5 Liabilities for loans, deposits etc.	100	0	18.690
6 Liabilities to banks and other financial institutions	101	45.446.515	120.091.157
7 Liabilities for advance payments	102	0	2.598
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	24.688.823	11.560.329
11 Deferred tax liability	106	520.121	17.560.533
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	94.131.137	130.189.322
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	313.997
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	11.277
5 Liabilities for loans, deposits etc.	112	10.987.022	124.798
6 Liabilities to banks and other financial institutions	113	23.262.192	34.549.609
7 Liabilities for advance payments	114	0	4.150.705
8 Liabilities to suppliers	115	10.655.798	20.224.241
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	14.630.258	26.285.162
11 Taxes, contributions and similar liabilities	118	8.265.307	35.399.297
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	9.130.236
E) ACCRUALS AND DEFERRED INCOME	122	2.620.411	22.088.048
F) TOTAL - LIABILITIES (ADP 067+088+095+107+122)	123	283.007.007	492.484.208
G) OFF-BALANCE SHEET ITEMS	124	0	0

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
I OPERATING INCOME (ADP 126 to 130)	125	243.153.705	76.501.626	515.191.285	176.835.588
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	241.736.386	75.756.135	502.115.871	170.588.011
3 Income from the use of own products, goods and services	128	5.797	0	516.763	215
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	1.411.522	745.491	12.558.651	6.247.362
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	227.066.077	71.268.101	483.696.246	160.791.896
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	23.122.369	2.552.439	65.999.479	37.617.129
a) Costs of raw materials and consumables	134	1.333.599	579.755	2.255.399	1.891
b) Costs of goods sold	135	14.127	14.127	9.134.981	1.789.275
c) Other external costs	136	21.774.643	1.958.557	54.609.099	35.825.963
3 Staff costs (ADP 138 to 140)	137	170.818.735	52.648.674	331.451.960	104.603.919
a) Net salaries and wages	138	103.807.017	35.139.206	224.968.879	72.736.419
b) Tax and contributions from salary costs	139	43.366.792	13.646.705	69.778.489	21.027.536
c) Contributions on salaries	140	23.644.926	3.862.763	36.704.592	10.839.964
4 Depreciation	141	11.309.631	6.000.553	54.722.196	17.667.751
5 Other costs	142	14.802.677	4.646.473	21.946.189	256.276
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	111.344	0	639.593	639.593
a) Provisions for pensions, termination benefits and similar obligations	147	111.344	0	639.593	639.593
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	6.901.321	5.419.962	8.936.829	7.228
III FINANCIAL INCOME (ADP 155 to 164)	154	426.680	234.478	28.958.400	2.189.731
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	117.646	106.858	1.061.602	412.417
8 Exchange rate differences and other financial income	162	241.785	127.620	1.939.556	1.084.406
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	67.249	0	25.957.242	692.908
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	1.974.817	893.973	30.266.037	10.983.157
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	1.793.322	824.179	16.930.179	3.415.931
4 Exchange rate differences and other expenses	169	181.495	69.794	11.542.490	7.318.665
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	0	0	1.793.368	248.561
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	243.580.385	76.736.104	544.149.685	179.025.319
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	229.040.894	72.162.074	513.962.283	171.775.053
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	14.539.491	4.574.030	30.187.402	7.250.266
1 Pre-tax profit (ADP 177-178)	180	14.539.491	4.574.030	30.187.402	7.250.266
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	1.904.673	655.894	4.535.214	1.745.230
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	12.634.818	3.918.136	25.652.188	5.505.036
1 Profit for the period (ADP 179-182)	184	12.634.818	3.918.136	25.652.188	5.505.036
2 Loss for the period (ADP 182-179)	185	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
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
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
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
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	12.634.817	3.918.135	25.652.188	5.505.036
1 Attributable to owners of the parent	200	7.978.312	2.474.124	20.866.915	4.478.102
2 Attributable to minority (non-controlling) interest	201	4.656.505	1.444.011	4.785.273	1.026.934
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	12.634.817	3.918.135	25.652.188	5.505.036
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	90.932	9.596	-1.000.210	-579.400
1 Exchange rate differences from translation of foreign operations	204	89.341	18.110	-1.000.210	-579.400
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	10.105	0	0	0
8 Other changes in equity unrelated to owners	211	-8.514	-8.514	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	90.932	9.596	-1.000.210	-579.400
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	12.725.749	3.927.731	24.651.978	4.925.636
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	12.725.749	3.927.731	24.651.978	4.925.636
1 Attributable to owners of the parent	216	8.035.731	2.456.042	20.353.289	3.964.476
2 Attributable to minority (non-controlling) interest	217	4.690.018	1.471.689	4.298.689	961.160

8.3. CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	14.539.491	30.187.402
2 Adjustments (ADP 003 to 010):	002	10.674.539	71.230.366
a) Depreciation	003	11.309.631	54.722.196
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	-117.646	-1.061.602
e) Interest expenses	007	1.793.322	16.930.179
f) Provisions	008	111.344	639.593
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-2.422.112	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	25.214.030	101.417.768
3 Changes in the working capital (ADP 013 to 016)	012	4.559.330	24.394.211
a) Increase or decrease in short-term liabilities	013	4.790.902	15.307.817
b) Increase or decrease in short-term receivables	014	-12.012.801	-2.834.211
c) Increase or decrease in inventories	015	-102.245	-1.408.516
d) Other increase or decrease in working capital	016	11.883.474	13.329.121
II Cash from operations (ADP 011+012)	017	29.773.360	125.811.979
4 Interest paid	018	-1.793.322	-16.930.179
5 Income tax paid	019	-1.904.673	-4.535.214
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	26.075.365	104.346.586
Cash flow from investment activities			
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	3.889.014	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	3.889.014	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-29.163.951	-29.232.222
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-6.826.058
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	-303.627
IV Total cash payments from investment activities (ADP 028 to 032)	033	-29.163.951	-36.361.907
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-25.274.937	-36.361.907
Cash flow from financing activities			
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	46.825.711	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	139.855.011	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-42.484.333	-50.818.209
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
VI Total cash payments from financing activities (ADP 040 to 044)	045	-42.484.333	-50.818.209
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	97.370.678	-50.818.209
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	98.171.106	17.166.470
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	8.398.793	110.303.960
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	106.569.899	127.470.430

8.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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 / less 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)	
Previous period																		
1 Balance on the first day of the previous business year	01	50.000.000	0	0	0	0	0	-43.179.776	0	0	0	0	0	14.574.905	0	21.395.129	-5.817.212	15.577.917
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	50.000.000	0	0	0	0	0	-43.179.776	0	0	0	0	0	14.574.905	0	21.395.129	-5.817.212	15.577.917
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	7.978.312	7.978.312	4.656.505	12.634.817	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	89.341	0	0	0	0	0	0	89.341	0	89.341	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	09	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	10	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	11	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	12	0	0	0	0	0	0	10.105	0	0	0	0	0	0	10.105	0	10.105	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	-8.514	0	0	0	0	0	0	-8.514	0	-8.514	
14 Tax on transactions recognised directly in equity	14	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)	15	35.780.500	57.248.800	0	0	0	0	0	0	0	0	0	0	0	93.029.300	0	93.029.300	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	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	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-222.000	-222.000	
20 Other distribution to owners	20	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	21	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	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	85.780.500	57.248.800	0	0	0	0	-43.088.844	0	0	0	0	0	14.574.905	7.978.312	122.493.673	-1.382.707	121.110.966
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																		
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	90.932	0	0	0	0	0	0	90.932	0	90.932	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	90.932	0	0	0	0	0	7.978.312	8.069.244	4.656.505	12.725.749	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	35.780.500	57.248.800	0	0	0	0	0	0	0	0	0	0	0	93.029.300	-222.000	92.807.300	
Current period																		
1 Balance on the first day of the current business year	27	85.780.500	57.248.800	0	0	0	0	-43.581.219	0	0	0	0	0	14.695.687	0	114.143.768	1.456.232	115.600.000
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	85.780.500	57.248.800	0	0	0	0	-43.581.219	0	0	0	0	0	14.695.687	0	114.143.768	1.456.232	115.600.000
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	20.866.915	20.866.915	4.785.273	25.652.188	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	-1.000.210	0	0	0	0	0	0	-1.000.210	0	-1.000.210	
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	

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)
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
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	85.780.500	57.248.800	0	0	0	0	-44.581.429	0	0	0	0	14.695.687	20.866.915	134.010.473	6.241.505	140.251.978
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	-1.000.210	0	0	0	0	0	0	-1.000.210	0	-1.000.210
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	-1.000.210	0	0	0	0	0	20.866.915	19.866.705	4.785.273	24.651.978
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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: from 01.01.2020. till 30.09.2020.

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 statements for the period ended 30 September 2020 have 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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	288.964.813	310.529.354
I INTANGIBLE ASSETS (ADP 004 to 009)	003	364.813	199.219
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	318.750	199.219
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
II TANGIBLE ASSETS (ADP 011 to 019)	010	0	21.730.135
1 Land	011	0	0
2 Buildings	012	0	21.728.936
3 Plant and equipment	013	0	1.199
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
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	288.600.000	288.600.000
1 Investments in holdings (shares) of undertakings within the group	021	288.600.000	288.600.000
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
IV RECEIVABLES (ADP 032 to 035)	031	0	0
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	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	178.421.594	89.416.411
I INVENTORIES (ADP 039 to 045)	038	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
II RECEIVABLES (ADP 047 to 052)	046	23.619.929	33.824.221
1 Receivables from undertakings within the group	047	0	29.847.812
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	20.940.312	24.251
4 Receivables from employees and members of the undertaking	050	0	799
5 Receivables from government and other institutions	051	0	2.851.359
6 Other receivables	052	2.679.617	1.100.000
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	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	6.109.493
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	467.386.407	399.945.765
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	389.953.466	392.821.888
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	2.868.422
1 Profit for the business year	085	8.329.078	2.868.422
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	0	0
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
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	46.776	0
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	0
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
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	77.386.165	3.406.877
1 Liabilities to undertakings within the group	108	0	2.842.166
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	397.042
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	27.309	47.310
11 Taxes, contributions and similar liabilities	118	0	85.458
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	34.901
E) ACCRUALS AND DEFERRED INCOME	122	0	3.717.000
F) TOTAL - LIABILITIES (ADP 067+088+095+107+122)	123	467.386.407	399.945.765
G) OFF-BALANCE SHEET ITEMS	124	0	0

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
I OPERATING INCOME (ADP 126 to 130)	125	3.706	1.385	533.488	427.179
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	3.706	1.385	0	0
3 Income from the use of own products, goods and services	128	0	0	1.390	0
4 Other operating income with undertakings within the group	129	0	0	516.644	414.547
5 Other operating income (outside the group)	130	0	0	15.454	12.632
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	2.388.394	124.193	5.934.885	2.029.077
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	786.821	7.613	880.753	93.823
a) Costs of raw materials and consumables	134	28.073	7.613	14.428	5.175
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	758.748	0	866.325	88.648
3 Staff costs (ADP 138 to 140)	137	263.890	107.592	423.404	165.836
a) Net salaries and wages	138	181.055	80.843	265.581	101.764
b) Tax and contributions from salary costs	139	81.372	26.154	154.964	62.725
c) Contributions on salaries	140	1.463	595	2.859	1.347
4 Depreciation	141	8.637	8.637	400.099	315.094
5 Other costs	142	1.208.342	0	4.117.364	1.454.074
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	120.704	351	113.265	250
III FINANCIAL INCOME (ADP 155 to 164)	154	161.366	37.978	8.270.722	676.572
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	161.366	37.978	1.620.722	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	0	0	0	0
8 Exchange rate differences and other financial income	162	0	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	250.000
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	1.314	1.268	903	32
1 Interest expenses and similar expenses with undertakings within the group	166	11	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	1.303	1.268	852	31
4 Exchange rate differences and other expenses	169	0	0	51	1
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	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	165.072	39.363	8.804.210	1.103.751
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	2.389.708	125.461	5.935.788	2.029.109
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-2.224.636	-86.098	2.868.422	-925.358
1 Pre-tax profit (ADP 177-178)	180	0	0	2.868.422	0
2 Pre-tax loss (ADP 178-177)	181	-2.224.636	-86.098	0	-925.358
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-2.224.636	-86.098	2.868.422	-925.358
1 Profit for the period (ADP 179-182)	184	0	0	2.868.422	0
2 Loss for the period (ADP 182-179)	185	-2.224.636	-86.098	0	-925.358
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0

Item 1	ADP code 2	Same period of the previous year		Current period	
		Cumulative 3	Quarter 4	Cumulative 5	Quarter 6
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
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
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
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
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	0	0	0	0
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	0	0	0	0
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
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	0	0	0	0
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	0	0	0	0
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
Cash flow from operating activities			
1 Pre-tax profit	001	-2.224.636	2.868.422
2 Adjustments (ADP 003 to 010):	002	-151.415	-1.219.771
a) Depreciation	003	8.637	400.099
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	-161.366	-1.620.722
e) Interest expenses	007	11	852
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	1.303	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-2.376.051	1.648.651
3 Changes in the working capital (ADP 013 to 016)	012	203.781	-78.892.634
a) Increase or decrease in short-term liabilities	013	438.611	-73.979.289
b) Increase or decrease in short-term receivables	014	-234.830	-8.583.569
c) Increase or decrease in inventories	015	0	0
d) Other increase or decrease in working capital	016	0	3.670.224
II Cash from operations (ADP 011+012)	017	-2.172.270	-77.243.983
4 Interest paid	018	-11	-852
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-2.172.281	-77.244.835
Cash flow from investment activities			
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
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-310.244	-21.964.640
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-5.855.118	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-6.165.362	-21.964.640
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-6.165.362	-21.964.640
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	93.029.300	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
V Total cash receipts from financing activities (ADP 035 to 038)	039	93.029.300	21.998.341
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
VI Total cash payments from financing activities (ADP 040 to 044)	045	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	93.029.300	21.998.341
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	84.691.657	-77.211.134
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	0	83.320.627
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	84.691.657	6.109.493

9.4. NONCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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)	
Previous period																		
1 Balance on the first day of the previous business year	01	50.000.000	238.600.000	0	0	0	0	0	0	0	0	0	0	-4.912	0	288.595.088	0	288.595.088
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	50.000.000	238.600.000	0	0	0	0	0	0	0	0	0	0	-4.912	0	288.595.088	0	288.595.088
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	-2.224.636	-2.224.636	0	-2.224.636
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	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	10	0	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	11	0	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	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	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)	15	35.780.500	57.248.800	0	0	0	0	0	0	0	0	0	0	0	0	93.029.300	0	93.029.300
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	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	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	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	21	0	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	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	85.780.500	295.848.800	0	0	0	0	0	0	0	0	0	0	-4.912	-2.224.636	379.399.752	0	379.399.752
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																		
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	-2.224.636	-2.224.636	0	-2.224.636
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	35.780.500	57.248.800	0	0	0	0	0	0	0	0	0	0	0	0	93.029.300	0	93.029.300
Current period																		
1 Balance on the first day of the current business year	27	85.780.500	295.848.800	0	0	0	0	0	0	0	0	0	0	8.324.166	0	389.953.466	0	389.953.466
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	85.780.500	295.848.800	0	0	0	0	0	0	0	0	0	0	8.324.166	0	389.953.466	0	389.953.466
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	0	3.793.780	3.793.780	0	3.793.780
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	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	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	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	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	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	0

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)
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
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	85.780.500	295.848.800	0	0	0	0	0	0	0	0	0	8.324.166	3.793.780	393.747.246	0	393.747.246
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	0	0	0	0	0	0	3.793.780	3.793.780	0	3.793.780
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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.

Personal identification number (OIB): 62230095889

Reporting period: from 01.01.2020. to 30.09.2020.

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 financial statements for the period ended 30 September 2020 have not been audited.

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

Zagreb, October 2020

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 30 September 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 30 September 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



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Company Address



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Contact centre services



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IT services



it-services@mpluscc.com

HR management services



hr-services@mpluscc.com

M+GRUPA

PEOPLE INSPIRED BY PEOPLE



2,566,790
976,819
869,870
121,000
421,015
179,964
650,144
279,991
89,426
244,355
75,380
846,578
Product A01 237,689
Product A02 563,980
Product A03 45,000
Australia 461,775
Product A01 192,703
Product B01 275,981
Total 4,567,284

2016		2015		% Growth	
112	108,267	-1%			
716	97,608	+37%			
203	126,619	+42%			
278	278,595	+78%			
233	11,827	+19%			

2016		2015		% Target	
8,714	39,912				
19,782	102,287				
86,916	91,631				
123,536	122,819				
169,126	272,002				
19,262	17,822				
47,028	167,912				

Special operations to increase sales and reduce costs during the reporting period. The results of these operations will be included in the 2016 financial statements.