BOSQAR INVEST

ANNUAL REPORT

for 2024

APRIL, 2025

bosqar.com

CONTENT

1

COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD

Darko Horvat

President of the Management Board, BOSQAR d.d.

The past year was marked by a series of challenges – global markets were affected by high levels of uncertainty and volatility, wars and armed conflicts in Europe and the Middle East disrupted supply chains, and all this was accompanied by technological transformations that required continuous learning, significant investments, and rapid adaptation.

Despite all this, I am proud to say that the BOSQAR INVEST group has shown that despite these circumstances it can - and knows how to – grow its business and create exceptional value for its stakeholders, even in challenging times.

In 2024, we recorded strong growth in revenues, which reached 372 million euros, which is an increase of 27% compared to 2023. EBITDA increased by 18%, reaching the amount of 40 million euros compared to the same period of the previous year. Adjusted EBITDA, in turn, recorded a significant growth of 16% and amounted to 48 million euros. The aforementioned growth is the result of organic growth, synergistic effects of the inclusion of new verticals, and concluded investments.

We have based our success on what we do best and in which we recognize our competitive advantage on the market – investing in our professional teams, confirming existing and developing new strategic partnerships.

Several key events marked the year.

In May, Mplus, the BPTO business vertical of BOSQAR INVEST, was strengthened with a EUR 60 million investment from the European Bank for Reconstruction and Development (EBRD). The investment, which I see as a confirmation of the value that has been created within this vertical, has opened up space for further strengthening the position of Mplus on the international BPTO market through the acquisition of new companies, and the expansion of the client portfolio is expected, along with continued investment in the development of services.

A month later, we carried out a rebranding, as part of which the Group's holding company, Meritus ulaganja d.d., changed its name to BOSQAR d.d. and through which a new brand architecture was established. On that occasion, the new visual identity and group brand BOSQAR INVEST was launched, which, together with BOSQAR d.d., encompasses all the business verticals of the Group.

The strategic acquisition of the Slovenian Panvita Group, preceded by a successful share offering that raised EUR 49.1 million in fresh capital, is certainly one of the most significant events in the past 12 months. Through this investment, which was closed in November, we have also established BOSQAR INVEST's fourth business vertical, Future Food, and in the years to come, we will work to position it as a leading player in the food industry in Southeastern Europe.

The end of the year also brought an investment in Mlinar, one of the leading bakery groups in the region, with a total value of EUR 100 million in aggregate for an indirect share of 67%. With this investment, we deepened our cooperation with MidEuropa, a European private equity investor and our long-term partner, who will reinvest its remaining stake in Mlinar and continue to support the newly formed group in its expansion.

In addition to individual events, the whole year was also marked by the transformation of Mplus into a technology group. Superior technological solutions, developed as part of the tech division within our BPTO vertical, have been implemented, and the progress achieved in the development of in-house technologies that bring optimization of business processes, cost reduction, and greater competitiveness, has facilitated entry into new markets inside and outside the region.

For the first time, the annual financial report includes a group-level Sustainability Report. In this area too, the Group achieved outstanding results, as important measures were taken in 2024 to achieve our goals of reducing greenhouse gas emissions and increasing the representation of women at management levels, related to our sustainability-linked bond (SLB).

Auditors confirmed that we exceeded our targets - the representation of women in management teams reached 48% on December 31, 2024, and our Scope 1 and Scope 2 greenhouse gas emissions decreased by 32% in 2024 compared to the recalculated baseline in 2021.

In the past year, our work and engagement were recognized through a series of international recognitions and awards, and it is important for me to highlight the numerous ESG activities through which we actively contributed to the betterment of the communities in which we operate, such as support for the Brave Phone NGO and general sponsorship of the Croatian National Theatre in Zagreb.

The results we have achieved so far are an inspiration for our further work and development, and I would like to take this opportunity to thank all our employees and partners – without you, they would not have been achievable.

We are entering 2025 at a time when global risks are at a high level. However, through proactive measures, diversification within business verticals and synergy between them, BOSQAR INVEST is excellently positioned to respond to current and future challenges.

2

KEY PERFORMANCE INDICATORS

15,285
NUMBER OF EMPLOYEES

40M €
EBITDA (MIL)

372M €
REVENUES

20
NUMBER OF COUNTRIES

48M €
ADJUSTED EBITDA (MIL)

31
AVERAGE AGE OF EMPLOYEES

+2,200
CLIENTS

85
COMPANIES

3

CORPORATE GOVERNANCE

The BOSQAR INVEST group (BOSQAR INVEST or Group) continuously improves its operations and management following the best practices of corporate governance. Our governance model is based on internationally accepted principles and best practices of corporate governance, with particular attention given to protecting the interests of all stakeholders, effectively managing risks, and ensuring long-term sustainable growth.

As a Company (BOSQAR d.d. or Company) listed on the Official Market of the Zagreb Stock Exchange, BOSQAR complies with all relevant legal provisions as well as the recommendations of the Corporate Governance Code of the Zagreb Stock Exchange and Croatian Financial Services Supervisory Agency (HANFA). Since the moment our shares were listed on the regulated market, we have continuously applied the Corporate Governance Code to ensure the highest standards of governance and accountability to our shareholders and investors. Over the past four years, we have consistently complied with the guidelines of the Corporate Governance Code of the Zagreb Stock Exchange and HANFA. In addition, the Company has adopted its own Corporate Governance Code, which is fully aligned with the Code of the Zagreb Stock Exchange and HANFA, further confirming our commitment to high ethical and professional standards.

3.1. Organization of corporate governance

The organization of the Company's corporate governance is based on clearly defined structures and mechanisms that enable effective decision-making, business monitoring, and the protection of shareholders' interests. The three main governing bodies of the Company are:

- The Management Board
- The Supervisory Board
- The General Assembly.

The Management Board of the Company consists of two members. Darko Horvat holds the position of President of the Management Board, while Tomislav Glavaš serves as a Member of the Management Board. The composition of the Management Board did not change during 2024.

3.1.1. Management Board

Darko Horvat

President of the Management Board, BOSQAR d.d.

Darko Horvat brings over a decade of leadership experience in auditing, consulting, and tax advisory, with a strong focus on risk management, financial planning, and strategic execution. He earned his MBA from the University of Zagreb and pursued advanced executive education at Harvard University, solidifying his expertise in global business practices.

During his tenure at Deloitte, both in Croatia and the USA, Horvat managed high-stakes projects for top-tier clients, specializing in risk assessment and software development for financial services.

Since joining BOSQAR, he has held pivotal roles, including Member of the Management Board at BOSQAR d.d. and M Plus Croatia d.o.o., where he played a key role in expanding the companies' footprint across multiple markets.

As President of the Management Board at BOSQAR d.d., Horvat is responsible for driving the company's strategic vision and operational excellence.

Tomislav Glavaš

Member of the Management Board, BOSQAR d.d.

Group CEO, Mplus

Tomislav Glavaš has an extensive background in macroeconomics and project management, beginning his career at Deloitte, where he quickly advanced to lead diverse projects within the banking and manufacturing sectors.

He later joined Hrvatski Telekom, enhancing his expertise in corporate reporting, project management, and strategic planning for the entire HT Group. Since joining BOSQAR INVEST in 2017, Glavaš has held several critical roles, including Director of Group Controlling and Executive Operational Director, where he focused on driving operational efficiency and spearheading growth initiatives.

His leadership as Group CEO at the Mplus BPTO vertical of BOSQAR INVEST has been marked by a commitment to innovation and a strategic approach to market expansion. Glavaš is currently pursuing a doctorate in Geopolitics, reflecting his ongoing dedication to academic and professional development.

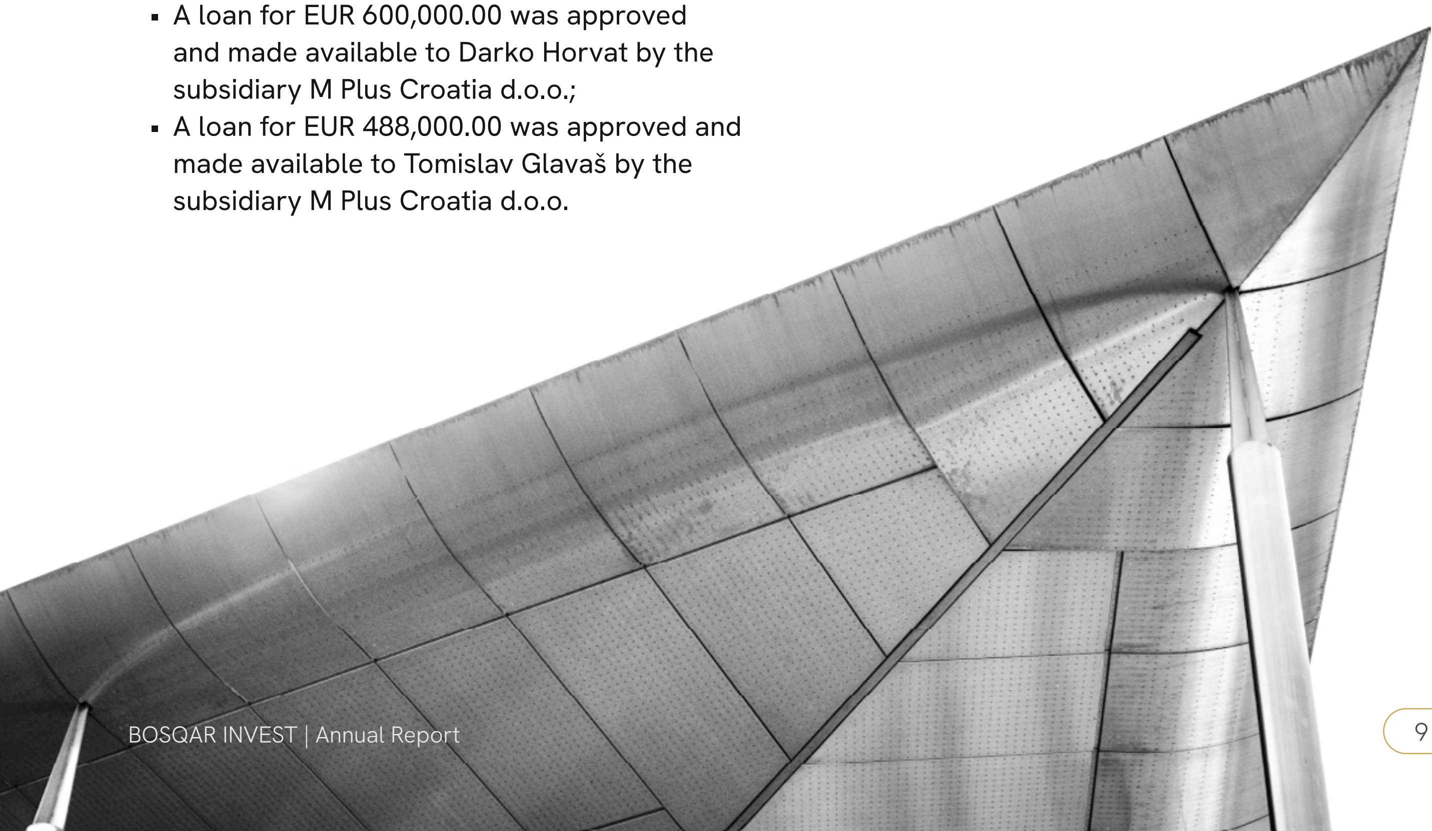
The Management Board manages the company's business in accordance with the company's Statute, the Management Board's Rules of Procedure and the statutory provisions.
The Management Board is appointed and dismissed by the company's Supervisory Board. The term of office of the Management Board is up to five years, with the possibility of reappointment. Remuneration for work on the Management Board is implemented in accordance with the Management Board Remuneration Policy approved by the General Assembly on June 27, 2023. Management Board members are entitled to a fixed remuneration set out in their employment contract with the Company or a company affiliated with the Company, in accordance with the provisions of the law governing employment relationships and internal acts of the Company. In addition to the fixed part of the remuneration, the members of the Management Board are also entitled to a variable portion of the remuneration, i.e. bonuses, which are determined and paid in accordance with the decision of the Supervisory Board and the criteria to be set by the Supervisory Board. Accordingly, in 2024, the following gross amounts in euros were paid to the members of the Management Board:

Remuneration of management board members in 2024

Member	Fixed Remuneration	%	Variable Remuneration	%	Total	%
Darko Horvat	202,076.14 €	100%	-	-	202,076.14 €	100%
Tomislav Glavaš	201,572.36 €	100%	-	-	201,572.36 €	100%

Apart from the previously mentioned, the Company or its affiliated companies made the following additional payments to Management Board members during 2024:

- A loan for EUR 600,000.00 was approved and made available to Darko Horvat by the subsidiary M Plus Croatia d.o.o.;
- A loan for EUR 488,000.00 was approved and made available to Tomislav Glavaš by the subsidiary M Plus Croatia d.o.o.



3.1.1.1. ESG Advisory Board of the Management Board

During 2023, the Company's Management established the ESG Advisory Board of the Management Board (ESG Board) for the implementation and oversight of the ESG framework. The ESG Board consists of at least three and up to five members, with a term lasting up to four years.
At the time of drafting this Report, the ESG Board consists of the following members:

Josip Lebegner – President,

Marija Radovanović – Member,

Bruna Kostelac Košir – Member,

Ivana Turjak-Čebohin – Member.

In 2024, a change occurred in the composition of the ESG Board. Domagoj Karadjole resigned from his position as a member on September 11, 2024, after which the Company's Management Board appointed Ivana Turjak-Čebohin as a new member of the Board, effective from the same date.

The ESG Board plays an important advisory and supervisory role in the Company's operations in the area of sustainable development and ESG initiatives. Its responsibilities include providing recommendations to the Management regarding the implementation of the ESG framework and monitoring progress in implementing the sustainable development strategy. Additionally, the ESG Board participates in defining key performance indicators to ensure the achievement of the Company's long-term and short-term goals.

Furthermore, the Board provides recommendations for the adoption of group policies, monitors investment projects with an emphasis on reducing the carbon footprint, and analyses gender equality reports. It may also conduct employee surveys to gather relevant feedback to improve organisational culture and the working environment.

3.1.2. Supervisory Board

The Supervisory Board is composed of five members. At the time of drafting this Report, the Supervisory Board consists of the following members:

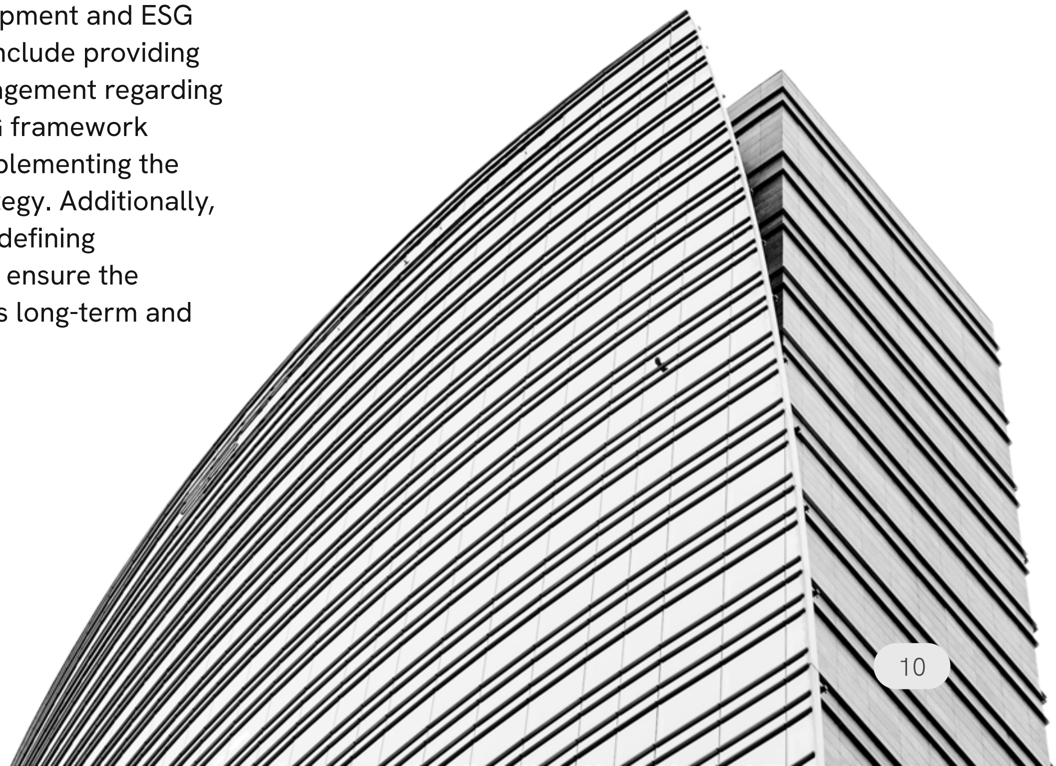
Tamara Sardelić, President of the Supervisory Board

Philipp Rösler, Deputy President of the Supervisory Board

Joško Miliša, Member of the Supervisory Board

Ulf Gartzke, Member of the Supervisory Board

Ana Babić, Member of the Supervisory Board – Worker's Representative



Tamara Sardelić

President of the Supervisory Board, BOSQAR d.d.

President of the Nomination Committee, BOSQAR d.d.

President of the Remuneration Committee, BOSQAR d.d

With over 15 years of experience in legal and regulatory matters, Tamara Sardelić is a seasoned expert in commercial law, corporate governance, and capital markets. She has been instrumental in major project financings, credit refinancing, and M&A, leveraging her deep understanding of both Croatian and European Union legal frameworks.

She has experience in infrastructure projects, public procurement and provision of public service, which included advising to the governments / foreign states. Ms. Sardelić's career includes high-profile roles such as Chief Legal Expert for the projects commissioned or financed by the World Bank and Croatian Waters, where she advised on complex regulatory and compliance issues.

Before establishing her own private practice, Ms. Sardelić served as Director of Corporate Legal Affairs at the EPH Group and practiced law at the Marković & Plišo firm. From 2013 to 2020, she was a member of the Supervisory Board of the Slavonian Closed Alternative Investment Fund (SZAIF).

As a legal expert, she has been actively involved in legislative processes, particularly in harmonizing Croatian regulations with EU directives. Ms. Sardelić holds a law degree from the University of Zagreb, where she also passed the bar exam in 2006.

Her current role as President of the Supervisory Board at BOSQAR d.d. involves overseeing corporate governance and ensuring regulatory compliance across the organization.

Philipp Rösler

Deputy President of the Supervisory Board, BOSQAR d.d.

Philipp Rösler's career spans medicine, politics, and international business. A former Vice Chancellor of Germany under Chancellor Angela Merkel, Mr. Rösler has a diverse background that began with a PhD in Cardiac Surgery before transitioning into politics, where he held numerous high-ranking positions in both state and federal government.

His expertise in international relations and strategic management led him to establish Consessor AG, a consultancy focused on cross-border investments and market development, particularly between Asia and Europe. In addition to his role at BOSQAR d.d., Mr. Rösler served on the boards of several prominent organizations, including Volkswagen Group and Siemens Healthineers.

His work as Honorary Consul of Vietnam in Switzerland underscores his commitment to fostering global business ties. A mentor and strategic advisor, Mr. Rösler is renowned for guiding companies through growth and internationalization phases, emphasizing sustainable development and market expansion.

Joško Miliša

Member of the Supervisory Board, BOSQAR d.d.

Member of the Audit Committee, BOSQAR d.d.

Member of the Nomination Committee, BOSQAR d.d.

Member of the Remuneration Committee, BOSQAR d.d.

Joško Miliša is a financial expert with extensive experience in securities trading, corporate governance, and investment management.

He began his career as a broker at Medis brokerage house in 1992, later advancing to consultancy roles at Consult Invest and ICF, where he specialized in corporate takeovers. At Erste Securities, he served as Head of Securities Trading and played a key role in introducing portfolio management. As Vice President of the Croatian Privatization Fund, Mr. Miliša played a crucial role in the consolidation of state-owned enterprises and the implementation of corporate governance standards. He later founded Šted Kapital, an investment company he successfully led until 2009.

Throughout his career, Mr. Miliša has held positions on 15 supervisory boards, including the Zagreb Stock Exchange, Končar Elektroindustrija, and Croatia Bank. He is also the founder and president of the investment company Prosperus Invest, where he serves on the Investment Committee. He holds a degree in Electrical Engineering and Computing from the University of Zagreb and is a licensed investment advisor.

Ulf Gartzke

Member of the Supervisory Board, BOSQAR d.d.

Ulf Gartzke is an accomplished executive and strategic advisor with a deep understanding of global markets and IT security.

As CEO of Brainloop and Managing Partner at Spitzberg Partners, Dr. Gartzke oversees strategic IT security initiatives and supports companies in their expansion efforts across Germany, Europe, North America, and Asia. His prior experience includes directing the Washington office of the Hanns-Seidel-Foundation, where he managed relations between Germany's CSU party and North American political institutions.

Dr. Gartzke's academic credentials include a PhD from the London School of Economics and extensive studies in political science and international relations at Georgetown University and Sciences Po Paris. He is also an adjunct fellow at the Hudson Institute and a faculty member at Georgetown University's BMW Center for German and European Studies.

Dr. Gartzke splits his time between New York City and Washington, DC, balancing his professional responsibilities with a commitment to academic and strategic advisory roles.

Ana Babić

Member of the Supervisory Board - Worker's Representative, BOSQAR d.d.

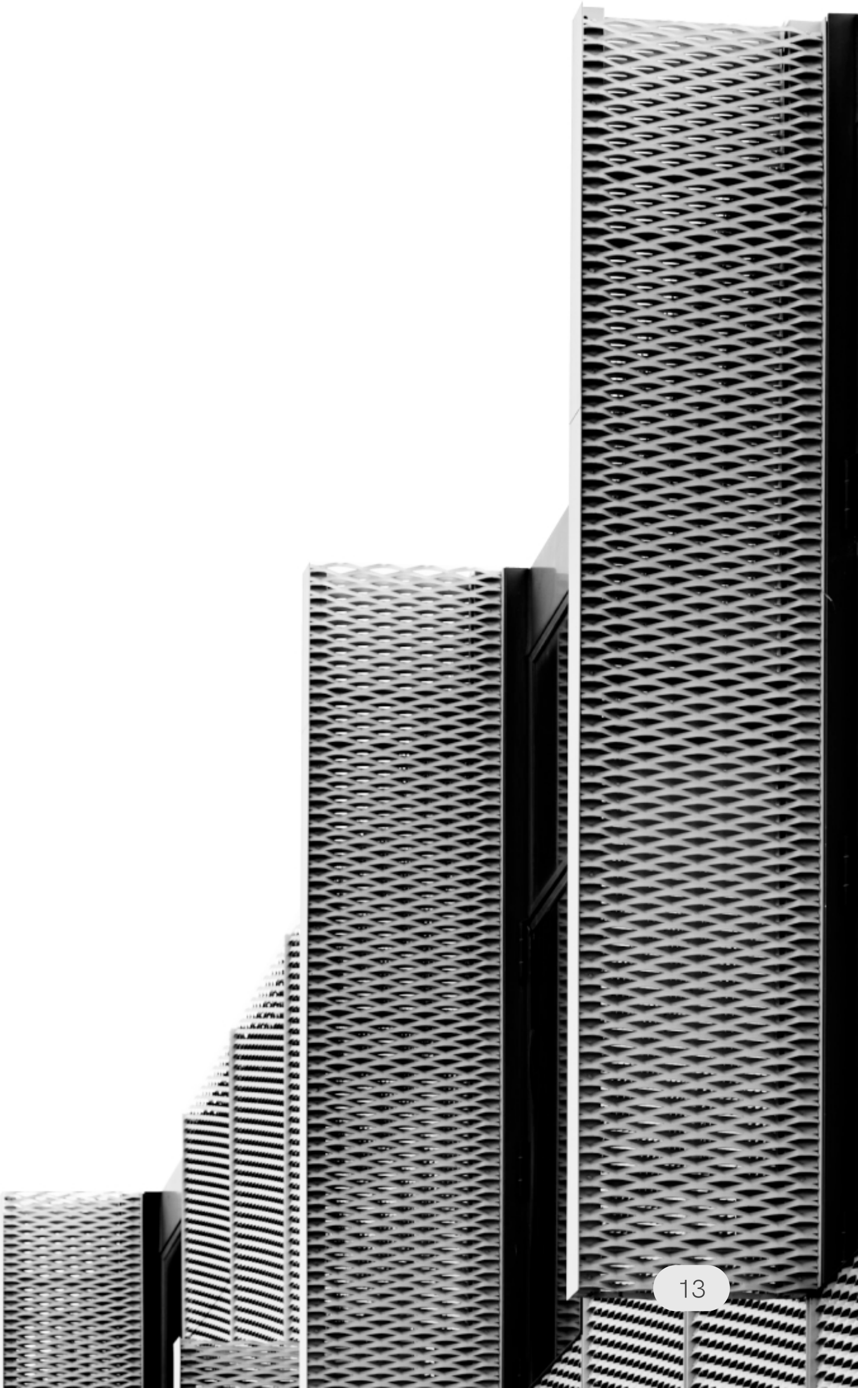
Member of the Nomination Committee, BOSQAR d.d.

Member of the Remuneration Committee, BOSQAR d.d.

Ana Babić has been part of BOSQAR INVEST's development over the past decade, contributing to its growth from a nascent business to a leading operator in Southeastern Europe.

Her career within the Group has spanned multiple roles, including Head of HR, Head of Back Office, and Investor Relations, where she has gained in-depth experience in corporate governance, compliance, and organizational development.

Ms. Babić's work has been instrumental in shaping the internal processes, compliance, and governance frameworks that support the Group's continued expansion and operational excellence.



In 2024, there were no changes to the composition of the Supervisory Board, as Joško Miliša and Ulf Gartzke were reappointed following the expiration of their four-year terms. The General Assembly of the Company passed a decision on their reappointment for a new four-year term on June 17, 2024, effective from July 1, 2024.

The Supervisory Board oversees the operations of the Company in accordance with the Company's Statute, the Rules of Procedure of the Supervisory Board, and statutory provisions. Members of the Supervisory Board are elected by the General Assembly of the Company, with the amendment to the Statute adopted by the General Assembly on June 27, 2023. According to this amendment, the company Orso Global d.o.o., as a shareholder of the Company with registered office in Zagreb, Vjekoslava Heinzela 62A, registered in the Court Register of the Commercial Court in Zagreb under registration number (MBS): 081393625, OIB: 64606431733, has the right to appoint two (2) members of the Supervisory Board, determine the duration of their terms, and dismiss them before the expiration of their terms. The Supervisory Board or the Appointments Committee proposes candidates for the Supervisory Board to the General Assembly. Members are elected for a term of four years starting from the date of the decision on their appointment and may be re-elected.

Remuneration to members of the Supervisory Board is paid in accordance with the decision of the Company's General Assembly dated June 30, 2020, which, in addition to specifying the amounts to be paid, also defines the payment schedule, unless otherwise decided by the General Assembly. On June 17, 2024, the General Assembly passed a new resolution on the remuneration of Supervisory Board members, changing the amount of the fee.
The General Assembly of the Company also passed a resolution approving a new remuneration policy for Supervisory Board members on June 17, 2024, due to the expiration of the four-year period during which the Company was required to decide on the remuneration of Supervisory Board members. The new policy was adopted in the same wording as that approved on June 30, 2020.

The remuneration paid to members of the Supervisory Board does not include variable components or other elements tied to business performance. It is paid in a fixed monthly amount and is not linked to shareholder compensation.

Accordingly, in 2024, the following gross amounts were paid to members of the Supervisory Board:

Member	Fixed remuneration
Tamara Sardelić	10,913.47 €
Philipp Rösler	10,913.47 €
Ulf Gartzke	10,913.47 €
Joško Miliša	10,913.47 €
Ana Babić	10,913.47 €
Total	**54,567.35 €**

In addition to the previously mentioned, the Company or its affiliated companies made the following additional payments to Supervisory Board members during 2024:

- Tamara Sardelić, President of the Supervisory Board, entered into a Legal Services Agreement in December 2017 with a subsidiary of the Company, Meritus Plus d.o.o. Following a merger process, the legal successor to this company became the subsidiary M Plus Croatia d.o.o., which, under the terms of the aforementioned agreement, paid her a gross amount of EUR 27,986.32 for the year 2024.

- Philipp Rösler, Deputy Chairman of the Supervisory Board, entered into a Consulting Services Agreement in June 2023 with the Company's subsidiary, M Plus Croatia d.o.o., which, under the terms of the aforementioned agreement, paid him a gross amount of EUR 86,710.00 for the year 2024.

- Ana Babić, Worker's Representative and Member of the Supervisory Board, received, in addition to remuneration for her role on the Supervisory Board, compensation based on her Employment Agreement with the Company in the gross amount of EUR 63,278.67, and the Company approved and made available a loan in the amount of EUR 32,000.00.

Throughout 2024, the Supervisory Board carried out regular oversight of the operations of the Company and the Group, in accordance with the Company's Statute, the Rules of Procedure of the Supervisory Board, and other internal Company regulations, as well as applicable statutory provisions.

In 2024, a total of 10 Supervisory Board meetings were held, most of which took place via video calls or written communication, all in accordance with the Rules of Procedure of the Supervisory Board. The overall participation rate in the meetings was 100%.

The Supervisory Board accepted all proposals submitted by the Company's Management Board during 2024 and made decisions falling within the competence of the Management Board and the General Assembly of the Company.

During its oversight activities, the Supervisory Board paid particular attention to examining the legality of operations, both in terms of compliance with the applicable laws of the Republic of Croatia and internal Company regulations, including the Statute and decisions of the General Assembly, as well as the rules of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency (HANFA), and alignment with their Corporate Governance Code.

The Supervisory Board conducted a self-evaluation of its performance and composition in 2024, assessing the effectiveness and composition of the Supervisory Board, including the individual contributions of members. The evaluation was led by the President of the Supervisory Board, and all members participated. No external evaluators were engaged, nor were any consultations with third parties carried out. The conclusion of the self-assessment was that the Supervisory Board and its members continue to perform effectively, with a balance of independence and expertise aligned with the business needs of the Company. It was established that all members possess the necessary skills, knowledge, and experience to perform their roles and responsibly make decisions.

Additionally, it has also been confirmed that the committees continue to include members of different genders, ages, profiles, and experiences, which contributes to a diversity of perspectives in the work of the committees. Furthermore, the committees maintain an appropriate level of independence among their members, enabling objectivity and efficiency in their supervisory and advisory functions.

The Supervisory Board of the Company currently has five members, two of whom are women, which makes up 40% of the total composition of the Supervisory Board. This meets the target of at least 40% of the underrepresented gender. However, there is still room for improvement in gender balance within the individual committees. For example, the Audit Committee currently does not include any women. Accordingly, the Supervisory Board will continue to undertake activities to improve diversity, especially in committees where balance is not yet achieved, to further ensure diversity of perspective and inclusion within the Board.

The current Management Board consists of two members, both men (100%). Although applicable legal regulations do not require gender balance for a two-member board, the Company continues to take diversity and inclusion into account when making future appointments, recognising the importance of gender representation in management bodies.

In 2023, the Company adopted a Diversity Plan for the Management and Supervisory Boards (2024 – 2029), aiming for at least 28.57% women on the Supervisory Board (two out of seven members) and 40% on the Management Board (two out of five members). These goals apply to the unchanged number of board members and will be adjusted if the Statute is amended, in line with the DEI (Diversity, Equity, and Inclusion) policy. This goal was achieved for the Supervisory Board in 2024, while there were no changes to the Management Board. The Company continues its activities toward achieving its goals, confirming the Group's commitment to diversity, with women representing about 69% of employees. Additionally, through the issuance of sustainability-linked bonds (SLBs) in 2022, the Company set one of its key performance indicators (KPIs) related to improving gender diversity, with a goal of reaching 51% of women in leadership teams by the end of 2030.

The Supervisory Board assesses its cooperation with the Management Board in 2024 as transparent, constructive, and effective. The Management Board showed maximum engagement toward the Supervisory Board to ensure better cooperation and support, participating in all Supervisory Board meetings and regularly and accurately informing the Board on the results and status of the Company and Group's operations, corporate strategy and planning, business development, compliance, risk strategy and management, and other organisational and change management issues related to the running of the Company and Group. The Management Board also evaluated its own effectiveness, as well as the individual responsibility of its members, and informed the Supervisory Board of the results of that assessment. The Board confirmed that the Management Board acted independently and with its own responsibility and made decisions solely in the Company's best interest, except for decisions that could not be made without prior consent from the Supervisory Board. The Management Board also ensured it acted solely in the interests of the Company and its shareholders while considering the interests of employees and other stakeholders. In conclusion, the Supervisory Board believes there are effective mechanisms for cooperation and information exchange between the Management Board and the Supervisory Board, which contribute to high-quality corporate governance and the long-term sustainability of the Company.

3.1.2.1.Committees of the Supervisory Board

The Company has several committees of the Supervisory Board that provide professional support to the Supervisory Board in accordance with legal regulations and the Company's internal rules. Each committee consists of at least three members, who are appointed from among the members of the Supervisory Board and/or members appointed by the General Assembly of the Company, for a term of four years, and may be reappointed.

The Supervisory Board has established an Audit Committee, which at the time of drafting this Report consists of the following members:

Boris Borzić – President,

Joško Miliša – member,

Ante Vrančić – member.

In 2024, the composition of the committee did not change, but there was a change in the position of the President of the Committee due to the resignation of Ante Vrančić from the position of President as of October 24, 2024. Boris Borzić was appointed as the new President of the Committee by the members of the Committee as of October 31, 2024. The Committee is composed mostly of independent members, while the President of the Committee is currently not independent, the overall composition ensures appropriate independence.

In 2024, the Audit Committee regularly monitored and supervised the Company's operations and maintained excellent cooperation with the Company's Management and Supervisory Board, the Company's certified external auditor, and the internal audit. Attendance of all Committee members was 100%.

The Committee held six meetings and five written vote, during which the following topics were discussed and decided on:

Annual audited financial statements for 2023, Report of the external auditor for 2023, Annual report on the work of the Audit Committee in 2023, Recommendation on the external auditor for 2024, External auditor's work plan for 2024, Approval of non-audit services provided by the external auditor, Election of the new President of the Committee, Quarterly and semi-annual unaudited financial statements, Annual internal audit work plan for 2025, based on the received report for 2024, and Assessment of the effectiveness of the internal control and risk management system, as well as the effectiveness of the procedures for disclosing and approving related-party transactions and the effectiveness of procedures for reporting violations of law and internal regulations.

The Supervisory Board has also established a **Nomination Committee** and **Remuneration Committee**, which, at the time of drafting this Report, consist of the same members:

Tamara Sardelić – President of both committees

Ana Babić – Member of both committees,

Joško Miliša – Member of both committees.

Ana Babić is a new member of both committees by resolution of the Supervisory Board dated July 31, 2024, where she was appointed as a new member following the expiry of Igor Varivoda's term on July 31, 2024, while Tamara Sardelić was reappointed as a member of both committees by the Supervisory Board following the expiry of her four-year mandate from July 31, 2024.

In 2024, the Nomination Committee held one meeting, during which the Report on the work of the Committee for 2023 was adopted and a proposal for the appointment of current members of the Supervisory Board was made. All members attended the meeting.

In 2024, the Remuneration Committee held two meetings at which the Report on the work of the Committee for 2023 was adopted. The Committee analysed the adopted Report on the remuneration of the Management Board and Supervisory Board members in 2023 and issued a recommendation on amending the Remuneration Policy for Supervisory Board members and new fees for the work of Supervisory Board members. All members attended the meetings.

3.1.3. General Assembly

The General Assembly is the highest governing body of the Company, where shareholders exercise their rights related to the operations of the Company. The manner of work of the General Assembly, its powers, shareholder rights, and how they are exercised are defined by the Company's Statute, which is publicly available on the Company's website. The General Assembly is convened and held in accordance with the provisions of the Companies Act and the Statute.

The invitation to the General Assembly, draft resolutions, and adopted decisions are published in accordance with applicable legislation, including the Companies Act, the Capital Market Act, and the Rules of the Zagreb Stock Exchange, and are made available on the Company's website and the website of the Zagreb Stock Exchange.

On June 17, 2024, the regular General Assembly of the Company was held. At the meeting, shareholders discussed and made decisions on key matters related to the Company's operations. Decisions were adopted on the use of profit, the discharge of members of the Supervisory and Management Boards, and the approval of reports on the remuneration of members of the Management and Supervisory Boards. In addition, the Company's auditor was appointed for the 2024 business year, and decisions were made on the reappointment of Supervisory Board members, as well as on the Remuneration Policy and fees for their work.

At the General Assembly, the Management Board presented a report on the reasons for excluding shareholders' pre-emptive rights during the issuance of new shares, after which a decision was made to exclude such rights, as well as a decision on the increase of the Company's share capital. Furthermore, amendments to the Statute were adopted, and a decision was made to grant approval for acquiring shares without the obligation to publish a takeover bid and to list the Company's shares on a regulated market.
All decisions from the held General Assembly meetings are published in accordance with legal regulations and are available on the Company's website and the website of the Zagreb Stock Exchange.

3.2. Statement of Application of the Code of Corporate Governance

In 2024, the Company applied the Code of Corporate Governance of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency (HANFA), which has been in force since January 1, 2020, and is published on the websites of the *Exchange* and HANFA.

In addition to the aforementioned Code of Corporate Governance of the Zagreb Stock Exchange, the Company also applies its own Corporate Governance Code, in effect since October 30, 2020, and a new Corporate Governance Code from July 31, 2024, whose provisions are aimed at improving corporate relations based on applicable legal regulations and internationally accepted principles and best practices of corporate governance. This Code is available on the *Company's website*.

The Company adheres to the provisions of the Code, with exceptions in cases where the application of certain provisions is currently not practical or feasible due to the applicable legal framework. The mentioned exceptions are as follows:

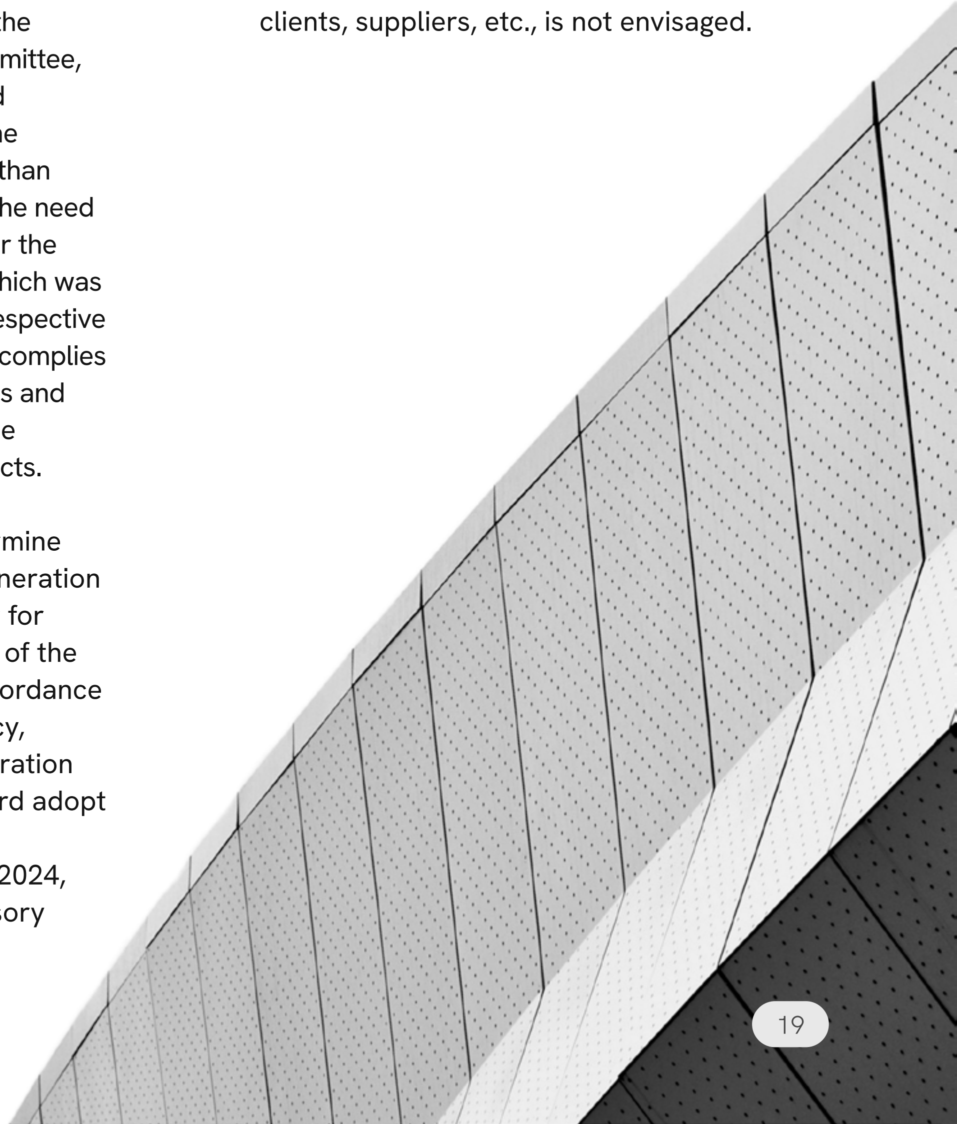
- The Supervisory Board did not adopt a decision on the categories of Management Board decisions that require prior consent of the Supervisory Board, nor did it publish a summary of such decisions on the Company's social media channels, considering that the list of decisions or activities of the Management Board that require prior consent of the Supervisory Board is already defined by the Company's Statute, Rules of Procedure on the work of the Management Board and Supervisory Board, and is available free of charge on the Company's social media platforms.

- The Company's internal Code of Corporate Governance, in line with the Companies Act, stipulates that for transactions between members of the Management Board or Supervisory Board and the Company (or persons related to either party), the prior consent of the Supervisory Board of the Company shall be required if the value of the transaction alone or combined with other transactions the Company has undertaken with a related party within the current financial year exceeds 1.5% of the total long-term and short-term assets as determined in the latest consolidated financial statements. However, only in cases where it is a transaction that requires consent of the Supervisory Board, and the Supervisory Board deems it necessary, it may request an opinion from an independent expert on the fair value of the transaction, if the Company is transferring or acquiring material assets from or to related parties (such as company shares, real estate, or other material assets).

- For certain extraordinary sessions of the Supervisory Board and the Audit Committee, the Company delivered invitations and materials needed for the meeting to the members of the said committees less than one week before the meeting, due to the need to hold them in a shorter timeframe for the proper functioning of the Company, which was agreed upon by the members of the respective committees. The Company otherwise complies with the obligation to deliver invitations and materials at least one week prior to the session, as prescribed by its internal acts.

- The Supervisory Board did not determine the variable part of the annual remuneration of each Management Board member for 2024 based on the recommendation of the Remuneration Committee and in accordance with the adopted Remuneration Policy, which will be done once the Remuneration Committee and the Supervisory Board adopt the appropriate decision.
- At the General Assembly meeting in 2024, the Deputy President of the Supervisory Board and a Management Board member did not attend due to personal reasons. However, the President of the Management Board, the President of the Audit Committee, the President of the Supervisory Board, who is also the President of other committees of the Supervisory Board, and the majority of Supervisory Board members, as well as the external auditor, were present at the General Assembly to respond to any potential questions from shareholders. At future General Assembly meetings, the Company will strive to ensure the presence of the aforementioned persons as required under Article 81 of the Code.

- In accordance with the Code of Corporate Governance and other regulations, the role of the Supervisory Board is to provide recommendations and proposals, and to oversee certain processes within the Company, therefore direct communication between the committee president and key stakeholders of the Company, such as clients, suppliers, etc., is not envisaged.



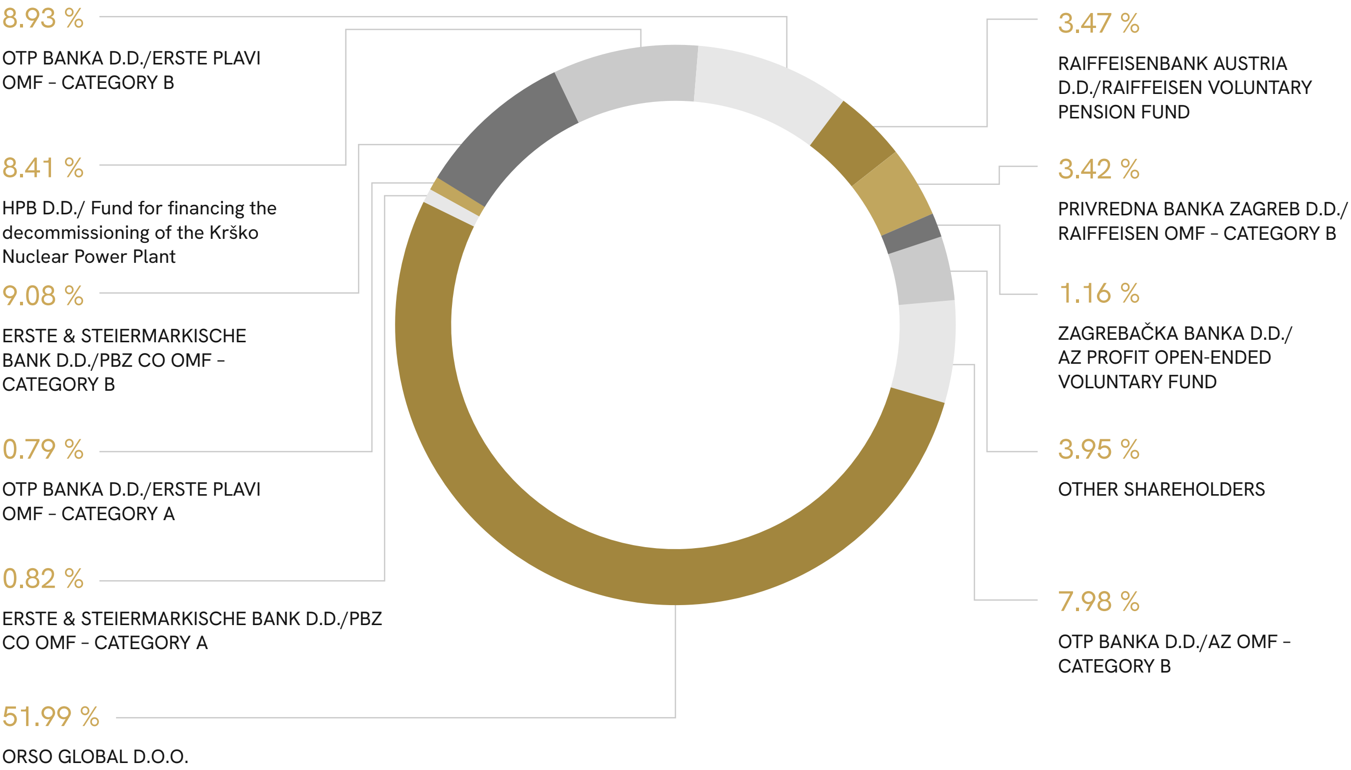
Internal audit and risk management in the Company regarding financial reporting is carried out by the controlling department, group consolidation and reporting department, internal audit, and the Audit Committee, while reporting on the conducted audit is handled by the relevant services to the Management Board, the internal audit to the Audit Committee, and the Audit Committee to the Supervisory Board. The role of internal audit is to ensure the objectivity and reliability of information and reporting, which is submitted to the Supervisory Board, monitored and supervised in the area of the existence and operational effectiveness of internal controls, the adequacy of the risk management process, the reliability of financial reporting, the application of legal regulations, and relevant areas and issues related to external and internal audit processes.

Information on significant direct and indirect shareholders of the Company, holders of securities with special voting rights, details on rights and restrictions related to voting rights, as well as on the powers of the Management Board members regarding the issuance and acquisition of the Company's own shares, are included in the Annual Report section *3.3. Ownership structure of the Company*, and on the composition and work of the Management and Supervisory Boards and their committees, found in the Annual Report section *3.1. Organisation of corporate governance*, while data on gender equality in the Management and Supervisory Boards are included in the Annual Report section *3.1.2. Supervisory Board*.

3.3.Ownership structure of the Company

The Company's shares were listed on the Official Market of the Zagreb Stock Exchange d.d. (Zagreb Stock Exchange) on August 6, 2019 and have been traded on the Zagreb Stock Exchange since August 8, 2019. On June 2, 2021, the company decided to increase its capital by issuing shares in a secondary public offering on the Zagreb Stock Exchange. In the period from July 12 to July 26, 2021, HRK 105,592,950 was raised in two subscription rounds in which qualified investors and retail investors participated. By the decision of the Company's Management Board with the consent of the Supervisory Board on July 28, 2021, the paid-up capital was allocated to a total of 124,227 new ordinary shares without nominal value, which, based on the decision of the Zagreb Stock Exchange, were listed on the Official Market as of August 3, 2021 under the same ticker as the previously listed shares of the Company (MRUL-R-A, ISIN: HRMRULRA0009), with the first trading day on August 6, 2021. The General Assembly of the Company, on June 17, 2024, adopted a decision to increase the Company's share capital through a secondary public offering on the Zagreb Stock Exchange, which took place during the period from October 7 to October 10, 2024, where qualified investors from Croatia and abroad participated, raising a total of EUR 49,101,250. The Company's Management Board with the consent of the Supervisory Board, on October 14, 2024, resolved to increase the Company's share capital from EUR 13,033,800.00 by EUR 2,606,294.35 to EUR 15,640,094.35 through cash payment and the issue of a total of 196,405 new shares, which were listed on the Official Market under the new ticker of the Company's shares (BSQR, ISIN: HRMRULRA0009) with the first day of trading on October 18, 2024 on the basis of the decision of the Zagreb Stock Exchange of October 16, 2024.

The ownership structure of the Company as of December 31, 2024 was as follows:



The Company has adopted a Procedure for appointing members of the Management Board and the Supervisory Board, where the process of appointment and dismissal is carried out in accordance with the Companies Act and the Company's Statute. The Company has no special rules regarding the powers of the Management Board members. The Management Board conducts business under its own responsibility in accordance with the Companies Act and the Statute and is obliged and authorised to undertake all actions and make all decisions deemed necessary for the successful management of the Company, except in cases where prior consent of the Supervisory Board is required.

The Management Board of the Company is authorised to acquire own shares, an authorization granted by the General Assembly of the Company on June 30, 2020. The authorization to acquire own shares was granted for 5 (five) years from the date of the General Assembly's decision, up to a monetary amount of HRK 75,000,000.00, without further special consent of the General Assembly of the Company, under the following conditions:

1. The total number of the Company's shares acquired based on this Decision, together with the Company's existing own shares, must not exceed 10% (ten percent) of the Company's share capital at the time of acquisition;
2. The Management Board must acquire own shares on a regulated securities market;
3. The price at which own shares are acquired must not be more than 10% above or below the average market price achieved for those shares on the previous trading day;

4. In the business year in which the Company has acquired its own shares, it must allocate a portion of the profit for these shares to the reserves for that year and report amounts corresponding to the amounts paid for the acquisition of its own shares, so that the net assets of the Company reported in the annual financial statements for the last financial year due to the acquisition of shares are not less than the amount of share capital and reserves that it must dispose of by law, the Statute or a resolution of the Company's General Assembly and which may not be used for payments to shareholders;

5. The Management Board of the Company must inform the first subsequent General Assembly of the Company of the reasons for and purpose of the acquisition of shares, their number and proportion in the share capital and the equivalent value of what the Company has given for these shares.

The Management Board is authorised, with the consent of the Supervisory Board, to dispose of own shares that it already holds or will acquire on the basis of the provisions of or will acquire them on the basis of a decision of the General Assembly on granting the company's management authority to acquire treasury shares outside the regulated market (for example by disposal within the framework of the ESOP program, the stock option program, the Management Board members reward program, and other programs for disposing of own shares adopted by the Management Board with the prior consent of the Supervisory Board) without the need for a separate resolution by the Company's General Assembly, in addition to the aforementioned resolution.

The Management Board adopted a buyback program for own shares based on a decision of the General Assembly, with the prior consent of the Supervisory Board, on July 31, 2020, which is available free of charge on the Company's website.

In 2024, there was no acquisition of own shares, nor do members of the Management Board or Supervisory Board hold shares of the Company.

3.4. Group Structure

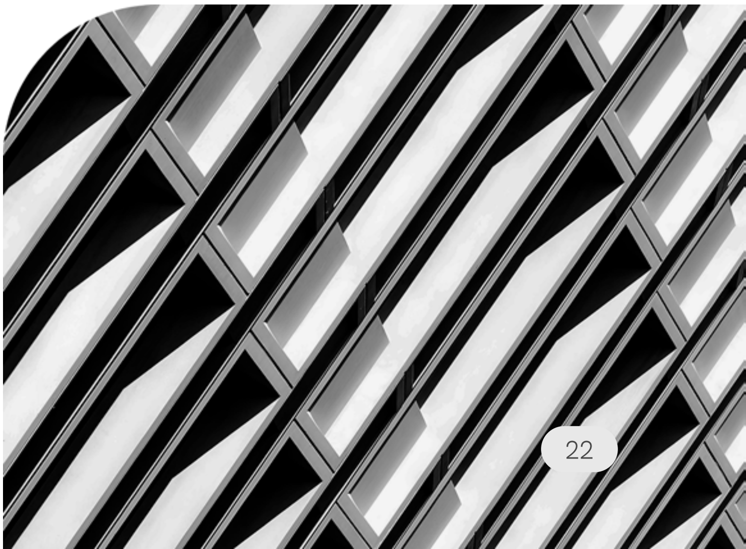
BOSQAR INVEST is a European leader in the industries of business process technology outsourcing (BPTO), human resources (HR), and food and agriculture (AgriFood).

With its innovative business model, BOSQAR INVEST has accelerated its market expansion through intensive organic growth and an M&A platform based on a buy-and-build strategy. Since 2016, the Group has acquired 84 companies and secured a diverse portfolio of international clients in its BPTO and HR operations, as well as a growing number of clients in its Food vertical.

BOSQAR INVEST operates in multiple verticals: BPTO (brand: Mplus), HR (brands: Manpower and Workplace), Food (brand: Future Food), and Other industries.

All business verticals are geared towards creating value for stakeholders. This is done through a commitment to best practises in digitalization, structured key account management programs, stable and efficient financial management and supported by strong and dedicated management teams focused on results.

The Company has no branches of its own and only operates through subsidiaries.



Subsidiaries

BPTO

Bulb d.o.o.
Bulb Upravljanje d.o.o.
Buzzeasy Kft.
BusinessLine GmbH
CMC Iletisim ve Cagri Merkezi Hizmetleri A.S.
Geomant Global d.o.o.
Geomant UK Limited
Geomant-Algotech Zrt.
Inova Solutions Inc.
M PLUS SLOVENIJA d.o.o.
Mplus Germany GmbH
Mplus Halle GmbH
Mplus Helmstedt GmbH
Mplus Leipzig GmbH
Mplus Lüneburg GmbH
Mplus Magdeburg GmbH
Mplus Prenzlau GmbH
ISF MicroUnits GmbH
ISS Sigorta Acentelik Hiz. A.S.
M Plus BL d.o.o.
M Plus Croatia d.o.o.
M Plus Serbia d.o.o.
M Plus Smart Hub Romania SRL
M+ Agent d.o.o.
M+ BH d.o.o.
M+ Deutschland BPTO GmbH
M+ Slovakia, s.r.o.
M+ Georgia LLC
Meritus Plus Centar d.o.o.
PIT Insan Kaynaklari ve Danismanlik A.S.
RGN Iletisim Hizmetleri A.S.
Mplus Sales GmbH
SC Geomant SRL
SIA M+ Latvia
Mplus Braunschweig GmbH
Mplus Bielefeld GmbH
Mplus Bremen GmbH
Mplus Gran Canaria S. L. U.
Technology Services Holding B.V.

HR

Manpower d.o.o. (Bosnia and Herzegovina)
Business Integrator
Integrator Holding
Manpower Bulgaria
Manpower Business Solutions d.o.o.
Manpower Business Solutions Kft.
Manpower d.o.o. (Croatia)
Manpower d.o.o. (Slovenia)
Manpower d.o.o. (Serbia)
Manpower Group
Manpower Munkaerő Szervezési Kft
Manpower Savjetovanje d.o.o.
MPS Integration
SMART FLEX d.o.o.
SMART FLEX SOURCING s.o.o.
VORKPLEJS PROEKT DOOEL
VORKPLEJS POSREDUVANJE I PRIVREMENO VRABOTUVANJE
Workplace Projekt - Adria d.o.o.
Workplace Projekt d.o.o.

Other industries

Meritus Global Technology d.o.o. (eCommerce)
Moderna Ventures B.V. (eCommerce)
Moderna Ventures S.A. (eCommerce)
BOSQAR d.d.
Kanatol IEDC Limited (education)
Meritus Global Strategics d.o.o. (education)
Meritus Real Estate Management d.o.o. (real estate management)
Real Estate Development projekti - Projekt Vukovarska d.o.o. (real estate management)
TVPD Holdings B.V. (real estate management)
VIZUAL 2 d.o.o. (real estate management)
Zeleni horizont d.o.o. (real estate management)

Food

Global People Solutions d.o.o.
Future Food Resolutions d.o.o.
Future Food Resolutions Dva d.o.o.
Future Food Solution d.o.o.
Panvita Holding d.o.o.
Panvita d.o.o.
Panvita Kmetijstvo d.o.o.
Panvita Prašičereja d.o.o.
Panvita Veterina d.o.o.
Panvita Posestvo Motvarjevci d.o.o.
Panvita SK Motvarjevci d.o.o.
Panvita PRM d.o.o.
Panvita Agromerkur d.o.o.
Panvita MIR d.d.
Panvita Mesnine d.o.o.
Panvita AVE d.o.o.

Successful share offering and finalization of an investment in the Panvita Group

BOSQAR INVEST has entered into a partnership with the Panvita Group, a Slovenian agri-food group committed to the sustainable production of high-quality food.

By investing in a 51% share in the Panvita Group, BOSQAR INVEST established its fourth business vertical, Future Food, with the total value of the investment amounting to 50 million euros.

With this investment, BOSQAR INVEST has positioned itself for further acquisitions in the food sector, with a particular focus on the Adriatic region and the formation of an agri-food group with significant potential for further expansion in the DACH region.

The closing of the transaction was preceded by a successful secondary offering of shares, which raised EUR 49.1 million in fresh capital and was completed on October 18, 2024. With a public invitation sent out in October 2024, BOSQAR d.d. invited existing and new shareholders to register up to 196,405 new ordinary shares. With the successful completion of the new share offering, the Company's total market capitalization has increased to EUR 294.6 million – based on a total number of 1,178,438 shares at a price of EUR 250 per share – representing an increase of more than 8 times compared to the initial public offering (IPO) in 2019, when the company had a market capitalisation of EUR 30 million.

Expansion of the Future Food vertical through a strategic 100-million-euro investment in the Mlinar Group

The last quarter of 2024 was marked by BOSQAR INVEST's investment in Mlinar Group, one of the leading bakery groups in the Adria region.

The investment, which will be carried out in partnership with existing shareholders in the Panvita Group, led by Peter Polanič, and Mlinar's management, headed by Mladen Veber, marks the expansion of the Future Food vertical, which was previously established through the investment in the Panvita Group.

The total transaction value amounts to 100 million euros.

The investment was supported by MidEuropa, a European private equity investor with deep roots in Central Europe, with whom BOSQAR has a long-standing partnership. The transaction is pending approval from market competition authorities in the Republic of Croatia and the Republic of Serbia which is expected in the first half of 2025.

EBRD investment of 60 million euros finalized, new experts appointed to the Boards of M Plus Croatia

Mplus, the BPTO business vertical of BOSQAR INVEST, was strengthened by an investment of 60 million euros from the European Bank for Reconstruction and Development (EBRD), finalised in May 2024.

The aforementioned investment ensured a stable capital structure that will enable the development of new high-tech solutions, investment in infrastructure and employees, organic growth and additional diversification of business areas.

The EBRD's investment is a confirmation of the significant value created in this business vertical and positions Mplus as a credible and long-term partner for leading national and international investors. In parallel with the finalization of the investment, the Supervisory and Advisory Board of M Plus Croatia d.o.o. has been expanded with two top experts appointed by the EBRD – Stephanie Wilson and Derwyn Jones.

Organizational changes in the Workplace and Mplus verticals

As part of optimizing management processes with the goal of further growth and expansion to the markets of Central and Southeastern Europe, organisational changes were introduced in two verticals of BOSQAR INVEST.

In addition to his current role as Chief Financial Officer (CFO) of BOSQAR INVEST, Vanja Vlak has been appointed the new CEO and Management Board Member of M Plus Croatia d.o.o. as of August 30, 2024. He will oversee and implement the group's financial strategy and, in his new role, will actively participate in the development and implementation of Mplus's business strategy, with a special focus on corporate finance and controlling.

Thanks to his extensive experience in business development and team management within the technology and BPO sector, Eldar Banjica was appointed the new Executive Director of Manpower SEE at the beginning of September, operating within the Workplace vertical, replacing Aleksandar Hangimana in that position.

At the Workplace vertical level, a new Advisory Board was also established, with Aleksandar Hangimana as President, and Vanja Vlak and Luka Orešković as members. The goal of the new board is to guide the development of the HR vertical in line with the group's strategy.

Change of name of the holding company Meritus ulaganja to BOSQAR d.d., new group brand – BOSQAR INVEST

In June 2024, the holding company Meritus ulaganja d.d. changed its name to BOSQAR d.d., which established a new brand architecture. With the new visual identity and group brand BOSQAR INVEST, which includes BOSQAR d.d. and all its current (Mplus, Workplace, and Future Food) and future business verticals, simpler and more efficient communication with key stakeholders and clearer positioning on the Croatian and international markets was enabled.

BOSQAR INVEST

In-house technology as a strong foundation for the transformation of Mplus into a technology leader

Top-notch technological solutions, developed as part of the formation of the technology division within the BPTO vertical, were implemented in 2024, further positioning Mplus as a technological leader. The progress made in the development of in-house technologies that bring optimization of business processes, cost reduction, and increased competitiveness has facilitated entry into new markets both within and outside the region.

Some of the technological solutions, such as Buzzeasy and AI Studio, which are based on artificial intelligence, were designed to change the way companies communicate with users and manage their processes for the better, providing top-level tools for improving user experience, optimizing operations, and embracing digital transformation.

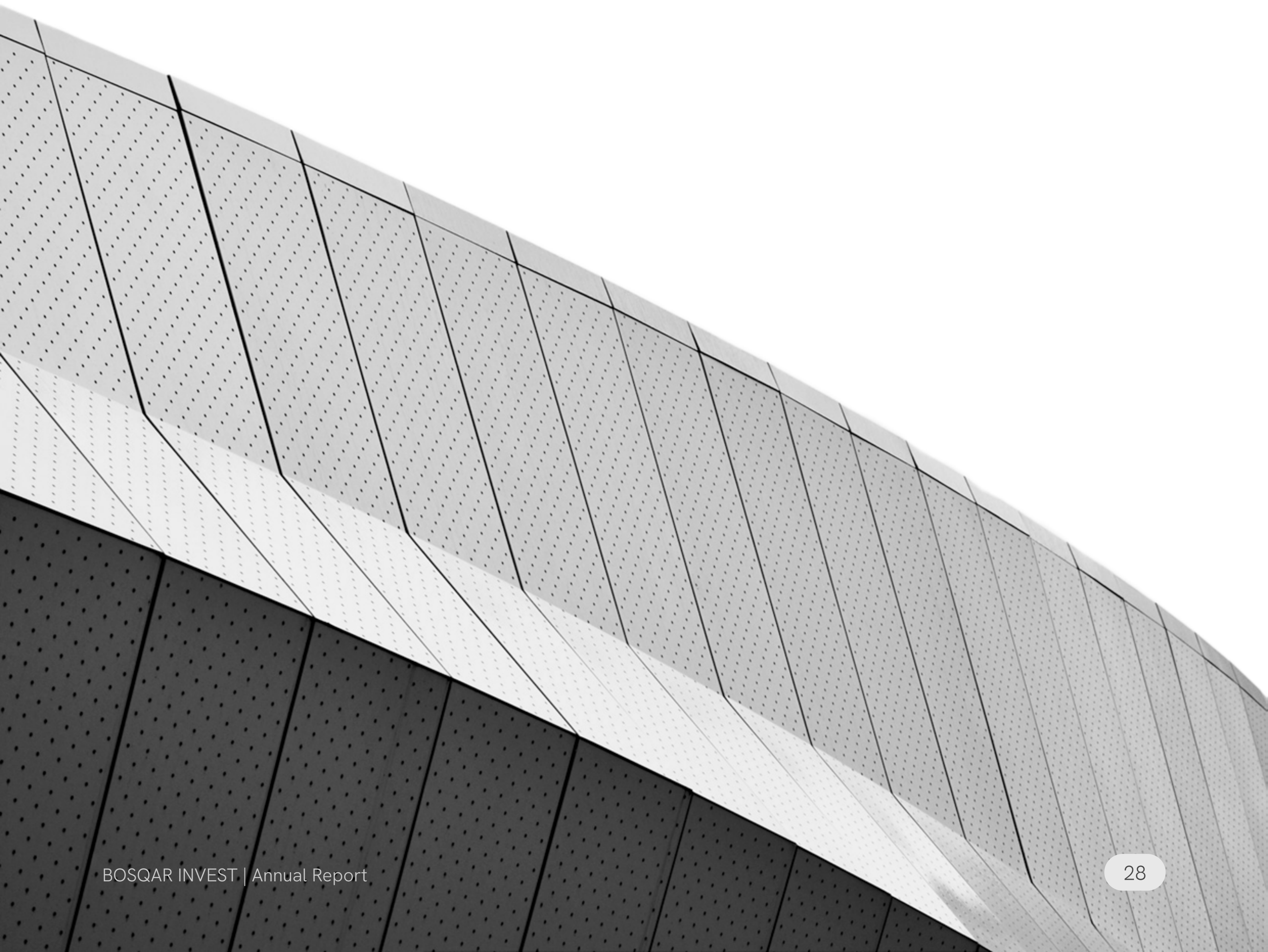
4

SUSTAINABILITY STATEMENT

BOSQAR INVEST, as a reporting entity under the Corporate Sustainability Reporting Directive (CSRD)[1], hereby presents its sustainability disclosures for the year 2024. In accordance with the requirements of the Non-Financial Reporting Directive (NFRD), as amended by the CSRD, BOSQAR INVEST's annual sustainability statement includes information that enables an understanding of the Group's impacts on sustainability, as well as how sustainability matters affect the Group's development, business performance, and position.

The purpose of this sustainability Statement is to provide a comprehensive and balanced overview of the key topics that are materially significant to BOSQAR INVEST, along with their related impacts and achieved outcomes for the calendar year ending December 31, 2024.

[1]*Available on: __Corporate Sustainability Reporting Directive__*



4.1. General disclosures

General basis for preparation of the BOSQAR INVEST sustainability statement

Level of consolidation

This sustainability statement has been prepared at the consolidated level of the BOSQAR INVEST Group, which includes the company BOSQAR d.d. as the parent company and its subsidiaries. As stated in the in the Corporate Governance chapter - Group Structure, in 2024, the Group consists of the following business verticals: BPTO, HR, Food, and Other industries.

In 2024, the Group expanded its activities by investing in a 51% stake in the Panvita Group, the leading Slovenian agri-food group, thus forming a new Food vertical.

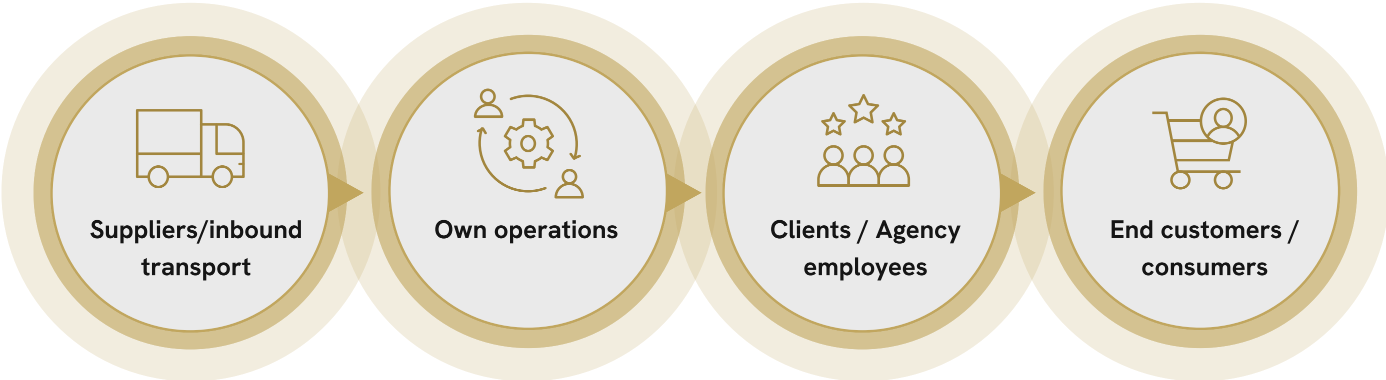
As eCommerce generates less than 1% of revenue in 2024 and employs less than 1% of the Group's total workforce, it was determined that the vertical is not relevant for consolidated reporting in this year (2024). Thus, unless otherwise stated, the data in this sustainability statement therefore does not include data on the business activities of the eCommerce and other companies not included in BPTO, HR and Food business verticals.

On the other hand, all newly acquired companies in the Food vertical that are part of the consolidated financial statements are also included in the sustainability statement. In line with these acquisitions, the base year (2021) for the calculation of the KPIs for the sustainability-linked bond is in relation to sustainable business activities is recalibrated.

The same consolidation approach was used for both financial reporting and sustainability reporting. The BOSQAR INVEST sustainability statement covers the period from January 1, 2024 to December 31, 2024 and was prepared on a consolidated basis. It contains information on the Group's subsidiaries as disclosed in *Note 1, together with the consolidated financial statements of the Group*.

BOSQAR INVEST has not used the option of exemption from disclosure of specific information relating to intellectual property, know-how

Disclosure Requirements	Reference
ESRS 2 BP-1 Level of consolidation	*Chapter 9. Consolidated financial statements, Note 1 – General information*
ESRS 2 GOV-1 Composition and diversity of the Management and Supervisory Boards	*Chapter 3. Corporate governance – Organisation of corporate governance*
ESRS 2 GOV-1 Roles and responsibilities of the Administrative, Management, and Supervisory Bodies	*Chapter 3. Corporate governance – Organisation of corporate governance*
ESRS 2 SBM-1 Strategy, business model and value chain	*Chapter 6. Analysis of performance*
E1-6 Data on base year recalibration for greenhouse gas emissions calculation	Sustainability statements - *BOSQAR INVEST*
E1-6 Greenhouse gas emission intensity per net revenue	*Chapter 9. Consolidated financial statements, Note 5*
S1-6 Number of employees at Group level	*Chapter 9. Consolidated financial statements, Note 1 – General Information*
G1 GOV-1 Management and Supervisory board expertise	*Chapter 3. Corporate governance – Organisation of corporate governance*



or innovation outcomes and exemption from disclosure of information about forthcoming events or matters under negotiation in accordance with the provisions of ESRS 2 BP-1.

Value chain

The strategic goals of our company are focused on building trust and establishing strong relationships with suppliers while ensuring the smooth flow of products and services through inbound and outbound processes. Our supply chain includes distributors of electronic devices, suppliers of electricity, heating, cooling and fuel, as well as service providers such as IT support, accounting and consulting, and transportation services limited to the delivery of goods. In the upper chain, we have only included direct suppliers, while in the lower chain we have mainly included clients and customers as well as the community, as stipulated by the individual requirements of the European Sustainability Reporting Standards (ESRS).

This diagram provides a simplified overview of the Group's main activities. The value chain is presented to capture upstream and downstream flows related to our products and services in the form of activities at higher and lower levels of the value chain.

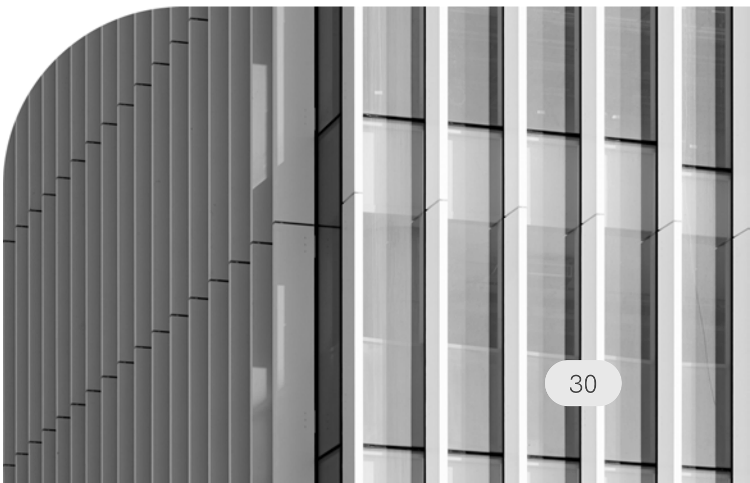
It is important to note that the value chain presented does not include the business activities of the Panvita Group. As control of the Panvita Group was acquired in November 2024, it has since been consolidated in the BOSQAR INVEST group. The reporting for 2024 covers the last two months of the Panvita Group's operations, with a focus on analysing the impacts, risks and opportunities from the perspective of the Group's own operations. In future statements, we will cover the value chain.

BOSQAR INVEST uses estimated quantitative indicators in the calculation of Scope 2 emissions (calculation of gas consumption in Germany) and Scope 3 emissions from business air travel.

Reporting Framework

Until 2023, BOSQAR INVEST prepared its Sustainability Statement in accordance with the provisions of the Non-Financial Reporting Directive (NFRD), using the GRI (Global Reporting Initiative) Standards. As of 2024, BOSQAR INVEST reports in line with the new Corporate Sustainability Reporting Directive (CSRD), which introduces the obligation to prepare reports in accordance with the European Sustainability Reporting Standards[2] (ESRS).

[2] *Available on: Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards*



4.1.1. BOSQAR INVEST and sustainability in 2024

Introduction

This sustainability statement is a transparent representation of the Group's activities in the field of sustainability, aligned with the Company's sustainable strategy and the business model of the Company and its subsidiaries. It presents the Group's sustainability-related activities during 2024 and provides a comprehensive overview of the Group's progress in terms of sustainability for its stakeholders. It also marks an important milestone in achieving the Group's key performance indicators in the context of the issued sustainability-linked bond (SLB). Throughout 2024, the Group focused on aligning with the new Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS). This commitment to transparency and adherence to global reporting standards is a key component of our sustainability strategy. As part of implementing the new sustainability reporting framework, the Group carried out a double materiality assessment and identified significant impacts, risks, and opportunities (IRO), as well as related material topics, in accordance with the ESRS requirements.

Key sustainability-related events during 2024:

- SLB KPI 2: 48% women in management teams
- SLB KPI 1: 32% reduction in Scope 1 and 2 GHG emissions
- 78% of electricity consumed is generated from renewable sources (without Panvita Group)
- continuation of the collaboration with the Croatian National Theatre
- Mplus won the prestigious award for the 'Mplus Academy Global Front Line Leader Program'
- Tomislav Glavaš was named Manager of the Year 2024.
- the Group established a channel for reporting irregularities, accessible via the *company's website* or QR code in the event of irregularities or unethical conduct within the company that could have consequences for the general public or the community.
- cooperation launched with the Hrabri telefon and the worldwide coordinating body Child Helpline International

For a more detailed overview of the awards, obtained certificates, and memberships, please refer to chapter *4.1.2. Memberships, Certificates, and Awards*.

4.1.2. Memberships, certificates and awards

A list of new memberships, awards and certificates in 2024, as well as a list of all ISO certificates acquired within the Group, are provided below. Memberships and other certifications that have remained unchanged can be found in our 2021, 2022 and 2023 sustainability statements at the link below: *Sustainability Statement - BOSQAR INVEST.*

M Plus Croatia d.o.o.

	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality Management System
	ISO 27001:2022	Information security management systems
	ISO 10002:2018	Quality management — Customer satisfaction — Guidelines for complaints handling in organizations
	ISO 18295-1:2017	Customer contact centers — Requirements for customer service — Part 1: Requirements for customer service
	ISO 27701:2019	Privacy information management
	ISO 37001:2016	Anti-bribery management systems
	ISO 45001:2017	Occupational health and safety management systems
	ISO 20000-1:2017	Information technology — Service management — Part 1: Service management system requirements
	ISO 22301:2019	Societal security — Business continuity management systems
Awards	**Mplus Wins Prestigious Top Workplace Award 2024** The end of the year brought another significant recognition for Mplus - the Top Workplace Award 2024, awarded by the HR company Luppa. This recognition is given to companies that achieve results exceeding 20% above the industry average in all measured categories	
	Tomislav Glavaš was named Manager of the Year 2024 Tomislav Glavaš, CEO of Mplus and the Management Board of BOSQAR d.d., is the recipient of the prestigious Manager of the Year 2024 award, presented by the MBA Croatia association. This award is a recognition of his outstanding leadership and promotion of key values - knowledge, responsibility, and sustainability in business. Under Mr. Glavaš's leadership, Mplus has positioned itself as a European BPTO leader, and his focus on technological innovation, strategic management, and sustainable development has significantly contributed to the Company's success. This recognition further confirms his vision and ability to lead the organization in a dynamic business environment.	
	Mplus Elevate Leadership Development Program ranked among Top 5 programs HR Best Practice Awards Mplus' nine-month educational program, the **Mplus Elevate Leadership Development Program**, conducted in collaboration with IEDC - Bled School of Management, and involving 25 leaders from 6 countries within the group, has been ranked among the top 5 programs in the HDR 2023 HR Best Practices Awards. The program included 57% women, showcasing the group's commitment to empowering female leaders, and 50% of participants were promoted to certified mentors.	

M Plus Germany d.o.o.

	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality management system
	ISO 27001:2013	Information security management systems

Geomant-Algotech Zrt.

	NAME	DESCRIPTION
Certificate	ISO 27001:2014	Information security management systems
	ISO 20000-1:2019	Information technology — Service management

M+ BH d.o.o.

	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality management system
	ISO 20000-1:2017	Information technology — Service management — Part 1: Service management system requirements
	ISO 18295-1:2017	Information security management systems
	ISO 22301:2019	Societal security — Business continuity management system
	ISO 27001:2022	Information security management systems
	ISO 10002:2018	Customer satisfaction — Guidelines for complaints handling in organization
	ISO 27701:2019	Privacy information management
	ISO 37001:2016	Anti-bribery management systems
	ISO 45001:2017	Occupational health and safety management systems

M Plus Slovenija d.o.o.

	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality management system
	ISO 10002:2018	Customer satisfaction — Guidelines for complaints handling in organization
	ISO 18295-1:2017	Customer contact centers — Requirements for customer service — Part 1: Requirements for customer service
	ISO 27701:2019	Privacy information management
	ISO 45001:2018	Occupational health and safety management systems
	ISO 20000-1:2018	Information technology — Service management — Part 1: Service management system requirements
	ISO 22301:2019	Societal security — Business continuity management systems
	ISO 27001:2022	Information security management systems
	ISO 37001:2016	Anti-bribery management systems

M Plus Serbia d.o.o.

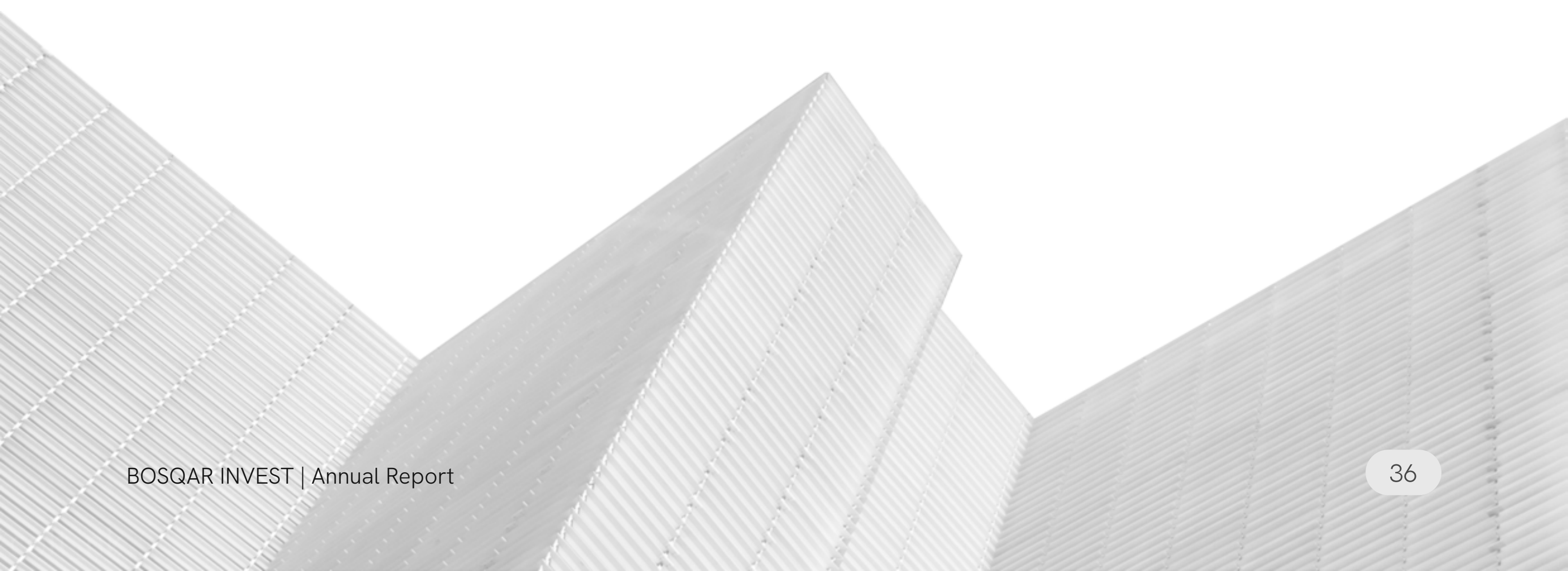
	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality management system
	ISO 27001:2022	Information security management systems
	ISO 22301:2019	Societal security — Business continuity management system
	ISO 18295-1:2017	Customer contact centers — Requirements for customer service — Part 1: Requirements for customer service
	ISO 27701:2019	Privacy information management
	ISO 37001:2016	Anti-bribery management systems
	ISO 10002:2018	Customer satisfaction — Guidelines for complaints handling in organization
	ISO 45001:2017	Occupational health and safety management systems
	ISO 20000-1:2017	Information technology — Service management — Part 1: Service management system requirements

M Plus Turkey

	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality management system
	ISO 10002:2018	Customer satisfaction — Guidelines for complaints handling in organization
	ISO 18295-1:2017	Customer contact centers — Requirements for customer service — Part 1: Requirements for customer service
	ISO 20000-1:2018	Information technology — Service management
	ISO 22301:2019	Societal security — Business continuity management systems
	ISO 27001:2013	Information security management systems
	ISO 37001:2016	Anti-bribery management systems
	ISO 45001:2018	Occupational health and safety management systems
	ISO 31000:2018	Risk management
	ISO 27701:2019	Privacy information management
	ISO 14001:2015	Environmental management systems

M Plus Turkey

	DESCRIPTION
Awards	CX Employee Experience Award Big Thinking Reward
	Award for a company contributing to employment by the Istanbul Metropolitan Municipality
	KREA M.I.C.E. Golden Leader Award - 50 Most Successful CEOs
	Category Employment of Women in the OSB Stars Survey
	Awareness Award 2024, platform for brands supporting women
	Employment Stars Award – Best in Van
	Mplus Wins Prestigious Award for Educational Development Program M Plus has won the Gold Award and first place for the educational development program Mplus Academy Global Front Line Leader Program in the Leadership Development category. The award was presented by the Turkish Education and Development Association – TEGEP, confirming the excellence and innovation of the program focused on developing leadership skills. In addition to this recognition, Mplus, with the same program, reached the finals of Europe's largest awards program in the contact center and customer experience industries – the European Contact Centre & Customer Service Awards (ECCCSA), in the category of Most Effective Learning and Development Program. This success further validates the quality and impact of Mplus's educational initiatives on a global scale.
Memberships	HIB (Association of Service Providers)
	MDYD - Association for Customer System Management
	Membership in the Biriz Solidarity Association



Manpower Croatia

	DESCRIPTION
Memberships	**AmCham** AmCham Croatia represents the business interests of American, international, and Croatian-owned companies, contributing to a strong and competitive business environment in Croatia and fostering growing transatlantic cooperation.

Manpower Bulgaria

	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality management system

Memberships	**Associations: AmCham, BBBA, Confindustria, AIEBEST, AHK, BAPM** Manpower Bulgaria is a corporate member of the American Chamber of Commerce in Bulgaria, the British-Bulgarian Business Association, Confindustria Bulgaria, the German-Bulgarian Chamber of Industry and Commerce, the Bulgarian Association for Human Resource Management, and the Association for Innovation, Business Excellence, Services, and Technology.

Manpower Serbia

	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality management system

Panvita Grupa

	NAME	DESCRIPTION
Certificate	ISO 9001:2015	Quality management system
	FAMILY FRIENDLY COMPANY CERTIFICATE	Obtaining the Family-Friendly Employer certificate involves consultancy and an audit process aimed at helping employers implement measures for improved human resource management, with a strong focus on achieving a better work-life balance for employees.
	IZABRANA KAKOVOST	A national quality label that encompasses composition, ecological production, raw material quality, animal welfare, health protection, dietary standards, transport transparency, raw material processing, and minimal post-processing during storage and transport.
	Global G.A.P. & GRASP	A certificate focused on establishing a uniform and equivalent good agricultural practice on both domestic and international markets. By obtaining the GLOBAL G.A.P. standard and the GRASP add-on, the objectives of reducing the negative environmental impact of production, maintaining consumer trust and food safety, verifying the effectiveness of the HACCP system, and ensuring a responsible approach to employee health and safety are achieved.
	IFS (International Food Standard)	A standard for evaluating food products in the food industry, designed for communication between retailers and producers. It links the requirements of the HACCP system according to the Codex Alimentarius, rules for good manufacturing, business, and hygiene practices, as well as food traceability and labeling.
	Integrirana pridelava poljščin	The agricultural product is grown in accordance with integrated production, where permitted agrotechnical measures are implemented in a controlled manner. Integrated production utilizes natural resources and mechanisms that reduce the negative impacts of agriculture on the environment and human health.
	Ekološka pridelava/predelava	Organic farming ensures safe food, preserves landscapes and the environment, and prohibits the use of synthetic chemicals, GMOs, and growth regulators.
Memberships	Chamber of Commerce and Industry of Slovenia	
	Economic Interest Association of the Meat Industry of Slovenia	
	Chamber of Commerce of Slovenia	
	Chamber of Agriculture and Forestry of Slovenia	
Awards	**INTERNATIONAL QUALITY ASSESSMENT OF MEAT AND MEAT PRODUCTS** market range & quality awards across various meat products.	

4.1.3. Governance structure

The management structure of the Group is described in the Annual Report within the chapter 3 'Corporate Governance - Corporate Governance Structure'.

4.1.3.1. Management Board and Supervisory Board

In accordance with the provisions of the Croatian Companies Act, the Company is structured according to a dualistic management system in which the Company's business is managed by the Management Board (executive body), while the Supervisory Board (non-executive body) supervises the Management Board of the Company.

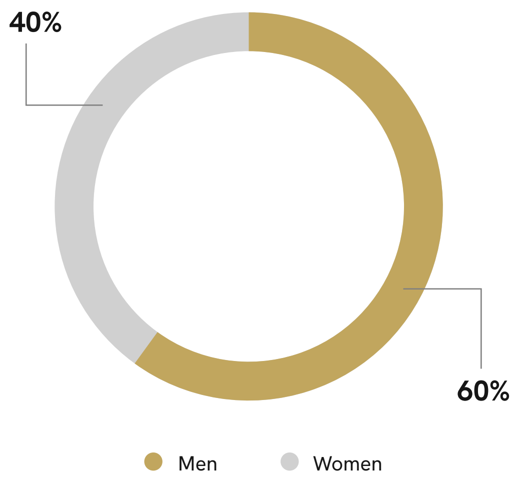
Management Board of the Company

The Company's Management Board consists of two male members, resulting in a 100% male representation on the Management Board. The structure of the Management Board is described in the Annual Report in the chapter 3 'Corporate Governance - Corporate Governance Structure'.

Supervisory Board

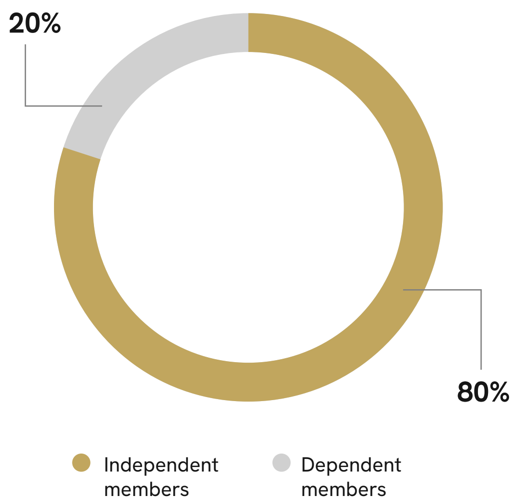
The Supervisory Board consists of five (non-executive) members. The Supervisory Board consists of two women and three men, resulting in a 40% representation of women. The structure and diversity of the Supervisory Board are described in the Annual Report in the chapter 3 'Corporate Governance - Corporate Governance Structure'.

SUPERVISORY BOARD BY GENDER



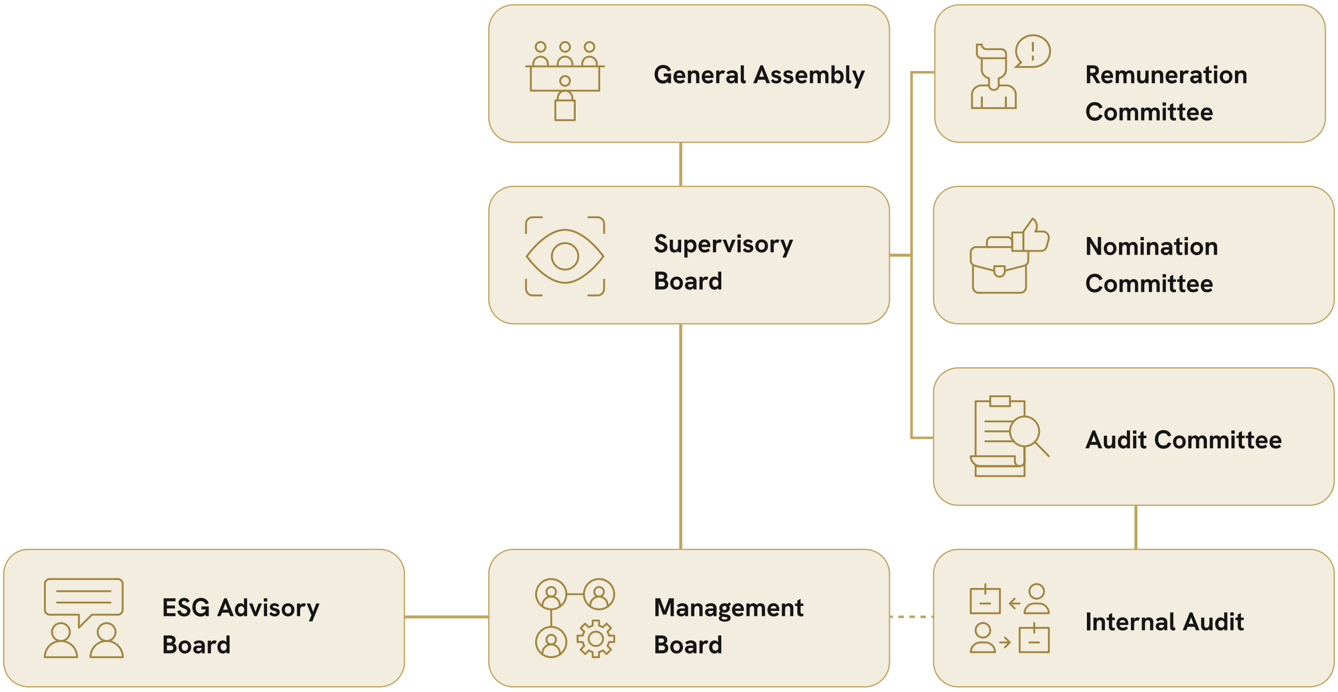
The Supervisory Board consists of four independent members, i.e. 80%, as shown in the following illustration.

SUPERVISORY BOARD STRUCTURE BY INDEPENDENCY

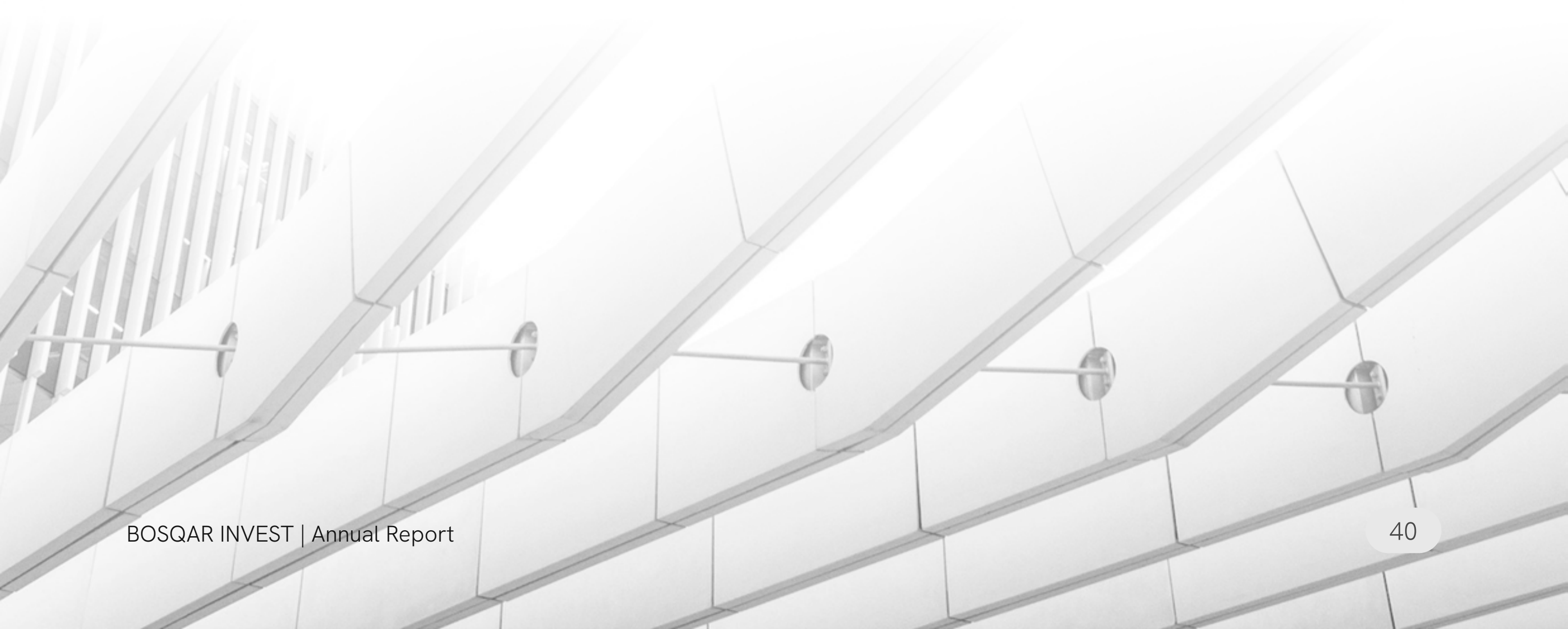


The role of the administrative, management and supervisory bodies

An overview of the hierarchy of management and supervisory bodies is shown below.



The Company's Supervisory Board and Management Board ensure that the defined Group strategy, resources, risk management system and internal controls, as well as relations with shareholders, support the long-term success and sustainable development of the Company. They also ensure that the strategy takes into account the potential impact on the environment and the community. The specific responsibility of these bodies for the impacts, risks and opportunities related to sustainability is not prescribed by internal acts, but results from the general responsibility of the Management Board for the management of the Company's business, which is regulated in more detail in the Rules of Procedure of the Company's Management Board from 2022.



Management Board

The Management Board consists of members with a range of professional experience, from corporate management to risk identification and monitoring to crisis management. The organizational skills and knowledge acquired in this way in the areas of accounting and finance, economics and national and international markets contribute to the successful management of the Group. As a result, the members of the parent Company's Management Board are familiar with good corporate governance practices and have a clear strategic vision.

ESG Board

At the beginning of 2023, the Management Board established an advisory body for the monitoring and implementation of the ESG framework – the ESG Board of the Management Board, which carries out its activities in accordance with the rules of procedure of the ESG Committee. The responsibilities of the ESG Committee are described in the chapter *3 'Corporate Governance - Corporate Governance Structure'*.

Supervisory Board

The Supervisory Board oversees the affairs of the Company in accordance with the company's Statute, the rules of procedure of the Supervisory Board and the statutory provisions. The structure and activities of the Supervisory Board during 2024 are described in the chapter *3 'Corporate Governance - Corporate Governance Structure'*.

The Company has several Supervisory Board committees that provide expert support to the Supervisory Board in accordance with the statutory provisions and the Company's Rules of Procedure. These are the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee works in accordance with the Rules of Procedure for the Audit Committee. The Audit Committee was established with the aim of ensuring the objectivity and credibility of the information and reports submitted to the Supervisory Board by monitoring and controlling the existence and operational effectiveness of internal controls, the appropriateness of the risk management process, the reliability of financial reporting, the application of legal requirements and regulations and relevant areas and issues relating to the internal and external audit process.

Remuneration Committee

The Remuneration Committee works in accordance with the Rules of Procedure for the Remuneration Committee. The Remuneration Committee is responsible for proposing to the Supervisory Board the remuneration policy of the Management Board and Supervisory Board to be adopted by the General Assembly, overseeing the preparation of the statutory annual report on the remuneration of the Management Board and Supervisory Board members and other responsibilities prescribed by the regulations.

Nomination Committee

The Nomination Committee works in accordance with the rules of procedure of the Nomination Committee. The Nomination Committee is responsible for proposing candidates for the members of the Management Board and Supervisory Board and monitoring the appointment process itself, monitoring progress towards achieving the target percentage of female members on the company's Management Board and Supervisory Board and performing other responsibilities prescribed by the regulations.

Since sustainable management has become a strategic guideline for the Group, the members of the Management Board and Supervisory Board have continuously improved their professional knowledge and skills required to monitor sustainability factors. In addition, internal and external training courses also cover a wider range of employees, depending on regulatory requirements, the needs of the Group and topics in focus.

In 2023, for example, all employees in management positions received internal ESG training in collaboration with an international consulting firm. The management boards and other bodies of all Group members, as well as certain positions in the management group, were included in the Corporate Governance and ESG Development educational program organised by the Zagreb Stock Exchange in cooperation with HANFA, the European Bank for Reconstruction and Development and Morrow Sodali (a global management consulting firm). The program was aimed at board members, senior executives, company secretaries and others who support boards and was based on international best practice insights from experienced staff, peer-to-peer lessons and real-life examples. The program was designed to strengthen board members' understanding of the changing requirements so that management can continue to lead the Company to sustainable, long-term growth.

During 2024, training on the new regulatory requirements relating to sustainability was provided for the members of the Management Board, the ESG Board, the Supervisory Board and the Company's Audit Committee, as well as for employees involved in the reporting process. The Management Board was first introduced to potential sustainability topics of relevance to the Group through the process of double materiality analysis and identification of relevant impacts, risks and opportunities in order to monitor the process and make appropriate decisions. The IROs themselves, which were part of the analysis, mainly relate to existing processes with which the Management Board is familiar and which it manages on a daily basis. For specific topics for which it does not have sufficient knowledge (e.g. environmental topics), the Management Board consulted external experts.

4.1.3.2. Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies

The method for determining the target indicators in connection with the sustainability-linked bond (SLB) is described in chapter *4.1.5. Sustainability-Linked Bond* of this Sustainability Statement. The Management Board ensures the accuracy and completeness of the data used to calculate the target indicators through the system of internal controls that has been established. The defined targets are communicated via the management structures to ensure their implementation through business activities. Progress is monitored regularly in order to take the necessary measures in good time to ensure that the targets set can be achieved. Specific target indicators that do not relate to the bond have not yet been defined.

The Management Board reports annually on the progress of the key performance indicators and on the achievement or non-achievement of the performance targets or sustainability performance targets (SPTs) related to the sustainability-linked bond, in order to ensure transparency and to inform internal and external stakeholders.

The ESG Board, as an advisory committee to the Management Board, held quarterly meetings in which, among other things, the material impacts, risks and opportunities identified through the double materiality analysis process were communicated, which are presented in detail in chapter *4.1.6. Managing material impacts, risks and opportunities* of this Sustainability Statement.

The Management Board, the Supervisory Board and the Audit Committee were informed about the progress and final results of the dual materiality analysis process and the implementation of the due diligence process.

Specific dedicated controls and targeted processes for managing impacts, risks, and opportunities have not yet been developed. However, the responsibility for oversight is embedded within the mandate of the Supervisory Board and its committees, which also cover these topics. The processes related to impacts and risks—including reviews, consultations, and management—involve the Consolidation and Group Reporting Department, the Group CEO and CFO, the Legal Department, the Compliance Department, and the Human Resources Department. At the end of 2024, a start was made on analysing new transactions and acquisitions inter alia from the perspective of ESG criteria, so that sustainability is gradually incorporated into business decisions. As part of regular business operations, sustainability (and the associated IROs) is primarily taken into account by meeting the sustainability targets set by the bonds and in accordance with the internally defined strategic sustainability targets. Accordingly, in 2024, the Management Board and the Supervisory Board addressed the IROs in relation to the workforce and employees and the reduction of greenhouse gas emissions.

4.1.3.3. Remuneration policies

The method of remuneration payment for the Management Board and the payment of remuneration to the Supervisory Board members according to the Remuneration Policy is described in the section *3 'Corporate Governance – Corporate Governance Organization.'* The Remuneration Policy for the Management Board members was amended during 2023 to include the general possibility of incorporating ESG indicators (which also involves climate matters) as a criteria for the variable part of the remuneration. Detailed and specific ESG targets for the Management Board have yet to be set in the medium term, and in 2024, no variable remuneration has been paid to the Management Board so far (including those linked to ESG indicators in general or related to climate matters specifically).

4.1.4. Sustainability in our business model

4.1.4.1. Strategy, business model and value chain

The most important groups of services offered by BOSQAR INVEST through the BPTO and HR verticals represent the key segments of the Group's business. In terms of revenue, the Group's most important vertical in 2024 was the BPTO business vertical (Mplus), which includes companies that offer business process outsourcing (BPO) and IT services. Given the business model, which focuses exclusively on the provision of services and predominantly on office operations, both verticals have relatively simple value chains (as described in chapter *4.1.1. General basis for preparation* of the BOSQAR INVEST sustainability statement of the BOSQAR INVEST sustainability statement). For this statement, we have considered direct suppliers (so-called Tier 1), clients as users of our services and end users (e.g. clients of our clients in the case of call centres). The data we used comes from internal databases.

As the verticals include more than 50 companies and almost 2,000 clients, the key groups differ by country and/or company, and we have not analysed them separately. However, for most companies, the key suppliers are those that enable the delivery of our services (through office space rental, energy supply, sale/rental of office equipment and electronic devices).

Compared to 2023, Mplus has increased the number of agents with existing customers, expanded its service offering and gained new customers, resulting in overall growth and increased business momentum. In general, the vertical's key customers come from over 25 industries, including automotive, banking and finance (including insurance), retail and eCommerce, telecommunications and media, tourism and hospitality, logistics, technology, energy, oil and gas.

As for the HR vertical (Workplace) which operates in 8 markets (Croatia, Serbia, Bosnia and Herzegovina, Slovenia, Bulgaria, Hungary, Macedonia, Kosovo), the client portfolio has been enriched by several global IT companies as well as FMCG and manufacturing sectors, which include not only employment but also HR development programs. Workplace has also expanded its partnerships in the education sector by collaborating with universities and on various projects.

Among the positive developments that have been observed over time is the reduction of physical operating sites in the BPO sector, accompanied by a shift towards flexible and decentralised working arrangements. A significant proportion of interactions now take place digitally and automatically, with much of this taking place remotely via e-mail, chat and voice calls. Digital transformation, with increasing investment in technologies such as artificial intelligence (AI), digital assistants, analytics, robotic process automation (RPA), voice recognition and omnichannel capabilities, will be a key driver of market growth. Technological advancements and the expansion of cloud infrastructure will provide the necessary solutions to enable remote working and improve digital interaction. These trends and developments will enable the Business Process Outsourcing (BPO) sector and the Group to reduce its direct carbon footprint and impact on the environment, with the aim of continuing our efforts on sustainable practices to reduce indirect impacts.

Details of the verticals' activities, including the number of clients, locations and countries from which services are provided, can be found in the chapter *6 'Analysis of performance'* of the Annual report. Although the above markets are the markets in which we operate, please note that for the purposes of internal business analysis and revenue monitoring in relation to the material markets, the Group views its operations solely through the prism of the EU and non-EU segments.

The Group has optimized its management processes with the aim of supporting further growth and expansion in the markets of Central and Southeastern Europe. The Group is aware of the global challenges associated with climate change and the potential risks these may pose to our business. For this reason, we strive to consistently integrate sustainable practices into our processes and procedures. In addition to strong financial results in 2024, the Group has continued to strongly support initiatives and organizations that have a positive impact on the communities in which it operates. BOSQAR INVEST does not offer any products or services that are prohibited in any market.

The Group's growth is also associated with strategic acquisitions, including the recent acquisition of Panvita Group, a leading Slovenian agri-food group, establishing a Food vertical. Following this investment, the Group is ready for new acquisitions in the food sector, with a particular focus on the Adriatic region and the formation of an agri-food group that will further expand into the DACH region.

In 2024, the number of employees at Group level recorded an increase compared to 2023. As at December 31, 2024, the Group employed more than 15,285 employees. Of the total number of employees, the BPTO vertical has 12,810 employees, the HR vertical 1,709 employees, the Food vertical 736 employees, meanwhile, eCommerce and the Other vertical employ 30 employees.

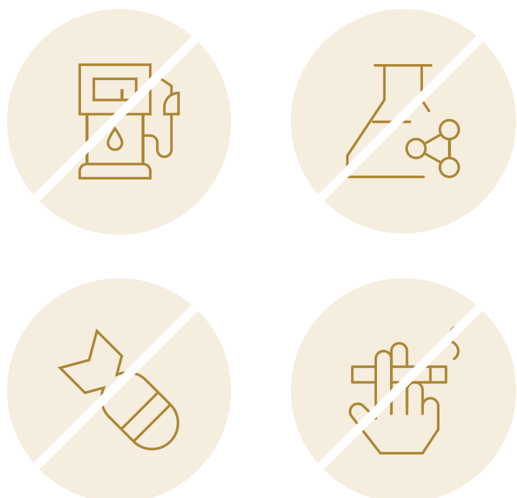
BPTO	12,810
HR	1,709
FOOD	736
Other industries	30

The total number of employees in 2024 by geographical area is shown in the table below:

Area	Number of employees in 2024
EU	2,913
NON-EU	12,372
TOTAL	**15,285**

The Group's revenues for the year 2024 amount to 371,653 thousand euros.

During the first ten months of the reporting year, the Group did not generate revenue from significant sectors as defined by the ESRS. However, with the acquisition of the Panvita Group, three significant ESRS sectors were identified: Agriculture, farming and fishing, food and beverages and power generation. The revenues generated in these sectors amounts to 17,794 thousand euros, representing 4.8% of the Group's total revenues. BOSQAR INVEST is not active in the fossil fuels, chemicals and controversial weapons, and the cultivation and production of tobacco sectors.



Regarding products and services, the Group currently operates primarily in the BPTO and HR verticals, and from the end of 2024, also in the food sector. Currently, we do not have specific sustainability targets related to our services but are focused on targets related to the SLB. In the upcoming period, we will continue to evaluate opportunities for further development of sustainable practices across all aspects of our business, ensuring long-term resilience and positive impacts on the environment and society.

To demonstrate our commitment to sustainable business practices, ensure the Group's resilience to climate change and secure sustainable financing, on July 29, 2022, the Group issued the sustainability-linked bond (SLB) with a nominal value of EUR 40 million with a fixed annual interest rate and semi-annual interest payments and a single principal maturity after five years. In connection with the sustainability-linked bond issue, the Group has set two key performance indicators (KPIs) and accompanying sustainability performance targets (SPTs) that define the progress we aim to achieve with the help of performance indicators. The KPIs we have set cover the entire Group and are updated with each new acquisition, i.e. recalibrated on the basis of the values from the base year.

More details about the KPIs and associated targets are provided in the table below.

KPI 1

Reducing Scope 1 and Scope 2 greenhouse gas emissions

SPT 1

Reduction of absolute Scope 1 and Scope 2 greenhouse gas emissions by 25.2% to 2,148 tCO2 equivalent emissions in 2027 in relation to the base value from 2021

KPI 2

Achieving more balanced gender diversity in management teams

SPT 2

Achieving 51% representation of women in management teams (including the Management Board and the Supervisory Board) by the end of 2030

The SLB links the borrowing cost to the achievement of the defined performance indicators. If these performance indicators are not achieved, the coupon is adjusted, which leads to an increase in the interest rate. To ensure transparency and inform internal and external stakeholders, progress on key performance indicators and the achievement or non-achievement of SPTs is reported annually.

As stated in section *4.1.5. Sustainability-linked bond*, although the target indicator related to SPT1 has been achieved, the Group continues to implement concrete measures such as promoting a hybrid work model, reducing business travel by plane and car, and optimizing operational processes, all with the aim of achieving our overall strategic goal – a 58.8% reduction in absolute emissions from Scope 1 and 2 by 2035, compared to the 2021 baseline.

Similarly, at the level of internal structures, we have set ourselves the goal of filling 51% of positions in management teams with women by the end of 2030, thereby ensuring greater diversity and inclusivity within the Group. Alongside initiatives to reduce emissions, this goal remains our main focus in the area of sustainability.

4.1.4.2. Engagement with stakeholders

Our most important stakeholders are listed in the chapter *4.1. Value chain*. Other key stakeholders include commercial banks, the European Bank for Reconstruction and Development and the Zagreb Stock Exchange as users of the statement. As part of our double materiality assessment, we also consulted representatives of the above-mentioned key stakeholder groups about the impacts, risks and opportunities of sustainability.

The trust of our stakeholders is particularly important to us. We gain it by interacting with them, understanding their perspectives, meeting their expectations and responding to their feedback. Continuous exchange with employees, customers, management, the Zagreb Stock Exchange, shareholders and suppliers enables us to define and achieve our goals and stay ahead of global trends.

Regular stakeholder engagement and participation is key to achieving our sustainability goals and meeting their needs and expectations. The insights gained through stakeholder engagement inform our management and influence business strategy, strategic decisions, practices and external reporting. This facilitates the development of a more effective resource allocation strategy and has the potential to create new business opportunities and unlock further business potential within the Group.

The table below provides an overview of the various communication tools and the frequency of our engagement with stakeholders.

STAKEHOLDERS	COMMUNICATIONS TOOLS	FREQUENCY
Shareholders	Shareholders' General Assemblies	Once a year
	Meetings to exchange information	As needed (SPO)
Employees	Employee satisfaction survey	Once a year
	Coordination meetings	Once a month
	Grievance mechanisms for employees	Continuous
Suppliers	Personal interview	Continuous
	Audits	Several times a year
	E-mails	Continuous
	Meetings	Continuous
Credit institutions	E-mails	Continuous
	Meetings for updates and information sharing	Once a year
Clients	Customer satisfaction survey	Twice a year
	Website	Continuous
	Call center	Continuous
	Personal interview	Continuous
Non-governmental organizations	Corporate social responsibility projects	Continuous
	Meetings	Several times a year
Local communities	Visits	Several times a year
	Corporate social responsibility projects	Continuous
	Stakeholder engagement activities	Several times a year
Regulators	Conferences/panel discussions/projects	Several times a year
	Cooperation on legal regulations	Continuous
	Advisory/consultative meetings of public and regulatory bodies	Several times a year
Management	Shareholders' General Assemblies	Once a year
	Management Board meetings	Once a month
	Information exchange meetings	Continuous

The Group actively engages with key stakeholders, including employees, clients, owners, government and local institutions, and their interests and views are regularly considered through various communication channels such as online surveys, e-mails and telephone inquiries. Employee and customer surveys are conducted once a year to collect feedback relevant to the evaluation of the business strategy and business model. The survey results are analysed at management level and their impact on the Group's strategic decisions and plans is taken into account. The requirements and needs of all stakeholders are also continuously monitored as part of the integrated management system and conclusions are drawn by setting targets and corrective measures during management audits.

In the context of sustainability, the Group regularly analyses the interests and views of stakeholders and adjusts certain aspects of its strategy and business model on the basis of these findings. Examples of such adjustments include the introduction of a hybrid working model in response to employees' needs and adapting the business model to customers' preferences, e.g. by enabling agents to work from the office if customers so wish. In addition, an internal team has been set up to monitor employee needs in order to improve employee satisfaction and strengthen the long-term stability of the workforce. The management and supervisory bodies are regularly informed of all relevant stakeholder views and interests through survey results to ensure that sustainability remains a key element of business decisions and long-term strategic guidance.

As part of continuous business improvement, the Group is implementing a development strategy in three key phases:

- **In the short term,** we will implement AI-based tools for applicant screening and initial selection to speed up the recruitment process and improve efficiency in the HR and BPTO vertical.

- **In the medium term,** we will improve AI capabilities to monitor employee performance and tailor services to specific customer needs, ensuring a higher quality of service. In the BPTO segment, we will optimize operational processes through automation and data analysis while enabling our employees to work remotely to a greater extent.

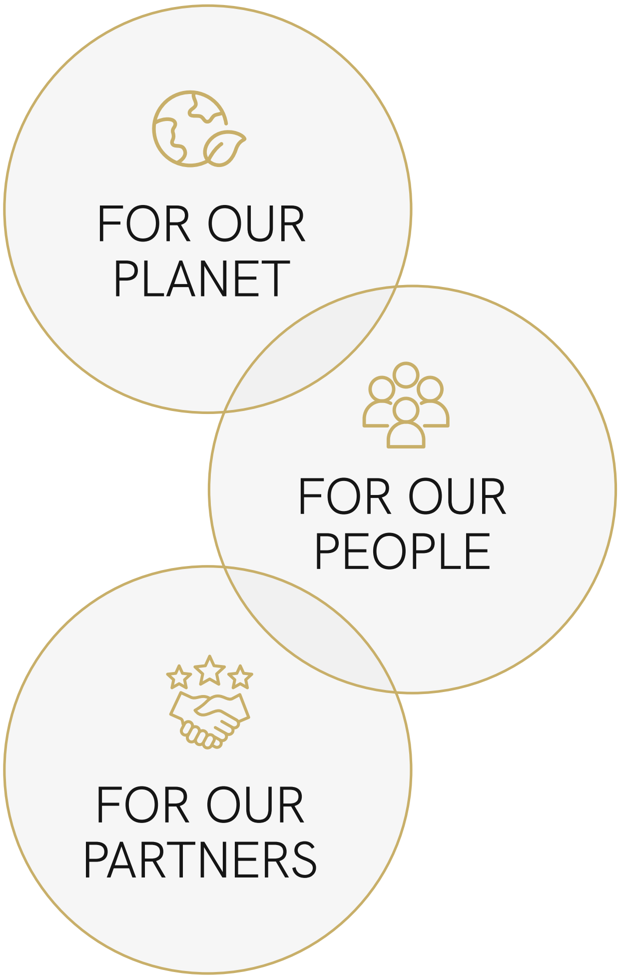
- **Our long-term goal** is to fully integrate AI and automation into all recruitment and workforce management processes, from talent identification to performance evaluation, in order to optimize the efficiency and scalability of operations across all business verticals.

We anticipate that the implementation of this strategy will increase customer satisfaction and trust, improve employee engagement and satisfaction, and ensure greater business efficiency and scalability. Investors will recognize the introduction of artificial intelligence and automation as an important step for the long-term growth and profitability of the Group.

4.1.4.3. Approach to sustainability

Our vision is to provide our clients with innovative and effective solutions, together with outstanding service based on the latest technologies and best practices. We envision a world that is better connected globally and where people play a central role in inspiring such a world. Accordingly, we are proud to be the first company on the Croatian capital market to issue a sustainability-linked bond and we are committed to achieving all related KPIs.

Our approach to sustainability is based on three key pillars:



We carry out the following activities as part of the **For our planet** pillar: Increasing the share of renewable energy in total energy consumption, introducing smart technologies and energy-efficient solutions, streamlining and optimizing IT infrastructure and equipment, waste management with a focus on recycling, reducing greenhouse gas emissions, reducing energy consumption, optimizing business travel and electrifying the vehicle fleet.

As part of the **For our people** pillar, we focus on the following areas: Diversity, equality and inclusion, employee wellbeing and working conditions, improved learning and development programs and women's empowerment.

As part of the **For our partners** pillar, we strive for a strong culture of safety and ethical behavior: Training and targeted employee development with a focus on digital and interpersonal skills, a comprehensive approach to cyber security and a legal framework aimed at preventing cyber security and data breaches, the installation of sophisticated IT solutions and services reinforced by investment in advanced technology, with a focus on improved user experience to support human interaction with technology and process a greater number of interactions.

The Group has been a member of the UN Global Compact, the world's largest corporate sustainability initiative, since 2022. This voluntary platform brings together more than 20,000 participants in more than 160 countries who are committed to promoting and developing environmental, social and economic responsibility based on the ten principles of the UN Global Compact and the UN Sustainable Development Goals. As part of our sustainability strategy, we have focused on the UN Sustainable Development Goalls that are most important to us:

SUSTAINABLE DEVELOPMENT GOALS IN FOCUS

4.1.5. Sustainability-linked bond

As outlined in section *4.1.4.1. Strategy, business model and value chain* of this Sustainability Statement, the Group issued its sustainability-linked bond for the purpose of its commitment to sustainable business concepts and undertook to meet the key performance indicators and the associated sustainability performance targets in the areas of environment (KPI and SPT 1) and society and governance (KPI and SPT 2).

At the time of the bond issue, the majority of our business was focused on the BPTO sector. Although this sector is not very carbon intensive, given the escalation of climate change and its consequences on a global scale, we are committed to actively contributing to the goals of the Paris Agreement as we recognize the importance of everyone's role in reducing the carbon footprint.

The reduction of Scope 1 and 2 greenhouse gas emissions is our first key performance indicator. Our overall strategic target for reducing greenhouse gas emissions is to reduce absolute Scope 1 and 2 emissions by 58.8% by 2035 compared to the 2021 baseline. Our SPT is based on a linear reduction from the base year to the target year, as defined by the criteria of the absolute contraction approach of the SBTi (Science Based Target Initiative) to adapt to the 1.5°C scenario of the Paris Agreement.

In view of the Group's expansion and the acquisition of new companies, it is crucial to align all companies with our sustainable business model and work with all of them to achieve the set targets. In 2024, we continue to generate the majority of our revenue via the BPTO sector, i.e. the Mplus vertical, meaning that our business is still predominantly office-based. With the acquisition of control of the Panvita Group, the situation changes as the Future Food vertical focuses on food production and related agriculture. Although we only acquired control of Panvita in November 2024, we have included this data in our calculation (with a recalibration of the base year), which has had a significant impact on our total greenhouse gas emissions.

In the coming years, we will strive to reduce our emissions to meet the 2027 target and position ourselves toward the goal set in our sustainability strategy for 2035. Therefore, KPI 1 relates to emissions reduction.
In terms of our contribution to the social and governance indicators, we have committed to KPI and SPT 2. Our Company places great importance on inclusion, respect for human rights, gender balance and supporting ethical practices. Therefore, our second key performance indicator focuses on increasing gender diversity in our management teams. To achieve this, our SPT 2 aims to reach 51% female representation in management positions, including executive committees, by 2030. When collecting the data for reporting on gender balance in our management teams, we used a database from the Human Resources (HR) department. After obtaining the data from each HR team, we identified the categories of management levels that we included in the calculation. The data we collected and aggregated was used to calculate the percentage of women in our management teams, Management Board, Supervisory Board and all other management bodies.

Below is a visual representation of the timeline for meeting the KPIs and SPTs.

2021
Baseline for GHG
Emissions reduction target

2022
Baseline for Women in management teams

2024
Observation date for both KPIs

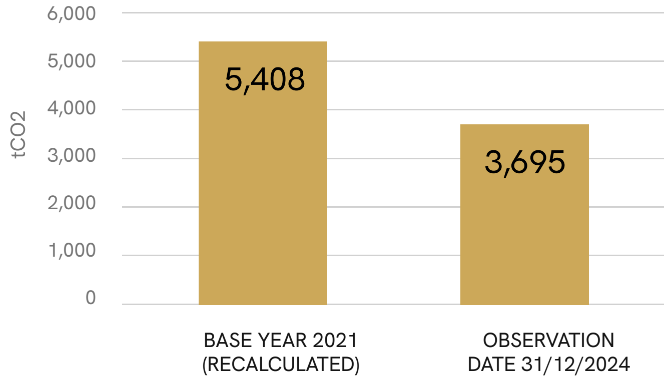
2027
SPT 1 goal - Reduction of absolute Scope 1 and Scope 2 emissions by 25.2% to 2,148 Scope 1 and Scope 2 ICO2-equivalent emissions from the 2021 baseline.

2030
SPT 2 goal - Increase to 51%
women in management teams

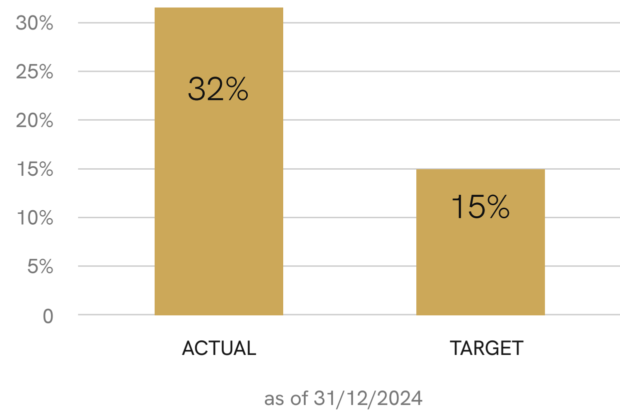
The monitoring date for compliance with the SPTs was set to inform stakeholders of our progress in meeting the SPTs, and for both key performance indicators it was set at December 31, 2024. By this date, the Group had to achieve a share of women in the Group's management teams of at least 47%, i.e. an increase of at least 4 percentage points compared to the base year 2022. In addition, the Group had to reduce absolute greenhouse gas emissions from Scope 1 and Scope 2 emissions by at least 15% compared to the base year 2021.

The activities that are continuously carried out have contributed to the Group achieving and exceeding the set targets, as follows:

TOTAL EMISSION SCOPE 1 AND 2



KPI 1 AND SPT 1 - DECREASE OF SCOPE 1 AND 2 EMISSIONS

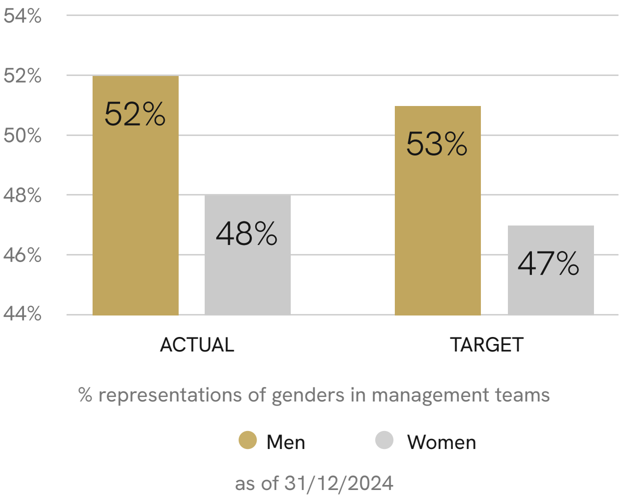


Scope 1 and 2 emissions were reduced by 32%, or 1,713 tCO_2, compared to the base year, which exceeds the established target of 15%.

This emission reduction also represents the full achievement of KPI1, reached well ahead of schedule and significantly surpassing the overall set target of a 25.2% reduction in absolute Scope 1 and 2 emissions.

Further information on our total energy consumption and greenhouse gas emissions, can be found in the *4.2. Environmental Information* section of this Sustainability Statement.

KPI 2 AND SPT 2 - GENDER REPRESENTATION IN MANGEMENT TEAMS



The share of women in managerial teams as of December 31, 2024, amounts to 48%. The target for female representation, as defined in the Prospectus, was set at 47% on the observation date, meaning the target has been achieved.

These results were confirmed by an independent auditor in their Limited Assurance Report dated March 5, 2025, regarding the indicators presented in the *Bond Performance Indicators Report*, which provides a detailed description of the indicators and the methodology used for their calculation.

The Bond Performance Indicators Report for sustainability-linked bonds as of December 31, 2024, along with the independent auditor's conclusion, is available at the following link: *Sustainability Statement – BOSQAR INVEST*

4.1.6. Managing material impacts, risks and opportunities

4.1.6.1. DMA approach and findings

In 2024, the Group implemented a process to identify material topics for its own operations and sustainability reporting in accordance with the rules for materiality of impacts and financial materiality prescribed by the ESRS. The process consisted of training key teams for the assessment of business activities with regard to sustainability factors, joint workshops in which relevant topics were discussed, and accompanying analyses that resulted in a list of impacts, risks and opportunities that were summarised into material sustainability topics.

Material sustainability topics are presented in the table, and the details of the entire process are described below.

Sustainability topic and relevant ESRS	Impact materiality	Financial materiality	Material for reporting purposes
ESRS E1: Climate change	✓	✓	✓
ESRS E2: Pollution			
ESRS E3: Water and marine resources			
Biodiversity and ecosystems			
ESRS E5: Resource use and circular economy			
ESRS S1: Own workforce	✓	✓	✓
ESRS S2: Workers in the value chain			
ESRS S3: Affected communities	✓		✓
ESRS S4: Consumers and end-users	✓		✓
ESRS G1: Business conduct	✓	✓	✓
Entity-specific disclosures			
Investing in employee career route (S1)	✓		✓
Investments in less developed communities in Turkey (S3)	✓		✓
Client and customer data security and privacy (S4)	✓		✓

4.1.6.2. Due diligence and risk management

The Group has undertaken a limited due diligence process, which is not currently fully compliant with OECD and UN guidelines but has committed to prioritizing the development of this process in the future.

The Company has adopted a risk-taking policy that governs the identification, reporting, management and monitoring of the material risks faced by the Company and is followed by the members of the Management Board, the Supervisory Board and its committees, managers, employees and other persons acting on behalf of the Group whose responsibilities include the management of certain risks.

The operationalization of this policy aims to establish an effective risk management system that is well integrated into the Group's organizational structure and decision-making processes.

To enable a reliable and comprehensive assessment of risks related to sustainability, a proportion of employees at the level of all verticals have been involved in training on risks (as part of the broader training on CSRD and ESRS), the methodology for identifying them and assessing their materiality.

In general, internal control and risk management systems have been established through the organisational structure, the effectiveness of which is assessed by the Company's Audit Committee at least once a year and, if necessary, recommendations for improvement are submitted to the Supervisory Board and the Management Board. The systems do not currently have separate rules that focus exclusively on sustainability-related risks, but they rather cover all business processes.

Based on the annual risk assessment for the coming period, priorities and the controls required to mitigate them are defined and included in the annual plan of the organisational structures in whose scope the risks are listed.

The risk management system in place identifies, assesses and manages the risks to which the Group is exposed. The effectiveness of the organization's risk management has increased as a result of the risk assessments and monitoring by the ISO standards, the Compliance Department and Internal Audit, as well as the functioning of the internal control system in the individual organisational units of the Group (Controlling, Group Reporting department, IT department).

Internal Audit provides important insights into the efficiency of and compliance with the organization's internal controls, practices and processes. In 2024, Internal Audit conducted audits in accordance with the approved annual plan, with the details of the work and the results of Internal Audit being presented separately to the Audit Committee through the annual Internal Audit work report.

The Compliance Department is responsible for monitoring and ensuring the compliance of the Company and the Group. Its task is to verify compliance with all laws, regulations, standards and ethical practices relevant to the Group's organisation and operations and to establish procedures for resolving issues of non-compliance. At the end of 2023, the Company adopted the Compliance Monitoring Regulation, which sets out the basic principles of the Group's approach to compliance management, with a particular focus on the role, powers and responsibilities and reporting system of the Compliance Department, cooperation with other departments within the Group and the responsibility of all employees in fulfilling compliance obligations. This regulation was adopted as part of our efforts to ensure compliance with relevant laws, regulations and internal legal acts within the Company and all its subsidiaries and as such is binding for the Company and all its subsidiaries. In accordance with the annual plan approved by the Company's Management Board, the scope of the review in 2024 was the BPTO business vertical as the Group's largest business vertical. No specific risks related to sustainability reporting were identified during the review.

In summary, the risks related to sustainability reporting up to (and including) 2024 were analyzed at a level of principle through the lens of overall business operations. In 2024, the risks arising from regulatory requirements, including CSRD, were assessed by evaluating the material impacts, risks and opportunities (double materiality process) at the vertical level. As part of this analysis, the overall regulatory risks were classified as medium-high in the medium and short term, with the need to establish responsible functions at subsidiary and/or vertical level. The process of analyzing and assessing risks related to sustainability reporting is gradually being integrated into general risk management at Group level.

4.1.6.3. Description of the processes to identify and assess material impacts, risks and opportunities, i.e. double materiality process

In order to identify material topics in accordance with the provisions of the CSRD and the ESRS, a double materiality assessment was carried out at the level of the Group for the year 2024. The assessment/analysis was based, among other things, on EFRAG's[3] instructions and guidelines in relation to the ESRS (IG1, IG2[4]) and examples of good (international) practice.

The first step in analyzing the material topics was to determine the context of the Group's business activities and the stakeholders concerned. We approached the analysis from the perspective of the business verticals and then identified the (positive and negative, actual and potential) impacts of our business activities. The business of the BPTO vertical mainly comprises Croatia, Bosnia and Herzegovina, Serbia, Turkey and Germany, but also the UK and the USA (IT part of the business), while the HR vertical focuses on Serbia and Croatia as well as Hungary and Bulgaria as the largest markets. As a result, the Group's operations are largely subject to EU regulations, which has influenced further analysis, as it imposes a whole set of prescribed requirements and expectations on the Group but also takes into account the specificities of each key country in terms of regulations and business practices. As the activities of these two verticals focus on people – the BPTO vertical employs over 12,000 people, while the HR vertical's business model is based on the temporary employment of our staff – the focus is on the impacts arising from our own activities. The impacts resulting from our business relationships are analyzed in the part where they affect our customers and suppliers as the main stakeholders concerned.

The impacts are analyzed from the perspective of their effects on the environment and the people in our immediate surroundings, i.e. primarily the impacts resulting from our own business activities. To a lesser extent, impacts have also been analyzed from the perspective of higher and lower levels of the value chain, as indicated in *4.1.4.1. Strategy, business model and value chain*, but we will address the value chain in more detail in the coming period. With these activities, we have captured the materiality of the impacts, while at the same time we have conducted a financial materiality analysis to identify the risks and opportunities for the Group's operations arising from external sustainability factors.

Once we had identified the impacts, risks and opportunities (IROs), we assessed them over different time periods – short, medium and long term, i.e. over a reporting period of one year, up to five years and longer than five years. In this step, we assessed how material these IROs are to our business and which of them will be part of our sustainability reporting.

[3] *European Financial Reporting Advisory Group*

[4] *EFRAG IG1 Implementation Guidance: Materiality Assessment; May 2024; IG2 Implementation Guidance: Value chain*

We also involved the affected stakeholders in the dual materiality analysis process to obtain their views on our business activities from a sustainability perspective and to validate our IRO assessment. The identified affected stakeholders were divided into internal (management, Supervisory Board, shareholders, employees) and external (banks, EBRD, Zagreb Stock Exchange, customers, suppliers). In the first year, we gathered their opinions through surveys as part of a one-off survey process, with each stakeholder group answering specific questions relating to the respective relationship. We therefore tried to capture the opinions of each group rather than using a single questionnaire for all groups. Employees' opinions were analyzed through an annual survey, and we considered the results of the 2023 and 2024 survey to identify changes and trends in their attitudes. We also took into account their status as a silent stakeholder and used assessment tools, statistics and expert opinions in this context. We also consulted with independent sustainability experts to further confirm our considerations and the identified IRO segments. In total, we obtained the opinions of 31 stakeholders and 5,600 employees through targeted surveys.

The overall assessment resulted in 16 significant impacts, 7 risks and 3 opportunities as shown in table below.

As we do not yet apply a due diligence process to identify adverse impacts at Group level, we used various methods to identify material IROs: we conducted internal interviews and obtained information from relevant colleagues at level of the business verticals to identify their specific circumstances (in relation to the requirements of local regulators, employees, customers and suppliers). We analyzed applicable legal requirements (at EU level and at the level of other countries, International Labour Organisation (ILO) conventions and practices, industry best practices and trends, and publicly available data on the industry's impact on the environment (Encore, European Environment Agency, UN and OECD statistics and databases).

We analyzed the information and data collected in relation to the list of sustainability factors in ESRS 1 AR 16.

Based on initial insights into our circumstances, we have concluded that climate change (E-1), our own workforce (S-1) and our business conduct (G-1) are issues that are material to our business: due to the greenhouse gas emissions that we generate to a large extent in our offices, through our vehicle fleet and through business travel (E-1), the significant number of employees (S-1) and the fact that we are a large group with 84 subsidiaries listed on the capital market (G-1). With regard to these, but also other sustainability topics, we have created a list of relevant IROs based on the process described above, which were analyzed by various teams within the business verticals (e.g. Finance, HR, Procurement, Back Office, IT).

When analyzing the impacts, we assessed their severity and likelihood based on internally defined parameters. In the case of severity, we could not apply one set of criteria to all impacts as these vary dramatically. Therefore, we relied primarily on external sources to assess, as independently as possible, whether the impact was relevant and significant. If we determined from external sources (e.g. legislation or EU action plans) that our actions in a particular case had an impact on our employees, customers, users or the community, we assessed whether this impact was real or potential, positive or negative. In the self-assessment, we adapted the criteria to each scenario in order to determine the extent of the impact as accurately as possible, while the scope referred to the percentage of employees affected and/or the geographical area to which they relate. Probability was determined by quantitative thresholds in the form of percentages.

With regard to risks and opportunities, we analyzed the dependencies of our own business on people and the environment and examined the identified impacts in connection with the associated risks and opportunities. We analyzed the risks and opportunities by vertical, in the same way as the impacts, and defined criteria for assessing their severity based on the impact that each risk or opportunity has on the Group's EBITDA. The probability that a particular risk or opportunity will be realized was determined quantitatively, as with the impact. Once the individual teams at the vertical level had assessed the risks and opportunities from the perspective of their daily business activities, the results were consolidated and reviewed at Group level. Specific internal controls and processes have not yet been introduced, but a standard procedure for reviewing the implemented process by the responsible functions has been applied.

The integration of the process of analyzing and assessing risks and opportunities in connection with sustainability into general risk management at Group level has not yet been completed. The analyses were largely carried out in parallel, but integration is planned for future periods, as indicated in the chapter 4.1.6 2. Due diligence and risk management.

4.1.6.4. Material impacts, risks and opportunities and their interaction with the strategy and business model

The following table contains material impacts, risks and opportunities as well as a reference to where the corresponding information can be found in the sustainability statement. All IROs have been considered over all time periods (short, medium and long term defined in accordance with the ESRS) and the likelihood of potential IROs occurring in these time periods has been analyzed. Due to the nature of the Group's business, all identified impacts, risks and opportunities are considered relevant across all time periods – unless explicitly stated otherwise.

Legend
„Connection to the value chain"
Upstream — Own operations — Downstream

Impact / risk / opportunity		ESRS	IRO description
Own operations	Providing adequate remuneration for own employees	Own workforce (working conditions, adequate wages)	Average salaries within the Company can be regarded as adequate, however at the agents' level within BPTO they are usually equal or slightly above minimum wage. Actual negative impact is thus present for BPO companies, although it is a standard practice in the industry. The impact is potentially positive in the case of salary increase (which would additionally raise the current average) and actual positive for the rest of the Group employees.
Own operations	Providing adequate remuneration for own employees	Own workforce (equal treatment and opportunities for all, gender equality and equal work for equal pay)	There are no major discrepancies between the pay provided to different genders for equal work based on gender and the impact is assessed as actual positive (potentially negative in the case of major changes in the gender pay gap).
Own operations	Enabling/allowing hybrid and remote work models as per employees' needs, wishes and requests	Own workforce (working conditions, working time)	The impact is actual and positive, since the WFH (work from home) model is applied at the request and in accordance with employee wishes. The majority of workforce kept the WFH model even after COVID, which increased the employee satisfaction. WFH model across BPTO is applied as follows: Turkey 85%, Slovenia 60%, Germany 70%, Serbia and Bosnia more than 75%. Based on HR research in BPTO, there is a clear link between WFH and job satisfaction, which ultimately also affects positively client satisfaction and revenues.

Impact / risk / opportunity	ESRS	IRO description
Employee wellbeing	Own workforce (working conditions, work-life balance and health and safety)	The impact is actual and positive and is seen through everyday actions and different ways in which we contribute to employee wellbeing - from providing medical and similar benefits or family leave to enabling support programs and flexible working arrangements. For example, within BPTO, in Mplus Türkiye there is an internal communication unit which organizes employee activities supporting their engagement. Mental health and annual survey in Germany resulted with an action plan for work equipment advancement (among other for colleagues with disabilities) and an option to agree on part time work options. After all, in case of significant restrictions in terms of benefits or differences between jurisdictions and/or Group companies, the impact could be assessed as potentially negative.
Implementation of measures for employees' health and safety	Own workforce (working conditions, health and safety)	Companies are investing in positive H&S practices and trainings which is recognized by employees, thus contributing to actual positive impact. This was recognised by employees also. For example, in Mplus Türkiye (where we employee more than half of our work force) ISO45001 standards apply. In Slovenia, a framework of health promotion at the workplace (in accordance with legally required regulation) is in place, while additional activities are organized to raise awareness and support a healthy lifestyle.
Forbidding harassment and violence at work	Own workforce (equal treatment and opportunities for all, measures against violence and harassment in the workplace)	Zero tolerance practice at Group level assures employees they do not have to fear harassment and/or retaliation - and makes them feel safe. Any sort of violence is reason for dismissal and will be followed through. Whistleblower / Grievance policy in place. All legally required policies have been successfully implemented and communicated to employees. We have implemented Grievance platform for all formal complaints, available to all our employees. They can submit cases, and file a complaint based on the following categories: discrimination, harassment, equal opportunities, mobbing and worker's dignity. The same system apply to all companies within the Group and handled by local laws. All of the above contributes to actual positive impact, which is also assessed as potentially negative.
Investment in employees through trainings	Own workforce (equal treatment and opportunities for all, training and skills development)	Actual positive impact is seen through higher employee satisfaction and higher employee retention rate. Based on a 2023 survey, a 69% overall employee statisfaction was registered (for BPTO vertical), while 2024 results showed a 2% increase - which is a result of introducing additional programs and increasing their availability through our new digital learning platform (Mplus Academia). A pilot program with Agent Career Counselling has been introduced and the number of intern mentors has increased.

Impact / risk / opportunity	ESRS	IRO description
Maintaining open social dialogue and consultations through employee discussions	Own workforce (working conditions, social dialogue; existence of work councils; information, consultation and participation rights of workers; freedom of association and collective bargaining including the rate of workers covered by collective agreements)	Through regular conversations and consulting practices with employee representatives companies can mitigate arising issues with the employees, listen and respond to their concerns before they escalate. Bosqar companies maintain open relationships with employees through such communication but across the Group there is no collective bargaining, only workers' councils in some countries. This results in current actual and positive impacts (but also potential negative, in the case of change in practices).
Working conditions	Own workforce (working conditions, secure employment)	Entering into long-term contracts with employees, providing and ensuring adequate means and tools for work assignments affects employee satisfaction and efficiency all contribute to actual and positive impact.
Investing in employee career route	Own workforce (equal treatment and opportunities for all, career development) *Entity-specific	Actual positive impact is a result of clear career development options and plans encourage people development, especially in BPTO where many managers have come from agent positions. Practice of identifying leaders and their aspirations leads to faster progress/ promotions resulting in higher engagement.
↓ Client and customer data security and privacy	Consumers and end- users (information-related impacts for consumers and/or end-users, privacy) *Entity-specific	Actual positive impact is a assessed based on the fact that we ensure compliance and maintain client and customer data secure. Acting in accordance with applicable regulations and industry expectations, having strict policies and procedures in place and thus contributing to data safety and reliability.
↑ ↓ Applicant and employee data privacy	Own workforce (other work-related rights, privacy)	Actual positive impact is assessed based on the fact that we ensure compliance and maintain employee and applicants' data secure. This is additionally clear from the current practice and no prior incidents (a having in mind the potential for incidents, the impact is also potentially negative). Acting in accordance with applicable regulations and industry expectations, having strict policies and procedures in place and thus contributing to data safety and reliability.
Diversity, emphasis on gender - recognising and mitigating diversity issues	Own workforce (equal treatment and opportunities for all, diversity)	We are generally investing into equal treatment of male/ female positions and we achieved 52%:48% ratio with respect to management teams, which makes the impact actual and positive. In some countries, the trend is opposite - for example Serbia, majority of employees are women, app. 80% versus 20% men. In 2023 we conducted an employee survey on gender equality where 86% stated that they see Mplus as an equal opportunity employer, irrespective of gender.
↓ Investments in less developed communities in Turkey	Affected communities / Investments into local community *Entity-specific	Actual and positive impact since Mplus Türkiye has a practice of opening new offices and employing people in cities in less developed regions, thus investing in the development of such regions and supporting local communities.

Impact / risk / opportunity	ESRS	IRO description
↑ ↓ GHG emissions	Climate change (climate change mitigation; energy)	Regular business operations cause GHG emissions primarily through transport (companies' car parks, business travels, inbound and outbound supply of goods and services), office heating and cooling. Additionally, at Group level GHG emissions may be more than necessary due to energy use which is not optimal and partly due to 'bad' energy mix in some countries. Actual negative impact.
↑ ↓ Impact which includes effects on employees, governing structure of the Group, business partners and clients, suppliers	Business conduct and corporate governance	Ultimately, the impact comes down to corporate governance practices in place at the Group level which are cascaded down to verticals and subsidiaries and which govern our business operations. Currently the impact is actual and positive, especially given no incidents have been recorded so far. However, in case of significant changes the impact could be potentially negative. Structured and organized business is essential for quality business operations. Considering the size and breadth of the Group and its operations, adequate business conduct and corporate governance are essential for all business relationships and processes to function. With each new M&A we continue rebuilding the Group and investing in internal processes, with integration of sustainability practices into corporate governance also being a continued effort.
RISK / Employees leaving the company	Own workforce	Unhappy employees quitting and leaving the company for better salaries with the competition/other employers (salary is often cited as a reason for leaving among agents) - either because they are actively offering higher salaries, because employees are not satisfied with lower salaries, or for other reasons. Adverse implications are lower gross margin (GM) and revenues, potential bad reputation.
RISK / Lack of adequate work force	Own workforce	Risk is seen in the (in)ability to retain current and employ new people - insufficient workforce with adequate rare qualifications (speaking multiple languages, especially rare ones) attracted to the company, resulting in higher expenses due to recruitment, headhunting and marketing. Financial impact through lower GM.
OPPORTUNITY / Career development	Own workforce	Investing in employees' career route and promoting the best employees can have a positive impact and reach among others in the workforce by setting good examples within the Group.
↑ ↓ RISK / Transitional risks arising from climate change	Climate change	Risks stemming from regulatory changes (e.g. CSDDD requirements), legal and financial risks (compliance and potential fees)
RISK and OPPORTUNITY / Lack of unified/Group corporate governance procedures	Business conduct	Lack of unified and transparent rules at Group levels can affect business contingency and employee behaviour due to uncertainty regarding rules and procedures, with increased risk of wrongful or misbehaviour. Process standardization and harmonization at vertical and/or Bosqar level decreases time wasted on admin and internal communication, raises transparency and ultimately can have positive P&L (profit an loss statement) impacts.

Impact / risk / opportunity	ESRS	IRO description
RISK and OPPORTUNITY / Technological development	Business conduct	Technology can pose a risk if you're a pioneer in new solutions so you have higher development-related expenses and investments which may not materialize. It can also pose an opportunity as it can improve existing processes, ease the burden of existing employees and replace human workforce tasks to a certain extent where automation is possible.
RISK/ Cyber attacks	Business conduct	If subject to cyber crime and attacks, sensitive data leakage related to both clients and own information (regarding employees and business operations) may occur. Security incidents often lead to reputational damage, lawsuits, legal costs and penalties, thus impacting the company financially.
RISK / Regulatory environment	Business conduct	Unknown or new rules can create uncertainties and bring the risk of non-compliance, fines and bad reputation, reflecting through financial impacts. For example, within the HR vertical, BiH is specific as there are no employee outsourcing laws so the company needs to be careful in its business conduct and practices.

The identified IRO elements have been reviewed by the Group Management Board and will be included in the business processes and business decisions they affect in the coming period. We were already aware of most of these elements because they are situations we encounter in our daily business and are to some extent already included in the business model, strategy and decision-making. However, through the quantitative analysis we have gained a deeper insight into the more comprehensive effects of the analyzed IROs, especially through the perspective of subsidiaries at the vertical level and through their analysis of potential opportunities, and we will further analyze and implement these insights into the business. Given the dynamics and agility of our business in general, we believe that we can deal with most of the identified IROs. However, due to the specificities of individual markets (in terms of regulations and/or prevailing practices) or the business model itself (e.g. salaries at the BPO business level), some of the IROs will likely remain at the same level for a longer period.

Most of our currently analyzed IROs relate to our own operations and to relationships with higher and lower levels of the value chain only in the first instance. In terms of social impact, our impacts mainly stem from a business model that is focused on people in the BPTO and HR verticals. Our impacts thus primarily concern the workforce, over 12,800 employees in the BPTO and over 1,700 employees in the HR vertical. However, significant positive impacts have been identified in Turkey (BPTO vertical) as we have recognized broader positive social impacts on less developed cities where we have created new jobs and thus directly influenced community development. In terms of the environment, our impacts are limited to the generation of greenhouse gas emissions, which is related to our business in general - although our business is mainly conducted from offices and we do not have production activities or the like that have a much stronger impact on the environment, we still contribute to emissions through the use of cars, which mostly have internal combustion engines, and through business travel, which largely involves airplanes. On the other hand, we try to mitigate these negative impacts through various measures, which is also described in the section on sustainability-linked bonds and in the section on climate change. Taking into account the definition of actual and potential impacts as provided by the ESRS, we have identified the existence of such impacts and assessed and presented them accordingly in the table above.

Regarding environmental sustainability factors, when analyzing double materiality, we concluded that in the area of our own operations, there are no impacts, risks, or opportunities related to pollution (E2), water and marine resources (E3), and biodiversity (E4). Specifically, as the Group's business model before the acquisition of the Panvita Group was solely based on office operations and service provision, there is no air, water, or soil pollution at our business locations, no excessive water usage for business purposes (especially with a large number of employees working from home), nor any impact on biodiversity. For this reason, we did not conduct stakeholder consultation in this area. We have considered waste from the perspective of waste generation through operations, particularly electronic waste. However, this impact was not assessed as significant.

In relation to the identified significant risks and opportunities, the currently determined effects on EBITDA vary depending on the individual case, but in all cases, they are estimated to be up to 20% (in terms of a decrease or increase in EBITDA). The Group's strategy of continuous growth is the largest factor in determining financial materiality, therefore we were guided by previous experiences with the acquisition of companies and the state of internal processes and procedures at the level of the acquired subsidiaries. In this context, the investments we made during the integration and development of the subsidiaries, as well as the sources of financing used, were considered.

4.1.7. Sustainability-related policies and actions

Our policies and regulations on identified material sustainability topics serve to prevent, recognize and eliminate actual and potential impacts, identify risks and promote opportunities. The decision to adopt group policies is made by the Management Board of the Company, with the consent of the Company's Supervisory Board. The responsibility for implementing the policies within the organization lies with the Company's Management Board and the management boards of its subsidiaries. Most of the policies are published on the Company's website. Below you will find an overview of the policies and regulations.

Topcis	Policy/ Regulation	Key content description	Policy areas	Regulation	Availability
S & G	**Code of Ethics**	Encouraging ethical and responsible business practices Foundations for decision-making processes	Members of the Management Board, Supervisory Board and its committees, executive staff, employees, subsidiaries, and other individuals working on behalf and for the Company	Universal Declaration of Human Rights, UN Global Compact, OECD Guidelines for Multinational Enterprises, national legislation and Anti-Corruption Laws	*company website*
S & G	**DEI, Gender Equality and Work-Life Balance Policy**	The Group's commitment to promoting gender equality, ensuring an inclusive working environment, aligning employee rights at the Group level	Subsidiaries, employees, contractors, and business partners	Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights and Principles for the Empowerment of Women EU Directive on Improving Gender Balance	*company website*
E	**Environmental Policy**	Climate change Management and circular economy Reduction of greenhouse gas emissions Energy efficiency Waste management	Subsidiaries, employees, contractors, and business partners	European Climate Law, Environmental Policy under the EU treaties and the European Green Deal	*company website*
G	**Supplier Code of Conduct**	Responsible supply chain, Labor practices and human rights, Health and safety at work, Environmental responsibility, Ethics, and Compliance with regulations	Suppliers	ISO 20400, ISO 37001 and ISO 14001, national laws and regulations	Company's internal policy, individually towards suppliers
G	**Procurement Policy**	Responsible supply chain, Labor practices and human rights, Health and safety at work, Environmental responsibility, Ethics, and Compliance with regulations	Employees, subsidiaries, contractors, and business partners	ISO 20400, ISO 37001 and ISO 14001, national laws and regulations	Company's internal policy

Topcis	Policy/ Regulation	Key content description	Policy areas	Regulation	Availability
S & G	**Anti-Bribery and Anti-Corruption Policy**	Recognition and prevention of potential cases of bribery and corruption, and other forms of corruption, in order to preserve the integrity and reputation of the company	Members of the Management Board, Supervisory Board and its committees, executive personnel, employees, and individuals engaged under special contracts as external collaborators (consultants, students, etc.), other individuals acting on behalf of and for the Company, all subsidiaries of the Company to the extent applicable to them	UN Convention against Corruption, dated September 25, 2008	*company website*
S & G	**Policy on the Procedure of Internal Reporting of Irregularities and the Appointment of a Confidental Contact Person**	Procedure for internal reporting of irregularities at the company, Appointment of a confidential person and deputy to receive whistleblowing reports, and managing the process related to the reporting of irregularities at the company. Effective protection of the rights of whistleblowers at the company	Employees, external stakeholders	Directive (EU) 2019/1937 of the European Parliament and Council of October 23, 2019, on the protection of persons who report breaches of Union law and national legislation	*company website*
S & G	**Policy on the Protection of Human Rights and the Rights of Workers**	Commitment of the Group to ensuring a healthy and safe work environment	Members of the Management Board, Supervisory Board and its committees, executive personnel, employees, and other individuals acting on behalf of the Company, all subsidiaries of the Company to the extent applicable to them	national legislation	*company website*
S & G	**Framework for Integrating Green Information and Communication Technology (ICT) Principles into All Phases of the Lifecycle of Electrical and Electronic Equipment**	Procurement of Equipment with Higher Recycled and Recyclable Content Commitment to Repairing, Refurbishing, and Reusing Electrical and Electronic Equipment (EEE) Collection and Recycling of Products at the End of Their Use According to the Highest Standards	Members of the Management Board, Supervisory Board and its committees, executive staff, employees, subsidiaries, and other individuals working on behalf and for the Company	Not applicable	Company's internal policy
G	**Policy on Remuneration for Board Members and Supervisory Board Members**	Determines the criteria, structure, and transparency of fixed and variable compensation, ensuring fairness, compliance with regulations, and motivation for the long-term success of the company	Members of the Management Board and the Supervisory Board of the Company	national legislation	*company website*

Topcis	Policy/ Regulation	Key content description	Policy areas	Regulation	Availability
G	**Policy on the Management of Conflicts of Interest**	Establishes rules and procedures for situations where an individual's private interest potentially influences the operations of the Company	Members of the Management Board, Supervisory Board and its committees, executive staff, employees, subsidiaries, and other individuals working on behalf and for the Company	national legislation	*company website*
S	**Grievance Policy**	Defines the scope and definition of complaints and outlines the process for reporting and resolving complaints	for employees within the BPTO vertical (except for the Geomant group, where implementation is ongoing)	Not applicable	Company's internal policy
G	**Corporate Governance Code**	Establishes high standards of corporate governance and business transparency	Members of the Management Board, Supervisory Board and its committees, General Assembly, senior management	EU, national legislation	*company website*
S & G	**Regulation on the Protection of Personal Data and Trade Secrets**	Prescribes the methods for collecting, processing, and protecting personal data, as well as handling business secrets to prevent unauthorized access	Subsidiaries, suppliers	General Data Protection Regulation - GDPR and National Legislation	Company's internal policy
S & G	**Cybersecurity Policy**	Establishes measures for protecting information systems, preventing cyber threats, and defining responsibilities for data security	Subsidiaries, IT department within the organization	General Data Protection Regulation-GDPR, ISO 27001, internal IT and security standards of the organization	Company's internal policy
S	**Workplace Health and Safety Policy**	Ensures a commitment to the prevention of injuries and health hazards in order to achieve a zero-risk level for employees, suppliers, and visitors	Subsidiaries	Principles and Requirements defined by ISO 45001:2018	Company's internal policy

4.1.7.1. Corporate culture and business conduct policies

Ethical principles and compliance play an important role in establishing a solid foundation for the Group's business and reputation. The Group is committed to strict ethical standards, and employees, as well as others acting on behalf of the Group, are expected to always avoid behavior that could harm or jeopardize our reputation and place personal interests above the interests of the Group. Integrity, honesty and respect are the foundation of our success and the values we uphold every day.

Code of Ethics

The Code of Ethics is a fundamental document that shapes our corporate culture and serves as a guide to help us make the right business decisions at all times. The new Code of Ethics covers a wide range of topics, including respecting the rights and dignity of every individual, avoiding conflicts of interest, managing assets responsibly and complying with and respecting laws and regulations.

The purpose of the Code of Ethics is to provide practical guidance for addressing the many ethical issues that employees may encounter in their daily business activities. The Code of Ethics establishes guidelines for workplace conduct, prevention of conflicts of interest, asset protection—including environmental protection—compliance with laws, rules, and regulations, relations with shareholders, and reporting unethical behavior. It defines our expectations regarding employee behavior and the professional standards and ethical values we uphold. Designed in a question-and-answer (Q&A) format, the Code facilitates understanding and practical application of rules and values within our organization. Employees can easily find answers to specific situations they may encounter in their daily work, as the Code includes real-life examples that assist in recognizing and resolving ethical dilemmas. Serving as a guide, the Code enables the making of sound business decisions at all times. In this regard, we expect our employees to be familiar with and adhere to its guidelines.

The new Code of Ethics (Code) was adopted in February 2024 and applies to all Group employees. In the BPTO vertical, the Code has been adopted by all companies except Mplus Germany, where approval from the Works Council is pending. In the HR vertical, the Code was adopted in the first quarter of 2025.

Whistleblowing Policy and Appointment of Confidential Person

In the first quarter of 2024, our Company and the majority of BPTO subsidiaries adopted and implemented the Whistleblowing Policy, fully compliant with European Union regulations and applicable local legislation in countries where such regulations exist. This policy provides a clear framework for the anonymous and confidential reporting of suspected irregularities, which is crucial for strengthening a culture of transparency and accountability within our organization.

In accordance with the Group's Whistleblowing Policy, each company has appointed a confidential person and their deputy, trained to handle reports in compliance with legal and internal requirements, ensuring protection for whistleblowers and timely resolution of cases. These standardized rules apply uniformly across the Group, with necessary adjustments to local regulations where applicable. In countries without a legal obligation to implement these rules, the Group's internal regulations are enforced.

In addition to the abovementioned policy, we have implemented whistleblowing software (whistleblowing channel), which is available to employees and third parties on our *Company website* and enables the anonymity and confidentiality of whistleblowers, thereby guaranteeing their safety from retaliation. This Group-wide whistleblowing system:

- increases employee confidence - enables employees to make reports without fear of retaliation
- reduces risk to the Group - prevents potential harm through rapid identification and resolution
- supports a culture of ethical conduct - a clear message that ethical conduct is a priority
- centralizes monitoring and governance - facilitates rapid Group response and insight into trends and risk areas
- increased transparency and consistency - equal treatment across all departments and locations.

A more detailed description can be found in Chapter *4.4 Governance information*.

Implementation of the whistleblowing channel for the HR and eCommerce verticals was finished in the first quarter of 2025.

Antibribery Policy

On October 31, 2024, the Company adopted a new Anti-Bribery and Anti-Corruption Policy, fully aligned with the requirements of the UN Convention Against Corruption. This policy has been adopted across all BPTO companies, except for Mplus Germany, where it awaits approval from the works council.
Following the adoption of this policy, we conducted employee training within the BPTO vertical to provide guidance on responsible and ethically acceptable business gifting, a key topic addressed in the policy, and to ensure the preservation of integrity and transparency in our operations. The training covered the following topics:

- what is considered a gift or hospitality – clear definitions to avoid confusion
- guidelines on what is and is not allowed, with a particular focus on compliance with our policy and legal requirements
- information on the maximum value of a gift that is acceptable to give or receive
- advice on how to proceed in situations that are not clearly covered by the rules
- when to seek management approval for a gift and how to enter the gift in the gift register maintained by Compliance Department.

For the majority of companies outside BPTO vertical, the introduction of the new policy is planned for the first half of 2025.

Policy on Dealing with Conflicts of Interest

In April 2024, the Company's Management Board, with the approval of the Supervisory Board, updated and adopted a new Policy on Dealing with Conflicts of Interest in order to adapt it to current business needs and regulatory requirements. The expanded scope of the policy now includes members of the Management Board, the Supervisory Board and its committees, employees, affiliated companies and their employees as well as anyone acting in the name of and on behalf of the Company.

Particular attention has been paid to the clarity and simplicity of the policy in order to facilitate its application in practice. In addition, training has been provided for employees in management positions and other key personnel in the BPTO vertical who make decisions and potentially have a conflict of interest. Using practical examples from day-to-day business, we have shown employees what constitutes a conflict of interest, how to recognize it and how to report it in a timely manner in accordance with the established procedure.

The policy has been introduced in all BPTO companies, with the exception of Mplus Germany, where it has yet to be approved by the Worker's Council. For the majority of companies outside BPTO vertical, the introduction of the new policy is planned for the first half of 2025.

Policy on the Protection of Human Rights and Workers' Rights

In order to ensure that we fulfill our responsibilities, we have implemented a Group Policy on the Protection of Human Rights and Workers' Rights. This policy emphasizes the importance of human rights to us as an organization and prevents cases of neglect and abuse of these rights, as well as the consequences of such actions.

4.1.7.2. Climate change

The Group has adopted a framework of environmental policies and procedures comprising the overarching Environmental Policy, the Sub-Policy on Environmental Protection and Waste Management, the Sub-Policy on Environmental Protection, Energy Efficiency, and Greenhouse Gas Emission Reduction, the Framework for Implementing Energy Management Solutions in Buildings Owned and Leased by the Group across all business locations, and the Framework for Integrating Green ICT Principles into All Phases of the Lifecycle of Electrical and Electronic Equipment. The Environmental Policy outlines our approach to managing the impact on climate change and waste, detailing measures for a circular economy with a particular focus on mitigating climate change through the reduction of greenhouse gas emissions, enhancing energy efficiency, and managing waste. This is supplemented by additional guidelines that reinforce the policy.

The Group actively contributes to climate change mitigation and environmental protection by taking measures to improve energy efficiency, reduce greenhouse gas emissions and manage waste responsibly. We optimize energy use and promote energy efficiency by using renewable energy sources and using renewable energy where possible. We also plan to introduce low-emission technologies, carbon-capture and to undertake climate change adaptation measures. Our operations focus on pollution prevention, while managing waste in accordance with relevant regulatory systems and international practices, including reuse, recycling and safe disposal. In addition, we are working to reduce the waste generated by our activities and increase the proportion of reuse and recycling, including e-waste, in all areas of our business.

4.1.7.3. Group employees

In addition to the Code of Ethics, the main policies adopted by the Group to manage the material impact on its own workforce and the associated material risks and opportunities are as follows: Whistleblowing Policy (with a whistleblowing channel for reporting irregularities), Code of Corporate Governance, Policy on Equality, Diversity, Gender Equality and Work-life Balance, Policy on the Protection of Human and Workers' Rights, Antibribery Policy, Policy on the Management of Conflicts of Interest, and the Grievance Policy - The Complaints Policy (Mplus employee grievance mechanism), and as stated in the section *4.1.7. Sustainability-related policies and actions*.

The Code forms the basis for the decision-making process by promoting principles that favour ethical and responsible business, and it defines the Group's business standards and provides guidelines for business interactions. The adopted policies bind the members of the Management Board, the Supervisory Board and its committees, the Company's managing staff and employees, as well as all its subsidiaries and all other persons acting in the name of and on behalf of the Group.

Although most policies are adopted and implemented at the group level, the Group also operates in accordance with local labor legislation in each jurisdiction and applies internal regulations related to codes of conduct and internal communication, employment, benefits, etc. These policies and regulations serve as a foundation for ensuring employee well-being and creating a positive and supportive working environment.

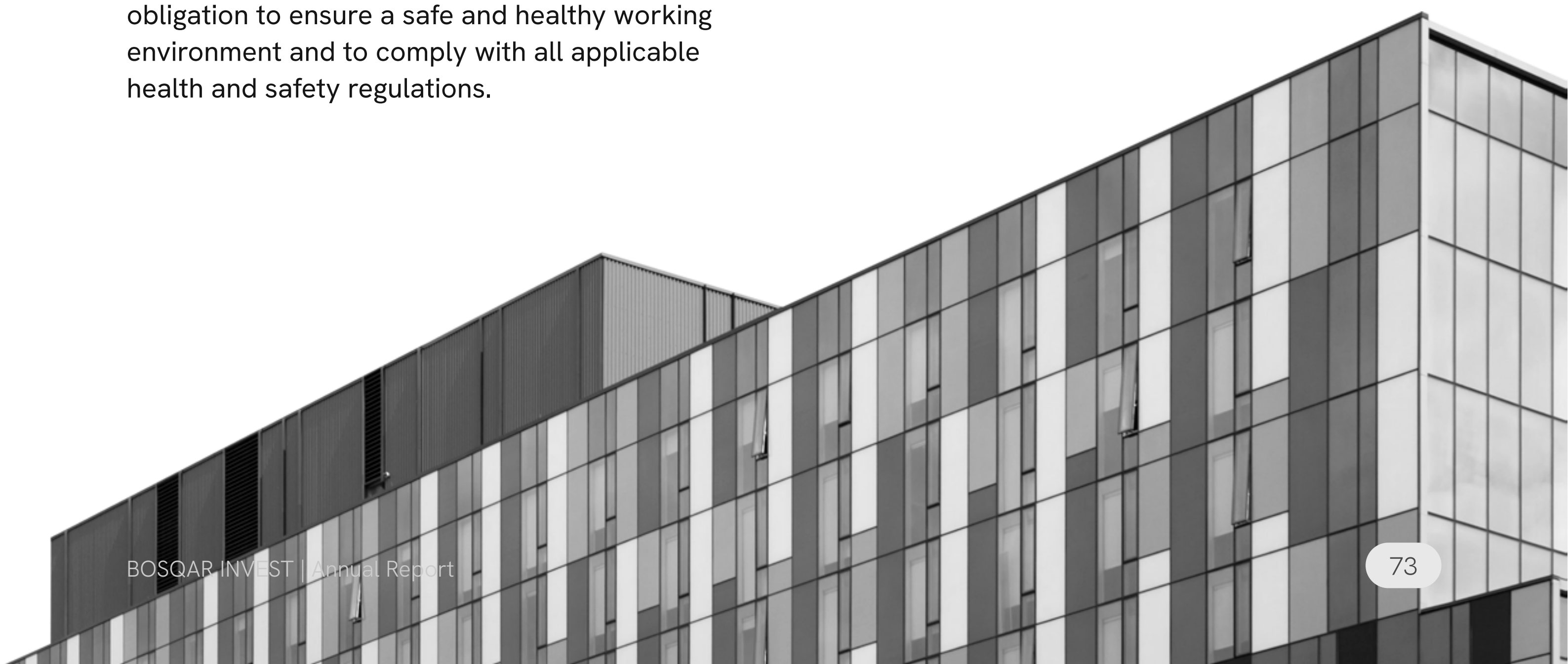
In the area of human rights protection, the Group acts in accordance with the applicable legal provisions on wages, working hours, overtime and other employee benefits and rights. The Group is obliged to implement the policy for the protection of human rights and employee rights, to monitor its implementation and to establish mechanisms for monitoring and reporting actions that violate the policy. Every member of the Management Board, the Supervisory Board and its committees, every manager and every employee of the Group, as well as other persons to whom the provisions of this policy apply, are obliged to familiarize themselves with the provisions of this policy and to comply with the said provisions in the performance of their duties. Any breach of the policy will be considered a serious breach of employment obligations. To ensure appropriate protection of human rights, the Group has implemented specific measures to provide legal remedies in cases of violations. In this context, clear procedures have been established for reporting human rights and employee rights violations, including mechanisms for the anonymous reporting of irregularities. Descriptions of these mechanisms are provided in the chapter on *Remediation of negative impacts and channels for employees to raise concerns*. Affected individuals have access to legal advice and support through a dedicated worker rights protection service, and each report will be thoroughly investigated. If a violation is identified, appropriate legal remedies are ensured, including the possibility of initiating legal proceedings. Additionally, mechanisms have been introduced to monitor and review the effectiveness of these measures to ensure their continuous application and access to justice for all employees. In general, and with regard to human rights protection, the Group collaborates with employees, considering their perspective, through annual opinion surveys and through the analysis of reports received in the whistleblowing system described in the section on *Engagement with employees and their representatives about impacts*, as well as *Remediation of negative impacts and channels for employees to raise concerns*.

Policy on the Protection of Human Rights and Workers' Rights explicitly states that slavery, the detention of a person against their will and the holding of a person in conditions similar to slavery, as well as any form of forced, bonded or compulsory labor and any association with human trafficking and the exploitation of children are strictly prohibited.

The Group recognizes its responsibility and commitment to sustainable practices not only within its own operations, but also throughout its supply chain. The Supplier Code of Conduct defines the expectations and requirements for all our suppliers, including compliance with applicable laws, regulations, industry standards and best practices. The code covers key areas such as labor practices and human rights, occupational health and safety, environmental responsibility, ethical business practices and regulatory compliance. Details of the Supplier Code of Conduct can be found in Chapter *4.4.4.1. Managing our supplier relationships*.

The Group attaches great importance to reducing the risk of accidents, injuries and health hazards in the working environment and to the timely detection and elimination of safety and health hazards. In accordance with the Code of Ethics, employees are obliged to actively take preventive measures and to act immediately in situations that pose a safety risk to others. All employees, regardless of their level of responsibility, position or function, are encouraged to take appropriate steps and inform the HR department or their line manager to ensure a safe workplace for all. Health and safety in the workplace are regulated by national laws, which the Group complies with and applies at all its sites. Internal acts and systems, such as the Policy on the Protection of Human Rights and Workers' Rights and Workplace Health and Safety policies and systems aligned with the ISO 45001 standard (at the BPTO vertical level), also confirm the Group's commitment and obligation to ensure a safe and healthy working environment and to comply with all applicable health and safety regulations.

The Group firmly believes that inclusion and diversity are fundamental to long-term growth and development and enable the delivery of excellent customer service. The Policy on Equality, Diversity, Gender Equality and Work-life Balance expresses our ambitions and commitments and applies to all levels of the organization, including management and employees. Gender equality in the workplace is not only a matter of fairness but also brings numerous benefits to the Group as a whole. In this context, we have committed to KPIs linked to the sustainability-linked bond, with a particular focus on increasing the proportion of women in leadership teams. We believe this will improve organizational effectiveness, break down barriers and biases and contribute to innovation. In 2023, the Group adopted a new Policy on Equality, Diversity, Gender Equality and Work-life Balance, reflecting our commitment to promoting gender equality and creating an inclusive working environment. The policy also ensures the alignment of employee rights within the Group. The core principles of the policy are aligned with the UN Guiding Principles on Business and Human Rights and the principles of women's empowerment. The policy applies to all areas of our business, including employees, contractors and business partners.



The Group will take steps to achieve the objectives of this policy by ensuring that all our subsidiaries accept the said policy and actively participate in its implementation. We strive to create and maintain an inclusive work environment regardless of race, gender, color, ethnicity, social origin, religion, age, disability, sexual orientation, political opinion or any other characteristic that could be a basis for discrimination. With this policy, the Group supports the European Parliament and Council Directive of 2022, which promotes gender balance on the supervisory boards of companies listed on stock exchanges and sets a target of at least 40% of non-executive positions in companies being held by members of the underrepresented gender by 2026. Our goal is to achieve a 51% share of women in management teams (including supervisory boards) by the end of 2030. In addition, we are committed to ensuring work-life balance for all our employees. As we have recognized the importance of diversity in management bodies as a key factor in achieving the goals of gender equality and diversity, we have established specific rules and guidelines aimed at diversity in the composition of the Group's management bodies. Our activities include the implementation of inclusion and HR programs, the removal of barriers to the advancement of women and the promotion of individual changes in conduct.

In June 2023, the Company's General Assembly amended the Company's Statute and increased the number of Management Board members from three to five. These amendments enabled the adoption of a new diversity plan for the Management Board and Supervisory Board for the period from 2024 to 2029 with the aim of achieving the following representation of women: on the Supervisory Board at least 28.57%, which corresponds to at least two members of the total number of Supervisory Board members (seven); on the Management Board at least 40%, which corresponds to at least two members of the total number of Management Board members (five). These targets are subject to the condition that the number of members remains in line with the current Statute. The company monitors and collects data based on diversity metrics, while management reviews the diversity metrics on a quarterly basis.

To fulfil our commitment, we use a holistic approach to address equality, diversity and inclusion issues at various levels. Our activities include:

- implementing inclusive HR programs and policies;
- removing barriers to the advancement of women; and
- encouraging individual changes in conduct.

4.1.8. Data collection

The Company has established a procedure for the provision of key data by its subsidiaries to ensure compliance with regulatory obligations and to enable effective supervision of the operations of its subsidiaries. This procedure ensures regular and timely exchange of information necessary for compliance and monitoring of the Group's operations.

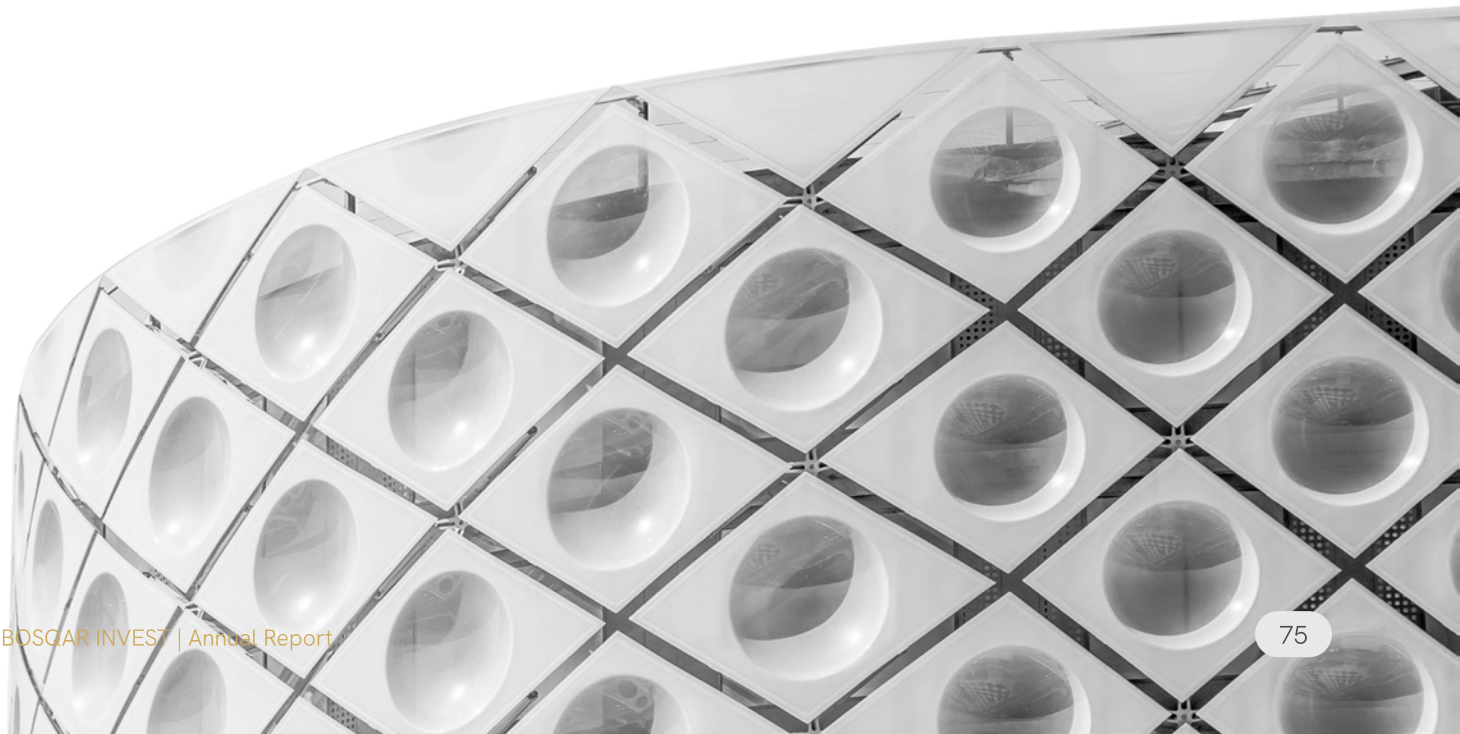
As a result of the materiality assessment, as stated in chapter *4.1.6. Managing material impacts, risks and opportunities* were identified at the Group level, and based on them, sustainability factors significant for reporting purposes were determined.

Based on the identified material factors, topics relevant to the Group were defined and disclosure requirements related to these topics were identified. In accordance with the requirements of the ESRS, all subsidiaries submitted data in predefined templates to ensure uniformity of information. Internal controls related to sustainability reporting depend on the reporting area, as multiple internal functions contribute to our sustainability reporting, depending on the topic. At the consolidated level, controls are in place to ensure accurate and complete reporting of ESG data that forms part of our annual report.

Depending on the type of data, some data was collected cumulatively during the reporting period and some at the reporting date. The data was subject to review, verification and various analytical procedures to determine its reliability from the moment a transaction or other event occurred until its reporting.

Given the performance indicators calculated for the sustainability-linked bond, during the preparation of the sustainability statement we focused on collecting data related to energy consumption. This data was also used to calculate greenhouse gas emissions as part of the climate change reporting, where additional climate-relevant details are provided.

We also focused on collecting all relevant data on inclusivity and diversity in our management teams across the entire Group structure.



4.2. Environmental information

4.2.1. Introduction

The Group's operations until the end of 2024 had a significantly lower environmental impact compared to other industries. However, following the acquisition of the Panvita Group in November, our business operations now also include agriculture, which substantially changes our environmental footprint. Nonetheless, since the consolidation took place at the end of the year, the environmental data in this statement includes only energy consumption and greenhouse gas emissions for November and December 2024, unless otherwise explicitly stated in cases where full-year data has been collected.

Within the environmental disclosures, climate change has been identified as the primary focus, while other topics have not yet been recognized as material due to the nature of the Group's operations. Since the consolidation of the Panvita Group occurred at the end of the year, their environmental activities have not been analyzed and could not give rise to material topics.

With regard to climate change (ESRS E-1), the subtopics not reported on include greenhouse gas removals and carbon credits, as well as internally determined carbon pricing, as none of these were applied during 2024.

4.2.2. EU Taxonomy

The relevant reporting framework for EU Taxonomy disclosures is based on Article 8 of the Taxonomy Regulation[5], the rules set out in the Disclosure Delegated Act[6], and includes an analysis carried out in accordance with the criteria defined in the Delegated Acts on environmental objectives (Climate Delegated Act[7], Environmental Delegated Act[8]).

4.2.2.1. EU Taxonomy introduction and assessment

As of January 1, 2024, entities subject to non-financial reporting — now sustainability reporting — are also required to disclose their contribution to environmental objectives. The reporting covers the assessment of the eligibility and alignment of business operations, i.e. economic activities, with the criteria defined for the six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

The process and methodology used to assess our economic activities in accordance with the EU Taxonomy framework, as well as the procedure for calculating KPIs, are detailed in the following sections.

[5] *3 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088*

[6] *4 Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation*

[7] *5 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives*

[8] *6 Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities*

4.2.2.2. Taxonomy eligibility and alignment

In order to meet the regulatory requirements for 2024 and assess which of the Group’s economic activities are considered environmentally sustainable under the EU Taxonomy, we conducted an eligibility assessment.

We were guided by NACE codes (Statistical Classification of Economic Activities in the European Community); however, we did not rely solely on the economic activities defined by the NACE codes, but rather on the actual activities carried out by the companies. Subsidiaries thus identified eligible economic activities by comparing the descriptions of activities in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) and the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486) with the activities actually carried out during 2024. The results are presented in the table below.

SECTOR	**Taxonomy eligible activities** **CCM - Climate change mitigation** **CCA – Climate change adaptation**	**Activity description**
4. Energy	4.25 CCM	Production of heat/cool using waste heat
5. Water supply, sewerage, waste management and remediation	5.1 CCM	Construction, extension and operation of water collection, treatment and supply systems
5. Water supply, sewerage, waste management and remediation	5.4 CCM	Renewal of waste water collection and treatment
6. Transport	6.5 CCM	Transport by motorbikes, passenger cars and light commercial vehicles
6. Transport	6.6.CCM	Freight transport services by road
7. Construction and real estate activities	7.3 CCM	Installation, maintenance and repair of energy efficiency equipment
7. Construction and real estate activities	7.4 CCM	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
7. Construction and real estate activities	7.5 CCM	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
7. Construction and real estate activities	7.6 CCM	Installation, maintenance and repair of renewable energy technologies
7. Construction and real estate activities	7.7 CCM	Acquisition and ownership of buildings

The Group did not identify any eligible activities related to the other environmental objectives. Following the identification of taxonomy-eligible activities, the Group's subsidiaries analyzed which of those activities were aligned with the technical screening criteria under the Climate Delegated Act and could therefore be classified as taxonomy-aligned. The analysis of taxonomy-aligned activities was conducted as follows:

1. For each activity identified as taxonomically eligible, companies assessed whether the activity met the technical screening criteria for a significant contribution to environmental objectives as defined in the Delegated Climate Act and the Delegated Environment Act;

2. The next step involved assessing compliance with the technical screening criteria for do no significant harm to any of the other environmental objectives defined under the EU Taxonomy.

In 2024, the companies did not carry out a climate risk vulnerability assessment as outlined in Annex A of the Climate Delegated Act, which in most cases was already the main reason for the misalignment of the activities. Although climate risk assessments were conducted for certain Group business locations (as detailed in the chapter on 4.2.3. Managing material impacts, risks and opportunities connected to climate change), no adaptation plans were developed in response to those risks, nor were the risks assessed across all activities. Furthermore, the activities were carried out independently of the technical screening criteria, which means that in practice those criteria were largely not applied. Accordingly, we concluded that none of the taxonomy-eligible activities could be considered taxonomy-aligned, either because they do not contribute substantially to any climate objective or because they fail to meet the do no significant harm requirements for the objective of climate change adaptation or other environmental objectives.

4.2.2.3. Taxonomy KPIs

The final step in the taxonomy reporting process for eligible activities is the calculation of key performance indicators (KPIs), as defined in Article 8 of the EU Taxonomy Regulation. When calculating the KPIs, we followed the rules set out in the Disclosures Delegated Act. In line with the requirements for non-financial undertakings, we avoided double counting by ensuring that any amount allocated to one identified taxonomy-eligible activity was excluded from being allocated to another.

Key Performance Indicator- Revenue

For the purpose of calculating the revenue KPI, we identified two activities: Activity 7.7 Acquisition and ownership of buildings, which relates to the leasing of office space to third parties, amounting to EUR 2,003 thousand; and Activity 6.5 Transport by motorcycles, passenger cars and light commercial vehicles, which refers to the sale of vehicles to a third party, amounting to EUR 45 thousand.

The activity of vehicle sales is an integrated part of asset management, whereby vehicles are sold to third parties after the end of the contract or their use within the fleet.

Accordingly, revenues generated from vehicle sales represent the realization of economic value within Activity 6.5, i.e., the exercise of ownership rights over vehicles that were previously subject to management and/or financing.

This sales activity is not an independent commercial activity, but part of an integrated cycle that begins with procurement, includes use and management of vehicles, and ends with their disposal (sale). Therefore, we consider it to fall within the scope of Activity 6.5 in the context of the EU Taxonomy.

Given the total revenue KPI denominator of EUR 361,111 thousand, the share of eligible revenue is below 1% and does not represent a significant change compared to the previous reporting period (in 2023, the share of eligible revenue was below 0.5%).

Key Performance Indicator – CapEx

As a result of the acquisition of the Panvita Group, several additional economic activities were identified as taxonomy-eligible for the purpose of calculating the CapEx KPI, compared to the previous reporting period. These activities are as follows:

4.25	**Generation of heating/cooling energy from waste heat**
5.1	**Construction, extension and operation of water collection, treatment and supply systems**
5.4	**Renewal of wastewater collection and treatment systems**
6.5	**Transport by motorcycles, passenger cars and light commercial vehicles**
6.6	**Freight transport services by road**
7.4	**Installation, maintenance and repair of electric vehicle charging stations in building (and parking spaces attached to buildings)**
7.6	**Installation, maintenance and repair of renewable energy technologies**
7.7	**Acquisition and ownership of buildings**

The total taxonomy-eligible CapEx amounts to EUR 49,988 thousand, while the total CapEx KPI denominator amounts to EUR 113,888 thousand, resulting in 43.89% of CapEx being taxonomy-eligible. This represents a significant increase compared to the previous year (as of December 31, 2023: 16.76%), primarily driven by the acquisition of the Panvita Group, which holds substantial fixed assets. These assets are reflected as CapEx in the amount of EUR 75,339 thousand.

Key Performance Indicator – OpEx

In accordance with the regulation, the OpEx KPI includes non-capitalized research and development costs, short-term lease expenses, maintenance and cleaning costs related to fixed assets, as well as all other costs necessary to ensure the proper functioning of assets. In addition to external costs, the calculation must also include the wages of employees engaged in cleaning and maintenance.

Based on a review of our total operating expenses in line with the taxonomy requirements, we identified five taxonomy-eligible economic activities for the purposes of calculating the OpEx KPI:

6.5 **Transport by motorcycles, passenger cars and light commercial vehicles,**

6.6 **Freight transport services by road,**

7.3 **Installation, maintenance and repair of energy efficiency equipment,**

7.5 **Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings,**

7.7 **Acquisition and ownership of buildings.**

The numerator includes maintenance costs attributable to the above activities, employee wages related to cleaning and maintenance, material and service costs for cleaning, vehicle maintenance costs, and short-term rental costs for property and vehicles.

The resulting OpEx numerator amounts to EUR 2,995 thousand. With a denominator of EUR 4,603 thousand, this corresponds to 65.07% of taxonomy-eligible OpEx.

4.2.3. Managing material impacts, risks and opportunities connected to climate change

Significant impacts, risks, and opportunities related to climate change are described in the chapter *4.1.6.4. Material impacts, risks and opportunities and their link to the strategy and business model*.

We have identified the Group's impact on climate change through greenhouse gas (GHG) emissions generated by our business operations, which we have been measuring and monitoring since 2022. In calculating emissions, we focused on the BPTO and HR verticals operating from office premises, where emissions arise from energy consumption, fuel used for vehicles, and business travel. New sources of emissions are related to the acquisition of the Panvita Group, for which we conducted a limited analysis (November and December 2024), while in the upcoming period we will analyze and report on FLAG emissions associated with agricultural activities. The calculation of the Group's total GHG emissions is provided in the chapter *4.2.5. Energy and emissions*.

Climate-related IRO is carried out through activities set out in the Group's policies (as described in the chapter *4.1.7. Policies and activities related to sustainability*, under Environmental Matters). At present, these matters are governed by the Environmental Protection Policy and associated implementing acts; no separate policies specifically addressing climate change are in place.

A specific climate change target is defined in the sustainability strategy and currently relates only to reducing absolute Scope 1 and 2 emissions by 58.8% by 2035 compared to the 2021 baseline. Like the SPT for the SLB, this strategic target is based on a linear reduction in line with the SBTi's absolute contraction approach criteria for alignment with the 1.5°C scenario from the Paris Agreement. The reduction target is set jointly for Scopes 1 and 2, without specified allocation ratios, and there is currently no detailed decarbonization strategy in place. Target values have also been set through the SLB issuance for the periods 2024 and 2027, as described in the chapter *4.1.5. Sustainability-linked bond* and *4.2.5.2 Scope 1, 2, 3 emissions and total GHG emissions*.

The planned emission reduction measures are primarily focused on our own operations through investments in energy efficiency and increasing the use of renewable energy. Internal regulations outline the following: implementation of energy-saving solutions that enhance energy efficiency and employee engagement; implementation of smart energy-saving technologies (including but not limited to smart sensors, remote monitoring solutions, full LED lighting, and HVAC regulation at all business locations where feasible and economically justified); electrification of the vehicle fleet; leasing office space in energy-efficient buildings wherever possible; procurement and/or production of renewable energy with guarantees of origin whenever feasible; acquisition of highly energy-efficient electronic equipment with energy certifications; monitoring, optimizing, and responsible budgeting of business travel; implementation of ISO 14001 and 50001 standards.

The measures began to be implemented in 2022, and the description of actions taken in 2024 is included in the chapter *4.2.5.2. Scope 1, 2, 3 emissions and total GHG emissions*. The measures and activities are not strictly prescribed in terms of expected annual contributions, as they depend on numerous factors at the Group level (including country-specific and subsidiary-specific energy supplier availability and regulatory frameworks). In the future, these measures will also cover the Group's own business operations in those subsidiaries and countries where they have not yet been implemented (depending on feasibility and national specificities), as well as agriculture. Specific measures and activities related to agriculture will be defined during 2025.

4.2.3.1. Climate risks

To assess the existence and materiality of climate-related risks to the Group's operations, we used the independent tool Climatig. Climatig is used to assess climate risks for specific geolocations, relying on algorithms that combine climate models, satellite imagery, artificial intelligence, and historical climate and meteorological data for the analyzed location. The climate hazards analyzed using this tool included hail, late frost, drought, river flooding, wildfires, heavy rainfall, coastal flooding, tropical cyclones, heatwaves and storms. The analysis was conducted for the period 2024–2054, on a yearly basis. Climate hazards were analyzed separately for each year, allowing us to cover short-term (up to one year), medium-term (one to two years), and long-term (over five years) time horizons. The total period for which we assessed climate hazards spans 30 years, covering the majority of this asset's expected lifetime, while still remaining within a reasonable planning timeframe. The scenarios used for the analysis are IPCC RCP 4.5 and 8.5. Climatig uses its own Climatig Score (CS) to assess physical risks for each hazard, which also includes vulnerability and the exposure of assets to that hazard. CS results range from low risk, through moderate and high, to very high and extreme risk.

The analysis was carried out for assets owned by the Group in the Republic of Croatia (two real estate properties in Zagreb in ownerhip of companies BOSQAR D.D. and Vizual 2 d.o.o.) and for 11 Panvita Group locations (agricultural production, fields, real estate). Given our existing operations and new activities in the agriculture sector, we have decided to initiate an analysis to prepare for potential climate change hazards affecting the new Food vertical.

The results of the climate risk assessment showed that the currently analyzed locations are not subject to significant physical risks when considering the average Climatig Score (CS) across all climate hazards. Specifically, the average scores for all assessed hazards fell within the moderate risk category. However, when viewed individually, heatwaves, heavy rainfall and drought stood out as high-risk hazards. The heatwave risk was identified for real estate (an office building) in Zagreb, while the remaining risks were found to be relevant for agricultural sites belonging to the Panvita Group.

Transition risks were not subject to detailed analysis in 2024, apart from a general consideration of regulatory, legal and financial risks. No scenario-based analysis was conducted to determine transition-related events associated with climate change or to assess how the Group's assets or business activities may be exposed to such risks.

As the current analysis covered only preliminary locations — particularly in the case of Panvita — we will continue assessing physical climate risks in the upcoming period. This will enable us to further evaluate the resilience of our business strategy to these risks, and to carry out a resilience analysis, which has not yet been undertaken. Until now, the Group has owned only the two aforementioned properties, and prior to the acquisition of the Food vertical, we had no business activities that were significantly exposed to climate-related risks.

4.2.4. Climate transition plan

The Group has not yet adopted a transition plan for climate change mitigation in 2024 but recognizes the importance of this step in the context of global efforts to reduce emissions and transition to a sustainable economy. The Group's sustainability strategy already includes greenhouse gas emission reduction targets aligned with the goals of the Paris Agreement, namely the objective to limit global warming to 1.5°C. Accordingly, the Group has a clear intention to develop and implement a transition plan in 2025, in order to ensure the long-term sustainability of its business model, with a particular focus on achieving climate neutrality by 2050.

4.2.5. Energy and emissions

4.2.5.1. Energy consumption and mix

The Group acknowledges the collective responsibility in tackling climate change and strives to implement sustainable business practices, including, among other things, an increased reliance on renewable energy sources.

Electricity and gas are key resources for the Group's operations. As we primarily operate in the services sector, powering our offices and mobilizing human resources are the two main drivers of our energy consumption and emissions. However, as of November 2024, following the consolidation of the Panvita Group, our energy mix is changing, and we will report on it in full in the 2025 sustainability statement.

The energy consumption data, and subsequently greenhouse gas emissions, for the newly acquired Panvita Group were included in the calculations for both 2021 and 2024. As complete data for 2024 was not available, we were unable to include full-year figures for the Panvita Group. Instead, a pro rata calculation method was applied. For the purposes of analysis and reporting, only the data for November and December 2024 were taken into account. This approach is based on the recalculation methodology rules for base years as outlined in the GHG Protocol[9] guidance.

Total energy consumption in MWh related to own operations in 2024 amounted to 18,466.01 MWh.

TOTAL ENERGY CONSUMPTION RELATED TO OWN BUSINESS

	SHARE OF CONSUMPTION	MEASUREMENT UNIT	2024
Total fossil energy consumption	**74.34%**	**MWh**	**13,727.65**
fuel consumption from renewable sources, including biomass	0%	MWh	0
consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	25.24%	MWh	4,661.00
the consumption of self-generated non-fuel rebewable energy	0.42%	MWh	77.36
Total renewable energy consumption	**25.66%**	**MWh**	**4,738.36**
TOTAL ENERGY CONSUMPTION		**MWh**	**18,466.01**

The Group does not directly use energy from nuclear sources, except potentially through the energy mix of its suppliers, for which no separate analysis has been conducted.
Except for Panvita's operations, the Group does not operate in sectors with significant climate impact. Due to the previously mentioned challenges regarding data availability, we did not analyze or disaggregate 2024 data by specific fossil fuel sources.
Some companies within the Panvita Group produce their own energy from renewable sources (solar energy), and since becoming part of the Group, they have generated 77.36 MWh of energy.

[9] *Base year recalculation methodologies for structural changes; Appendix E to the GHG Protocol Corporate Accounting and Reporting Standard Revised Edition (Version January 2005)*

4.2.5.2. Gross Scopes 1, 2, 3 and total GHG emissions

The Group's greenhouse gas emissions are primarily driven by the use of electricity, gas and fuel. Accordingly, the key performance indicators defined in our sustainability strategy prioritize the transition to renewable energy sources, behavioral adjustments through the adoption of energy efficiency measures, a general reduction in business travel—particularly air travel—and improvements in data collection across the Group to enable accurate assessment of our carbon footprint. As detailed in chapter 4.1.5. Sustainability-linked bond (SLB), we selected the reduction of Scope 1 and Scope 2 greenhouse gas emissions as the key performance indicator for our SLB. In defining the specific target, we also developed the Group's strategic emission reduction plans using SBTi methodology and tools (absolute contraction approach, linear reduction from the base year to the target year).

Following the acquisition of the Panvita Group in 2024, it was necessary to recalculate the data for 2021 (the base year). The recalculation methodology and applied limitations are described in the Sustainability-Linked Bond Performance Report, available at the following link: Sustainability Statements - BOSQAR INVEST.

Methodology

Greenhouse gas emissions are calculated in accordance with the methodology and definitions set out in the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and its Scope 2 Guidance. This includes the application of both the location-based and market-based approaches.

For the purpose of calculating Scope 1 emissions, the following emission factors have been used. For operating entities based in the EU, we used Tier 1 emission factors from the EMEP/EEA Air Pollutant Emission Inventory Guidebook 2023. For the entity based in the United Kingdom, we used the Government GHG Conversion Factors for Company Reporting 2023. Fuel density information was obtained from the European Environment Agency, and a GWP rate of 273 for N_2O was applied based on the IPCC AR6 report. The Scope 1 emissions calculation included CO_2 and N_2O.
For Scope 2 emissions, we used electricity supplier data—specifically, certificates for renewable energy and guarantees of origin (market-based method)—and available emission factors (location-based method). Scope 2 emissions included CO_2, CH_4 and N_2O. GWP values were taken from the IPCC AR6 report, and the emission factors used were as follows:

- for operating entities in Croatia, Germany and Bosnia and Herzegovina, we used 2024 data from the relevant national electricity distributors;
- for entities in Slovenia, Romania, the United Kingdom, Hungary, Slovakia and Bulgaria, we used 2024 data from Nowtricity;
- for entities in Serbia, the residual mix was applied; and finally, for entities in Turkey, we used 2024 emission factors from Carbon Footprint.

Mplus Georgia was unable to collect energy consumption data required for the GHG emissions calculation. As the company operates from small office spaces with a limited number of employees, it was considered immaterial in terms of the Group's total greenhouse gas emissions.

Scope 3 emissions were not calculated across all 15 categories. Instead, we focused on the category of business travel, as we assessed air travel to have the most significant Scope 3 impact. We use the independent flight tracking tool Atmosfair for this calculation. Only CO_2 was considered in this estimate.

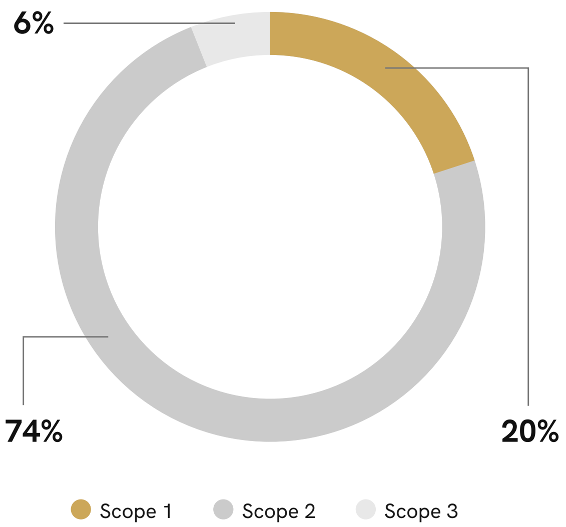
Regarding other categories, employee commuting could potentially be material due to the number of employees, but most of our workforce follows hybrid work models, so this category was not analyzed. Other categories are largely not applicable to the Group's previous business model; however, with the acquisition of the Panvita Group, their relevance is increasing, and we intend to carry out a comprehensive Scope 3 emissions calculation in the upcoming period.

Greenhouse gas emissions in 2024

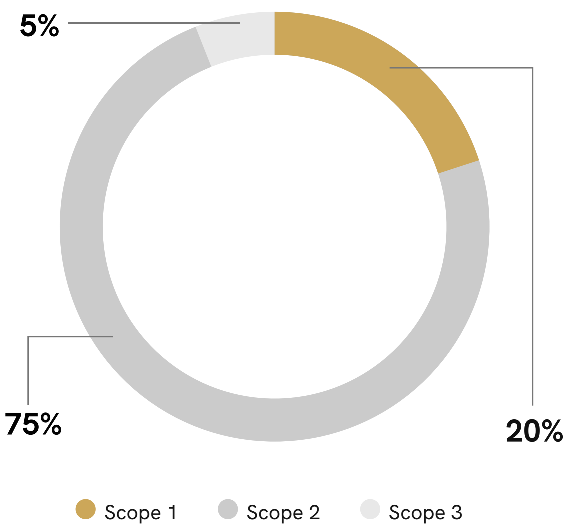
The table below presents the Group's total greenhouse gas emissions for 2024.

		KEY MILESTONES AND TARGET TIMELINES	
	2024	2035	Percentage of target value
SCOPE 1 GHG EMISSIONS			
Scope 1 GHG emissions (tCO2eq.)	780.04		58.8% baseline 2021
Percentage of Scope 1 GHG emission from regulated trading emissions schemes	-	n/a	n/a
SCOPE 2 GHG EMISSIONS			
Location based Scope 2 GHG emissions (tCO2eq.)	2,931.00		58.8% baseline 2021
Market based Scope 2 GHG emissions (tCO2eq.)	2,914.93		58.8% baseline 2021
SIGNIFICANT SCOPE 3 GHG EMISSIONS			
Category: Business traveling	231.90	n/a	n/a
TOTAL GHG EMISSIONS			
Total GHG emissions (location based) (tCO2eq.)	**3,942.94**		
Total GHG emissions (market based) (tCO2eq.)	**3,926.87**		

TOTAL GHG EMISSIONS (MARKET BASED)
3,927 TCO2



TOTAL GHG EMISSIONS (LOCATION BASED)
3,943 TCO2

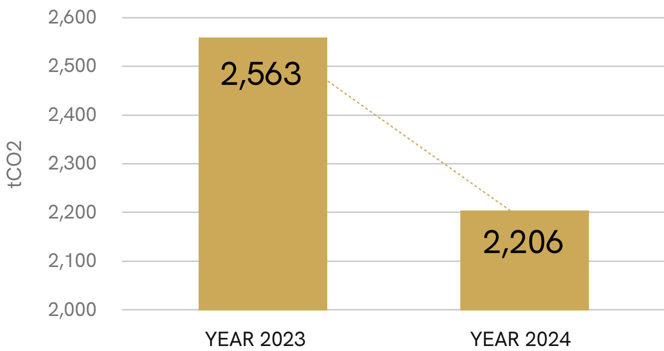


In 2024, the Group's total greenhouse gas emissions (market-based) increased by 1,364 tCO_2, or 53%. This increase was driven by the acquisition of the Panvita Group, whose agricultural operations are a significant source of emissions—particularly Scope 2 emissions, as explained below.

Panvita Group's emissions have been included in the calculation from the point of control acquisition, i.e., from the beginning of November 2024. In 2025, once sufficient and reliable data on total consumption becomes available, a recalculation of full-year emissions will be carried out, and the impact of the Panvita Group is expected to be even greater.

However, when excluding the impact of the Panvita Group on 2024 emissions, the Group's total greenhouse gas emissions (market-based) decreased compared to the previous year, as presented below:

TOTAL GHG EMISSIONS
(WITHOUT PANVITA GROUP)

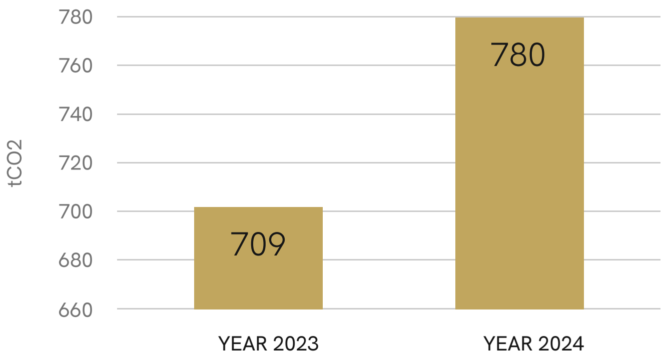


Excluding the impact of the Panvita Group acquisition, total emissions decreased by 14% compared to 2023.

Further details on each scope of greenhouse gas emissions (market-based) are provided in the following text and charts, both with and without the impact of Panvita, in order to ensure data comparability.

Scope 1 emissions

SCOPE 1 GHG EMISSIONS

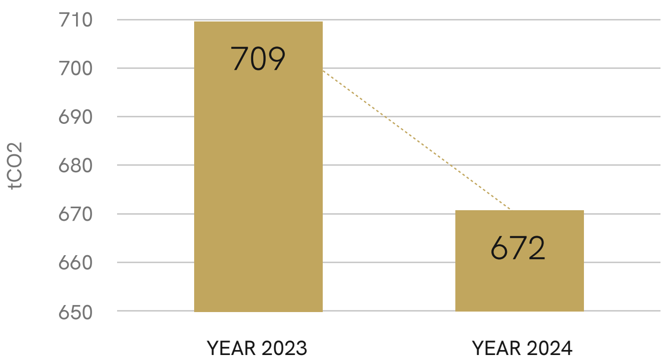


Scope 1 emissions amounted to 780 tCO_2 in 2024 and 709 tCO_2 in 2023.

As shown in the chart above, total Scope 1 emissions increased by 10% compared to the previous year. This increase is the result of the following: increased petrol fuel consumption and higher diesel fuel consumption due to the acquisition of the Panvita Group, while diesel consumption in other Group entities decreased significantly. Given that petrol accounted for approximately 55% of total fuel consumption, the increase in its use had a proportionally greater impact on overall emissions.

For the purposes of calculating Scope 1 emissions, we applied the assumption that all hybrid vehicles are treated as petrol-powered vehicles.

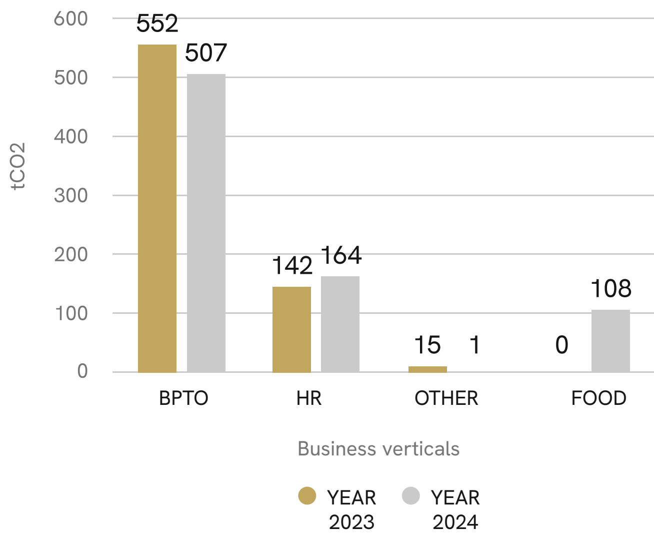
SCOPE 1 GHG EMISSIONS (WITHOUT PANVITA GROUP)



When excluding the increase in emissions resulting from the acquisition of the Panvita Group in 2024, Scope 1 emissions show a decrease of 5%.

The trend of Scope 1 emissions by business vertical is presented below.

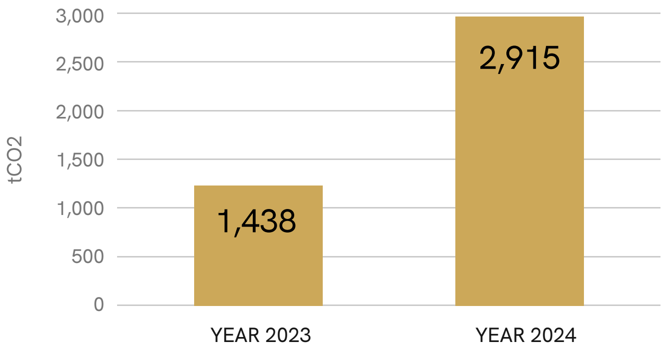
SCOPE 1 GHG EMISSIONS



Scope 2 emissions

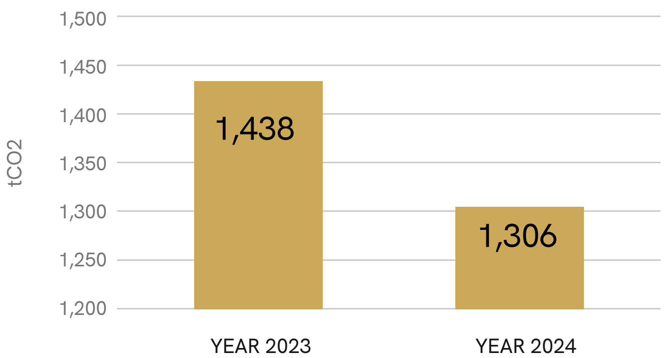
Market-based Scope 2 emissions for 2024 amounted to 2,915 tCO_2 and represent the majority of the Group's total greenhouse gas emissions (74%). In 2024, Scope 2 emissions increased by 1,477 tCO_2 compared to the previous year.

SCOPE 2 GHG EMISSIONS



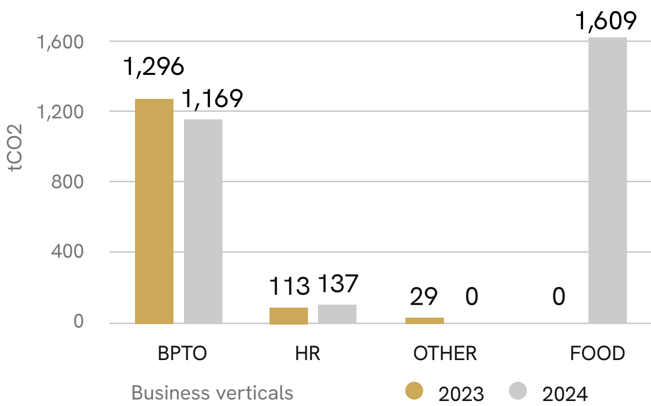
The significant increase in emissions was primarily due to the acquisition of the Panvita Group, whose emissions—given that agriculture is an energy-intensive sector—have a substantial impact. To provide a clearer understanding of the trend between the two periods, the following section presents emissions excluding the impact of the Panvita Group, as well as an overview of emissions by business vertical.

SCOPE 2 GHG (WITHOUT PANVITA GROUP)



As shown in the previous overview, after excluding the impact of the Panvita Group, Scope 2 emissions decreased by 10% in 2024, as a result of ongoing efforts to source energy as much as possible from renewable sources. The reduction in Scope 2 emissions was primarily driven by the use of renewable electricity by Mplus Türkiye. In 2024, Mplus Türkiye's total electricity consumption amounted to 4,384 MWh, of which 4,000 MWh was sourced from renewable energy. In line with the Group's energy efficiency objectives, the decision to purchase renewable electricity certified with guarantees of origin was made to ensure that electricity is sourced from zero-emission renewable sources, thereby reducing our market-based Scope 2 emissions. A total of 30% of Scope 2 emissions are associated with the purchase of electricity from renewable sources for which we have obtained guarantees of origin (the instruments were contracted in 2024 in Turkey, Germany, and Croatia[10]). Additionally, 63% of the consumed electricity is generated from renewable sources, and when excluding the impact of the acquired Panvita Group, this figure rises to 78%.

SCOPE 2 GHG EMISSIONS



When analysing changes in Scope 2 emissions by business vertical, it becomes evident that, since its acquisition, the Food vertical has exceeded the annual electricity consumption of all other verticals combined.

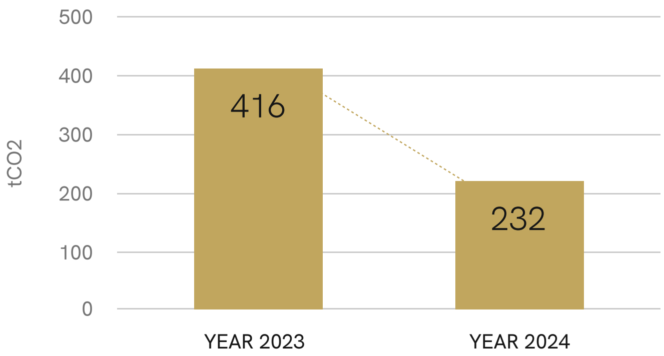
In the context of Scope 2 emissions calculation, the most recent country-specific emission factors were used to convert energy consumption into CO_2 equivalents in the countries where the Group operates. Additionally, when calculating Scope 2 emissions from heating for Mplus Germany, certain estimates were applied based on the floor area and consumption patterns of buildings with similar characteristics in comparable locations.

[10] *Turkey: I-REC certificates for renewable energy for all locations; Germany: TÜV NORD CERT GmbH certificate; Croatia: HEP ZelEn certificate.*

Scope 3 emissions

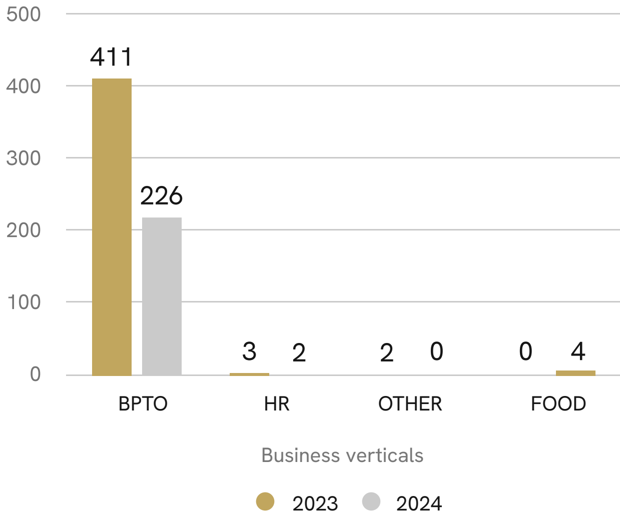
In 2024, there was a significant reduction in Scope 3 emissions from the category of business air travel, amounting to 232 tCO_2 compared to 416 tCO_2 in the previous year.

SCOPE 3 GHG EMISSIONS
(CATEGORY: BUSINESS TRAVELING)



The acquisition of the Panvita Group companies has not yet had a material impact on the calculation of Scope 3 emissions, as we have not yet completed the calculation for all relevant categories. Scope 3 emissions generated by business vertical are presented as follows:

SCOPE 3 GHG EMISSIONS
(CATEGORY: BUSINESS TRAVELING)



The greatest impact on these emissions comes from the BPTO vertical, with a significant reduction resulting from decreased air travel for business purposes in Mplus Türkiye and Mplus Serbia. On the other hand, the largest increase in emissions was generated by Mplus Croatia and Mplus Germany, due to reorganization processes and their active involvement in Mplus DCEE, the cluster in which both companies operate.

This 44% reduction in emissions aligns with our ongoing efforts to reduce the number of flights and promote alternative travel and communication options.

Greenhouse gas intensity based on net revenue

The Group's net revenue amounted to EUR 371,653 thousand, as disclosed in Note 5 to the consolidated financial statements.

The greenhouse gas intensity was calculated as the ratio of total greenhouse gas emissions to the Group's net revenue and is as follows:

GHG INTESITY PER NET VALUE	2024
Total GHG emissions (location based) per net revenue (tCO2eq/th.EUR)	0.011
Total GHG emissions (market based) per net revenue (tCO2eq/th.EUR)	0.011

4.2.6 Expected financial effects of material physical and transition Risks, and potential climate-related opportunities

To date, the Group has not analyzed the financial effects related to climate change risks. In general, due to the low share of owned assets (two properties in Croatia), the Group had limited exposure to such risks prior to the acquisition of the Panvita Group. Given Panvita's assets and operations (Slovenia, primarily agricultural land), and in light of the climate risk assessment conducted using the Climatig tool, we will carry out an evaluation of potential future costs (e.g. damage remediation, loss of profit) in the event of physical climate risks materializing.

These assessments will primarily focus on physical risks, as outlined above, transition risks have not yet been analyzed, and no climate-related opportunities were identified in the double materiality assessment.

4.3. Social information

4.3.1. Introduction

The aspects of our operations related to social factors include our own workforce, as well as our clients, customers and the local communities in which we operate. An overview of the material impacts, risks and opportunities is presented in the chapter *4.1.6.4. Material impacts, risks and opportunities and their interaction with the strategy and business model*, while the following section provides detailed information and specific data related to those impacts, risks and opportunities. Employee-related data also includes information for the Panvita Group.

4.3.2. Managing material impacts, risks and opportunities connected to Bosqar employees, local community and end-users

Significant impacts, risks, and opportunities regarding the Group's own workforce encompass all employees (including the Panvita Group), while those related to the local community, clients, and users include all individuals on whom we may have significant impacts (as further detailed in the relevant thematic disclosures).

In conducting our materiality assessment, we were guided by the understanding that our employees are essential to our operations and business performance. To confirm the relevance of individual subtopics, we further analyzed them from both a business perspective and external sources, such as regulations, best practices, standards and broader industry trends. This approach confirmed our preliminary conclusion regarding the importance of all topics. However, with reference to the ESRS list of topics (AR 16), impacts, risks and opportunities were not identified with regard to relations with persons with disabilities, child and forced labor, and adequate housing.

Since the Group is still in the process of developing a transition plan, no impacts on the workforce have been identified that would result from related activities.

Regarding the local community and clients, we primarily aimed to determine the impacts we (potentially) have on these groups in order to compare this information with existing knowledge. The local community, in terms of identified IROs, refers to communities in less developed regions of Turkey. Only positive impacts have been identified, and details are described in the chapter *4.3.5. Community engagement*. Clients and customers as a category form the final group, and the disclosures in this report include all of our direct clients and customers/users of our services.

Engagement with employees and their representatives about impacts

Chapter *4.1.4.2. Engagement with stakeholders* emphasizes that the Group regularly conducts employee satisfaction surveys. Some surveys are conducted continuously throughout the year, while others are adapted to specific circumstances or challenges that arise during the year.

Surveys are an important tool for direct communication with the workforce, allowing the Group to continuously monitor their needs, attitudes and satisfaction levels. By conducting regular surveys throughout the year, the Group ensures that feedback is consistent, while customised surveys provide flexibility to address specific circumstances. These surveys are prepared by the HR department in collaboration with the management. The results are systematically analyzed and integrated into the Company's strategies and initiatives to ensure their relevance and effectiveness in improving the working environment.

The surveys are prepared by the HR department on the group level, using a single methodology and form for all Mplus countries/companies. In 2024, we have improved the process by enhancing the questionnaire and methodology (enriched with new areas and engagement factors) and with an external service provider, providing a more advanced IT solution, real-time survey results and anonymized overviews of the results for all management.

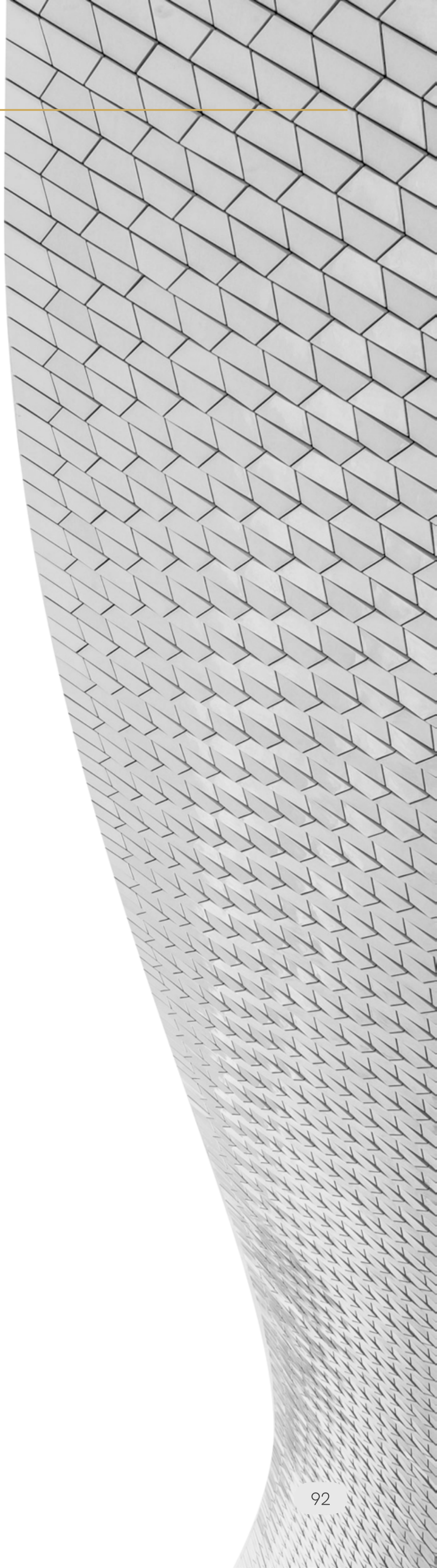
During the year, we also conduct an exit survey – a survey that employees complete when they leave the Company, which we also use to develop targeted action plans. In addition to the surveys mentioned above, we also regularly conduct satisfaction surveys at the request of clients on specific projects and often participate in other scientific research and invite our employees to provide their responses if they wish.

In 2024, we also conducted an external survey in five countries with our candidates from the candidate database to better understand their expectations in terms of benefits and flexible working conditions. The survey was conducted together with Manpower Croatia and presented at the largest regional conference in the field of human resources – HR.weekend.

Remediation of negative impacts and channels for employees to raise concerns

Whistleblowing channel

Issues relating to the reporting of irregularities, corruption, illegal activities or breaches of regulations within the Company cannot be reported via the complaints channel. These issues are covered by the whistleblowing channel for reporting irregularities,and more detailed description of this group reporting system for irregularities can be found in chapter *4.1.7.1. Corporate culture and business conduct*.



Grievance channel

For employee complaints about violations of workplace policies, contract terms, workplace harassment or other matters serious enough to file a formal complaint, an employee grievance channel has been established for the BPTO vertical and can be accessed via the *Mplus website*. The aim of these global guidelines is to define the processes and procedures for submitting formal grievances related to the workplace, work tasks or disagreements between employees. The policies clearly define the scope and meaning of grievances and detail the process for reporting, resolving and closing grievances to ensure fairness and consistency in their resolution. These policies apply to the entire BPTO vertical (the implementation for Geomant Group is ongoing), and ensure a consistent approach to grievance resolution across all locations. An employee may submit a formal grievance by completing a form through the grievance channel, following the instructions outlined in the written grievance submission guide. Through the grievance channel, the employee can contact a trusted person, provide evidence and engage in a dialog with a trusted person to resolve the complaint. Each step of the process has been carefully designed to protect the confidentiality of employees and third parties named in the complaint, while completely eliminating the possibility of unauthorized access to information. The grievance channel was recently launched, and internal promotional activities are ongoing, including its integration into the onboarding process on the digital platform. Given its recent introduction, it is not yet possible to accurately assess the channel's effectiveness or conduct a comprehensive user satisfaction analysis. Considering the current implementation phase we plan to continue monitoring and evaluating the channel's effectiveness, including gathering employee feedback to ensure continuous improvement.

In the event of legal irregularities in the submission of a formal complaint, the whistleblower (employee) submits the complaint confidentially via the form and all whistleblowers who submit a complaint are protected by law. The channel for reporting such forms of irregularities is available via the following link: *Mplus Grievance Link*.

Only employees who are authorized by the employer to deal with such complaints have access to complaints and reports. When dealing with complaints, the laws applicable in the respective country are observed and the deadlines prescribed by law are complied with as well as internal policies.

In addition to this channel, the Group also uses other available mechanisms such as local rules of conduct and the support of the Human Resources Department (HR) and the Data Protection Officer (DPO) in all countries in which it operates. Employees can submit their complaints through the aforementioned channels and the relevant departments within the Group will handle their resolution.

Taking action on material impacts on employees, risk mitigation measures and pursuing opportunities

In order to take action on the material impacts on its own workforce, address the management of material risks and realize material opportunities in relation to its own workforce, the first step is to conduct the employee engagement survey. After analyzing the survey results, detailed action plans are developed that are adapted to the specifics of each country, while global action plans are developed to ensure compliance and a comprehensive approach to workforce development at all levels of the Company. The implementation of plans depends on the specific activity, and since the plans are carried out by the human resources teams as part of their regular duties, no specific funds have been allocated for their execution. In 2024, we aligned the employee engagement system at the BPTO and HR vertical levels. As a result of the survey at the BPTO vertical level, we:

- provided access to the e-learning platform (Enocta) for over 8,000 employees;
- increased training hours within the Mplus Academy Front Line Leaders Program;
- involved 90 participants in the Agent Career Development Center pilot project;
- included 60 participants in the Mplus Mentoring Program;
- provided 600 hours of training on artificial intelligence;
- introduced new benefits for employees.

Significant impacts on our own workforce include working conditions, equal treatment and equal opportunities for all and the right to privacy. Material risks in turn relate to working conditions and labor shortages, and the material opportunity identified in relation to our own workforce relates to the professional development of our employees. They are listed and described in chapter *4.1.6.4. Material impacts, risks and opportunities and their interaction with the strategy and business model*.

The Group has taken a number of measures to prevent and mitigate negative effects on its own workforce. These include the introduction and maintenance of a work from home (WFH) model, which has continued to be implemented even after the COVID pandemic. This model has shown positive results, as the majority of employees in countries such as Turkey, Slovenia, Germany, Serbia and Bosnia and Herzegovina have continued to work from home, which has increased employee satisfaction. In addition, the subsidiary in Germany conducted a survey on employee mental health, which led to the implementation of an action plan that included the purchase of more than 150 new work chairs and furniture for colleagues with disabilities, which has improved the working environment. The introduction of flexible working arrangements and benefits such as health and family benefits has also had a positive impact on employee satisfaction. The Group has also ensured compliance with data protection and security regulations, ensuring the protection of employees' and applicants' personal data, which has also helped to create a positive working environment.

In light of these measures, the company regularly monitors and evaluates their effectiveness through various initiatives and surveys to ensure that employee satisfaction and long-term engagement targets are met.

We already have some framework targets at Group level, the regions are working on specific measures by country and then on the results of the engagement survey.

Work-life balance: since there is higher engagement in remote work staff, we are reviewing more remote options for staff with WoCos in Germany

Learning & Development in tech companies is below company average so actions will be taken to introduce more learning opportunities for tech staff

Communication is rated higher among newjoiners vs tenured staff so we will have more communication messages to employees who have been with us longer

We continue to improve in the area of benefits and career opportunities.

Among the negative impacts on the own workforce, situations that require additional attention and improvement stand out. A potential negative impact can arise when other factors lead to the need to work from home for longer than the usual 5 days per month, which can affect employee satisfaction. In Mplus Germany, a partial negative impact was identified in relation to outdated equipment, which was remedied by replacing it. A real negative impact remains in the practices related to working time management, particularly if employees are not given sufficient advance notice of their schedule compared to competitors' practices. Potential negative impacts may also occur in the case of restrictions on employee benefits and rights, as well as incidents related to the privacy of applicant and employee data.

For the above impacts, the Group has not set measurable, time-bound targets that focus on outcomes for material sustainability factors.

Currently, the only defined workforce targets are linked to the results of employee engagement surveys, with clearly defined quotas that we aim to achieve. The expected rate of increase in overall employee satisfaction in the BPTO within GCEE (GCEE - Germany Central Eastern Europe) vertical is 5%. The directors of the companies within the BPTO business vertical have set one of the targets in their target letters as improving and increasing employee satisfaction compared to the previous year's results for the company they manage. As a group, our goal is to be above the industry and market benchmark, and we pursue this goal by comparing the results of the satisfaction survey with the previous year's results. To achieve this goal, we organize a number of activities throughout the year at local and Group level that are directly related to the factors we measure through the satisfaction survey, and thus we influence (through these activities) the improvement and improvement of the results.

An additional positive impact is achieved in terms of diversity, with an emphasis on gender diversity. In this regard, we have set the only formal goal from a social perspective of the business – related to increasing the number of women in management teams, as already described in Chapter 4.1.5. Sustainability-linked bond.

As for other areas with potential, we do not currently have defined targets for employee grievances, such as the number of grievances or the time taken to resolve them, as these processes have only recently been introduced, and we do not yet have sufficient historical data. Certain categories of complaints, such as workplace harassment or discrimination, are aligned with local laws and according to them, deadlines are defined in which the reported case should be initiated or resolved. In the coming periods, we will seek to expand the targets to further improve workforce impact management and increase transparency.

4.3.3. Employees

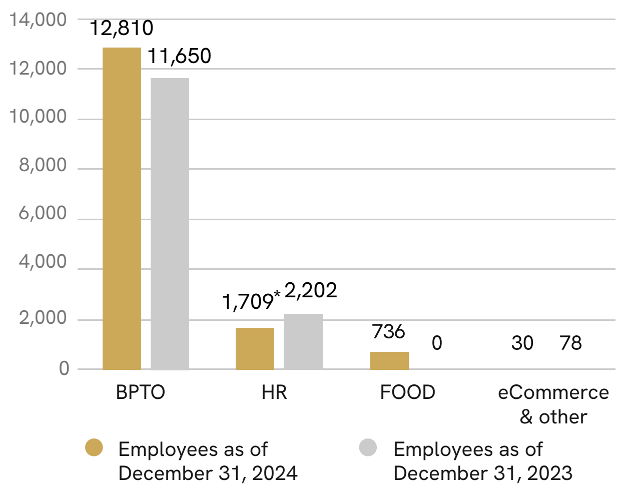
4.3.3.1. BOSQAR INVEST employees and their characteristics

According to BOSQAR INVEST's methodology, the number of employees is reported based on individuals fulfilling their contracted working hours, including both full-time and part-time employees, excluding those classified as long-term absentees (legal definition) as at the last day of the reporting period.

The total number of employees in the BOSQAR INVEST group at the end of the reporting period was 15,285** (2023: 13,930), with women accounting for 69% (2023: 66%) and men 31% (2023: 34%).

The BPTO vertical employed a total of 12,810 people, representing 83.8% of the Group's total workforce. The HR vertical employed 1,709 people (11.20%), the Food vertical employed 736 people (4.8%), while other companies operating in different industries employ 30 people, which accounts for 0.2% of the total number of employees.

EMPLOYEE STRUCTURE AS OF DECEMBER 31, 2024, AND DECEMBER 31, 2023, BY VERTICALS



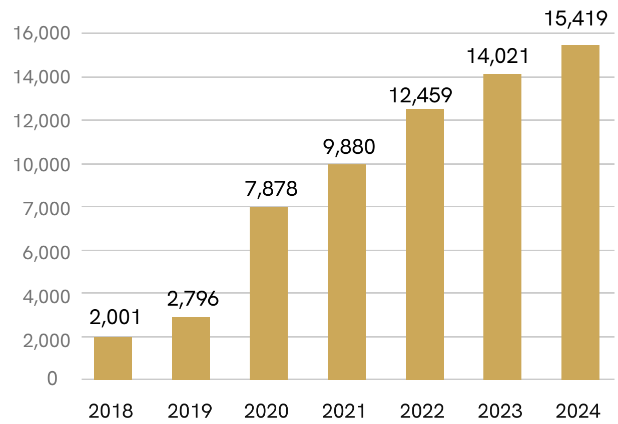
* the decrase is due to change in contract conditions
** the number 15,285 represents the total number of employees with guaranteed working hours.

Number of employees in 2024 (including 134 employees on zero-hour contracts)

	Number of employees	Percentage
Male	4,771	30.94%
Female	10,646	69.05%
Other	2	0.01%
TOTAL	**15,419**	**100%**

The table below shows that the Group has continued its growth trend over the years, while maintaining high-quality customer service and a positive working environment for its employees.

NUMBER OF EMPLOYEE 2018 - 2024



In 2024, the Group had 13,319 employees on permanent contracts (2023: 11,275), including 9,449 women (2023: 7,671) and 3,866 men (2023: 3,604). In 2024, the Group also had a total of 1,966 employees on fixed-term contracts (2023: 2,655), including 1,096 women (2023: 1,573) and 870 men (2023: 1,082). Due to the nature of the business, a significant number of employees (agents) have temporary contracts, as the demand for customer service agents fluctuates across different periods of the year. The smallest group of employees are those on zero-hour contracts—134 in total (2023: 91), including 101 women (2023: 68) and 33 men (2023: 23).

The total number of employees by contract type—covering permanent, fixed-term, temporary and zero-hour contracts—is presented below, broken down by gender.

Information on employees by contact type, broken down by gender (head count) as of December 31, 2024			
Female	**Male**	**Other**	**Total**
Number of employees			
10,545	4,738	2	**15,285**
Number of permanent employees			
9,449	3,868	2	**13,319**
Number of temporary employees			
1,096	870	0	**1,966**
Number of full time (head count)			
101	33	0	**134**
Number of full time (head count)			
9,921	4,487	1	**14,409**
Number of part-time employees			
624	251	1	**876**

The total number of employees by contract type—including permanent, fixed-term, temporary, and zero-hour contracts—is presented below, broken down by region, i.e. by the country in which we operate.

Information on employees by contract type, broken down by region (head count) as of December 31, 2024							
Croatia	Bosnia and Herzegovina	Slovenia	Serbia	Turkey	Germany	Other[11]	Total
Number of employees							
546	642	913	2,689	8,845	987	663	**15,285**
Number of permanent employees							
437	390	741	1,484	8,845	987	435	**13,319**
Number of temporary employees							
109	252	172	1,205	0	0	228	**1,966**
Number of full time (head count)							
81	0	33	8	0	0	12	**134**
Number of full time (head count)							
484	621	887	2,619	8,736	441	621	**14,409**
Number of part-time employees							
62	21	26	70	109	546	42	**876**

[11] Per ESRS S1, point 50(a), companies are required to disclose the total number of employees, with a breakdown by gender and by country for those countries in which the company employs 50 or more individuals, provided that these countries together represent less than 10% of BOSQAR Group's total workforce. Within the Other category, we have grouped employees representing less than 5% of total staff. This includes employees based in the following countries: Hungary, the UK, the USA, Romania, Slovakia, Switzerland, Georgia, Bulgaria, Latvia, Cyprus, Spain, North Macedonia, Kosovo and the Netherlands.

Based on internal records and employment contracts, we have established that there are no non-employee workers within our own workforce. Additionally, we do not engage self-employed individuals or workers provided by companies in the employment activities sector (NACE 78).

All workers are employed under appropriate contracts in accordance with applicable legislation and the Company's internal policies.

Representation of nationalities among key foreign personnel in 2024

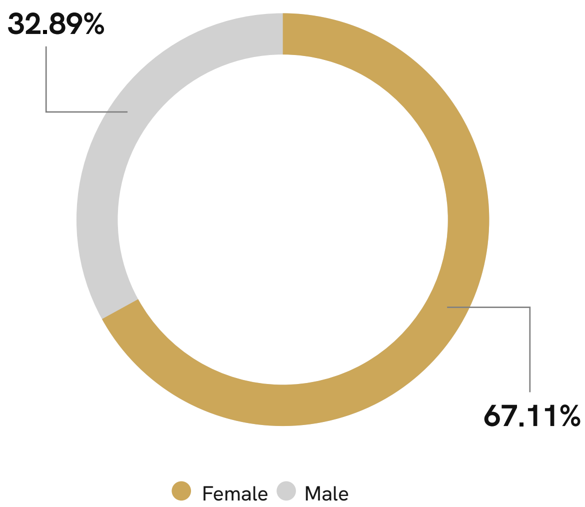
Wherever we establish operations, we strive to contribute to local community development by hiring local talent. At the Group, we believe that diversity among employees enriches our organization by bringing in new skills and perspectives. This directly supports one of the key pillars of our corporate culture – think big and approach innovative ideas with courage.

Talent attraction

As a Group, our goal is to establish a comfortable and inclusive working environment where our people feel supported throughout their employment. Accordingly, we help our employees reach their full potential by offering on-the-job training and career development programmes, enabling them to enhance existing skills or acquire new ones. BOSQAR INVEST aims to be a quality employer that attracts and retains top talent in the market.

In 2024, we hired 11,336 employees, including 7,608 women and 3,728 men. The majority of new hires were women (67.11%), and the most represented age group among new hires was employees under the age of 30 (77.38%).

NEWLY EMPLOYED BY GENDER IN 2024



Total number and Hiring rate by gender

	Number	Percentage
Male	3,728	32.89%
Female	7,608	67.11%

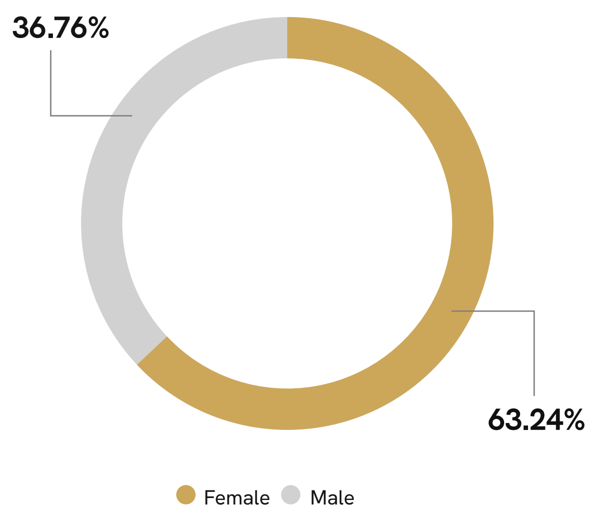
The Group faces the risk of workforce loss in key business areas, particularly in contact centers—which are labor-intensive by nature – and in the HR business vertical, where employee departures have a direct impact on business processes. To mitigate these risks, the Group focuses on employee well-being and applies a business model based on diversification as one of its core principles.

The total number of employees who left the Group during the reporting period includes all departures, regardless of reason – voluntary, involuntary, or other. In 2024, a total of 9,981 employees left the Group and employee turnover rate for the reporting period was

68%. The number of employees who left by gender is shown in the table below. Given the service-oriented nature of the business and its dependence on demand, many employees hold temporary contracts, which makes such a high turnover rate not uncommon.

All employee data was collected based on information provided by Human Resources representatives for the various business verticals within the Group, and are reported by headcount rather than full-time equivalent (FTE). All figures were collected as at the reporting date (December 31, 2024) and represent a reliable reflection of the actual situation as at that date.

EMPLOYEE TURNOVER BY GENDER DURING THE YEAR 2024



	Number	Percentage
Male	3,669	36.76%
Female	6,312	63.24%

4.3.3.2. Diversity of our work force

Our Group supports and promotes gender equality in the workplace, which is one of the primary objectives of our ESG strategy and a KPI defined by the sustainability-linked bond. We have a policy dedicated to gender equality, inclusiveness and work-life balance, which, among other things, serves to familiarize new employees with the values that shape our corporate culture.

In 2022, we set a target—as part of the sustainability-linked bond—to achieve 51% representation of women in our management teams by 2030. Further details on our progress in meeting our gender equality KPI are provided in the chapter *4.1.5. Sustainability-Linked Bond*.

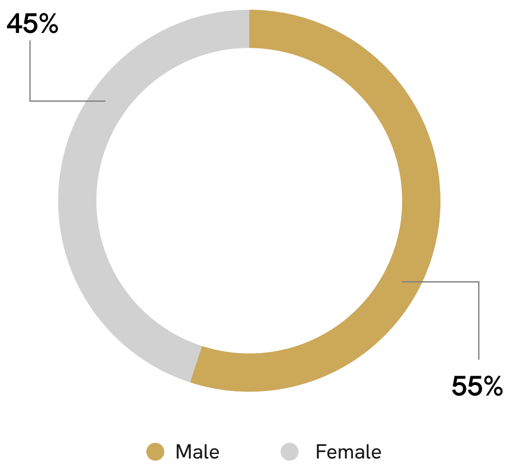
Of all employed women, 45% hold positions at the highest management level. Our definition of the highest management level includes managers with direct reports, such as department heads, executive directors, as well as regional and senior managers.

The definition of management teams is established in the Prospectus for the sustainability-linked bond and has been used for the calculation of the bond's performance indicators. According to this definition, management teams consist of: members of the management board or executive directors, members of supervisory boards or boards of directors, heads of organizational units within the Company and its subsidiaries, and team leaders (i.e., team leaders in call centers who supervise and monitor a group of call center employees. The responsibilities and duties of a call center team leader include ensuring that team goals are met, conducting performance evaluations for each team member, providing training, and giving feedback to team members).

For an overview of the representation of women in management teams, see chapter 4.1.5. Sustainability-linked bond.

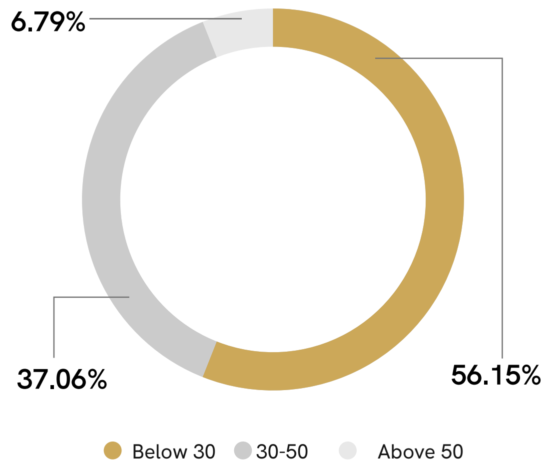
Gender ratio at the highest executive levels

	Number	Percentage
Male	101	55%
Female	83	45%



Information on employee distribution per age group December 31, 2024

	Number	Percentage
Below 30	8,583	55.15%
30-50	5,665	37.06%
Above 50	1,037	6.79%



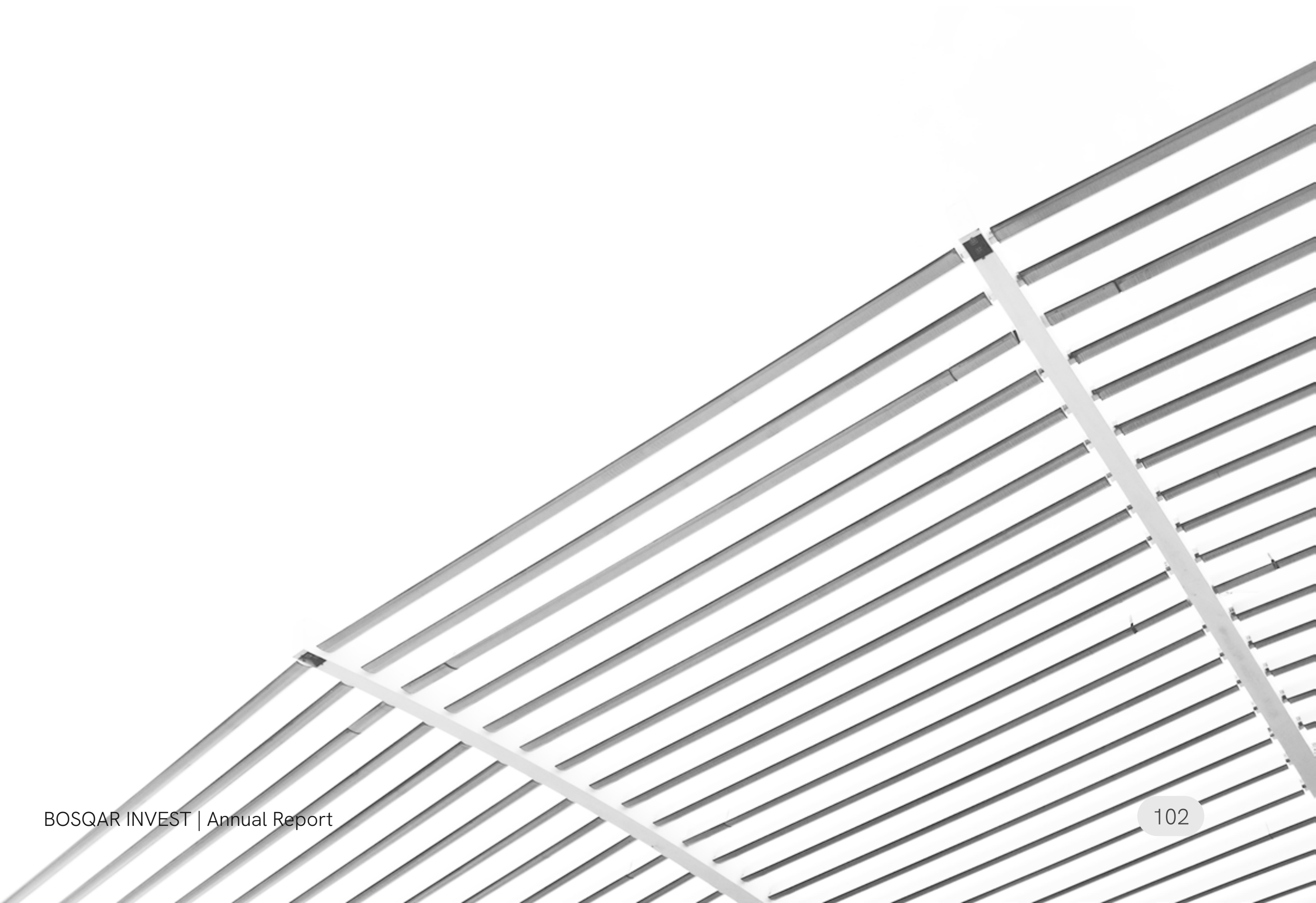
The Group has achieved success in its efforts to create a diverse and inclusive working environment, particularly with regard to the age structure of its workforce, and continues to be an attractive employer for young people. The distribution of employees by age group within the Group is presented below. The most represented age group is under 30, accounting for 56.15% of the total workforce.

4.3.3.3. Compensation and wages

The Group is building a culture of fairness and enhancing overall productivity by reducing pay gaps. It also offers its employees fair wages, healthcare, and other benefits, which help attract and retain exceptional individuals. We comply with all minimum wage standards and labor law requirements in every country in which we operate, namely all of our employees receive fair compensation in line with reference values (both within and outside the EEA).

The Group discloses the gender pay gap, defined as the difference in average pay grades. This gap is expressed as a percentage of the average pay grade of male employees. For the reporting period, the pay gap amounts to 12.95% in favor of men. Qualifications, performance, skills and experience are the sole factors considered in recruitment, salary levels and career advancement.

The difference in the ratio primarily stems from the organisation’s pay structure, where management positions receive higher annual compensation due to additional responsibilities, bonuses and specialised skills. These factors naturally influence a higher ratio, which remains in line with market practice and reflects the strategic role of management. Average hourly wage data were collected for all 85 companies, including the average hourly wage of both men and women. We then calculated company-level averages and included them in a weighted average, taking into account the share of each vertical in the total BOSQAR Invest workforce.



4.3.3.4. Social protection

In line with our steady growth and talent attraction efforts, we have secured a wide range of benefits for our employees, while simultaneously ensuring the rights provided by applicable regulations. The types of benefits vary across countries and subsidiaries due to local specificities and regulatory frameworks. Most entities provide healthcare benefits, such as statutory health insurance coverage or additional and voluntary health plans, pension provisions, transport allowances, and financial assistance in the event of accidents, illness, or the death of a close family member.

As a global organization committed to a socially responsible workplace, we place strong focus on parenthood and child-related benefits. Key areas covered by this initiative include paid leave to support employees in their parenting roles; child-related activities (such as office events, donations, volunteering); health and mental wellbeing support; various discounts, and more. The Group supports parental leave for all eligible employees, assisting them in both preparing for leave and returning to work. Applicable national laws regulate the availability of paternity leave, but all male employees in the Group who are eligible and willing to take it are encouraged to do so, in line with our Equality, Diversity, Gender Balance and Work-Life Balance Policy. This benefit is implemented in accordance with the local regulatory frameworks applicable to the Group's subsidiaries.

The above measures related to social protection regarding income loss (life, health, and pension insurance, parental leave, and coverage for disability and levels of disability, as well as workplace injuries) apply to all employees of the Group.

Examples of social protection and other employee benefits within the Group include:

- Life insurance
- Parental leave
- Health insurance
- Pension insurance
- Coverage for disability and degrees of disability, as well as work-related injuries
- Transport allowances
- End-of-year recognition awards for top-performing employees
- Financial assistance in case of accidents, illness, or the death of a close family member
- Other benefits

4.3.3.5. Collective bargaining and social dialogue

During the reporting period, the Group had collective agreements in place only within the Food vertical (Slovenia), which means that on Group level total of 4.5% employees are covered by collective agreements.

For employees not covered by collective agreements, working conditions and terms of employment are not determined based on the collective agreements applicable to employees within the Food vertical (where collective agreements have been concluded), nor on the basis of collective agreements of other companies.

4.3.3.6. Investing in our workforce through training and skills development

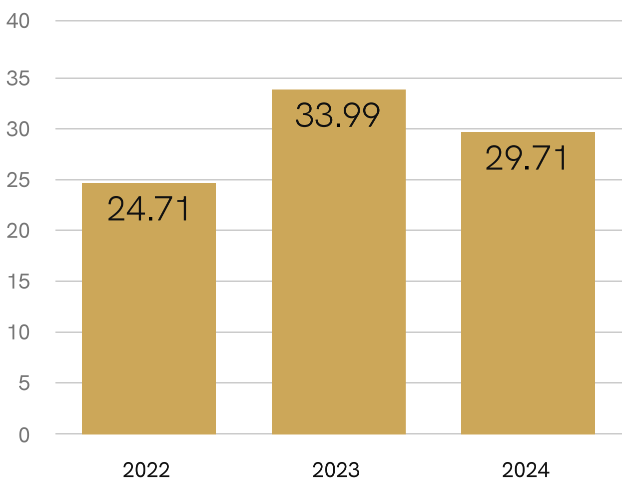
The Group continuously invests in the development of its employees, offering them opportunities to enhance their existing skills and acquire new ones through various training and educational programmes. Through our development-oriented culture, we focus on empowering employees at every stage of their professional journey.

To ensure the best possible experience for new employees and facilitate their smooth integration into our processes, we implement a carefully designed onboarding programme. This process includes initial training, on-the-job training, and career development programmes aimed at providing employees with the tools and support they need to reach their full potential. In doing so, we contribute to their professional growth and overall success within our organization.

The percentage of employees who participated in regular performance and professional development reviews during the reporting period was 12.33%, with women representing 52% and men 48% of participants.

The average number of training hours per employee during the reporting period was 29.71 hours, with women completing an average of 28.23 hours and men 31.18 hours.

AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE ANNUALLY



4.3.3.7. Health and safety measures

Within the Group, 100% of individuals from our own workforce are covered by a health and safety management system, established in accordance with legal requirements and recognised standards or guidelines. During the reporting period, the Group recorded no work-related fatalities due to injuries or illnesses. A total of 83 recordable work-related injuries occurred, resulting in an accident rate of 2.7%.

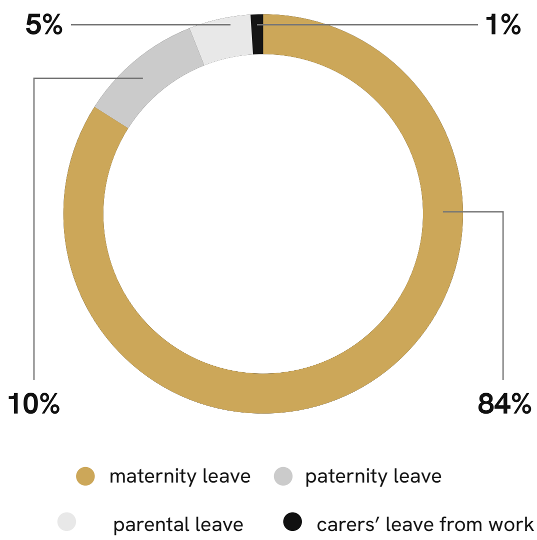
In addition, 6 work-related illness cases were recorded, subject to legal data collection restrictions. These cases involved bone fractures caused by falls. The total number of lost workdays due to sick-leaves amounted to 10,229 days.

These figures confirm the effectiveness of the health and safety management system that the Group consistently applies.

4.3.3.8. Work-life balance

All employees within the Group are entitled to family leave. In 2024, a total of 8% of employees took family leave, with men accounting for 11% and women 89% of that number.

USE OF FAMILY-RELATED LEAVE DURING THE YEAR 2024



4.3.3.9. Human rights

Human rights-related impacts

During the reporting period, the Group did not record any instances of discrimination, including harassment. No complaints were submitted through the Group's grievance mechanisms or through OECD National Contact Points for multinational enterprises regarding the issues defined in point 2 of ESRS S1 Own Workforce. Furthermore, there were no fines, sanctions or compensation payments resulting from incidents or complaints. All reported data was collected through the Group's internal systems and reflect an accurate status as of the end of the reporting period.

During the reporting period, the Group did not record any serious human rights violations related to its workforce, including breaches of the UN Guiding Principles, the ILO Declaration, or the OECD Guidelines for Multinational Enterprises. No financial penalties, sanctions or compensation payments were imposed in relation to such cases.

4.3.4. Relationship with our clients and end-users

As part of the topic Consumers and End-Users, the Group reports on its impact on clients and customers regarding data protection and privacy. The identified impacts are currently real and positive, as the Group invests significant efforts and resources in data security and privacy, and no incidents have been recorded to date. However, there remains a potential for negative impacts, which would primarily materialize through data breaches and/or theft and are associated with the risk of cyberattacks (as described in chapter *4.4. Governance information*).

4.3.4.1. Data security and privacy

The impact is reflected in compliance with regulations and the maintenance of data security for clients and customers. Conduct in accordance with applicable laws (e.g. GDPR) and industry standards (ISO), along with strict internal policies, contributes to data security and reliability in relationships with clients and customers.

To prevent any such incidents, particularly cyberattacks, which have been identified as a risk, we continuously invest in security mechanisms and cooperate with our own suppliers. Therefore, we have implemented internal procedures related to the security of personal data and ensure alignment with all regulatory and industry requirements (this is particularly emphasized in the BPTO vertical). Most subsidiaries hold the ISO 27001 Information Security, Cybersecurity and Privacy Protection certificate (for exact data, see the table in chapter *4.1.2. Memberships, certificates and awards*). The supplier assessment questionnaire also includes questions related to data security self-assessments and GDPR compliance. The questionnaire forms the basis for future cooperation and is a key control point when engaging with new suppliers.
These topics are also covered by internal

policies. They include the Information Security Policy, Cybersecurity Policy, Access Control Policy, Security Risk Management Policy, Security Incident Response Policy, Remote Access Security Policy, Security Audit Policy, IT System Security Rulebook, and the Rulebook on the Protection of Personal Data and Business Secrets. These policies (except for the Cybersecurity Policy and the Rulebook on the Protection of Personal Data and Business Secrets, which are adopted at the Group level and described in the chapter *4.1.7. Policies and sustainability-related activities*) have been adopted at the level of the BPTO vertical and are implemented across all entities, with their management and employees responsible for operational implementation. In addition to employees, the policies cover relationships with suppliers and third parties that could potentially impact risk realization, and therefore they are provided to and/or made known to them as necessary. The Information Security Policy is published on the BPTO vertical's website.
The content of the policies includes:

- Measures for the protection of Group assets, information, personal data, and privacy from all types of threats, whether internal or external, intentional or unintentional (Information Security Policy)

- Ensuring restricted access to information systems and resources only for authorized users, and defining the framework for managing access rights to ensure the confidentiality, integrity, and availability of data and systems (Access Control Policy, aligned with GDPR provisions, cybersecurity regulations, and ISO 27001 standard)

- The process for managing security risks and risk assessments, defining risk management strategies, framework, organization, and processes for setting common standards for identifying, assessing, managing, documenting, and reporting security risks that may affect BPTO's operations, with an emphasis on IT information and security risks (Security Risk Management Policy)

- Core principles and rules for dealing with incidents (failures, disruptions) and their causes (problems), as well as appropriate controls to ensure timely and effective responses to incidents and to protect the organization from dangers arising from security incidents, ensuring the organization resumes normal operations with minimal business impact as quickly as possible (Security Incident Response Policy)

- Access to the corporate network and the need to mitigate external risks associated with accessing other networks, as well as procedures that must be followed (Remote Access Security Policy)

- Requirements for monitoring security and logging access management processes, the process for collecting and verifying security access within the organization to identify events that could pose a risk or endanger people, processes, and technology (Security Audit Policy)

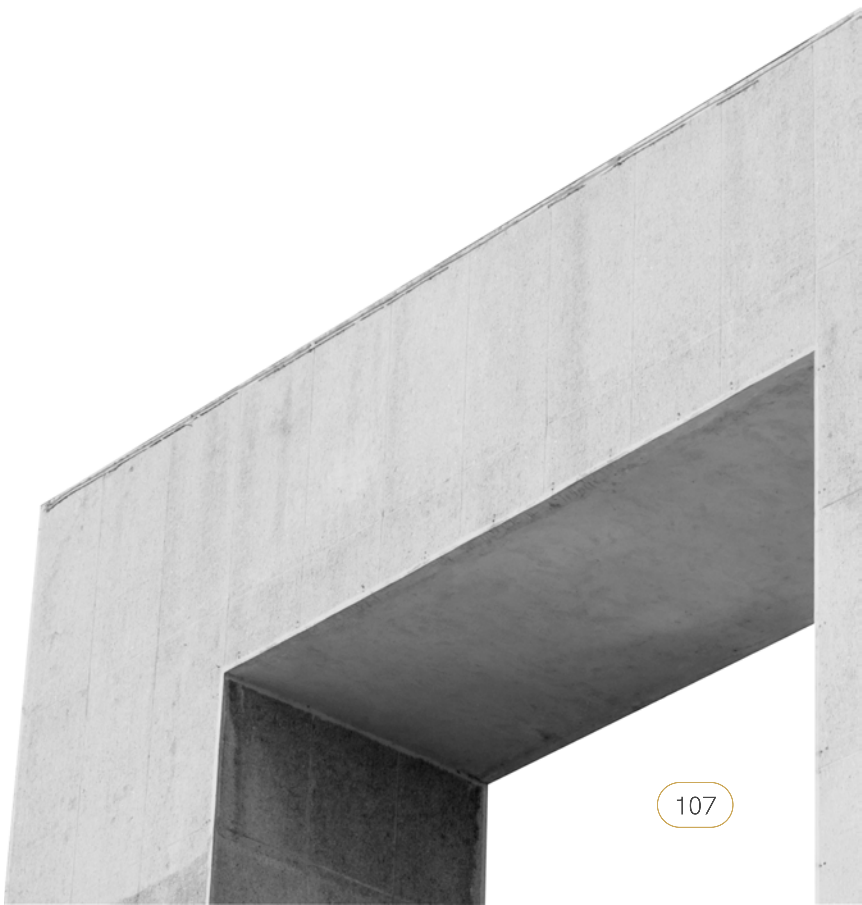
- Measures for protecting the organization's information and communication systems, especially the principles, methods, and procedures for achieving and maintaining an adequate level of system security, as well as the duties and responsibilities of users of IT resources (System Security Regulation)

As in previous periods, in 2024 there were no reports of violations of privacy rules or loss of client data. No complaints were filed by regulators (e.g. the Croatian Personal Data Protection Agency – AZOP), nor were there any reported cases of data breaches and/or theft involving client or end-user data. In short, no negative effects have been recorded.
The importance of these impacts is also

recognized by clients through the consultation process conducted as part of the double materiality assessment. Data protection was rated by data subjects as a highly important topic in their relationship with the Group, while privacy was perceived as very important by the majority. This information has been specifically collected for reporting purposes. However, in general, direct communication with clients takes place regularly (practices vary across companies) and as needed (e.g., for double materiality analysis), but at least once a year. Subsidiaries (primarily through functions responsible for communication and collaboration with clients) collect feedback on customer satisfaction with the services provided, and such feedback is used to guide business decisions related to data management and managing identified IRO aspects (although this has not been done with reference to IRO analysis, but rather as a regular part of business activities).

Currently, there are no formally developed objectives in this regard at the Group level, but technical activities and protective measures foreseen by policies and other internal acts are continuously implemented to ensure the prevention of incidents, i.e., the protection of data contained in ICT systems from unauthorized access, modification, use, and destruction. Activities are carried out at the level of each subsidiary and vertical, and we are generally focused on compliance with the ISO 27001 standard and regulations in this area throughout the organization, but without set deadlines.

In the event of any concerns or similar issues, clients and customers can directly contact us or do so via the whistleblowing platform, as detailed in section *4.4.3.2. Mechanism for reporting irregularities*. Clients of the BPTO vertical are also able to submit complaints, which may also relate to data security and privacy. The receipt, processing, and general handling of complaints is regulated in accordance with the Complaints Handling Policy (published on the vertical's website), which is based on the ISO 10002 standard.



4.3.5. Community engagement

The Group is committed to sustainable community engagement through a range of activities, including volunteering, donations and sponsorships which are listed and described in appendix *4.5.3. Donations and volunteering* in this report. However, during the double materiality assessment, we also identified an additional positive impact that Mplus Türkiye has on the local community in less developed regions of Türkiye.

This specific impact is reflected in the practice of opening new offices and employing people in less developed regions, thereby contributing to lower unemployment rates, economic development, and overall support for local communities. Turkey is divided into six regions in terms of development level, and Mplus Türkiye has offices in the first region (Istanbul, Ankara and Izmir), the fourth (Malatya, Elazığ and Rize), and the sixth (Our Van and Şanlıurfa) region – ranked from most to least developed.

Our impact is visible not only through the effect on employees but also on their families. This is particularly significant, as Mplus Türkiye employs more than 7,000 people – 6,000 of whom work in the least developed region.

For this specific topic, there are no concrete policies, objectives, or measures, as it concerns strategic decisions made by Mplus Türkiye depending on the business and political climate at a given time. For impact assessment, no consultation and/or specific stakeholder collaboration procedure is carried out in terms of affected communities, and for reporting purposes in 2024, the opinion of local communities was not formally collected. However, Mplus Türkiye maintains contact with local authorities (through HR teams) to facilitate the employment of the local workforce, and in case of need, affected communities (as well as other stakeholders) can raise concerns through the whistleblowing platform.

4.4. Governance information

4.4.1. Introduction

Integrity, honesty and respect are the foundation of our success and the values we uphold every day. The Company's Management Board ensures adherence to business ethics and the promotion of organizational corporate culture through personal example, management of Group operations, various projects and partnerships, as well as through policies, procedures and other operational codes of conduct. The expertise of the Management Board and the Supervisory Board is described in the Management Report, chapter 3.1.1. Management Board and 3.1.2. Supervisory Board.

Corporate culture is a key element of any company, as it shapes how employees work, communicate, and make decisions. To build a strong and sustainable corporate culture, the company must carefully manage its development through several phases:

Establishing corporate culture

Through its Corporate Governance Code and Code of Ethics, the Company has defined standards and guidelines for corporate behavior. In this process, the Corporate Governance and Compliance Department monitors the guidelines and requirements of capital market regulators (HANFA), the Zagreb Stock Exchange, investors, and all applicable regulations to ensure compliant and transparent operations. We are also working on implementing corporate policies, rules, and procedures to ensure our Group's business processes are aligned as one unified organization.

Developing and promoting corporate culture

Through the Corporate Governance and Compliance Department, we promote our corporate governance standards, raise awareness of compliance with external and internal regulations, and monitor the implementation of compliance program across the organization. These activities are carried out through training and internal education, enabling employees to understand the importance of adhering to and applying the Group's corporate rules, and staying informed about new regulations and best practices in corporate governance.

Evaluating corporate culture

The effectiveness of our corporate culture is partially evaluated through regular employee satisfaction surveys. The Corporate Governance and Compliance Department will gradually integrate corporate culture audits into its work program, with a specific focus on compliance with external regulations, internal standards of conduct, ethical norms, and regulatory adherence within the organization.

4.4.2. Managing material impacts, risks and opportunities connected to business conduct

Significant impacts, risks and opportunities related to business conduct are described in chapter *4.1.6.4. Significant impacts, risks and opportunities and their link to the strategy and business model*.

In terms of impacts, we concluded that business conduct in general—alongside corporate governance—has a significant effect on our overall operations, and also presents certain risks and opportunities for our business. It affects the governance of the Group and its subsidiaries, as well as our employees, business partners, clients and suppliers.This is particularly relevant considering that the Company's shares are listed on the Zagreb Stock Exchange, that the Company is subject to the Corporate Governance Code of the Zagreb Stock Exchange, that we operate in 20 countries and employ more than 15,000 people, especially considering the continuous growth of the Group and numerous acquisitions. The importance of sound corporate governance becomes especially evident in the integration of various systems and the consolidation of good practices and policies at Group level—particularly in the context of continued growth and numerous acquisitions. For this reason, we have recognized the entire topic of business conduct as significant, as defined in item AR 16 of ESRS 1, with the exception of the subtopics of animal welfare (explained in the section on policies related to the Panvita Group) and political engagement and lobbying, as the Group does not carry out such activities.

In conducting the IRO analysis, we began with the criteria above and additionally analyzed the locations and sectors in which we operate. Based on this, the following were identified as key risks and opportunities:

- technological advancement (risk and opportunity) – related to the development of technologies that support our service delivery;
- cyberattacks (risk) – given our business model and the data we manage on behalf of our clients, we are particularly sensitive to these risks;
- regulatory environment and trends (risk) – especially in the context of doing business within the EU, but also due to the diversity of jurisdictions in which we operate.

Technological advancement is considered within the scope of daily business activities, particularly at the BPTO companies that are part of the MTech segment of the business, but it is not regulated by separate policies. Cyberattacks are linked to impacts identified for clients and customers and are covered in the section *4.3.4. Relationship with our clients and customers*. The regulatory environment is also incorporated into daily operations, particularly by the compliance department, and the necessary information regarding this is described throughout the report.

4.4.3. Business conduct

4.4.3.1. Corporate culture and business conduct related policies

Corporate culture and business conduct are governed at Group level through various policies, which are described in chapter *4.1.7. Policies and activities related to sustainability*. These relevant policies also regulate procedures linked to the impacts, risks and opportunities related to business conduct, as outlined in the following sections.

With regard to the newly established Food vertical, we have not yet conducted a detailed double materiality assessment. However, given the nature of operations, animal welfare has already been identified as a key topic. In this context, the Panvita Group does not currently have a specific policy governing this matter. Nevertheless, it holds a certificate related to animal welfare in poultry farming, and for pig farming it operates under a decision issued by a competent authority, which also refers to applicable standards and related animal welfare requirements.

4.4.3.2. Mechanism for reporting irregularities

In early 2024, the Group adopted a Whistleblowing Procedure Rulebook at the level of the parent company, applicable across all Group subsidiaries. This established a formal mechanism for reporting irregularities, promoting ethical behaviour, and ensuring whistleblower protection.

The Whistleblowing channel has so far been implemented within the BPTO business vertical and is accessible on the Mplus company website: *https://mplusgroup.eu/whistleblowing*.

The channel enables both employees and third parties to anonymously and confidentially report concerns related to irregularities falling under the scope of the Whistleblower Protection Act.

Within the BPTO vertical, the following companies are yet to fully integrate into the whistleblowing channel: Buzzeasy and Mplus Germany (where it is awaiting approval from the workers' council) with resolution expected by the end of the second quarter 2025.

Companies that have joined the system have adopted an internal Whistleblowing Procedure Rulebook and appointed a confidential person and their deputy, who are responsible for receiving and resolving whistleblower reports.

Following the implementation of the whistleblowing channel, all employees were notified and provided with training that covered key information about the mechanism and reporting procedures. The training included: an overview of whistleblowing and the channel; topics eligible for reporting (e.g. bribery and corruption, conflict of interest); practical examples of reports; the fundamental difference between whistleblowing and grievance mechanisms; well-known global whistleblower cases; and additional instructions on how to submit a report. In February 2025, training was delivered to the confidential persons appointed for the Mplus and Workplace business verticals, with separate sessions per vertical. For 2025, training sessions are also planned for employees, focusing on the distinction between whistleblowing (serious misconduct reporting) and grievance mechanisms (interpersonal issues, workers' rights, etc.).

Given the recent launch, it is still not possible to realistically assess the effectiveness of the channel or to conduct a comprehensive user satisfaction analysis. In addition to the aforementioned training sessions, we plan to place a barcode for accessing the channel in accessible locations within the organization, such as the intranet and key office areas, to ensure easier employee access to this mechanism. Considering the current implementation phase, we plan to continue monitoring and evaluating the channel's effectiveness, including collecting employee feedback to ensure continuous improvement.

Retaliation against whistleblowers is strictly prohibited under the Whistleblower Protection Act. Accordingly, the Group is prohibited from retaliating, attempting to retaliate, or threatening retaliation against whistleblowers, associated persons, or appointed confidential persons and their deputies for submitting a report or disclosing information publicly.

Retaliation includes any of the following actions, as defined by the Act—any direct or indirect act or omission in the work environment that causes or may cause unjustified harm to the whistleblower, in particular:

- dismissal
- denial of promotion opportunities
- demotion
- pay reduction
- reassignment or change of working hours/ location
- time
- discrimination
- any other form of unfair treatment.

To ensure full whistleblower protection, the Group has introduced the following measures:

Confidential reporting: The Group guarantees that all reports remain confidential, including protection of the whistleblower's identity. Only authorized confidential persons have access to the identity and report-related information.

Anonymous reporting: The Group enables fully anonymous submissions, meaning the identity of the whistleblower remains unknown—even to the confidential person—while maintaining access to report details for proper resolution.

Education and awareness: The Group provides whistleblowers with training on how to report, their rights under the law, and educates confidential persons on how to properly manage reports.

Reporting through the whistleblowing channel

In 2024, a total of eight reports were received, seven of which were closed, while one remains active. Upon review and analysis of the closed reports, it was determined that none fell within the scope of whistleblowing, as they related to matters more appropriate for the grievance channel. Some reports were also submitted as a result of employee interest in testing the functionality of the channel.

Overview of reports	2024
Number of reports received through the whistleblowing channel	8
Number of reports received that fall within the scope considered relevant for Whistleblowing	0

Within its scope of authority and responsibilities, the Audit Committee is responsible for ensuring the independence and adequacy of the internal audit function, with which it aligns the annual audit plan. The Audit Committee receives internal audit reports on the audit procedures performed and related findings, and monitors the implementation of internal audit recommendations aimed at addressing identified irregularities.

Irregularities identified through internal audits and business continuity controls are recorded and thoroughly described within recommendations for future adjustments. Each individual department within the Group's companies that receives improvement recommendations is responsible for implementing and adjusting its processes and procedures in accordance with those recommendations.

4.4.3.3. Regulatory compliance

Adhering to legal and regulatory standards is equally important, as it protects the Group from potential liabilities and upholds its reputation for integrity. No incidents of non-compliance resulting in financial penalties were recorded in 2024. Additionally, there were no reported cases of conflicts of interest during the same year. Furthermore, in 2023, the Group established a Corporate Governance and Compliance Department with the aim of implementing corporate policies and rules, promoting ethical values, and improving business compliance at all levels.

Mplus has introduced a Compliance Register of Acts, which outlines all internal and external documents that require specific conduct from the companies. For each internal act, it is clearly defined whether it is included in onboarding or annual training, and which employee group it applies to (agents, department heads, management, etc.). Training activities planned for 2025 within the BPTO business vertical by the Corporate Governance and Compliance Department are defined in the 2025 Compliance Annual Work Plan, as follows:

Training titles:	Target audience
Managing Whistleblower Reports – Deadlines, Obligations, and Responsibilities (January 2025)	Confidential persons
Whistleblowing: Distinguishing Serious Misconduct from Personal Issues and Grievances (April 2025)	All employees
Conflict of Interest: How to Identify and Properly Report It (June 2025)	Management
Fighting Bribery and Corruption Through Corporate Culture (November 2025)	All employees

Within the HR business vertical, work on an equivalent Compliance Register has been underway since January 2025, and it is expected that a plan for compliance training—covering policies within the scope of the Corporate Governance and Compliance Department (whistleblowing, conflict of interest, anti-bribery and corruption, and the Code of Ethics)—will be adopted during the first half of 2025, along with a plan for structuring employee training.
In addition, training sessions are being planned for other departments to inform them about new regulations or raise awareness of existing regulatory requirements.

4.4.3.4. Prevention and detection of corruption and bribery

In 2024, the Group adopted a new Anti-Bribery and Corruption Policy, which outlines the standards and procedures for the prevention and sanctioning of bribery and corruption. Reports that violate the standards set by this policy can be submitted through the Mplus whistleblowing channel, which is available to both internal and external stakeholders.

Employees and third parties may report concerns related to bribery and corruption via the Mplus whistleblowing channel, where such reports are received and handled by the appointed confidential person. As part of its preventive efforts in the fight against bribery and corruption, M Plus Croatia, Mplus BH, Mplus Slovenia, and Mplus Serbia have held ISO 37001 (Anti-Bribery Management System) certification since 2022. A dedicated Anti-Bribery and Corruption Management Team was established, consisting of one representative from each of the aforementioned companies. The team has been assigned the following tasks:

- organization and implementation of all activities to ensure that the anti-bribery management system is established, applied, maintained, and improved in accordance with all requirements of the ISO 37001:2016 standard;
- informing the Management Board and the Supervisory Board about all significant issues affecting the anti-bribery management system, as identified under the ISO 37001:2016 standard, and requesting that these be addressed;
- ensuring the monitoring of effectiveness and continuous improvement of the system through annual performance evaluations;
- maintaining a high level of awareness at all times, and providing advice and guidance to all employees regarding compliance with the ISO 37001:2016 standard;
- ensuring that the anti-bribery management system meets the requirements of the ISO 37001:2016 standard.

In October 2024, the Anti-Bribery and Corruption Management Team was disbanded, and since then, reports of irregularities related to bribery and corruption have been handled by the appointed confidential persons, in accordance with the Whistleblower Protection Act. If, in the course of the procedure, the confidential person identifies an irregularity, they are required to notify the company's management and propose measures to address the issue. In cases where the report concerns members of the Management Board, the confidential person must inform the Supervisory Board of the respective company of the identified circumstances. The Management Board is obligated to inform the Supervisory Board in a timely manner of any detected irregularities and to agree on measures that must be implemented.

Under both systems, investigators involved in the handling of bribery and corruption cases, or suspected cases, were (and remain) independent from the management chain related to the reported matter.

There are no additional procedures concerning the investigation process specifically for bribery and corruption. All such irregularities are handled in accordance with the procedure described above and the Rulebook on the Procedure for Internal Reporting of Irregularities and Appointment of a Confidential Person.

Companies certified under the ISO 37001 standard have conducted a bribery and corruption risk assessment and identified the Management Board, along with the Sales and Procurement Departments, as high-risk areas.

The Anti-Bribery and Corruption Policy is publicly available on the Company's website. In addition, employees are notified of the adoption of new policies—along with the policies themselves and relevant educational materials (where available)—via email, and the documents are published on the intranet or the LMS platform (Learning Management platform) for companies where LMS is implemented.

In November 2024, we conducted company-wide employee training (via e-learning in companies with an active platform, or via email containing the training materials for those without e-learning access), providing guidance on responsible and ethically acceptable business gifting practices. This is one of the key topics addressed in the Anti-Bribery and Corruption Policy, and our goal is to ensure the integrity and transparency of our business practices.

The training included:

- explanations of what constitutes a gift or hospitality - clearly defining the terms to avoid ambiguity;
- guidance on what is permissible and what is not, with particular emphasis on compliance with Group policy and legal requirements;
- information on the maximum acceptable value of gifts for giving or receiving;
- advice on how to act in situations that are not clearly regulated by the rules;
- explanation of when management approval is required for a gift and how to record it in the gift register maintained by our Compliance Department.

The training covered 100% of all high-risk functions within the BPTO vertical, as well as all members of the Management Board of the Company and its subsidiaries within the BPTO vertical, with the exception of Supervisory Board members.

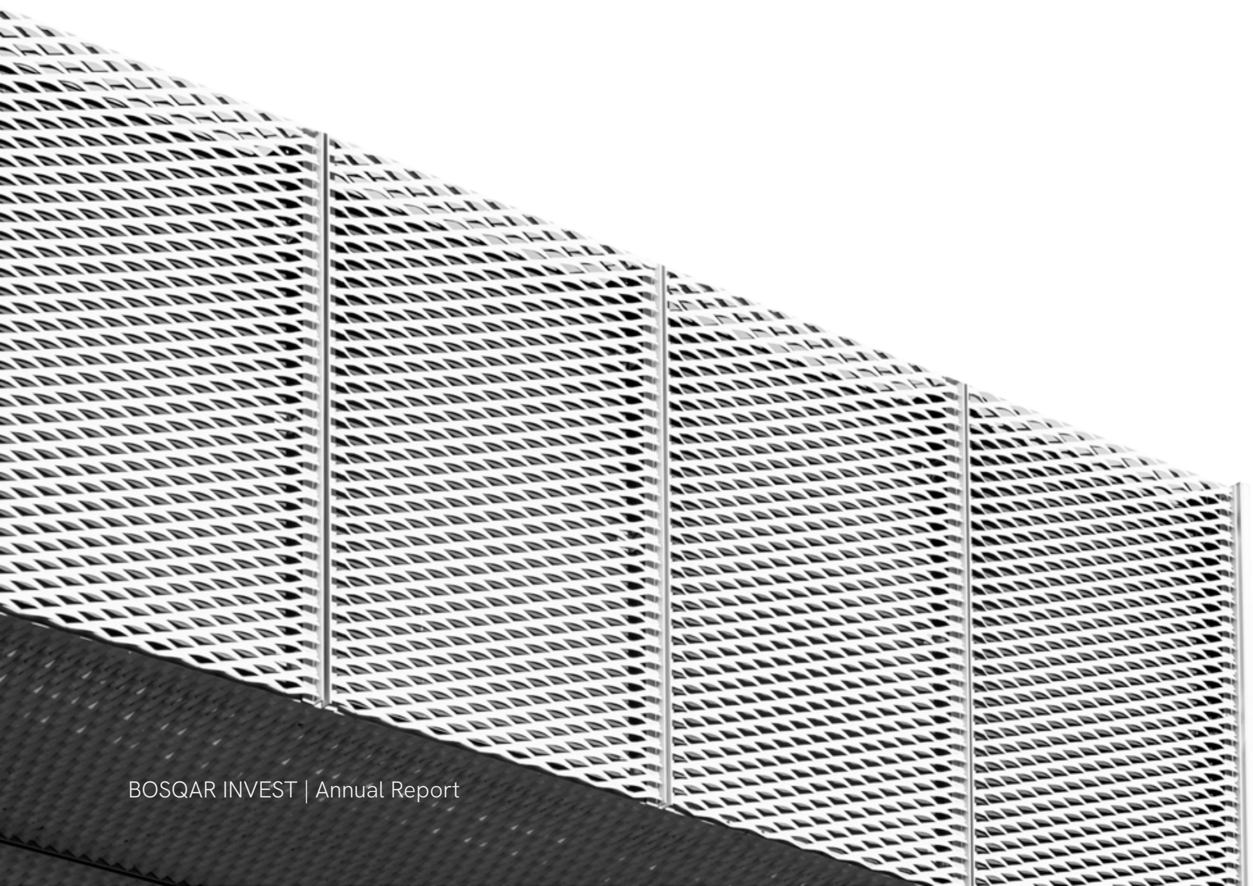
Incidents related to corruption

As in previous years, there were no reports related to bribery or corruption during 2024, nor were there any convictions or penalties for violations of anti-corruption and anti-bribery regulations.

Incidents Related to Corruption	2024	2023	2022	2021
Reports related to bribery and corruption	0	0	0	0
Convictions for violations of anti-corruption and anti-bribery regulations	0	0	0	0

In the case of charitable donations or sponsorships, the organization in question is first subject to verification to ensure that the Group is confident it operates in accordance with legal requirements. Charitable contributions and sponsorships must not be used for corrupt purposes and must be transparent and compliant with applicable laws.

In 2024, the Group had no activities or obligations related to exerting political influence, including lobbying associated with its significant impacts, risks, or opportunities.



4.4.4. Supplier management

4.4.4.1. Managing our supplier relationship

The Group's Environmental Policy on risks related to environmental and community impacts reflects our commitment to responsible business practices, particularly in the context of procurement activities and their potential environmental effects. The Procurement Policy adopted in 2023 provides clear guidelines on supplier selection criteria and encourages collaboration with preferred suppliers. Together with the Supplier Code of Conduct, the Procurement Policy forms a strong foundation for our procurement practices, reinforcing our commitment to a sustainable supply chain. We are committed to responsible business conduct and to improving our performance and impact across environmental, social, and governance areas, while building a responsible supply chain aligned with our ESG strategy. In doing so, we reduce negative impacts on the value chain and simultaneously minimize risks to our own operations.

The Procurement Policy outlines the key elements of our procurement management approach. These rules apply to all parts of our operations and cover all entities, employees, contractors, and business partners.
We will apply international best practices regarding environmental, social, and governance standards and strive to work with suppliers and contractors who adhere to similarly high standards, including but not limited to:

- compliance with applicable regional, national, and international laws, regulations, guidelines, and best practices;
- respect for the inherent dignity and human rights of workers;
- adherence to relevant occupational health and safety standards;
- prevention, mitigation, and remediation of significant actual and potential adverse environmental impacts;
- respect for national and international standards and regulations that promote the highest ethical standards: OECD Guidelines for Multinational Enterprises, UN Global Compact, ILO Core Conventions, UN Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights.

All procurement activities include appropriate and proportionate risk management analysis. In this context, during the last quarter of 2024, we introduced new questions into the mandatory questionnaire for new suppliers. Through this questionnaire, we aim to gain insight into their business practices, and it now includes questions related to environmental, social, and governance (ESG) topics, specifically regarding sustainable business practices. The plan is for the questionnaire to be used Group-wide for both new and existing suppliers, with the alignment process scheduled for 2025. Interdependent business transactions, where potential or contracted suppliers are also our clients, must be analyzed by the Procurement Department and the competent organizational unit of the Group company entering into such a business relationship, and approved by the Management Board.

To avoid engaging with suppliers that could damage the reputation of the company entering into such a business relationship or pose any other risk to the operations of a Group company, the Group brings together dynamic industries including contact centers, information technology, staffing services, and eCommerce.

The main procurement categories to date have been services and IT equipment, as well as infrastructure and maintenance costs. With the acquisition of the Panvita Group, the procurement structure is changing, and in the upcoming period, we will carry out a supply chain analysis within our new Food vertical as part of the broader integration of business processes.

Through our Supplier Code of Conduct, we are committed to building a responsible supply chain aligned with our sustainability strategy, and we expect our suppliers to comply with all applicable laws, regulations, industry standards, and best practices, and to act responsibly in the execution of our procurement activities, taking into consideration the potential impacts on:

labour practices and human rights,

occupational health and safety,

the environment, and

ethics and compliance.

The Code of Conduct applies to all parts of our operations and to all suppliers, including their subsidiaries, affiliates, and subcontractors who directly or indirectly provide goods or services. The Code covers the following topics:

- labor practices and human rights,
- occupational health and safety,
- environmental responsibility,
- ethics and compliance.

4.4.4.2. Payment practices

We support fair practices in fulfilling obligations, where we do not use the size of the supplier as a criterion for payments, especially not in relation to small and medium-sized enterprises. Our standard payment practice is to settle invoices as agreed with each supplier, in accordance with the deadlines of the respective jurisdiction. In this sense, we do not have specific policies, as no business need for addressing payment delays has been identified (for any supplier category), but rather established business practices that prevent such delays. Cash flow is planned on a weekly basis, and payments for obligations due in that period are approved by senior management. The average number of payment days was determined for the most significant business verticals, BPTO and HR, for components with substantial payments to third parties. The average payment period in the BPTO business vertical is 8 days, while in the HR vertical it is 25 days.

The Group does not have any unresolved legal proceedings related to delayed payments.

4.5. Appendicies

4.5.1. ESRS Disclosure requirements covered by the sustainability statement

Disclosure requirement	Related datapoint	SFDR reference	Pillar III reference	Benchmark Regulation reference	EU Climate Law reference	Chapter and section / Not material / Not applicable
ESRS GOV-1 Board's gender diversity	21(d)	x		x		General disclosures, General basis for preparation of the BOSQAR INVEST sustainability statement
ESRS 2 GOV-1 Percentage of board members who are independent	21(e)			x		General disclosures, General basis for preparation of the BOSQAR INVEST sustainability statement
ESRS 2 GOV-4 Statement on due diligence	30	x				General disclosures, Managing material impacts, risks and opportunities
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities	40(d)i	x	x	x		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production	40(d)ii	x		x		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons	40(d)iii	x		x		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco	40(d)iv			x		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050	14				x	Environmental information, Climate transition plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks	16(g)		x	x		Not applicable
ESRS E1-4 GHG emission reduction targets	34	x	x	x		Environmental information, Material impacts, risks and opportunities connected to climate change General disclosures, Sustainability-linked bond
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	38	x				Not material
ESRS E1-5 Energy consumption and mix	37	x				Environmental information, Energy and emissions
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors	40-43	x				Not material
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	44	x	x	x		General disclosures, Sustainability-linked bond Environmental information, Energy and emissions
ESRS E1-6 Gross GHG emissions intensity	53-55	x	x	x		Environmental information, Energy and emissions
ESRS E1-7 GHG removals and carbon credits	56				x	Not applicable
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks	66			x		Not applicable
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk ESRS E1-9 Location of significant assets at material physical risk	66(a) 66(c)		x			Not applicable
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes	67(c)		x			Not applicable
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities	69			x		Not applicable

Disclosure requirement	Related datapoint	SFDR reference	Pillar III reference	Benchmark Regulation reference	EU Climate Law reference	Chapter and section / Not material / Not applicable
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	28	x				Not material
ESRS E3-1 Water and marine resources	9	x				Not material
ESRS E3-1 Dedicated policy	13	x				Not material
ESRS E3-1 Sustainable oceans and seas	14	x				Not applicable
ESRS E3-4 Total water recycled and reused	28(c)	x				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations	29	x				Not material
ESRS 2- IRO 1 - E4 Biodiversity sensitive areas	16(a)i	x				Not material
ESRS 2- IRO 1 - E4 Land degradation	16(b)	x				Not material
ESRS 2- IRO 1 - E4 Threatened species	16(c)	x				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies	24(b)	x				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies	24(c)	x				Not applicable
ESRS E4-2 Policies to address deforestation	24(d)	x				Not material
ESRS E5-5 Non-recycled waste	37(d)	x				Not material
ESRS E5-5 Hazardous waste and radioactive waste	39	x				Not material
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour	14(f)	x				Not material
ESRS 2 - SBM3 - S1 Risk of incidents of child labour	14(g)	x				Not material
ESRS S1-1 Human rights policy commitments	20	x				General disclosures, Sustainability-related policies and actions
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	21			x		General disclosures, Sustainability-related policies and actions
ESRS S1-1 Processes and measures for preventing trafficking in human beings	22	x				General disclosures, Sustainability-related policies and actions
ESRS S1-1 Workplace accident prevention policy or management system	23	x				General disclosures, Sustainability-related policies and actions
ESRS S1-3 Grievance/complaints handling mechanisms	32(c)	x				Social information, Material impacts, risks and opportunities connected to Bosqar employees, local community and end-users
ESRS S1-14 Number of fatalities and number and rate of work- related accidents	88(b) 88(c)	x		x		Social information, Employees
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness	88(e)	x				Social information, Employees
ESRS S1-16 Unadjusted gender pay gap	97(a)	x		x		Social information, Employees
ESRS S1-16 Excessive CEO pay ratio	97(b)	x				Social information, Employees

Disclosure requirement	Related datapoint	SFDR reference	Pillar III reference	Benchmark Regulation reference	EU Climate Law reference	Chapter and section / Not material / Not applicable
ESRS S1-17 Incidents of discrimination	103(a)	x				Social information, Employees
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD	104(a)	x		x		Social information, Employees
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain	11(b)	x				Not material
ESRS S2-1 Human rights policy commitments	17	x				Not material
ESRS S2-1 Policies related to value chain workers	18	x				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	19	x		x		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	19			x		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain	36	x				Not material
ESRS S3-1 Human rights policy commitments	16	x				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	17	x		x		Not material
ESRS S3-4 Human rights issues and incidents	36	x				Not material
ESRS S4-1 Policies related to consumers and end-users	16	x		x		General disclosures, Sustainability-related policies and actions Social information, Relationship with our clients and end-users
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines	17	x				Not material
ESRS S4-4 Human rights issues and incidents	35	x				Not material
ESRS G1-1 United Nations Convention against Corruption	10(b)	x				General disclosures, Sustainability-related policies and actions Governance information, Business conduct
ESRS G1-1 Protection of whistle- blowers	10(d)	x				General disclosures, Sustainability-related policies and actions Governance information, Business conduct
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws	24(a)	x		x		Not applicable
ESRS G1-4 Standards of anti- corruption and anti- bribery	24(b)	x				Not applicable

ESRS INDEX

ESRS 2 General disclosures

Disclosure requirement	Chapter / section
BP-1 - General basis for preparation of sustainability statement	General disclosures, General basis for preparation of the BOSQAR INVEST sustainability statement
BP-2 - Disclosures in relation to specific circumstances	General disclosures, General basis for preparation of the BOSQAR INVEST sustainability statement
GOV-1 - The role of the administrative, management and supervisory bodies	General disclosures, Governance structure
GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General disclosures, Governance structure
GOV-3 - Integration of sustainability-related performance in incentive schemes	General disclosures, Governance structure
GOV-4 - Statement on due diligence	General disclosures, Managing material impacts, risks and opportunities
GOV-5 - Risk management and internal controls over sustainability reporting	General disclosures, Managing material impacts, risks and opportunities
SBM-1 - Strategy, business model and value chain	General disclosures, Sustainability in our business model
SBM-2 - Interests and views of stakeholders	General disclosures, Sustainability in our business model
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	General disclosures, Managing material impacts, risks and opportunities
IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	General disclosures, Managing material impacts, risks and opportunities
IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Appendix 4.5.1.
MDR-P - Policies adopted to manage material sustainability matters	General disclosures, Sustainability-related policies and actions
MDR-A - Actions and resources in relation to material sustainability matters	General disclosures, Managing material impacts, risks and opportunities
MDR-M - Metrics in relation to material sustainability matters	General disclosures, Managing material impacts, risks and opportunities
MDR-T - Tracking effectiveness of policies and actions through targets	General disclosures, Managing material impacts, risks and opportunities

E1 Climate change

Disclosure requirement	Chapter / section
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	General disclosures, Governance structure
E1-1 - Transition plan for climate change mitigation	Environmental information, Climate transition plan
ESRS-om 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Environmental information, Material impacts, risks and opportunities connected to climate change
ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities	"General disclosures, Managing material impacts, risks and opportunities Environmental information, Material impacts, risks and opportunities connected to climate change"
E1-2 - Policies related to climate change mitigation and adaptation	"General disclosures, Sustainability-related policies and actions Environmental information, Material impacts, risks and opportunities connected to climate change"
E1-3 - Actions and resources in relation to climate change policies	Environmental information, Material impacts, risks and opportunities connected to climate change
E1-4 - Targets related to climate change mitigation and adaptation	"Environmental information, Material impacts, risks and opportunities connected to climate change General disclosures, Sustainability-linked bond"
E1-5 - Energy consumption and mix	Environmental information, Energy and emissions
E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	Environmental information, Energy and emissions
E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Environmental information, Expected Financial Effects of Material Physical and Transition Risks, and Potential Climate-Related Opportunities

ESRS INDEX

S1 Own workforce

Disclosure requirement	Chapter / section
ESRS 2 SBM-2 – Interests and views of stakeholders	General disclosures, Sustainability in our business model
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	General disclosures, Managing material impacts, risks and opportunities
S1-1 – Policies related to own workforce	General disclosures, Sustainability-related policies and actions
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	Social information, Material impacts, risks and opportunities connected to Bosqar employees, local community and end-users
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	Social information, Material impacts, risks and opportunities connected to Bosqar employees, local community and end-users
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social information, Material impacts, risks and opportunities connected to Bosqar employees, local community and end-users
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	"Social information, Material impacts, risks and opportunities connected to Bosqar employees, local community and end-users General disclosures, Sustainability-linked bond"
S1-6 – Characteristics of the undertaking's employees	Social information, Employees
S1-8 – Collective bargaining coverage and social dialogue	Social information, Employees
S1-9 – Diversity metrics	"Social information, Employees General disclosures, Sustainability-linked bond"
S1-10 – Adequate wages	Social information, Employees
S1-11 – Social protection	Social information, Employees
S1-13 – Training and skills development metrics	Social information, Employees
S1-14 – Health and safety metrics	Social information, Employees
S1-15 – Work-life balance metrics	Social information, Employees
S1-16 – Compensation metrics (pay gap and total compensation)	Social information, Employees
S1-17 – Incidents, complaints and severe human rights impacts	Social information, Employees

S3 Affected communities

Disclosure requirement	Chapter / section
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	"General disclosures, Managing material impacts, risks and opportunities Social information, Commitment to sustainable affected communities"
S3-1 – Policies related to affected communities	"General disclosures, Sustainability-related policies and actions Social information, Commitment to sustainable affected communities"
S3-2 – Processes for engaging with affected communities about impacts	Social information, Commitment to sustainable affected communities
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	"Social information, Commitment to sustainable affected communities Governance information, Business conduct"
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Social information, Commitment to sustainable affected communities
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information, Commitment to sustainable affected communities

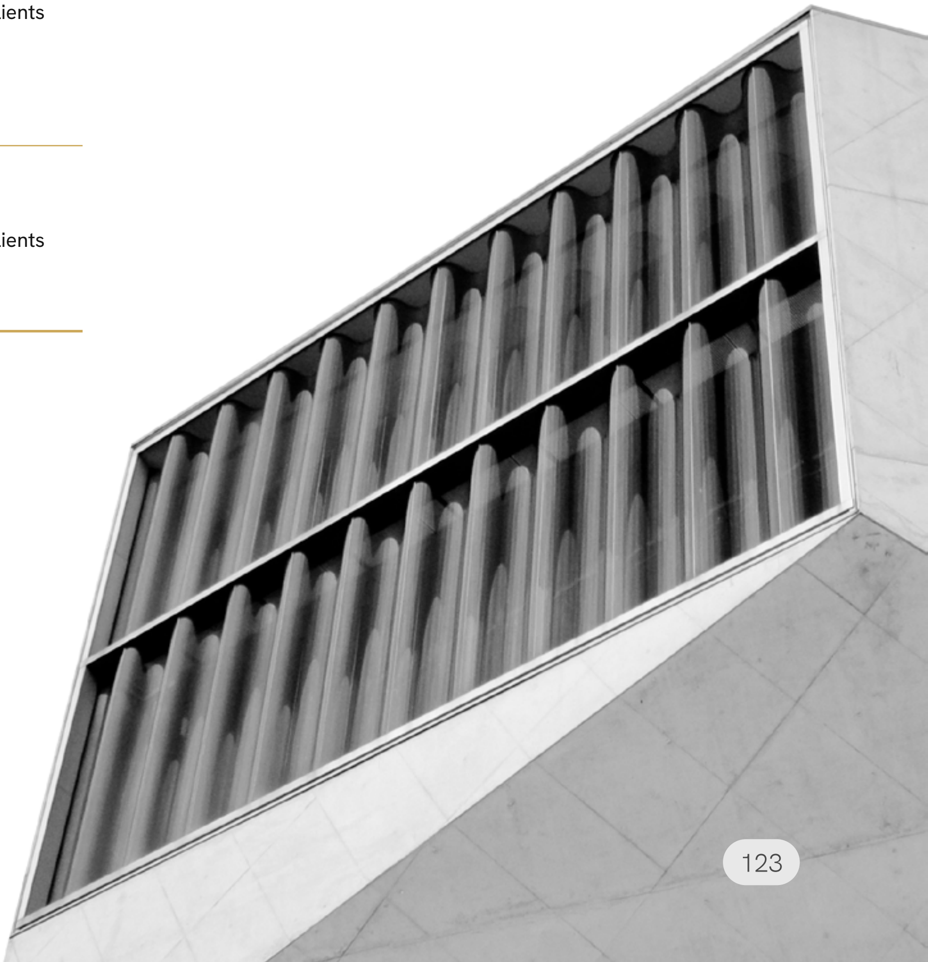
ESRS INDEX

S4 Consumers and end-users

Disclosure requirement	Chapter / section
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	"General disclosures, Managing material impacts, risks and opportunities General disclosures, Memberships, certificates and awards Social information, Relationship with our clients and end-users"
S4-1 – Policies related to consumers and end-users	"General disclosures, Sustainability-related policies and actions Social information, Relationship with our clients and end-users"
S4-2 – Processes for engaging with consumers and end-users about impacts	Social information, Relationship with our clients and end-users
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	"Social information, Relationship with our clients and end-users Governance information, Business conduct"
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	Social information, Relationship with our clients and end-users
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information, Relationship with our clients and end-users

G1 Business conduct

Disclosure requirement	Chapter / section
ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	"Governance information, Introduction Governance information, Business conduct"
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	"General disclosures, Managing material impacts, risks and opportunities Governance information, Managing material impacts, risks and opportunities connected to business conduct"
G1-1 – Corporate culture and business conduct policies	General disclosures, Sustainability-related policies and actions
G1-2 – Management of relationships with suppliers	Governance information, Supplier management
G1-3 – Prevention and detection of corruption and bribery	Governance information, Business conduct
G1-4 – Confirmed incidents of corruption or bribery	Governance information, Business conduct
G1-5 – Political influence and lobbying activities	Governance information, Business conduct
G1-6 – Payment practices	Governance information, Business conduct



4.5.2. Taxonomy KPI calculation tables

Proportion of turnover from products or services associated with taxonomy-aligned economic activities - year 2024

2024				Substantial contribution criteria						DNSH criteria ("Does not significantly harm")									
Economic activities (1)	Codes (a)(2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystem (16)	Minimum safeguards (17)	Taxonomy aligned proportion of turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		in EUR thousand	%	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	O	P
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	%														0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																			
Acquisition and ownership of buildings	CCM 7.7.	2,003	0.55%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.31%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	45	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		2,048	0.57%	0.57%	0%	0%	0%	0%	0%								0.31%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)			0.57%	0.57%	0%	0%	0%	0%	0%								0.31%		
B. Taxonomy non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		359,063	99.43%																
TOTAL		361,111	100%																

Proportion of capital expenditure (CapEx) from products or services associated with taxonomy-aligned economic activities - year 2024

2024				Substantial contribution criteria						DNSH criteria ("Does not significantly harm")									
Economic activities (1)	Codes (a)(2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystem (16)	Minimum safeguards (17)	Taxonomy aligned proportion of CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		in EUR thousand	%	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D/N	D/N	D/N	D/N	D/N	D/N	D/N	%	O	P
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																			
Production of heat/cool using waste heat	CCM 4.25.	1,448	1.27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	1,480	1.30%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Renewal of waste water collection and treatment	CCM 5.4.	346	0.30%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	2,669	2.34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.34%		
Freight transport services by road	CCM 6.6.	911	0.80%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	14	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	1,218	1.07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Acquisition and ownership of buildings	CCM 7.7.	41,902	36.79%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12.40%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		49,988	43.89%	43.89%	0%	0%	0%	0%	0%								16.76%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)			43.89%	43.89%	0%	0%	0%	0%	0%								16.76%		
B. Taxonomy non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		63,900																	
TOTAL		113,888																	

Proportion of operating expenses (OpEx) from products or services associated with taxonomy-aligned economic activities - year 2024

2024				Substantial contribution criteria						DNSH criteria ("Does not significantly harm")									
Economic activities (1)	Codes (a)(2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystem (16)	Minimum safeguards (17)	Taxonomy aligned proportion of OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		in EUR thousand	0%	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D; N; N/EL (b) (c)	D/N	D/N	D/N	D/N	D/N	D/N	D/N	0%	O	P
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	562	12.21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.12%		
Freight transport services by road	CCM 6.6.	10	0.22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	69	1.50%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.47%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.3.	1	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Acquisition and ownership of buildings	CCM 7.7.	2,353	51.12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								53.75%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		2,995	65.07%	65.07%	0%	0%	0%	0%	0%								63.34%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		2,995	65.07%	65.07%	0%	0%	0%	0%	0%								63.34%		
B. Taxonomy non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		1,608	34.93%																
TOTAL		4,603	100%																

4.5.3. Donations and charity work

COUNTRY	SCOPE
Croatia	**Hrabri telefon, "The key to support is communication"** Our collaboration highlights our commitment to a shared mission of creating a better, healthier, and safer community in partnership with others. Mplus supported the project financially, as well as by providing call center services to a base of 26,000 potential donors for Brave Phone, aiming to complete the construction of the new "Brave Center." Throughout the year, a series of educational workshops, interactive sessions, and individual consultations were organized. Thanks to the collaboration with Brave Phone, the local initiative has grown into support for the global non-profit organization Child Helpline International (CHI). As part of the implementation of the third annual global employee satisfaction and engagement survey, conducted in 12 countries where Mplus operates, 1 EUR was donated to the organization for every completed survey.
	Pilot project "Čuvari svježeg zraka" In the third quarter of 2024, the pilot project "Guardians of Fresh Air" was launched at the Kajzerica Primary School in Zagreb, with the aim of positively impacting the air quality in classrooms by reducing high levels of CO_2, which can negatively affect cognitive functions and overall health of students. The Group donated 30 air quality monitoring devices to the school. These devices, which are distributed in classrooms across all eight school grades, continuously monitor carbon dioxide levels and provide real-time alerts on air quality.
	Donations of computer sets Mplus supported the Children's Hospital in Zagreb, the Croatian Alliance for Rare Diseases, its member associations, and primary schools in Zagreb by donating computer sets aimed at improving conditions and providing better access to technology and modern tools.
	Donations to sport club Mplus has made a donation to the Gymnastics Club Petrinja, with a special focus on the well-being of children and young people, as well as their mental and physical health. The club, which has more than 300 members aged between 3 and 25 years, suffered significant damage to its facilities during the earthquake. The donation was used to purchase necessary gymnastics equipment.
	Debate team Mplus supported the Croatian Debate Team (HRV Debate Team) for their participation in the World Debating Championship in Belgrade.
	Jazz in the vineyard Mplus sponsored the 4th International Jazz Festival "Jazz u vinogradu," which took place in August at Mađerkin Breg in Međimurje. The event attracted over 500 visitors, who enjoyed performances by renowned jazz musicians.

COUNTRY	SCOPE
Serbia	**"Čep za hendikep"** Mplus has supported the work of the "Čep za hendikep" association, which focuses on improving the quality of life for people with disabilities and promoting their full inclusion in society by utilizing community resources and encouraging the realization of their potential. We organize the collection of plastic bottle caps, which are donated to the association. The sale of these caps is then used to purchase orthopedic aids for people with disabilities.
	My genius, "ITech FEST 2024" Mplus was part of the "ITech FEST 2024," a festival aimed at children aged 7 to 14, with a focus on robotics, internet safety, and Nikola Tesla. Through educational workshops, competitions, and an entertaining program, the festival encouraged the development of young scientific minds. We provided a financial donation to support this valuable initiative.
	Foundation "Jedro" We support the work of the "Jedro" foundation, established by the families of five boys diagnosed with Duchenne muscular dystrophy. The foundation's goal is to improve healthcare and treatment for those affected by this severe disease. On this occasion, we also provided a financial donation.

COUNTRY	SCOPE
Slovenia	**Foundation Marof** The Marof Foundation was established on April 24, 2009. Its mission is to provide financial and advisory support to children, youth, people with disabilities, and social care, as well as to support sports and cultural education, funding sports and cultural activities, and the education of children and young people. The Marof Foundation is a non-profit, non-governmental humanitarian organization that primarily operates in the Pomurje region.

COUNTRY	SCOPE
Turkey	We donated to TOÇEV to support the education of children deprived of their right to education.
	We donated to UNICEF to help provide humanitarian and developmental aid to children around the world.
	We invested funds in the construction of a children's park in Adıyaman, a city particularly affected by the 2023 earthquake.
	Throughout the year, we donated to various institutions and organizations of public interest to help them meet their needs.

4.5.4. Engagement in the community

COUNTRY	SCOPE
Croatia	At the Weekend Media Festival, one of the most significant regional communication conferences, which includes HR.Weekend, Mplus and Manpower Croatia presented a study conducted with over 2,000 respondents on the impact of work models on employer choice and job satisfaction. The research results and the panel discussion enriched the public debate on this topic with new data about job seekers' preferences in the region.

COUNTRY	SCOPE
Turkey	We implemented the Mplus Film Club within the Mplus Club at all our locations. We filled the cinemas with 1,691 attendees across 6 locations and organized a movie night.
	We regularly organize prize competitions on our Instagram profile @mplusclubtr.
	At our location in Şanlıurfa, we organized a voluntary blood donation, making a significant contribution to public health.

COUNTRY	SCOPE
Serbia	**SOS Children village** SOS Children's Villages provides support to young people from vulnerable social groups through the "Centre for Strong Young People" program, focused on helping them find and retain employment. During a business meeting, representatives from Manpower discussed business communication, self-presentation in interviews, and the rights and responsibilities of employees with the young participants.
	HDR (Human Driven Reshape) the project is an initiative launched by Manpower Serbia with the aim of promoting the best HR practices that positively impact individuals, the community, and the entire company. This initiative reflects our commitment to improving the work environment and strengthening corporate culture through socially responsible business practices.
	Fitpass GAMES 2024 Along with other companies, Manpower Serbia participated in a corporate sports competition in athletic disciplines. The winning team had the opportunity to direct their cash prize to a charity of their choice.

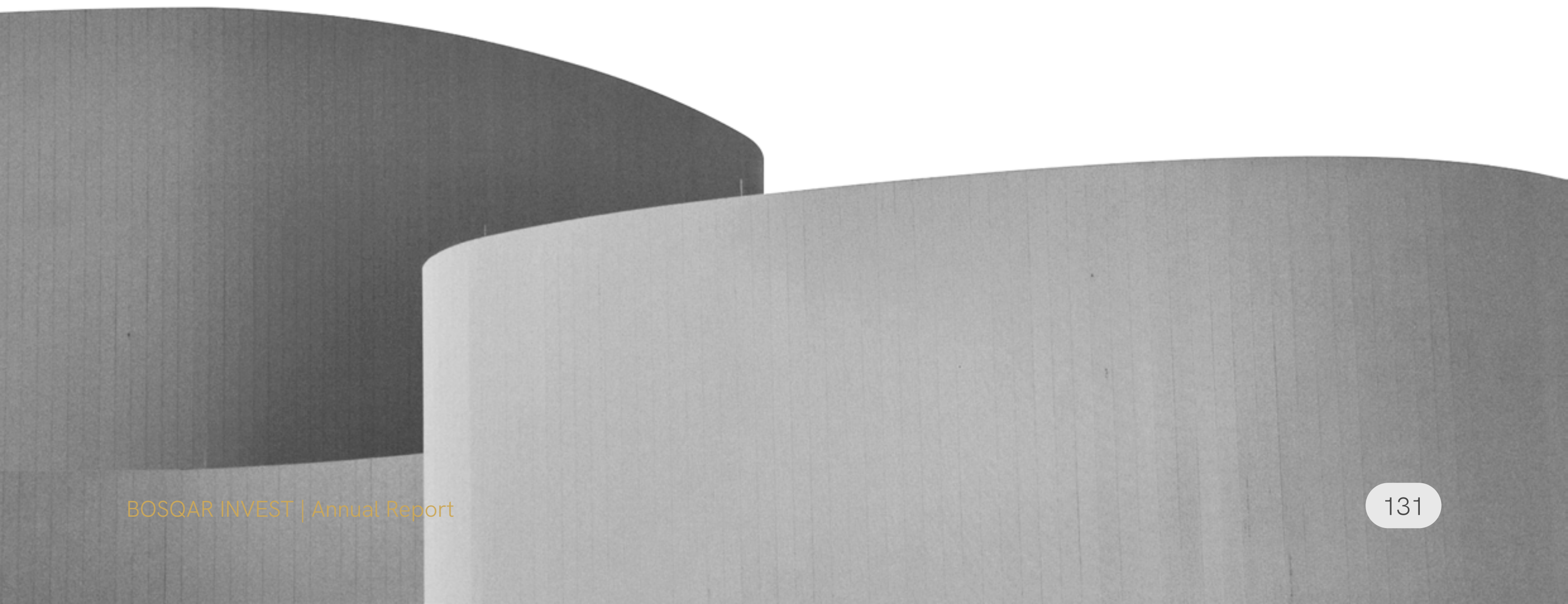
4.5.5 Sponsorship and volunteering

COUNTRY	SCOPE
Croatia	**The Croatian National Theatre (HNK) in Zagreb** Through general sponsorship and digitalization support, which led to a 57% increase in the number of subscribers and subscription revenue, support for HNK continued in 2024 thanks to the successful collaboration from the previous year. Through well-designed activities such as customer support and digital transformation, the support for drama, opera, and ballet programs was intensified throughout the year.
	Večernjak's Cycling Rally Mplus supported the 42nd Večernjak's Bicycle Rally, in which our employees also participated. The rally traditionally takes place on the route from Zagreb to Samobor and gathers more than 2,000 cyclists.
	Jutarnji list – Student Digi Awards For the second year in a row, Mplus supported the Student Digi Awards, one of the largest innovation awards for young innovators in the field of digital technologies in Croatia. A total of 31 projects were submitted for the DIGI Awards 2024, and the jury selected the top ten finalists. After the awards ceremony for the best innovators, a panel discussion titled "The Future of Young Digital Innovators and How Large Companies Seek and Create Innovations in Their Digital Business" was held. Damjan Huđek from Bulb, the project manager of "AI Studio," represented Mplus at the panel.
	Volim život – book by Sandre Paović Mplus sponsored the presentation of the book by Sandra Paović, in which she describes her life journey. At the peak of her successful table tennis career, she was severely injured in a traffic accident. Despite the permanent disability, she won a gold medal at the Paralympic Games, graduated from university, and today she engages in motivational speaking.

COUNTRY	SCOPE
Serbia	**Network of engineers** We sponsored a professional event dedicated to the application of BIM technology in the construction industry, with a focus on the mandatory implementation of BIM starting January 1, 2028. The program included presentations on the current state, challenges in design and construction, as well as a panel discussion with leading BIM experts from Serbia and the region.

COUNTRY	SCOPE
Slovenia	Support to numerous sports clubs and associations.

COUNTRY	SCOPE
Turkey	Sponsored the Ayvalık Business Forum, a meeting where leading business people from Turkey discuss the future and share experiences.
	Sponsored the IMI Customer Experience & Technologies Summit, the oldest event that brings together customer experience experts.
	Sponsored CX 360 Customer Experience Management 2024, the oldest event gathering professionals in customer experience management.
	Sponsored Harvard Business Review, a magazine for business and management.
	Sponsored Retail Days, the largest conference in the retail and e-commerce sector.



Responsilibty for the Sustainability statement

According to the provisions of Articles 32 and 36 of the Accounting Act (NN135/24), the Management Board is responsible for the preparation of the Sustainability statement in accordance with the European Sustainability Reporting Standards (ESRS) and for:

- preparation of disclosure in the section EU taxonomy of the Sustainability statement in accordance with the reporting requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy Regulation);
- design, implementation, and maintenance of internal control systems that the Management Board deems necessary to enable the preparation of the Sustainability statement, free from the material misstatements due to fraud or error, and
- selection and application of appropriate sustainaibility reporting method, as well as making reasonable judgements and estimates regarding individual sustainability disclosures, considering the circumstances.

The Management Board is also responsible for the design and implementation of the process for identifying information disclosed in the Sustainability statement in accordance with the ESRS, and for dislcosing the process in the section ESRS 2; IRO-1 in the Sustainability statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and understanding the affected stakeholders;
- identification of actual and potential impacts (both negative and positive) related to sustainability issues, as well as risks and opportunities that affect, or could reasonably be expected to affect the Group's financial position, financial performance, cash flows, access to financing or cost of capital in the short, medium, or long term;
- assessment of the significance of the identified impacts, risks, and opportunities related to sustainability issues by selecting and applying appropriate materiality tresholds, and
- making assumptions that are reasonable under the circumstances.

The Sustainability statement was approved by the Management Board on 25 April 2025.

Darko Horvat President of the Management Board	**Tomislav Glavaš** Member of the Management Board

Deloitte d.o.o.
ZagrebTower
Radnička cesta 80
10 000 Zagreb
Croatia
TAX ID: 11686457780

Tel: +385 (0) 1 2351 900
Fax: +385 (0) 1 2351 999
www.deloitte.com/hr

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Bosqar d.d.

We have conducted a limited assurance engagement on the Sustainability Statement included in the Annual Report of Bosqar d.d. (the "Company") and its subsidiaries ("BOSQAR INVEST", "Group") as at 31 December 2024 and for the period from 1 January 2024 to 31 December 2024 (the "Sustainability Statement").

Identification of Applicable Criteria

The Sustainability Statement was prepared by the Management Board of the Company in order to satisfy the requirements of article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council ("ESRS"), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1; and

- Compliance of the disclosures in subsection EU Taxonomy within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

This version of the independent limited assurance report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

Deloitte.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Responsibility of the Management Board of the Company

Management of the Company is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability Statement, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the ESRS;
- Preparing the disclosures in subsection EU Taxonomy within the environmental section of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Deloitte.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Practitioner's Responsibility (continued)

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Summary of Work Performed (continued)

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
    - performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the sustainability statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- Performed substantive assurance procedures on a sample basis on selected disclosures in the Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied; and
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in subsection EU Taxonomy within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Other Matter

Our assurance engagement does not extend to information in respect of earlier periods.

Katarina Kadunc

Director and Certified auditor

For signatures, please refer to the original Croatian auditor`s report, which prevails

Deloitte d.o.o.

25 April 2025

Radnička cesta 80,

10 000 Zagreb,

Croatia

5

EMPLOYEES

The achievements of the Group in 2024 can largely be attributed to the dedication, responsibility, and expertise of its employees. Human capital represents the Group's key competitive advantage and the foundation of its success.

The Group promotes a diverse working environment that includes employees of different nationalities, abilities, and age groups. In 2024, we focused on improving our human resource management system by addressing key areas such as recruitment, performance evaluation, professional development, and employee retention.

The BPTO business vertical still holds the largest share of employees, with over 12.8 thousand employees in 2024, which is more than 83.5% of the total number of employees.

Our HR teams have achieved significant milestones reflecting their commitment to excellence and innovation. In 2024, we received numerous awards and recognitions, including:

- **TEGEP Gold Medal** for Employee Development Programs
- **Reputable Employer 2023** for Manpower Slovenia d.o.o.
- **Luppa Top Workplace** Award
- Finalists for the **ECCCSA** and **HDR Best Practices**

Mplus launched its third global engagement survey. A new, advanced platform powered by artificial intelligence was implemented, improving employee feedback and enabling continuous improvement. In the 2024 engagement survey, 12,000 employees were invited to participate via direct links sent through email and WhatsApp across 12 countries, 17 companies, and 33 locations within the BPTO vertical.

The new platform enables:

- real-time tracking of results
- comparison with industry standards
- creation of action plans using predictive analytics

Based on the survey results, action plans were developed to improve employee experience dimensions and increase engagement.

In our latest employee satisfaction survey within the HR vertical, 92% of employees participated and provided valuable insights into what makes our workplace successful. Among the highest-rated factors were pride in the job, trust within teams, respect for diversity, and communication. Panvita Group's participation in the initiative and acquisition of the Family Friendly Company certificate further confirms its alignment with the principles and values of our Group, with a special focus on the importance of work-life balance.

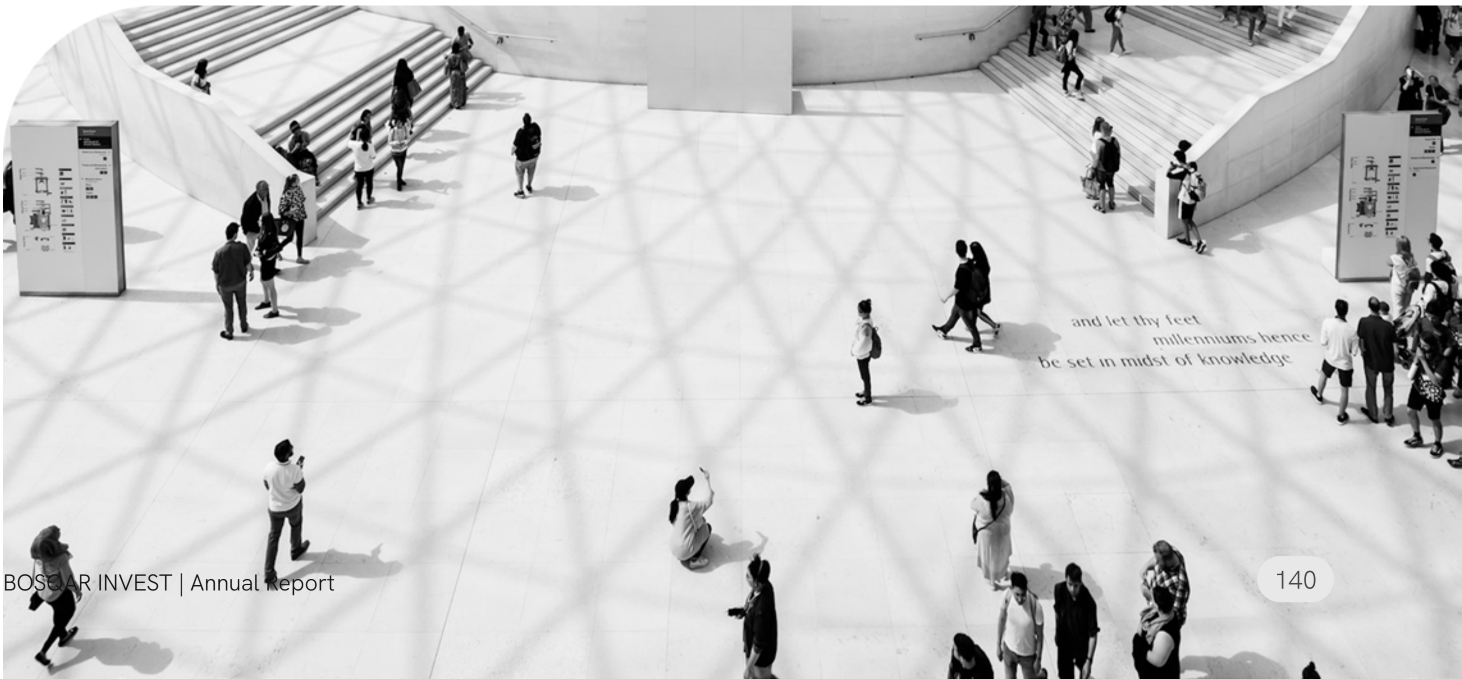
Mplus Academy continued to grow in 2024, including new content and training. The Front Line Leaders Program, a customized program for first-line managers, was organized to include team leaders and managers from other countries of the Group (Serbia, Bosnia, Slovenia, Romania, and Slovakia). The goal of this initiative is to empower team leaders, helping them adapt to and cope with challenges in a rapidly changing environment, especially in a flexible, predominantly remote work environment. This leadership program concluded with successful graduation ceremonies in October 2024, where the best participants received awards and recognition. A new phase of the mentoring program was also launched, aimed at developing future leaders. Seven new mentors underwent training to share their knowledge and experience within the organization.

The Mplus Agent Career Counseling Center was launched as a pilot project in 2024, aiming to conduct scientific and social assessments to realize the potential of agents working at Mplus and direct these employees to positions where they can work most efficiently according to their competencies. This program will continue in 2025.

During 2024, Mplus implemented a Grievance Policy as a channel for the submission and filing of formal complaints by employees in BPTO countries. The purpose of these global guidelines is to define the processes and procedures for submitting formal workplace complaints, job tasks, or employee disputes. The guidelines clearly define the scope and meaning of complaints and provide a detailed description of the process for reporting, resolving, and closing complaints, ensuring fairness and consistency in their resolution. These guidelines are applied across the entire Mplus group (except for the Geomant group, which is in the implementation process), ensuring a unified approach to handling complaints at all locations.

Several projects and initiatives were successfully implemented within the BPTO group, including the internal communication policy, compensation and benefits, and various platforms in collaboration with the Group's compliance team. Additional global ESG and HR initiatives were conducted, such as the Brave Phone initiative, promotional sales of IT equipment for internal employees, and the use of a fund to support people with disabilities in Romania.

Diversity, equality, and inclusion are integral parts of the Group's human resources policy, which spans from recruitment to employee retention. Our goal is to ensure equal opportunities and conditions for all employees within a healthy working environment, in line with the highest industry standards.



6

ANALYSIS OF PERFORMANCE

BPTO

The BPTO vertical continues to demonstrate strong growth, successfully expanding its client base and strengthening its leading position in the market.

This momentum in customer acquisition reflects the vertical's ability to capitalize on industry demand and enhance its competitive advantage. Newly acquired clients are spread across multiple geographic regions, ensuring sustainable activity and revenue generation in various markets within the BPTO vertical.

Macroeconomic conditions in Turkey have played a significant role in improving the profitability of debt collection projects, which constitute a major part of the vertical's total revenue. This success has been driven by an increase in staffing, with an average of 216 additional FTEs compared to the previous year.

Turkey has also strategically expanded its operations by opening two new locations.
The Mplus group, as a whole, is undergoing significant expansion, marked by the opening of new locations and the formation of strategic partnerships with key players worldwide.
In December 2024, the Group initiated the establishment of a company in South Africa to further strengthen its position in the global market.

As part of its long-term vision, Mplus group is integrating cutting-edge technology and AI-driven solutions into its operations, ensuring greater cohesion, automation, and innovation across all business segments.

Regarding the IT division of Mplus group, Bulb has reached a major milestone in the research and development of its next-generation multi-agent AI platform, which has now entered the implementation phase across multiple projects in the CEE region. Additionally, record-high results were achieved in Q4 2024, driven by the successful completion of several major deals in Southeastern Europe.

Geomant's achievements in 2024 reflect its strong global presence and continuous innovation in digital interaction and management solutions. In the United Kingdom, the company successfully secured contract extensions and new agreements, leveraging its proprietary Buzzeasy technology. In North America, Geomant expanded and secured additional contracts for its Wallboard solution, in collaboration with its key Wallboard partner.

These accomplishments further strengthen the leadership of Bulb and Geomant in AI solutions, digital transformation, and customer engagement, positioning them for continued success and expansion in 2025 and beyond.

NUMBER OF MINUTES
388M

NUMBER OF CALLS
134M

NUMBER OF EMAILS
4,8M

NUMBER OF AGENTS
+10,420

REVENUES
228M €

LANGUAGES
32

HR

Workplace's mission is to offer clients comprehensive solutions for human resource management, enabling companies to focus on their core business activities.

Workplace provides a wide range of services, including permanent recruitment and selection, temporary staffing, payroll processing, HR administration, advanced outsourcing services, human resource management and consulting, as well as training and development strategy. By delivering tailored solutions for each client, Workplace has solidified its position as a one-stop-shop for HR services in Croatia, Slovenia, Hungary, Bosnia and Herzegovina, Serbia, Bulgaria, and North Macedonia. More than 1,700 people managed by Workplace contribute to ensuring clients remain satisfied with the service.

The fourth quarter of 2024 marked the strongest and most productive quarter of the year, bringing exceptional revenue growth and record achievements across multiple markets. Workplace ended the year with a significant expansion of its client portfolio, new strategic partnerships, and improved operational efficiency.

Serbia recorded a significant business development leap, securing multiple new hires, temporary staffing, and outsourcing projects, expanding its influence across all key industries.

Hungary recorded further business expansion by increasing the number of employees for existing clients. Gaming testing services grew by 30% in revenue and headcount, with an additional 20% increase already projected for Q1 2025.

In Bulgaria, staff hiring reached a historic high in December, with record gross profit and revenue. Furthermore, Workplace was selected as a strategic partner for a 10-year energy project for one of the leading brands in the automotive industry, positioning Workplace as a leader on long-term workforce infrastructure solutions.

The momentum from the fourth quarter positions Workplace for a strong start in 2025. The appointment of a new CEO, Eldar Banjica, strengthens the strategic focus on business excellence with an emphasis on speed and quality of client delivery.

With a commitment to providing excellence and innovation in HR solutions, Workplace is well-positioned to maintain its market leadership and achieve even greater success in the upcoming year.

NUMBER OF RECRUTED CANDIDATES
+2,600

NUMBER OF CLIENTS
+1,500

NUMBER OF OUTSOURCED EMPLOYEES
+4,600

NUMBER OF EMPLOYEES
+1,700

REVENUES
116M €

NUMBER OF COMPANIES
19

FOOD

In 2024, the company Future Food Solution d.o.o. acquired a 51% share in Panvita Holding d.o.o., the parent company of Panvita Group in Slovenia. After receiving approval from the relevant competition authorities, the transaction was completed in early November 2024.

Panvita Group is one of the leading companies in the agriculture and meat production sectors in Slovenia, with significant growth potential. The long-standing tradition of Panvita dates back to 1922, and since then, it has undergone various transformations and business expansions within agriculture and meat production.

The group consists of twelve affiliated companies with more than 700 employees, and its business network covers the markets of Slovenia, Croatia, and Serbia.

The two main segments of Panvita Group are:

- primary segment – Panvita Agri (Agriculture)
- secondary segment – Panvita Mesnine (Meat and meat production)

Panvita Group manages over 3,500 hectares of cultivated land in Slovenia. These areas are used for the production of animal feed, vegetables, and other agricultural products. The group also provides veterinary services, farm management, and animal nutrition development, focusing on animal welfare and optimizing production processes to achieve high productivity.

The secondary business segment of Panvita Group is primarily focused on the production and processing of pork and poultry meat, and is represented on the market through the AVE brand. Under the AVE brand, Panvita Group offers the widest assortment of red and white meats and meat products in Slovenia. Annually, the market is supplied with around 20,000 tons of fresh meat and processed meat products.

Food safety is ensured through numerous quality management systems. Panvita Group was the first in Slovenia to implement the International Food Standard, which guarantees that products from this system follow strict consumer safety rules.

Due to its vertically integrated business model, Panvita Group can mitigate raw material market's volatility. By supporting research and development projects in Slovenia, Panvita Group contributes to the development of new technologies and solutions for efficient and sustainable agricultural production. Additionally, by collaborating with farmers to improve agricultural practices in Slovenia, Panvita Group promotes innovation and education while actively contributing to rural development and the overall Slovenian agriculture and food industry.

In December 2024, the acquisition of Mlinar Group was signed, which will strengthen the Future Food vertical and position Future Food as an important regional player in the agriculture and food industry.

NUMBER OF DISTRIBUTION CENTERS
6

MEAT SALES*
+20,000t

NUMBER OF ARABLE HECTARES
+3,500

NUMBER OF EMPLOYEES
+700

REVENUE*
126M €

ANIMAL FEED PRODUCTION
+55,000t

**Based on entire year 2024*

7

RISK MANAGEMENT

Business environment risks

The risks in the Company's business environment are related to the risks of the Republic of Croatia, which is a stable parliamentary democracy, a member of the European Union, the Eurozone and NATO. The Republic of Croatia is considered a stable political and economic member of the European Union. The credit rating of the Republic of Croatia has been increased to BBB+, which is also a result of the Republic of Croatia entering the Eurozone on January 1, 2023. The more regulated and transparent the market, the greater the investment opportunities for foreign investors, and it is to be expected that the impact of the political and economic crisis on the capital market will be less.

Risks in the business environment of the subsidiaries are related to the countries in which the subsidiaries operate, namely Germany, the Republic of Slovenia, Bosnia and Herzegovina, Turkey, Hungary, the Republic of Serbia and others. While risks in the business environment in European Union countries are considered low, risks in some countries such as Turkey and Serbia could be considered moderate due to the current political and economic turmoil in those countries.

Taking everything into account, the Group manages the risk of the business environment by regionally diversifying its business locations, and additionally by opening new industry verticals, the Group also diversifies its exposure to individual industries.

Price risks

The Group's operations are exposed to price risk related to changes in the prices of services required for the performance of activities. The Group's procurement function manages strategic procurement categories and key suppliers by developing partnerships with existing and new suppliers to mitigate these impacts. The Group generally manages inflation risk by pricing contractual relationships in contracts, in which the price of services or products is indexed to inflation.

The Group is particularly exposed to price risk fluctuations in relation to electricity prices, as well as telecommunications price fluctuations affected by the energy crisis primarily within the BPTO industry vertical, but the Group has managed to mitigate these risks through the procurement process, while in some countries governments have introduced specific energy frameworks that reduced the impact of energy price increases. The Group has started implementing Group procurement processes through different industry verticals, which strengthens its position when negotiating better terms with suppliers of key services.

The Group is also exposed to hyperinflation in Turkey, so the Group has implemented International Accounting Standard 29: Financial Reporting in a Hyperinflationary Economy to disclose the impact of the hyperinflationary economic environment on its financial statements.

Currency risks

Currency risks include transaction and balance sheet risk. Transaction risk is the risk that changes in exchange rates will negatively affect cash flows from business activities. Balance sheet risk is the risk that the value of net monetary assets denominated in foreign currencies will be lower when translated into euros due to changes in foreign currency exchange rates. The Group is currently exposed to fluctuations in the Turkish lira, Hungarian forint, as well as the Serbian dinar. The Group manages this risk through an appropriate currency structure of its balance sheet.

Liquidity risk and cash flows risks

The Group manages liquidity risk by setting appropriate frameworks for managing this risk, in order to manage short-term and long-term funding and liquidity requirements and maintain adequate reserves and available borrowing lines. This is the result of continuous monitoring of planned and realized cash flows, as well as monitoring the maturity of the Group's receivables and obligations towards customers and suppliers, banks and other financial institutions. In addition, cash flows are continuously monitored and analyzed with the aim of optimal liquidity management, in order to ensure a sufficient level of cash for business needs.

The Group has low debt levels and a strong cash position, which further reduces liquidity risk and enables the Group to utilize various sources of financing to maintain its liquidity.

Competition-related risks

The Group profiles itself as a regional leader in all industry verticals, which enables it to have a better market position compared to its competitors. Also, in the BPTO industry in general, and in the contact center industry in particular, there is no strong competition in the sales process between BPTO service providers, the greatest growth potential lies in the acquisition of relevant processes that are still managed internally by clients, which is why there is still no market saturation. In the case of the HR industry vertical, the Group operates under one of the strongest global Manpower brands and as such has an initial advantage over the competition.

The Group manages the risk of the business environment by diversifying industries, customer base, constantly improving the quality management system, introducing new technological solutions in products and services, and continuously developing its brands.

Interest risks

Interest rate risk is the risk of negative effects on business as a result of changes in interest rates. The Group manages the risk of interest rate changes by contracting borrowings in the currencies of its banks. While in the periods until the end of 2023 the interest rate risk due to the overall credit markets was increased compared to 2022, it is expected that the interest rate risk will stagnate and decrease in the future. It is expected that by the end of 2024, a correction will take place in the credit markets, which should have a positive effect on interest rates.

Credit risks

Credit risks refer to the risks associated with the collection of receivables from customers. The Group manages credit risk in such a way that it chooses renowned global and regional companies for its clients, by constantly monitoring the clients' operations and ensuring that the Group has no other financial assets, and therefore no additional credit risk that would lead to an increase in provisions for impairment of the value of customers and other claims. The group is not significantly exposed to a small number of customers, so its credit risk is spread over a significant number of customers.

Risk of changes in tax regulations

To a certain extent, the Group protected itself from the risk of changes in tax regulations by geographically diversifying operations in 20 countries, which significantly reduced the impact of possible changes in tax regulations in any of these countries on the Group's overall operations. The existing framework of tax regulations in the most important countries in relation to the Group's articles is stable and as such has a limited impact on the Group's operations.

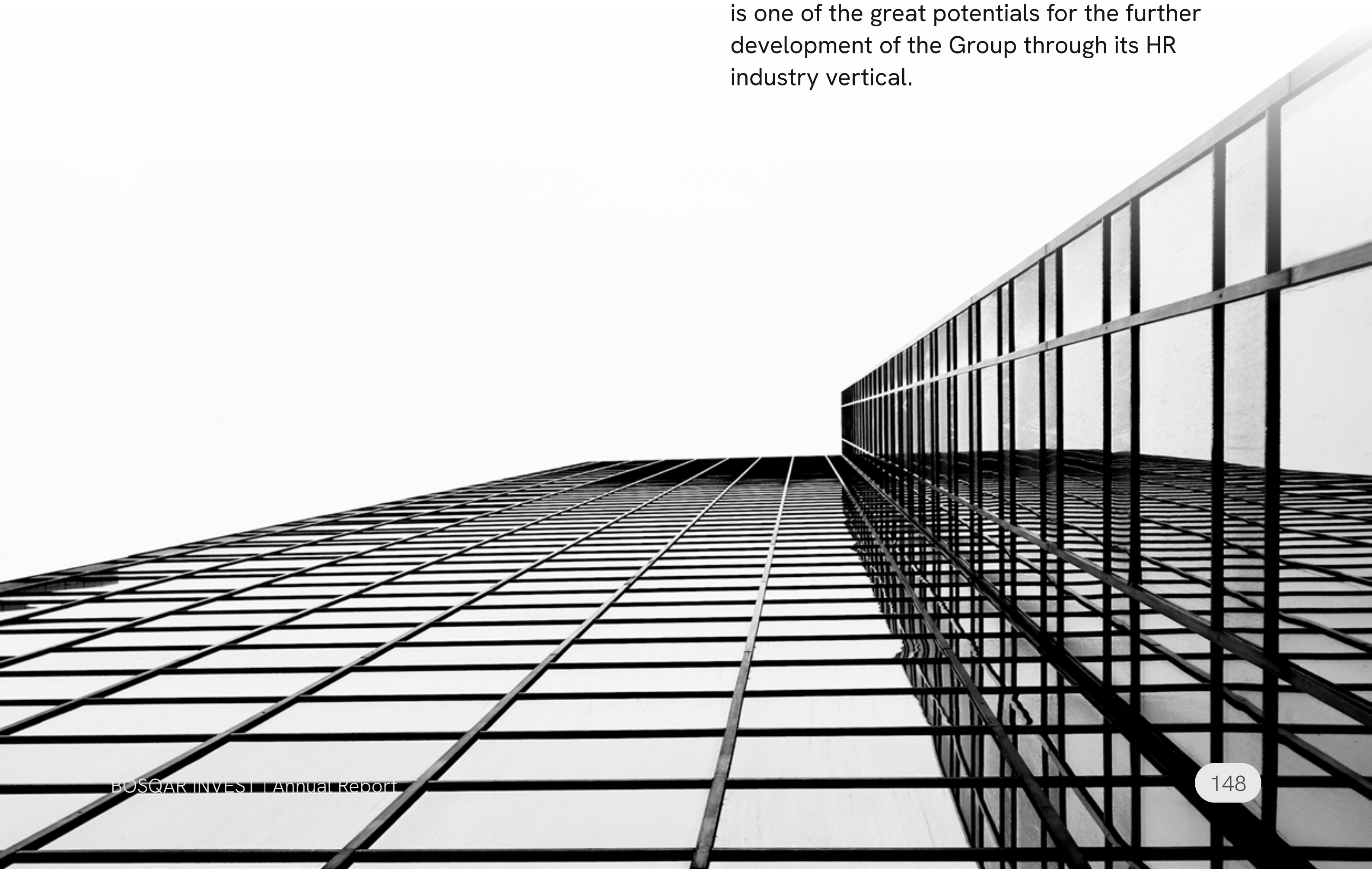
Litigation risks

The Company is not at risk of loss in litigation because it is not involved in any material proceedings. Subsidiaries participate in several disputes as active parties, primarily in collection proceedings, while as passive parties they are involved in several, primarily labor law proceedings. However, considering the number of such proceedings, the status of such proceedings and possible financial exposure, the Group's risk of loss in litigation is not significant.

Workforce attrition risks

The Group is indirectly exposed to the risk of labor force outflow primarily within its BPTO industry vertical due to the fact that contact centers, as a labor-intensive industry, are the main business segment of subsidiaries. The Group's inability to have and secure a sufficient number of employees may have a negative impact on the Group's operations, financial position and operating results. Geographical diversification of business, especially expansion into Turkey and Serbia, reduces the risk of lack of human resources due to the nearshoring strategic business model. However, if the Group is unable to attract and retain employees with the necessary skills and knowledge of foreign languages, the Group will be exposed to the risk of loss of profits, increased salary costs and additional costs in terms of employee training.

By forming the HR industry vertical, the Group reduced the risk within the BPTO industry vertical to a certain level because it provided additional resources that can mitigate problems related to the outflow of labor within the BPTO industry vertical. Workforce management is one of the great potentials for the further development of the Group through its HR industry vertical.



Risk of economic cycles

The Group primarily operates within industries that are not significantly cyclical, with the exception of the eCommerce segment and the newly established Food vertical, where certain periods within the year see a notable increase in sales. As the eCommerce segment became highly immaterial to the overall operations of the Group in 2024—due to the development of other business verticals and the formation of the new Food vertical—the impact of eCommerce business seasonality on the Group is considered immaterial. At the same time, there is significant exposure to annual seasonality within the Food vertical. The Group, together with the management of the Food vertical, has placed special emphasis on managing all business seasonality risks and will ensure optimal financing to minimize the mentioned risk.

In times of recession or contraction, the emphasis is on reducing costs that BPTO provides to customers, while on the other hand, precisely in periods of growth, the need for new labor is extremely high. The Group can thus, through its HR operations, provide great added value.

8

EXPECTED FUTURE DEVELOPMENT OF THE COMPANY AND THE GROUP

The pro-forma* revenues of the BOSQAR INVEST group for 2024 would amount to EUR 476 million. Compared to 2021, when the BOSQAR INVEST's amounted to EUR 105 million, this is an increase of EUR 371 million. At the same time, the pro-forma EBITDA for 2024 amounted to EUR 44 million, which is EUR 24 million higher than the EBITDA the Group achieved in 2021.

Expected and future development of the Group[12]

In 2024, the Group primarily developed its BPTO and HR business verticals and ensured further organic growth, with a focus on developing technologies, opening new markets, acquiring new key global customers and operational efficiency. The capital position of the two BPTO verticals was significantly strengthened – through the recapitalization of the BPTO umbrella holding company M Plus Croatia d.o.o. in the amount of EUR 60 million – and by strengthening the capital position through the secondary public offering of shares in the umbrella holding company BOSQAR d.d., which raised EUR 49,1 million in new capital.

The EBRD also participated in the recapitalisation of M Plus Croatia d.o.o., which once again demonstrated the confidence of this important European institutional investor in the development of BPTO business vertical and in the Group as a whole. The aforementioned recapitalisation secured funds to finance organic growth, primarily through the development of new markets and the acquisition of new major global customers, the development of internal technological solutions based on artificial intelligence (AI), but also for new acquisitions with the aim of further growth and strengthening of the BPTO business vertical. Over the past four years – from 2021 to 2024 – Mplus achieved revenue growth at a compound annual growth rate (CAGR) of 23%, while adjusted EBITDA grew at a compound annual growth rate of 20% over the same period. The aforementioned growth in revenue and adjusted EBITDA is the result of focusing on key markets and key customers in the DACH region, a continuous focus on operational efficiency, strengthening teams at all levels of the organization and developing proprietary technological solutions based on AI technologies.

The global BPTO industry is expected to continue to grow in the coming period, but it will also undergo significant change. The integration of artificial intelligence (AI) and automation will have a significant impact on the transformation of the entire global industry. These technologies are changing the way BPTO services are delivered, increasing efficiency, accuracy and speed of delivery. Due to the high investment that will be required for the technology, further consolidation of the market is expected as small

[12] The text referred to in this section of the report contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of certain forward-looking terminology, including, but not limited to, the expressions: "believes", "estimates", "anticipates", "contemplates", "expects", "seeks", "goal", "strategy", "purpose"," "intends"," "continues"," "may"," "should" or, in each case, negative or other variations of these or similar terms. These forward-looking statements relate to matters that are not historical facts. Such forward-looking statements include statements regarding the Group's intentions, beliefs and/or current expectations with respect to, among other things, plans, objectives, achievements, strategies, future events, future revenues or performance, capital expenditures, financing requirements, plans and intentions for acquisitions, competitive strengths and weaknesses, business strategies and anticipated trends in the industry and political and legal environment in which the Group operates, as well as other non-historical information. The forward-looking statements contained in this document are inherently subject to risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and are more or less beyond the control and influence of the Group. Forward-looking statements are not guarantees of future performance. Actual performance, results of operations, financial condition, liquidity, trends, development of business strategies and operations in the markets in which it operates, directly or indirectly, and the actual resources available may differ materially from those suggested by the forward-looking statements contained in this document. Even if the investment performance, results of operations, financial condition, liquidity and the development of business strategies and operations in the markets in which it operates, directly or indirectly, are consistent with the forward-looking statements contained in this item of the report, they may not be indicative of results, developments, markets, or resources in future periods.
**The pro-forma presentation assumes a hypothetical situation as if Panvita Group had been acquired on January 1, 2024.*

and medium-sized companies in the industry will not be able to keep up with the development of technological solutions. The availability and expertise of agents will also have a significant impact on the industry. Agents will need to have new skills and knowledge to be able to provide services that need to be highly personalized according to the expectations of customers and users of BPO services.

Strengthened by new capital, in the coming period Mplus will place a special emphasis on the further development of its own technological solutions based on AI technology, and the momentum of investment in these solutions will accelerate precisely thanks to the EBRD's investment. AI technology solutions will be used in all business processes of BPTO companies to provide an efficient and high-quality service. The development of the mentioned solutions is based on our own operational know-how, which increases the applicability and faster implementation of the mentioned solutions directly in all business processes. Another focus in the development of the BPTO business vertical will be the acquisition of new global customers in the DACH region as well as in the US and UK markets. The Group will continue to actively consider new acquisitions within the BPTO business vertical, both within and outside Europe, with a focus on expanding capacity to service large global clients and acquiring new knowledge and solutions to provide greater value services. The above-mentioned development of the BPTO business vertical should ensure further sales growth and increased profitability.

With the acquisition of Panvita Grupa in 2024, a Slovenian vertically integrated production and processing industry, the Group began developing a new business vertical focused on food production. In December 2024, the Group signed an agreement to acquire a majority stake in Mlinar d.o.o., one of the leading companies in the bakery industry in the region. Following approval by the regulatory competition authorities, which is expected in the second quarter of 2025, Mlinar d.o.o. and its subsidiaries (Mlinar Group) will become an integral part of the Food business vertical.

The Group is considering further acquisitions in the food industry in the coming years with the aim of forming a leading food group in the fresh products segment and focusing on meat and meat products as well as bakery products as two sub-groups within the food vertical.
For the acquisitions of Panvita and Mlinar, the Group entered into strategic partnerships with minority shareholders, including the Regal Group and the private equity fund MidEuropa. This strengthened the partnership with MidEuropa, which continues to support the development of the BPTO vertical as a minority shareholder.

The food industry is developing rapidly under the influence of changing consumer habits, technologies and environmental requirements. It is expected that sustainable and ecological production will become increasingly important, which will also be influenced by changing consumer habits that prioritize health and functional nutrition. Technology and automation in production will become increasingly important. Large investment cycles are expected in the industry, particularly in the development of new technologies, which in turn will increase the financial pressure on players in the sector. It is predicted that the focus will increasingly be on self-sufficiency and securing independence in food production, which is why countries will increasingly promote production within their borders. It is expected that there will be a significant consolidation of the market in Central and Eastern Europe, as there are no large food groups.

In the coming period, the Group will deploy additional resources and focus specifically on the development of the food vertical, both through potential new acquisitions and by increasing the operational efficiency.
The focus will be in achieving a common presence on markets and vis-à-vis key customers, strengthening financial stability and the potential for further growth by ensuring optimal financing structures, implementing new technologies in the primary production of raw materials and in the processing segment and strengthening management, all with aim of creating undispute market leader

in the region. Particular attention is paid to sustainable production and taking into account new consumer habits. In 2024, the Group strengthened the management of its HR business vertical, where Eldar Banjica was appointed as the new CEO and new key people were appointed to regional functions, which will ensure stronger regional cooperation and the implementation of best business practices by all members of the HR business vertical. In addition, the financial position of the companies within the HR business vertical has been stabilized, full independence in funding further operations has been ensured, collaboration with Manpower International has been strengthened and focus in working with key clients has been increased. After 2024, when the foundations were laid, the HR business vertical is expected to achieve even better results in 2025 than in 2024, when revenue growth of 37 million EUR was achieved compared to 2023, i.e. growth in adjusted EBITDA of 0.7 million compared to 2023.

In 2025, one of the priorities will be the introduction of new technological solutions and automation, using solutions already developed within the Group's BPTO vertical. It is the technology based on AI technology and automation that will have a significant impact on the entire global HR industry in the coming period and will influence the transformation of the entire industry. In addition to technology, the change in working models and the transition to hybrid and flexible working models, continuous learning, employee experience and workforce migration will also have a significant impact on the entire HR industry.

Taking global trends into account, in 2024 the Group reduced its involvement in the eCommerce industry and focused on specific products that have a specific niche segment (tourism) and exited the beauty segment, where it was unable to achieve further growth due to strong competition.

With a strong capital position at the level of BOSQAR d.d., strengthened by the new listing of shares on the Zagreb Stock Exchange, which raised EUR 49.1 million in October 2024, the Group has laid the foundation for further growth in the coming period, both through organic growth of its business verticals and through new acquisitions in existing verticals. The Group will also consider establishing new business verticals to achieve further growth and risk diversification.

The trends presented and expected relate to the market for the services provided by the Group. The figures are indicative and relate to expected market developments under current conditions, assuming that there are no unexpected disruptions or changes in the future. However, these figures should in no way be interpreted as a forecast or estimate by the Group.

9

AUDITORS REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

The Management Board's responsibility for the Annual report

The Management Board must ensure that the consolidated financial statements are prepared in accordance with International Financial Reporting Standards, adopted by the European Union ("IFRS"), so as to provide a true and fair view of the financial status and results of operations of BOSQAR d.d. Zagreb (the "Company") and its subsidiaries (the "Group") for the year that ended on December 31, 2024, and for each period presented.

Following examinations, the Management Board has a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing consolidated financial statements.

In preparing consolidated financial statements, the Management Board is responsible for:

- selecting and then consistently applying appropriate accounting policies;
- making sure that judgments and estimates are reasonable and prudent;
- the application of applicable accounting; and
- the preparation of consolidated financial statements on a going concern basis.

The Management Board is responsible for keeping proper accounting records, which, at any time, disclose with reasonable accuracy the consolidated financial position of the Group and must also ensure that it complies with the Croatian Accounting Act. The Management Board is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Group's Management Board is also responsible for the completeness and accuracy of the consolidated management report in accordance with Articles 21 and 24 of the Accounting Act.

Signed by members of the Management Board:

President of the Management Board	Member of the Management Board
Darko Horvat	Tomislav Glavaš

BOSQAR d.d

Ulica grada Vukovara 32

10 000 Zagreb

Republic of Croatia

April 25, 2025

Deloitte d.o.o.
ZagrebTower
Radnička cesta 80
10 000 Zagreb
Croatia
TAX ID: 11686457780

Tel: +385 (0) 1 2351 900
Fax: +385 (0) 1 2351 999
www.deloitte.com/hr

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BOSQAR d.d., Zagreb

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of BOSQAR d.d., Zagreb and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

This version of the auditor`s report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

26E677D0B42B8FCE0DEE40B97548C5A8

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

<table>
<tr><th>Revenue recognition</th><th>How we approached the key audit matter during our audit</th></tr>
<tr><td colspan="2">For accounting policies, see the Summary of Significant Accounting Policies, Note 3.6. – Revenue from contracts with customers.</td></tr>
<tr><td>Revenue from contact centres is recognized in the period in which the services are rendered. Services are recognized either based on the time spent by staff on various communication channels, the quantity of processed units on various communication platforms, or the number of dedicated individuals on specific engagements or projects. Certain contracts also include a variable portion of the fee.

Revenue from the sale of software solutions is recognized over time. Revenue is recognized in the financial statements based on the degree of completion of the contract. The Group sells software directly to customers, and revenue is recognized at a specific point when control over the software is transferred to the customers, with the sale of the software considered a separate distinct obligation of delivery.

Revenues from the sale of temporary staffing services and similar services are recognized in the period in which the services are rendered.

eCommerce revenue consists of resale services of tourism arrangements. Revenue from the resale of tourism arrangements is recognized as commission or fees earned for services provided as an agent.

Revenue from the food segment is recognized at the transaction price when the performance obligation is fulfilled. Based on this, the recognized revenue may be lower than the price stated in the contract if the consideration is variable, as the company may offer the customer a discounted price or a return option.

Revenue recognition involves significant management estimation and judgment in determining the appropriate timing or degree of completion for the performance obligation, as well as the transaction price for each distinct performance obligation. Due to these risks, this area has been identified as a key audit matter.</td><td>In order to address the risks associated with revenue recognition, we designed audit procedures that enabled us to obtain sufficient appropriate audit evidence for our conclusion on this matter.

Our audit procedures included, among others:

• Evaluating the Group's revenue recognition policies and their compliance with IFRS 15;
• Testing the design and implementation of internal controls related to revenue recognition to ensure their adequacy of recording;
• Selecting a sample of transactions for each revenue stream and conducting substantive testing to determine the appropriateness of revenue recognition, considering relevant criteria under IFRS 15;
• Assessing management's estimates used in determining transaction prices, distinct delivery obligations, and the timing or degree of completion for performance obligations;
• Reviewing whether disclosures regarding revenue from customer contracts are appropriate in the consolidated financial statements.</td></tr>
</table>

Deloitte.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

<table>
<tr><th>Business combinations</th><th>How we approached the key audit matter during our audit</th></tr>
<tr><td colspan="2">For accounting policies, see the Summary of Significant Accounting Policies, Note 3.4. – Business combinations.</td></tr>
<tr><td>In the current financial year, the Group has completed significant business combinations, as noted in Note 40 “Acquisition of subsidiaries” to the consolidated financial statements. The application of IFRS 3, "Business Combinations," required the identification and fair valuation of acquired assets and liabilities.

The allocation of the purchase price in business combinations is a key audit matter due to the inherent subjectivity in determining the fair value of assets and liabilities and the identification of assets and liabilities, which primarily rely on the use of significant unobservable inputs and management estimates.

The Group has prepared the initial purchase price allocation for the acquisitions of companies in 2024 (Panvita Holding and Real Estate Development Projekt) and recognized provisional goodwill. The Group will assess the acquisition calculation within the measurement period in accordance with IFRS 3 Business Combinations during 2025.

This area has been identified as a key audit matter due to the significance of the acquisition transactions.</td><td>We assessed whether management appropriately applied the requirements of IFRS 3 by performing the following audit procedures:

• Evaluation of the appropriateness of the Group's accounting policy for business combinations under IFRS 3;

• Review of share purchase agreements and measurement of consideration paid related to acquisition;

• Review of whether disclosures on acquisitions and provisional purchase price allocations are appropriate in the consolidated financial statements.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

<table>
<tr><th>Recoverability of goodwill</th><th>How we approached the key audit matter during our audit</th></tr>
<tr><td colspan="2">For accounting policies, see the Summary of Significant Accounting Policies, Note 3.5. – Goodwill and note 4. Critical accounting judgements and key source of estimation uncertainty – impairment of goodwill</td></tr>
<tr><td>Goodwill is disclosed in Note 16 and amounts to 30,159 thousand EUR (2023: 17,983 thousand EUR).

The carrying amount of goodwill represents a significant segment of the total consolidated assets. The assessment of the recoverability of the cash-generating units of the Group involves significant management judgment related to a) the future operating results of individual units of the Group and b) the discount rates used in the assessment of cash flows for these units.

Considering the significant reliance on management estimates in defining cash-generating units, designing cash flow projections, and calculating the net present value for each cash-generating unit, this area has been identified as a key audit matter.</td><td>To address the risks related to the recoverability of goodwill, we designed audit procedures that enabled us to obtain sufficient and appropriate audit evidence to support our conclusion on this matter.

The audit procedures included:
Understanding the impairment assessment process of goodwill;
Reviewing the Group's methodology regarding the adequacy of defining cash-generating units;
Analysing the Group's future cash flows by comparing the inputs used in plans with approved budgets for each segment. Where possible and available, we also reviewed the fair value of each segment;
Comparing actual results from the current period (2024) with the inputs used in forecasts from the previous period (2023) to assess the assumptions used;
Reviewing management's key assumptions regarding the long-term growth rate by comparing it with historical growth rates;
Conducting audit procedures related to verifying the mathematical accuracy of the impairment model and sensitivity analysis, and assessing the appropriateness of the discount rates used in the calculation, with the assistance of valuation experts;
Finally, we assessed the adequacy of disclosures in the consolidated financial statements and their compliance with IFRS.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. With respect to the Management Report, the Corporate Governance Report, which is included in the Annual Report, we have also performed the other procedures prescribed by the Accounting Act. These procedures include examination of whether the Management Report includes required disclosures as set out in Articles 22 and 24 of the Accounting Act and whether the Corporate Governance Report includes the information specified in Articles 22 and 25 of the Accounting Act.

Based on the procedures performed during our audit, to the extent we are able to assess it, we report that:

1) Information included in the other information is, in all material respects, consistent with the attached consolidated financial statements.
2) Management Report has been prepared, in all material respects, in accordance with the Articles 22 and 24 of the Accounting Act, which is included as part of the other information and constitutes a separate part of the Management Report, we performed a limited assurance engagement, the results of which were presented in a separate limited assurance report with an unmodified conclusion.
3) Corporate Governance Report has been prepared, in all material aspects, in accordance with Articles 22 and 25 of the Accounting Act,

Based on the knowledge and understanding of the Group and its environment, which we gained during our audit of the consolidated financial statements, we have not identified material misstatements in the other information.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guaranteed that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Deloitte.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest such communication.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF)

Auditor's reasonable assurance report on the compliance of consolidated financial statements (financial statements), prepared based on the provision of Article 462 (5) of the Capital Market Act by applying the requirements of the Delegated Regulation (EU) 2018/815 specifying for the issuers a single electronic reporting format ("ESEF Regulation"). We conducted a reasonable assurance engagement on whether the financial statements of the Group for the financial year ended 31 December 2024 prepared to be made public pursuant to Article 462 (5) of the Capital Market Act, contained in the electronic file [74780080JD6L45P7YG07-2024-12-31-0-en.zip], have been prepared in all material aspects in accordance with the requirements of the ESEF Regulation.

Responsibilities of the Management and Those Charged with Governance

Management is responsible for the preparation and content of the financial statements in line with the ESEF Regulation.

In addition, Management is responsible for maintaining the internal controls system that reasonably ensures the preparation of financial statements without material differences with the reporting requirements from the ESEF Regulation, whether due to fraud or error.

Furthermore, Management is responsible for the following:

- public reporting of financial statements presented in the Annual Report in valid XHTML format
- selection and use of XBRL markups in line with the requirements of the ESEF Regulation.

Those charged with governance are responsible for supervising the preparation of financial statements in ESEF format as part of the financial reporting process.

Auditor's Responsibilities

It is our responsibility to carry out a reasonable assurance engagement and, based on the audit evidence obtained, give our conclusion on whether the financial statements have been prepared without material differences with the requirements from the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

Quality management

We have conducted engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct. We comply with the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements (ISQM 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.

Deloitte.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements (continued)

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF) (continued)

Procedures performed

As part of the selected procedures, we have conducted the following activities:

- We have read the requirements of the ESEF Regulation;
- We have gained an understanding of internal controls of the Group, relevant for the application of the ESEF Regulation requirements;
- We have identified and assessed the risks of material differences with the ESEF Regulation due to fraud or error;
- We have devised and designed procedures for responding to estimated risks and obtaining reasonable assurance in order to reach our conclusion.

Our procedures focused on assessing whether:

- Financial statements included in the consolidated report have been prepared in valid XHTML format;
- Data included in the consolidated financial statements required by the ESEF Regulation have been marked up and meet all of the following requirements:
    - XBRL has been used for markups.
    - Core taxonomy elements stipulated in the ESEF Regulation with the closest accounting meaning were used unless an extension taxonomy element was created in line with the Annex IV of the ESEF Regulation;
    - Markups comply with the common rules on markups in line with the ESEF Regulation.

We believe the evidence we obtained to be sufficient and appropriate to provide a basis for our conclusion.

Conclusion

We believe that, based on the procedures performed and evidence obtained, the financial statements of the Group presented in the ESEF format, contained in the aforementioned electronic file, and based on the provision of Article 462 (5) of the Capital Market Act, have been prepared to be published for public, in all material aspects in accordance with the requirements of articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2024.

In addition to this conclusion, as well as the audit opinion contained in this Independent Auditor's Report for the accompanying financial statements and Annual Report for the year ended 31 December 2024, we do not express any opinion on the information contained in these documents or other information contained in the above-mentioned file.

Deloitte.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements (continued)

Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and the Council and the Audit Act

We were appointed as the statutory auditor of the Group by the shareholders on General Shareholders' Meeting held on 17 June 2024 to perform audit of accompanying consolidated financial statements. Our total uninterrupted engagement has lasted 7 years and covers period from 1 January 2018 to 31 December 2024.

We confirm that:

- our audit opinion on the accompanying consolidated financial statements is consistent with the additional report issued to the Audit Committee of the Group on 25 April 2025 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council;
- no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided.

There are no services, in addition to the statutory audit, which we provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

The engagement partner on the audit resulting in this independent auditor's report is Katarina Kadunc.

Katarina Kadunc
Director and certified auditor

For signatures, please refer to the original Croatian auditor`s report, which prevails.

Deloitte d.o.o.

25 April 2025
Radnička cesta 80,
10 000 Zagreb, Croatia

This version of the auditor`s report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

Consolidated statement of comprehensive income
For the year ended December 31, 2024
(*All amounts are presented in thousands of EUR*)

	Notes	2024	2023
Continued operations			
Revenue from contracts with customers	5	358,644	285,352
Other revenue	6	13,009	7,536
Total revenue		**371,653**	**292,888**
Change in inventories of finished goods and work in progress		(1,524)	-
Costs of raw materials and supplies	7	(10,548)	(2,561)
Cost of goods sold	8	(4,112)	(2,389)
Expected credit losses (trade receivables)		(24)	(20)
Costs of services	9	(32,311)	(18,146)
Staff costs	10	(260,373)	(219,825)
Depreciation and amortization	11	(24,976)	(20,305)
Other operating expenses	12	(22,854)	(16,100)
Total operating expenses		**(356,722)**	**(279,346)**
Profit from operations		**14,931**	**13,542**
Share of results of an associates and joint ventures	21	(189)	-
Financial income	13	4,513	4,148
Financial expenses	13	(12,851)	(9,427)
Losses from financial activities		**(8,338)**	**(5,279)**
Profit before taxation		**6,404**	**8,263**
Income tax	15	(1,498)	(1,707)
Profit from continued operations		**4,906**	**6,556**
Discontinued operations			
Loss from discontinued operations	41	(3,277)	(1,592)
Total operations			
Profit for the year		**1,629**	**4,964**
Attributable to:			
To the owners of the Company		4,556	3,761
Non-controlling interests		(2,927)	1,203
Earnings per share			
Basic and diluted earnings per share (in euro and cents)	14	4.46	3.83

The accounting policies and notes that follow form an integral part of these consolidated financial statements.

(All amounts are presented in thousands of EUR)

	Notes	2024	2023
Profit for the year		**1,629**	**4,964**
Other comprehensive income			
Items that can later be transferred to profit or loss			
Exchange rate differences from the translation of foreign parts of operations in the current business year		1,253	(3,548)
Items that cannot later be transferred to profit or loss			
Actuarial losses		(240)	(239)
Other comprehensive (loss)/income for the year		**1,013**	**(3,787)**
TOTAL COMPREHENSIVE INCOME FOR THE CURRENT YEAR		**2,642**	**1,177**
Attributable to:			
The owners of the Group		5,569	(26)
Non-controlling interests		(2,927)	1,203

The accounting policies and notes that follow form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As of December 31, 2024

(All amounts are presented in thousands of EUR)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Goodwill	16	30,159	17,983
Intangible assets	17	58,292	56,409
Right of use assets	18	21,479	13,583
Property, plant and equipment	19	93,132	17,590
Investment property	20	14,195	14,276
Investments in associates	21	2,286	-
Non-current financial assets	22	38,837	4,661
Deferred tax assets	15	6,058	4,739
Total non-current assets		**264,438**	**129,241**
Current assets			
Inventories	24	18,050	1,527
Biological asset	25	3,878	-
Current financial assets	23	1,974	2,751
Trade receivables	26	63,820	43,150
Other receivables	27	11,245	7,197
Accrued income and prepaid expenses	28	8,193	6,927
Cash and cash equivalents	29	111,983	50,637
Asset held for sale	41	930	-
Total current assets		**220,073**	**112,189**
TOTAL ASSETS		**484,511**	**241,430**

The accounting policies and notes that follow form an integral part of these consolidated financial statements.

(All amounts are presented in thousands of EUR)

	Notes	December 31, 2024	December 31, 2023
Equity			
Share capital	30	15,640	13,034
Reserves	31	24,031	(3,127)
Retained earnings and profit for the current year		20,631	19,094
To the parent owners		**60,302**	**29,001**
Non-controlling interests	42	94,649	29,104
Total equity		**154,951**	**58,105**
Non-current liabilities			
Long term borrowings	32	84,856	33,718
Liabilities arising from issued bonds	32	40,000	40,000
Long-term lease liabilities	33	18,074	10,100
Deferred tax liability	15	1,403	3,272
Long-term provisions		5,657	3,135
Other non-current liabilities	34	22,498	7,211
Total non-current liabilities		**172,488**	**97,436**
Current liabilities			
Trade payables	35	35,283	12,237
Liabilities to employees	36	23,180	18,983
Income tax liabilities		1,783	2,489
Other current liabilities	37	12,692	7,506
Short term borrowings and accrued interests	32	66,459	29,022
Short-term lease liabilities	33	8,116	5,469
Accrued expenses and deferred Income	38	8,472	10,183
Liabilities directly associated with assets classified as held for sale	41	1,087	-
Total current liabilities		**157,072**	**85,889**
Total liabilities		**329,560**	**183,325**
TOTAL EQUITY AND LIABILITIES		**484,511**	**241,430**

The accounting policies and notes that follow form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended December 31, 2024

(All amounts are presented in thousands of EUR)

	Share capital	Other reserves	Capital reserves	Legal reserves	Reserves from foreign exchange differences from investments in foreign operations	Reserves for actuarial losses	Other equity items	Retained earnings	To the owners of the Company	Non-controlling interests	Total
Balance at January 1, 2023.	**13,034**	**(5,704)**	**19,784**	**1,763**	**1,960**	**(609)**	**(16,637)**	**16,942**	**30,533**	**26,871**	**57,404**
Profit for the current year	-	-	-	-	-	-	-	3,761	**3,761**	1,203	**4,964**
Other comprehensive income for the current year less income tax	-	-	-	-	(3,548)	(239)	-	-	**(3,787)**	-	**(3,787)**
Total comprehensive profit of the current year	-	-	-	-	*(3,548)*	*(239)*	-	*3,761*	***(26)***	*1,203*	***1,177***
Transfer to reserves	-	-	-	234	-	-	-	(234)	**-**	-	**-**
Acquisition of the company Konverzija	-	-	-	-	-	-	-	-	**-**	206	**206**
Payment by a minority shareholder in Kanatol	-	-	-	-	-	-	-	-	**-**	976	**976**
Acquisition of the non-controling interest in the company CDE Nove tehnologije (Note 31.4)	-	-	-	-	-	-	(131)	-	**(131)**	(160)	**(291)**
Acquisition of the Buzzeasy AI Kft.	-	-	-	-	-	-	-	-	**-**	8	**8**
Dividend payment	-	-	-	-	-	-	-	(1,375)	**(1,375)**	-	**(1,375)**
Balance at December 31, 2023.	**13,034**	**(5,704)**	**19,784**	**1,997**	**(1,588)**	**(848)**	**(16,768)**	**19,094**	**29,001**	**29,104**	**58,105**

The accounting policies and notes that follow form an integral part of these consolidated financial statements.

(All amounts are presented in thousands of EUR)

	Share capital	Other reserves	Capital reserves	Legal reserves	Reserves from foreign exchange differences from investments in foreign operations	Reserves for actuarial losses	Other equity items	Retained earnings	To the owners of the Company	Non-controlling interests	Total
Balance at January 1, 2024.	**13,034**	**(5,704)**	**19,784**	**1,997**	**(1,588)**	**(848)**	**(16,768)**	**19,094**	**29,001**	**29,104**	**58,105**
Profit for the current year	-	-	-	-	-	-	-	4,556	**4,556**	(2,927)	**1,629**
Other comprehensive income for the current year less income tax	-	-	-	-	1,253	(240)	-	-	**1,013**	-	**1,013**
Total comprehensive profit of the current year	-	-	-	-	*1,253*	*(240)*	-	*4,556*	***5,569***	*(2,927)*	***2,642***
Transfer to reserves	-	-	-	408	-	-	-	(408)	-	-	-
Other changes	-	-	-	-	-	-	-	(352)	**(352)**	-	**(352)**
Non-controlling interest investment in subsidiary	-	-	-	-	-	-	-	-	-	57,059	**57,059**
Issue of share capital	2,606	-	45,285	-	-	-	-	-	**47,891**	-	**47,891**
Subsidiaries disposal (note 41)	-	-	-	-	-	-	-	-	-	(239)	**(239)**
Acquisition of non-controlling interest in subsidiaries (note 31.4)	-	-	-	-	-	-	(19,548)	-	**(19,548)**	(7,404)	**(26,952)**
Acquisition of subsidiaries (note 40)	-	-	-	-	-	-	-	-	-	19,056	**19,056**
Dividend payment	-	-	-	-	-	-	-	(2,259)	**(2,259)**	-	**(2,259)**
Balance at December 31, 2024.	**15,640**	**(5,704)**	**65,069**	**2,405**	**(335)**	**(1,088)**	**(36,316)**	**20,631**	**60,302**	**94,649**	**154,951**

The accounting policies and notes that follow form an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended December 31, 2024

(All amounts are presented in thousands of EUR)

	2024	2023
Profit for the current year before taxes	**3,127**	**6,671**
Depreciation of tangible assets, intangible assets, and right of use assets	25,193	20,625
Net book value of disposed equipment and intangible assets	958	11,104
Other financial expenses/(income)	1,031	(271)
Expected credit losses on receivables	11,177	8,255
Profit from interests	(2,704)	(762)
Exchange rates differences (non-realized)	(954)	(3,070)
Gain from bargain purchase	-	(1,577)
Expected credit losses on trade receivables	24	20
Increase/(decrease) in provisions	1,471	(330)
Other non-cash changes	1,677	-
Cash generated from operating activities before changes in working capital	**41,000**	**40,665**
Decrease/(increase) in inventories	2.053	(803)
Increase in trade receivables	(7.917)	(8,669)
(Decrease)/increase in trade payables	(4.531)	6,309
(Increase)/decrease in other receivables	(509)	989
(Decrease)/increase in other current liabilities	(1.377)	1,212
Decrease in non-current liabilities	(2.124)	(1,962)
Increase in prepaid expenses	(5.306)	(2,246)
(Decrease)/Increase of accrued expenses	(820)	2,780
Cash used in operating activities	**(20.531)**	**(2,390)**
Paid income taxes	(3.397)	(2,249)
Net cash generated from operating activities and changes in working capital	**17.072**	**36,026**
Cash flow from investing activities		
Increase in current financial assets	(32,121)	(1,666)
Purchase of non-current assets	(26,238)	(24,774)
Acquisition of a subsidiary company, less the money acquired	(7,775)	(2,178)
Proceeds on disposal of subsidiary	106	-
Net cash used in investing activities	**(66,028)**	**(28,618)**
Cash flow from financing activities		
Dividends paid	(2,259)	(1,375)
Proceeds on issue of shares	47,891	-
Investment from minority shareholders	57,059	-
Loans received	253,348	39,338
Repayments of loans and interests	(210,711)	(41,030)
Repayments of lease liabilities	(7,251)	(5,307)
Payments from changes in ownership interests in subsidiaries not resulting in loss of control	(26,952)	(291)
Net cash generated/(used) in financing activities	**111,125**	**(8,665)**
Net increase/(decrease) in cash and cash equivalents	**62,169**	**(1,257)**
Exchange rate differences from cash and cash equivalents	(823)	(5,629)
Cash and cash equivalents at the beginning of the year	**50,637**	**57,523**
Cash and cash equivalents at the end of the year	**111,983**	**50,637**

The accounting policies and notes that follow form an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

1.1. Company business activities

Registered activities of BOSQAR d.d include:

- management activities of holding companies;
- market research and public opinion polls;
- advertising activities (advertising and promotion);
- purchase and sale of good;
- trade mediation on the domestic and foreign markets;
- representation of foreign companies;
- business and management consulting;
- real estate business;
- accounting and bookkeeping services.

(All amounts are presented in thousands of EUR)

1. GENERAL INFORMATION (CONTINUED)

1.2. Subsidiaries

Information on the subsidiaries involved in the consolidation:

Subsidiary	Company Address
BOSQAR d.d.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
M Plus Croatia d.o.o.	Ulica Vjekoslava Heinzela 62A, 10000 Zagreb, Croatia
M+ Agent d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
Smart Flex d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
Smart Flex sourcing d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
M PLUS SLOVENIA D.O.O.	Šmartinska cesta 52, 1000 Ljubljana, Slovenia
M Plus Serbia d.o.o.	272 Tošin Bunar, Novi Beograd, Serbia
Technologies Services Holding B.V.	Naritaweg 165, Amsterdam, Netherlands
TVPD Holdings B.V.	Naritaweg 165, Telestone 8, Amsterdam, Netherlands
M+ BH d.o.o. Sarajevo	Džemala Bijedića 39, Sarajevo, Bosnia and Herzegovina
MERITUS PLUS CENTAR BEOGRAD d.o.o.	272 Tošin Bunar, Novi Beograd, Serbia
M Plus BL d.o.o.	Mladena Stojanovića 117, Banja Luka, Bosnia and Herzegovina
CMC İletişim ve Çağrı Merkezi Hizmetleri A.Ş.	Kagithane, Caglayan Mah, Karaagac Sok. ISS No:2/10, Istanbul, Turkey
RGN İletişim Hizmetleri A.Ş.	Kagithane, Caglayan Mah, Karaagac Sok. ISS No:2/10, Istanbul, Turkey
Pit İnsan Kaynakları ve Danışmanlık A.Ş.	Kagithane, Caglayan Mah, Karaagac Sok. ISS No:2/10, Istanbul, Turkey
ISS Sigorta Acentelik Hizmetleri A.Ş.	Kagithane, Caglayan Mah, Karaagac Sok. ISS No:2/10, Istanbul, Turkey
Geomant Global d.o.o.	Ulica Vjekoslava Heinzela 62A, 10000 Zagreb, Croatia
Geomant SRL	Cluj-Nacopa city, Bd-ul 21 Decembrie 1989, no.37, ap.16, Cluj county, Romania
Geomant UK limited	Turnpike Gate House, Alcester Heath, Warwickshire, B49 5JG, UK
Inova Solutions Inc	300 E Main Street, Charlottesville, SAD
Geomant Algotech Zrt.	Budapest 1123, Alkotas u. 50. Hungary
Meritus Global Real Estate Management d.o.o.	Ulica Vjekoslava Heinzela 62A, 10000 Zagreb, Croatia
Meritus Global Technology d.o.o.	Ulica Vjekoslava Heinzela 62A, 10000 Zagreb, Croatia
Meritus Global Stratecigs d.o.o.	Ulica Vjekoslava Heinzela 62A, 10000 Zagreb, Croatia
Global People Solutions d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
Future Food Solutions d.o.o.	Pasteurjeva ulica 10, Ljubljana, Slovenia

(All amounts are presented in thousands of EUR)

1. GENERAL INFORMATION (CONTINUED)

1.2. Subsidiaries (continued)

Subsidiary	Company Address
BULB d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
Bulb Upravljanje d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
M+ GEORGIA LLC	Georgia, Tbilisi, Vaja Pshavela Ave. 71a
M+ Deutschland BPTO Gmbh	Büddenstedter Weg 1, 38350 Helmstedt, Germany
Mplus Germany GmbH	Büddenstedter Weg 1, 38350 Helmstedt, Germany
Mplus Helmstedt GmbH	Büddenstedter Weg 1, 38350 Helmstedt, Germany
Mplus Prenzlau GmbH	Neubrandenburger Straβe 14, Prenzlau, Germany
Mplus Leipzig GmbH	Katharinenstraβe 17, Leipzig, Germany
Mplus Lüneburg GmbH	Häcklinger Weg 66, Lüneburg, Germany
Mplus Magdeburg GmbH	Schleinufer 16-18, Magdeburg, Germany
Mplus Sales GmbH	Büddenstedter Weg 1, 38350 Helmstedt, Germany
BusinessLine GmbH	Büddenstedter Weg 1, 38350 Helmstedt, Germany
ISF MicroUnits GmbH	Büddenstedter Weg 1, 38350 Helmstedt, Germany
Mplus Halle GmbH	Franckestraβe 1, Halle (Saale), Germany
Mplus Bielefeld GmbH	Am Ellerbrocks Hof 2-6, 33613 Bielefeld, Germany
Mplus Braunschweig GmbH	Böcklerstraße 219b, 38102 Braunschweig, Germany
Mplus Bremen GmbH	Hutfilterstraβe 24, Bremen, Germany
Mplus Gran Canaria S.L.U.	C. Teobaldo Power 1, Maspalomas, Spain
Moderna Ventures B.V.	Naritaweg 165, Amsterdam, Netherlands
Moderna Ventures S.A.	Via Industrie 25, 6512 Giubiasco, Switzerland
M Plus Smart Hub Romania SRL	Splaiul Independenţei nr. 319, Sectorul 6, Cladire ob. 403A, Scara 1, Etaj 2 Dreapta, Bukurešt, Romania
Zeleni Horizont d.o.o.	Šmartinska cesta 52, 1000 Ljubljana, Slovenia
Real Estate Development projekti - Projekt Vukovarska d.o.o.	Ulica grada Vukovara 23, Zagreb, Croatia
SIA M+ Latvia	Muitas iela 1, LV-1010, Riga, Latvia
M+ Slovakia, s.r.o.	Jarošova 1, Bratislava - mestská časť Nové Mesto 831 03, Bratislava, Slovakia
VIZUAL 2 d.o.o.	Ulica grada Vukovara 23, Zagreb, Croatia
Workplace Projekt - Adria d.o.o. za usluge	Ulica grada Vukovara 23, Zagreb, Croatia
Workplace Projekt d.o.o. za usluge	Ulica grada Vukovara 23, Zagreb, Croatia
MPS Integration d.o.o.	Bulevar Milutina Milankovića 11g, Beograd, Serbia
Integrator Holding d.o.o.	Bulevar Milutina Milankovića 11g, Beograd, Serbia
Manpower d.o.o., Slovenia	Vilharjeva cesta 46, Ljubljana, Slovenia

(All amounts are presented in thousands of EUR)

1. GENERAL INFORMATION (CONTINUED)

1.2. Subsidiaries (continued)

Subsidiary	Company Address
Workplace Projekt d.o.o.	Ulica grada Vukovara 23, Zagreb, Croatia
MPS Integration d.o.o.	Bulevar Milutina Milankovića 11g, Beograd, Serbia
Integrator Holding d.o.o.	Bulevar Milutina Milankovića 11g, Beograd, Serbia
Manpower d.o.o., Slovenia	Vilharjeva cesta 46, Ljubljana, Slovenia
ManpowerGroup Bulgaria	14, Filip Kutev str, Sofia, Bulgaria
Manpower Bulgaria	14, Filip Kutev str, Sofia, Bulgaria
Business Integrator d.o.o.	Bulevar Milutina Milankovića 11g, Beograd, Serbia
Manpower Munkaerő Szervezési Kft	Váci road 76., Budapest, Hungary
Manpower Business Solutions Kft	Váci road 76., Budapest, Hungary
Manpower d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
Manpower Savjetovanje d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
Manpower d.o.o.	Bulevar Milutina Milankovića 11g, Beograd, Serbia
Manpower d.o.o.	Fra Andjela Zvizdovica 1, Sarajevo, Bosnia and Herzegovina
Manpower Business Solutions d.o.o.	Bulevar Milutina Milankovića 11g, Beograd, Serbia
VORKPLEJS PROEKT DOOEL SKOPJE	Filip Vtori Makedonski 3, Skopje, North Macedonia
VORKPLEJS POSREDUVANJE I PRIVREMENO VRABOTUVANJE	Filip Vtori Makedonski 3, Skopje, North Macedonia
Buzzeasy AI Kft	Alkotás utca 50., Budimpešta, Hungary
Kanatol IEDC Limited	Nicosia 10-12 Florinis Street, Cyprus
Future Food Resolutions d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
Future Food Resolutions Dva d.o.o.	Ulica grada Vukovara 23, 10000 Zagreb, Croatia
Panvita Holding d.o.o.	Lendavska 5, Rakičan, Slovenia
Panvita d.o.o	Lendavska 5, Rakičan, Slovenia
Panvita Kmetijstvo d.o.o	Lendavska 5, Rakičan, Slovenia
Panvita Prašičereja d.o.o.	Lendavska 5, Rakičan, Slovenia
Panvita Veterina d.o.o.	Lendavska 5, Rakičan, Slovenia
Panvita Posestvo Motvarjevci d.o.o	Motvarjevci 48, Prosenjakovci, Slovenia
Panvita SK Motvarjevci d.o.o	Motvarjevci 48, Prosenjakovci, Slovenia
Panvita PRM d.o.o	Ljutomerska cesta 28B, Gornja Radgona, Slovenia
Panvita Agromerkur d.o.o.	Industrijska ulica 8, Murska Sobota, Slovenia
Panvita MIR d.d	Ljutomerska cesta 28B, Gornja Radgona, Slovenia
Panvita Mesnine d.o.o.	Rakičan, Lendavska 5, Slovenia
Panvita AVE d.o.o.	Narodnog fronta 12, Beograd, Serbia

1. GENERAL INFORMATION (CONTINUED)

1.3. Number of employees

The number of employees as at December 31, 2024, amounted to 15,285 employees (it amounted to 13,930 employees at December 31, 2023).

1.4. Management Board of the Company

Darko Horvat – President of the Management Board

Tomislav Glavaš – Member of the Management Board

1.5. Supervisory Board of the Company

Tamara Sardelić – President of the Supervisory Board;

Philipp Rösler – Deputy President of the Supervisory Board;

Ulf Gartzke - Member of the Supervisory Board;

Joško Miliša - Member of the Supervisory Board;

Ana Babić – Member of the Supervisory Board – workers representative.

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1. First application of new amendments to existing standards in force for the current reporting period

In the current year, the Group has applied several amendments to IFRSs published by the International Accounting Standards Board (IASB) and adopted by the EU, which are mandatory for accounting periods beginning on or after January 1, 2024:

Standard	Title
Amendments to IAS 1	Classification of liabilities as short-term or long-term and long-term liabilities with covenants
Amendments to IAS 7 and IFRS 7	Agreements about financing of suppliers
Amendments to IFRS 16	Liabilities on the basis of lease upon sale and leaseback

Their adoption did not have any significant impact on the disclosures or on the amounts shown in these financial statements.

2.2. Standards and interpretations published by the Committee on Standards and adopted in the European Union but not yet in force

On the date of approval of these financial statements, the Company has not applied the following new and revised international accounting standards issued and adopted by the EU, but not yet in force:

Standard	Title	Effective date
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

The Group does not expect that the adoption of the above Standards will have a significant impact on the Group's financial statements in future periods.

(All amounts are presented in thousands of EUR)

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

2.3. New standards and amendments to standards published by the IASB but not yet adopted in the European Union

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at the date of authorization of these financial statements:

Standard	Title	EU adoption status
Amendments to IAS 9 and IFRS 7	Supplier Finance Arrangements (IASB effective date: 1 January 2026)	Not yet adopted by EU
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Lack of Exchangeability (IASB effective date: 1 January 2026)	Not yet adopted by EU
IFRS 18	Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 19	Regulatory Deferral Accounts (IAS effective date: 1 January 2027)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Group does not expect that the adoption of the above Standards will have a significant impact on the Group's financial statements in future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Accounting principle

The financial statements have been prepared in accordance with IFRS as adopted by the European Union (IFRS) and, therefore, the Group's financial statements comply with Article 4 of the Regulation (EU) on International Accounting Standards.

The financial statements have been prepared under the historical cost principle as explained in the accounting policies that follow. The historical cost is based mainly on the fair value of the consideration given in exchange for the goods or services.

Fair value is the price that would be obtained by selling an asset item or paid to transfer a liability in an orderly transaction between market participants at the measurement date, whether directly visible or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group considers those characteristics that would be taken into account by market participants in determining the price of the asset or liability at the measurement date. It is also the basis on which fair value was measured or disclosed in these consolidated financial statements.

The Group has reclassified certain expenses between the items in costs of services, personnel costs and other operating expenses in order to have comparable data for 2023.

The following is a description of the main accounting policies adopted.

3.2. Going concern

At the time of approval of the financial statements, the Management Board has a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Therefore, it continues to adopt the going concern basis in preparing its financial statements.

3.3. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the companies under its control prepared by December 31 each year. Control is achieved if:

- the Company has power over the entity;
- the Company is exposed, or has rights, to variable returns from its involvement with the entity; and
- is able to influence its returns by virtue of the power it has over the entity.

The Company reassesses the existence of its control when the facts and circumstances indicate that one or more of the above three control elements have changed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.3. Basis of consolidation (continued)

When the Company has less than a majority of voting rights in an entity in which it owns a particular interest, it considers that it has exercised control over the entity if the voting rights that the Company has are sufficient to enable it to unilaterally direct the relevant activities of that entity. In assessing the sufficiency of its voting rights for control over an entity, the Company considers all relevant facts and circumstances, including:

- the share of its voting rights in relation to the share and division of voting rights of other persons with the right to vote;
- potential voting rights of the Company, other voting rights holders, or other persons;
- rights arising from other contractual relationships; and
- any additional facts and circumstances that indicate that the Company has or does not have the current ability to direct the relevant affairs at the time when decisions need to be made, which includes the method of voting at previous sessions of shareholders.

The subsidiary is consolidated, i.e., it ceases to consolidate from the moment the Company acquires or loses control over it. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date on which the Company acquires control until the date of loss of control over the subsidiary. The financial statements of subsidiaries have been adjusted as necessary to reconcile their accounting policies with those of the Group. Consolidation eliminates all assets and liabilities, as well as all equity (i.e., all capital), all income, expenses, and cash inflows and outflows related to transactions between Group members.

Non-controlling interests in subsidiaries are determined separately from the Group's ownership interest in them. Non-controlling interests that relate to existing equity rights that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be measured at first posting, either at fair value or at their proportionate share of the calculated and reported net identifiable amounts of assets of the acquiree. The valuation method is chosen for each acquisition individually. The remaining non-controlling interests are measured at fair value the first time. After the acquisition, the carrying amount of non-controlling interests is the amount of the equity at first recognition increased by the non-controlling interest's share in subsequent changes in equity.

Profit and loss and each item of other comprehensive income are divided into the part that belongs to the owners of the Company and the part that belongs to the owners of non-controlling interests. The total comprehensive income of subsidiaries is attributed to the owners of the Company and the owners of non-controlling interests, even if this results in a negative balance of non-controlling interests.

Changes in the Group's interest in a subsidiary that do not result in it losing control of the subsidiary are accounted for as equity transactions, i.e., equity. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect the change in their relative interests in the subsidiary. Any difference between the amount of the adjustment of non-controlling interests and the fair value of the consideration paid or received to acquire the interest is recognized directly in equity and attributed to the owners of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3. Basis of consolidation (continued)

The profit or loss associated with the Group's loss of control over the subsidiary is recognized in profit or loss as the difference between i) the total fair value of the consideration received and the fair value of any retained interest and ii) the previous carrying amount of assets (including goodwill) and liabilities of the subsidiary and potential non-controlling interests. All amounts previously recognized in other comprehensive income on a subsidiary basis are accounted for as if the Group had directly disposed of the entity's assets or liabilities, i.e., transferred to profit or loss or to a component of equity in accordance with applicable IFRSs. The fair value of a retained interest in a former subsidiary of the Group at the date of loss of control is subsequently accounted for in accordance with IFRS 9 as fair value on initial recognition or, if applicable, as an expense on first recognition of an interest in an associate or jointly controlled entity.

Control over subsidiaries

The Group consolidates a certain number of companies where it does not have a majority stake in voting rights. The Group effectively controls these subsidiaries through:

- Majority voting rights at meetings, which enable the group to nominate and appoint the majority of the boards of directors of these companies
- Provisions within contracts entered into at the time of or after the acquisition of these companies
- Open call options on shares in the subsidiary, which are in-the-money (ITM) call options and have no expiration date, i.e., they are of a permanent nature. The Group is not limited in the use of call options, and the option is significant. Through the aforementioned call option, the Group has control over that subsidiary and therefore, it is subject to consolidation.

Reorganization within the Group under common control

Reorganizations within the Group, through which one member acquires control over another member, and which do not result in substantive changes, economically speaking, are carried out in accordance with the so-called pooling of interest method, following the principles of predecessor accounting. This accounting entails the following:

- Assets and liabilities of subsidiaries are presented at their current net book values in the consolidated financial statements
- Goodwill is not recognized in the consolidated financial statements
- The consolidated statement of comprehensive income reflects the results of subsidiaries

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4. Business combinations

Acquisitions, i.e., acquisitions of subsidiaries and operations, are accounted for using the acquisition method. Compensation, i.e., performance within a business merger, is measured at fair value, which is the total fair value, at the date of exchange, of the Group's assets being transferred and liabilities of the Group to the former owners of the acquiree and the shares or stock issued by the Company in exchange for control over the acquiree. Acquisition-related costs are recognized in profit or loss as incurred. At the acquisition date, identifiable assets acquired and identifiable liabilities are recognized at their fair value at the acquisition date, except for:

- deferred tax assets or deferred tax liabilities and liabilities and assets related to employee income agreements, which are recognized and measured in accordance with IAS 12 and IAS 19, respectively;
- liabilities or equity instruments relating to the acquiree's or the Group's share-based payment agreements entered into to replace the share-based acquiree's payment agreements and are measured at the acquisition date in accordance with IFRS 2 (see below); and
- assets (or disposal groups) classified as held for sale in accordance with IFRS 5, which are measured in accordance with that standard.

Goodwill is measured as the positive difference between the sum of the transferred consideration for the acquisition, the amount of the non-controlling interest, if any, and the fair value of the acquirer's previous ownership interest in the entity, on the one hand, and the net amount at the date of acquisition of identifiable assets and liabilities, on the other. If a reassessment determines that the Group's share of the fair value of the acquiree's identifiable net assets is higher than the sum of the consideration transferred, the amount of the non-controlling interest, if any, and the fair value of the acquirer's previous ownership interest in the entity, the excess is recognized immediately in profit or loss as profit related to bargain purchase. When the consideration transferred by the Group in a business merger includes a conditional contingency agreement, that consideration is measured at fair value at the acquisition date and included in the consideration transferred in the business merger. Changes in the fair value of the contingent consideration that meet the eligibility criteria as compensation in the valuation period, i.e., measurements, are adjusted retrospectively, together with the corresponding goodwill adjustments. Adjustments in the valuation period are those adjustments that result from additional knowledge of the facts and circumstances that existed at the acquisition date and that were acquired during the valuation or measurement period that may not be longer than one year from the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4. Business combinations (continued)

The manner in which changes in the fair value of the contingent consideration that do not meet the eligibility criteria as adjustments during the valuation period are subsequently calculated depends on the manner in which the contingent consideration is classified. A contingent consideration recognized in equity is not revalued at later reporting dates and its payment in subsequent periods is calculated and reported in equity. Other contingent (conditional) considerations are measured at fair value at a later date, recognizing changes in fair value in profit or loss.

In a business combination that takes place in phases, the Group's interests previously acquired in the acquiree (including joint management) are remeasured at fair value at the acquisition date, and any profit or loss on remeasurement is recognized in profit or loss. Amounts relating to an interest in the acquiree prior to acquisition and previously recognized in other comprehensive income are transferred to profit or loss if such a process would be appropriate if the interest had been disposed of.

If the first accounting of a business combination has not been completed by the end of the reporting period in which the merger occurred, the Group presents provisional amounts for items that have not been finally accounted for. Provisional amounts are adjusted over the measurement period (see above), or additional assets or liabilities are recognized in accordance with new knowledge of the facts and circumstances that existed at the acquisition date that, if known, would affect the amounts recognized at that date.

3.5. Goodwill

Goodwill is initially calculated and measured as described in the previous chapter. Goodwill is not depreciated but is reviewed for impairment at least once a year. For the purpose of impairment testing, goodwill is allocated to each cash-generating unit of the Group (or groups of such units) that is expected to benefit from the synergies arising from the merger. The cash-generating unit to which the goodwill is allocated is tested for impairment once a year or more frequently if there is an indication of possible impairment. If the recoverable amount of a cash-generating unit is lower than its carrying amount, the impairment loss is allocated first by reducing the carrying amount of goodwill allocated to the unit and then in proportion to the other cash-generating unit's assets based on the carrying amount of each asset in the cash-generating unit. Once recognized, an impairment loss for goodwill is not reversed in the next period. When a cash-generating unit is disposed of, the related amount of goodwill is included in determining the profit or loss on disposal.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6. Revenue from contracts with customers

The Group recognizes revenue to present the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The fundamental principle is presented within the framework of the model in accordance with IFRS 15, which consists of five steps. Revenue consists of the fair value of the consideration received or receivable for goods or services sold in the Group's ordinary course of business. Revenues are stated at amounts net of value-added tax and any discounts that are an integral part of the contracts with customers. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that the Group will obtain future economic benefits, and specific criteria for the Group's segments described below are met.

1. Revenue recognition – BPTO Segment - Contact centres

Revenue comes from various services related to Contact centres. Revenue is recognized in the period in which the services are provided. Services are recognized either as the time spent by staff on various communication platforms (e.g., phone, chat, email), or as the quantity of processed units on various communication platforms (e.g., number of calls, number of sales, number of emails), or as the number of dedicated individuals on a specific engagement or project. The provided services are tracked using internal or external operational tools. Certain contracts provide for additional settlements in the form of contractual bonuses or penalties based on the achievement or lack of contracted performance measures. Accordingly, fees in certain contracts include a variable component. The amounts related to the variable portion of the fees are not significant and can be reliably determined at any reporting date. The compensation does not contain financing elements, as the usual payment term for receivables is 60 to 90 days, which is in line with market practice.

2. Revenue recognition – BPTO Segment – IT services

The Group generates income from IT services through two types of income: income from consulting services and income from software sales.

Consulting services provided by the Group can be divided into two significant groups of services: services related to contracted projects with customers and advisory services related to customer support based on agreed price lists. Consulting services related to contracted projects (i.e. installations and/or development of various software products for specialized business operations) are reported as activities completed over time. Revenue is reported in the financial statements based on the degree of completion of the contract. When contracting projects, the Group defines the budget of hours needed to realize it. Accordingly, the Management and professional services have assessed that the degree of completion, which is determined as a part of the time that has passed until the end of the reporting period in relation to the total expected duration of the project, is an appropriate measure of progress until the full fulfilment of the obligation to act in accordance with IFRS 15. Given that projects are of such a nature that they are related to the time spent by each developer, the passage of time on the project is a representation of what has been done or delivered. Advisory support services imply standard services that are delivered on an hourly basis and are recognized at a certain moment of service delivery based on the agreed price lists.

The advisory support service is considered a distinct service because the Group regularly provides it to other consumers on an individual basis and may be provided to consumers by other service providers in the market. Discounts are not taken into account because they are granted only in rare circumstances and are not significant.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6. Revenue from contracts with customers (continued)

2. Revenue recognition – BPTO segment – IT services (continued)

The consulting support service is considered a distinct service because the Group regularly provides it to other consumers on an individual basis and may be provided to consumers by other service providers in the market. Discounts are not taken into account because they are granted only in rare circumstances and are not significant. The Group sells software directly to customers as part of software sales and service contracts or separate software sales contracts. Revenue is recognized at a certain point in time when control of the equipment is transferred to the customer, and the sale of the equipment is considered a separate, distinguishable delivery obligation. The transfer of control to the customer implies the physical possession and use of the software by the customer, the transfer of all rights of use and the risk of using the software to the customer, as well as the exercise of the right to collect from the Group. The process of selling software in most cases meets the condition that the transfer of control occurs after the goods have been delivered to the customer's specific location. The prices of transactions under these contracts are usually fixed and are generally charged after the delivery of the software and the completed installation services. The fee does not include financing elements, as the usual term for collection of receivables is 60 to 90 days, which is in line with market practice.

3. Revenue recognition – HR segment

The group generates income from the sale of temporary staff services, the sale of candidate selection and employment services, as well as personnel administration and other services. Revenues are recognized in the period in which the services were performed. The fee does not contain financing elements, because the usual term for collecting claims is 60 to 90 days, which is in line with market practice.

4. Revenue recognition – eCommerce segment – Resale service of tourist arrangements

Income from the resale of travel arrangements is recognized as a commission or fee earned for services rendered in the capacity of an agent. Commission or realized compensation is recognized in an amount that reflects the compensation to which the Group is entitled in exchange for the services rendered. All costs incurred for the acquisition or fulfilment of the contract are recognized separately and are not included in the measurement of income. Any incentives or bonuses offered to customers are recognized as a reduction of the commission or fee realized when the customer meets the related performance obligation. Taxes collected from customers are excluded from revenue and reported separately, and any refunds or credits provided to customers are recognized as a reduction of commission or fees earned. The fee does not include financing elements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6. Revenue from contracts with customers (continued)

5. Revenue recognition – Food segment

The Group recognizes a contract with a customer when all of the following criteria are met in accordance with IFRS 15 Revenue from Contracts with Customers: the parties to the contract have approved the contract and are committed to performing their respective obligations; the Group can identify each party's rights regarding the goods or services to be transferred; the Group can identify the payment terms for the goods or services; the contract has commercial substance; and it is probable that the Group will collect the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer (considering the customer's ability and intention to pay the consideration when due).

Revenue is recognized at the transaction price when the performance obligation is satisfied—that is, when control of the promised goods or services is transferred to the customer. The recognized revenue may be lower than the contract price if the consideration is variable, for example, due to discounts or customer return rights.

For each performance obligation, the Group determines whether it is satisfied over time or at a point in time. If a performance obligation is satisfied over time, revenue is recognized progressively based on the extent of completion of the obligation.

Revenue from the sale of finished products, trade goods, and materials is recognized at the point in time when the Group delivers the goods to the customer, the customer accepts the goods, and the collectability of the related receivables is reasonably assured.

Revenue from services is recognized in the accounting period in which the services are performed, based on the stage of completion of the transaction, measured by reference to the proportion of services rendered to the total services promised.

Revenue from accrued default interest and related receivables is recognized when incurred, provided it is probable that the associated economic benefits will flow to the Group. Otherwise, accrued default interest is recorded as a contingent asset and recognized in the financial statements upon receipt of payment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7. Leases

The Group as a lessee

The Group assesses whether a contract is a lease contract or whether it contains a lease at the inception of the contract. The Group discloses right of use assets and the related lease liability in respect of all leases in which it is a lessee, except for short-term leases (defined as leases lasting 12 months or less) and leases of low-value assets (such as tablets and personal computers, office furniture, and telephones). For such leases, the Group recognizes lease payments on a straight-line basis over the term of the lease, unless another systematic basis better reflects the timing of the economic benefits of the leased asset.

The lease liability is measured for the first time in the amount of the present value of the lease payments that have not been settled at the inception date, less the use of the rate arising from the lease. If this rate cannot be determined, the Group usually uses its borrowing interest rate.

Lease payments covered by measuring the lease liability include:

- fixed lease payments (including lease payments that are substantially fixed), less rental subsidies received;
- the cost of executing the purchase option if it is certain that the lessee will use that option as well.

Lease liabilities are presented as a separate item in the statement of financial position.

A lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7. Leases (continued)

Right of use assets include the initial measurement of the lease liability in question, lease payments on or before the date of the lease, less any subsidies received to close the operating lease and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation begins on the lease start date. Right of use assets are depreciated over the lease term or useful life, whichever is shorter.

Right of use assets are presented as a separate item in the statement of financial position.

The Group applies IAS 36 to determine whether the value of a right of use asset is impaired or whether any impairment losses have been charged for it, as described in the "Property and equipment" policy.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its particular real estate investments. The Group rents business premises.

Leases in which the Group is the lessor are classified as finance or operating leases. A lease is classified as a finance lease if it transfers almost all the risks and rewards incidental to ownership of the related asset to the lessee. All other leases are classified as operating leases.

Lease income from operating leases is recognized on a straight-line basis over the term of the lease. Initial direct costs incurred in the phase of negotiating and contracting operating lease terms are attributed to the carrying amount of the leased item and recognized on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies IFRS 15 for the allocation of fees in accordance with the contract for each component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8. Foreign currencies

When preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency, i.e., in foreign currencies, are recorded using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the end of each reporting period are retranslated at the ruling exchange rate at the end of that period. Non-monetary items denominated in fair values that are denominated in foreign currencies are retranslated at the exchange rate ruling at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are carried at historical cost are not retranslated.

Exchange rate differences are included in profit or loss in the period in which they arise, except for:

- exchange rate differences on loans and borrowings in foreign currency related to assets under construction intended for future production, which are included in the purchase cost of those assets if viewed as an adjustment to interest expenses on liabilities for these loans and borrowings;
- foreign exchange rate differences arising from monetary receivables or liabilities from foreign operations whose settlement is not planned or expected in the near future, and which therefore form part of the net investment in foreign operations, which are first recognized in other comprehensive income and, when selling the entire or portions of net investment, are transferred from equity to profit or loss.

In these consolidated financial statements, the assets and liabilities of the Group's foreign operations have been translated using the exchange rates prevailing at the end of the reporting period. Income and expenses are translated using the average exchange rate for the reporting period, except for significant fluctuations in exchange rates, in which case the exchange rates prevailing at the date of the transaction are used. Any exchange rate differences are recognized in other comprehensive income and accumulated in reserves from foreign currency translation (and attributed to non-controlling interests, if any).

When selling a foreign operation, i.e., selling the entire Group's interest in a foreign operation in which the Group loses control over a subsidiary that has foreign operations or partially selling a share in a joint venture or an associate that has foreign operations, and retained interest in that foreign operation becomes a financial asset, all exchange rate differences accumulated in the foreign currency translation reserve attributable to the owners of the Group are transferred to profit or loss.

In cases where a member of the group is classified as a hyperinflationary economy, indexation is applied in accordance with IAS 29. In 2022, the Republic of Turkey met the requirements of IAS 29 for the above classification, and the corresponding indices were applied to the years 2023 and 2024.

The methodology used during indexing is as follows:

- From the balance sheet date, all items except those with current purchasing power shown are indexed using the appropriate general price index coefficients;
- Monetary assets and liabilities in the financial statements are not indexed because they are presented with current purchasing power at the balance sheet date. Monetary items are money and those items that are paid or collected in money;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8. Foreign currencies (continued)

- Non-monetary assets and liabilities in the financial statements are restated by reflecting changes in the general price index to acquisition costs and accumulated depreciation amounts during the period from the date of purchase or initial recognition to the balance sheet date. Therefore, tangible and intangible assets, subsidiaries and similar assets are indexed over their purchase values so as not to exceed their market values. Amounts included in shareholders' equity have been restated as a result of the application of general price indices in the periods when these amounts occurred within the Group;
- All items in the profit and loss account are indexed with coefficients calculated in the periods in which they were create;
- The gain or loss on the net monetary position as a result of general inflation is the difference in adjustments to non-monetary assets, equity and the profit and loss account. That gain or loss calculated on the net monetary position is included in the net profit / (loss) for the period.

Furthermore, in the case of a partial sale of a subsidiary of the Group that has foreign operations in which the Group does not lose control over the subsidiary, part of the cumulative exchange rate differences is again attributed to non-controlling interests in proportion to the portion sold and not included in profit or loss. In all other partial sales, i.e., partial sales of associates in which the Group does not lose significant influence, part of the cumulative exchange rate differences is transferred to profit or loss in proportion to the part sold.

Goodwill adjustments and adjustments at fair value due to the acquisition of foreign operations are accounted for as assets and liabilities of foreign operations and are translated at the closing rate. The resulting exchange rate differences are recognized in other comprehensive revenue.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9. Government grants

State grants are not recognized until the fulfilment of the conditions for receiving state grants and receiving grants become realistically certain.

State grants are recognized in profit or loss on a systematic basis over the period in which the Group recognizes the costs to be covered by the grant as an expense. In particular, state grants that require the Group to acquire, build, or otherwise acquire fixed property, facilities, and equipment (including property and equipment) are recognized in the statement of financial position as deferred income and transferred to profit or loss systematically and rationally over the useful life of the property in question. Receivables from state grants to recover costs or losses already incurred or to provide current financial support to the Group without future related costs are recognized in profit or loss in the period in which the receivable arises.

Deferred Income

Deferred income represents government grants that the Group consistently recognises as income over the useful life of the related assets. Government grants include support received for the acquisition of property, plant and equipment, and intangible assets. Deferred income is transferred to revenue in proportion to the depreciation charged on the related assets. Government assistance in the food operating segment, such as subsidies and grants, is often aimed at stabilising the agricultural market, promoting sustainable practices, or providing relief during disasters. Agricultural subsidies are recognised when there is reasonable assurance that the entity will comply with the conditions attached to them and that the grant will be received. Income is recognised systematically over the periods in which the entity incurs the related costs that the grants are intended to compensate.

3.10. Severance payments

Liabilities for severance payments are recognized when the Group prematurely terminates the employment contract with the employee or when the employee decides to voluntarily accept the termination of the employment relationship in exchange for compensation, or when taking regular or early retirement. The Group recognizes liabilities for severance payments when it has demonstrably undertaken the obligation to terminate the employment relationship with current employees based on a detailed formal plan, without the possibility to withdraw from it, or when it provides severance payments as a result of an offer to encourage voluntary termination of the employment relationship, or when taking early retirement. The liability for severance payment upon regular retirement is shown as the present value of the liability for one-time severance pay upon regular retirement on the balance sheet date. The liability is measured by an independent actuary once a year. Actuarial gains and losses resulting from experience-based adjustments and changes in actuarial assumptions are reported in the period in which they arise directly in other comprehensive income. Interest from the actuarial calculation is reported in the profit and loss account, as part of interest expenses. Severance payments due in a period longer than 12 months after the balance sheet date are discounted to their present value.

3.11. Current and other non-current employee benefits

Benefits that employees accumulate on the basis of salaries, vacation time, and sick leave are recognized as a liability in the period of providing the service in question in the amount of the undiscounted expected amount of compensation that will have to be paid in exchange for that service.

Liabilities related to current benefits are measured in the undiscounted expected amount of compensation that will have to be paid in exchange for the specified service.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12. Taxation

Income tax expense is the sum of current tax liabilities and deferred taxes.

Current tax

Current tax liability is based on taxable profit for the current year. Taxable profit differs from net profit recognized in profit and loss because it does not include items of revenue and expense that are taxable or deductible in other years, nor items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The provision is recognized for matters for which the tax calculation is uncertain, but it is very likely that there will be an outflow of funds to the tax authority. Provisions are measured according to the best possible estimate of the amount expected to be paid. The assessment is based on the judgment of tax experts within the Company in accordance with previous experience in such activities and, in some cases, on the basis of tax advice of independent experts.

Deferred tax

Deferred tax is recognized on the basis of the difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used to calculate taxable profit and is calculated using the balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary tax differences, and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax liabilities and deferred tax assets are not recognized if the temporary difference arises from the initial recognition of other assets and other liabilities (except in the case of a business merger) in a transaction that affects neither taxable nor accounting profit. Deferred tax is also not recognized on temporary differences when the goodwill is first recognized.

Deferred tax liabilities are also recognized on taxable temporary differences arising on investments in subsidiaries and associates, except when the Group is able to influence the reversal of the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences related to investments and interests of this type are calculated and reported only up to the amount of probably available amount of taxable profit that will allow the use of deductible based on deductible temporary differences and if their cancellation is expected in the foreseeable future.

The net book value of deferred tax assets is reviewed at each reporting date and impaired to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the tax asset to be utilized.

Deferred tax is calculated according to the tax rates that are expected to apply in the period in which the liability is settled, i.e., the realization of assets based on tax rates and tax laws in force or in the process of adoption at the end of the reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13. Property, plant, and equipment

Buildings and land used in the supply of goods or services or for administrative purposes are presented in the consolidated statement of financial position at cost, less accumulated depreciation and accumulated impairment losses. Depreciation of property, plant, and equipment in preparation, which is calculated on the same basis as for other real estate, begins when the asset is ready for its intended use. Owned land is not depreciated. Equipment is stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated in such a way that the purchase value (cost) or the estimated value of assets, except for owned land and tangible fixed assets in preparation, is written off during the estimated useful life using the straight-line method on the following basis:

Real-estate	3-5 % per year
Equipment	15-25 % per year
Bearer plants	4-6,5 % per year

The estimated useful lives, residual values, and depreciation methods are reviewed at the end of each reporting period, and the effects of any changes in estimates are calculated prospectively.

Buildings and equipment cease to be accounted for and reported at the time of sale or when future economic benefits are no longer expected from their continued use. Profit or loss on the sale or disposal of an item is determined as the difference between the proceeds from the sale and the carrying amount of the asset in question, which is recognized in profit or loss.

3.14. Asset held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15. Biological asset

A harvested agricultural produce unit from biological assets is measured at initial recognition at its fair value less costs to sell at the point of harvest.
This value represents the original cost at the initial recognition of inventory. Any gain or loss arising from the initial recognition of harvested agricultural produce at fair value less costs to sell is recognised in the income statement through operating income and expenses. If the fair value of harvested agricultural produce from the entity's biological assets cannot be reliably measured, the harvested agricultural produce is measured at production cost.

The Group measures fattening pigs at fair value using the stock price published by the Austrian AMA exchange.
Breeding poultry is classified as current assets, as it is used in a production cycle lasting less than one year, or until the end of the economic useful life of the individual animal and is therefore not depreciated in accordance with this classification. Costs associated with the breeding and maintenance of reproductive poultry – including feed, veterinary care, and other direct costs – are included in its carrying amount until it becomes ready for production. After that point, breeding poultry remains valued at its carrying amount until the end of the useful cycle, and write-downs are recognised upon disposal or sale

3.16. Inventories

The Group measures a unit of raw material inventory at the lower of net realisable value and purchase cost, which consists of the purchase price, import duties, and direct acquisition costs. The purchase price is reduced by approved discounts. Direct acquisition costs include: transportation costs, loading and unloading costs, transportation insurance, and intermediary agency fees.

A unit of finished goods or work in progress is measured at production cost in the strict sense; this includes direct material costs, direct labour costs, direct service costs, direct depreciation costs, and general production overheads (these are the costs of materials, services, labour, and depreciation incurred within the production process but which cannot be directly attributed to specific business outputs).

The Group measures a unit of merchandise inventory at the lower of net realisable value and purchase cost, which consists of the purchase price, import duties, and direct acquisition costs. The purchase price is reduced by approved discounts. Direct acquisition costs include: transportation costs, loading and unloading costs, transportation insurance, and intermediary agency fees.

Costs are calculated using the weighted average cost method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17. Separately acquired intangible assets

Separately acquired intangible assets of a certain useful life are stated at cost less accumulated amortization and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives specified in Note 16.

Depreciation is calculated in such a way that the purchase value (cost) or the estimated value of the asset is written off during the estimated useful life using the straight-line method on the following basis:

Licenses, software, and other intangible assets	25% per annum

The estimated useful lives, residual values, and depreciation methods are reviewed at the end of each reporting period, and the effects of any changes in estimates are calculated prospectively. Separately acquired intangible assets consist of software and other rights and intangible assets in preparation.

3.18. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19. Internally generated intangible assets

Expenditure incurred on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or in the development phase of an internal project) is recognized if and only if it is possible to prove all of the following conditions:

- the technical feasibility of completing intangible assets to make them available for use or sale
- the intention to complete the intangible asset and use or sell it
- the possibility of using or selling intangible assets
- the manner in which tangible assets will generate future probable economic benefits
- the availability of adequate technical, financial, and other resources necessary to complete the development and use or sale of intangible assets; and
- the ability to reliably measure expenses that can be associated with the development of an intangible asset.

The amount initially recognized for internally generated intangible assets is the sum of the expenditures incurred since the date on which the assets first met the aforementioned recognition criteria. If internally generated intangible assets cannot be recognized, development expenses are included in profit or loss in the period in which they are incurred. Subsequent to initial recognition, internally generated intangible assets are stated at cost less accumulated impairment losses and accumulated impairment losses on the same basis as separately acquired intangible assets. Internally generated intangible assets are sold to third parties at the time of activation.

Amortization of internally generated intangible assets is determined at the level of individual Group companies, depending on the characteristics of each specific project and the estimated useful life. The range of amortization rate is shown below:

Internally generated intangible asset	25-50 % per year

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20. Derecognition of intangible assets

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from their use or sale. Any gain or loss arising from the derecognition of an intangible asset, determined as the difference between the net proceeds from the sale and the net carrying amount of that item, is included in profit or loss in the period in which the item is derecognized.

3.21. Impairment of buildings and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant, and equipment and intangible assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine any impairment losses. If an asset does not generate cash flows independent of other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If it is possible to determine a realistic and consistent basis for allocation, the assets of companies are also allocated to individual cash-generating units or, if this is not possible, to the smallest group of cash-generating units for which a realistic and consistent allocation basis can be determined.

Intangible assets with indefinite useful lives are tested for impairment on an annual basis and when there is an indication of impairment at the end of the reporting period.

The recoverable amount is the higher between the fair value less costs to sell and value in use. For the purposes of assessing value in use, the estimated future cash flows are reduced to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risks for which future cash flow estimates have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of that asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss, unless the relevant asset is stated at revalued amount, in which case the impairment loss is recognized as an impairment loss from revaluation and if the impairment loss is greater than the related revaluation surplus, impairment losses are recognized in profit or loss.

Upon subsequent reversal of an impairment loss, the carrying amount of the asset (cash-generating unit) is increased to its revised estimated recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment losses were recognized for that asset (cash-generating unit) in previous years. A reversal of an impairment loss is recognized immediately in profit or loss if it eliminates the impairment loss recognized for the asset in previous years. Any increase in excess of that amount is considered an increase due to revaluation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22. Investment property

Investment property are stated at historical cost less accumulated depreciation and impairment losses. Depreciation of buildings is calculated using the linear method. Useful life of investment property is estimated on 30 years. The transfer from the category Property, plant and equipment to the category Investments property is done at the net book value when the way of use of the property changes. A change occurs when the property in question meets the requirements of the definition of Investment property and when there is evidence of a change in the way the property is used.

Subsequent expenditure is capitalized only when the Group considers that it is probable it will realize future economic benefits associated with the item, and when the cost can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income when incurred. If the Group begins to use investment property, it is reclassified to property, plant, and equipment, and its carrying amount at the date of reclassification becomes the amount of the estimated cost that will be subsequently depreciated.

Investment property – Buildings	3-5 % per year

3.23. Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

3.24. Financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position of the Group when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables without a significant financing component, which are initially measured at the transaction price. Transaction costs directly related to the acquisition or issuance of financial assets and financial liabilities, except those that are carried at fair value through profit or loss, are added or subtracted from the fair value at first recognition. Transaction costs directly related to the acquisition of financial assets or financial liabilities that are accounted for at fair value through profit or loss are immediately recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24. Financial instruments (continued)

Financial assets

Financial assets include long-term financial assets, other short-term financial assets, trade receivables, other receivables, and cash and cash equivalents. Accounting policies for loans, receivables from customers and for cash and cash equivalents are presented below. After initial recognition, all financial assets are classified as financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income.

a) Long-term financial assets and other short-term financial assets at amortized cost

Long-term financial assets and other short-term financial assets mostly include loans given to related parties/companies and, in the minority, to the Groups Management Board, 3rd party companies and employees of the Group.

Long-term financial assets and other short-term financial assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

The loans given are held within the framework of the model, the purpose of which is to collect contractual cash flows and on the basis of the agreed conditions, on the basis of which cash flows are generated only for the payment of principal and interest on the outstanding amount of the principal.

Expected credit losses (given loans)

Impairment of financial assets is carried out by calculating the expected credit loss model, which is based on the classification of exposure in 3 stages based on the change in credit quality from the moment of initial recognition, given loans are classified into:

- Stage 1 – if there was no significant increase in the credit risk of the financial asset, and the 12-month expected credit loss is applied to it.
- Stage 2 – if there has been a significant increase in the credit risk of the financial asset, and the lifetime expected credit loss is applied to it.
- Stage 3 – if there is evidence of impairment of financial assets, and lifetime expected credit loss is applied to it. Assets in default status are classified in Phase 3.

When determining whether the risk of default status has increased significantly, the Group uses relevant and available data. The approach includes quantitative and qualitative criteria, that is, analysis based on historical data and expert assessment of credit risk.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24. Financial instruments (continued)

a) Long-term financial assets and other short-term financial assets at amortized cost (continued)

Expected credit losses (given loans) (continued)

Exposures to related parties/companies and third corporate parties

In the case of exposure to related parties/companies, the Group considers that the internal credit rating represents a comprehensive assessment of the debtor's credit quality, which determines the probability of ("PD") relevant for determining a significant increase in credit risk. The probability of occurrence of the status of default (PD) represents the probability that the related party/company and/or third parties will enter the status of default within the next year or until the end of repayment. Qualitative criteria contain information that can be obtained by using internal rating models that are used as input in determining the rating, given delays in the settlement of contractual provisions and other data.

Measurement of expected credit loss

The Group measures provisions for impairment in the amount of 12-month expected credit loss. The 12-month expected credit loss is the portion of the expected credit loss arising from the default status of a financial instrument that is possible in the period of 12 months after the date of the statement of financial position. For given loans for which the twelve-month expected credit loss is recognized, it refers to given loans Phase 1.

Exposures to the Group Management board and employees of the Group

In the case of exposure to the Management Board and employees of the Group, the Group considers that the internal credit rating represents a comprehensive assessment of the credit quality of the debtor, which determines the PD relevant for determining a significant increase in credit risk. The probability of default status (PD) represents the probability that the Group's Management board or employees will enter the status of default within the next year or until the end of repayment. Qualitative criteria contain information that can be obtained by using internal rating models that are used as input in determining the rating and other data. If the difference in the assessment of the probability of entry into default status is greater than the significance threshold, a significant deterioration of credit risk is determined for the exposure, which is why it is classified in stage 2.

Measurement of expected credit loss

The Group measures provisions for impairment in the amount of 12-month expected credit loss. The 12-month expected credit loss is the portion of the expected credit loss arising from the default status of a financial instrument that is possible in the period of 12 months after the date of the statement of financial position. For given loans for which the twelve-month expected credit loss is recognized, it refers to granted loans Phase 1.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24. Financial instruments (continued)

a) Long-term financial assets and other short-term financial assets at amortized cost (continued)

Expected credit losses (given loans) (continued)

Measurement of expected credit loss for long-term financial assets and other short-term financial assets

Expected credit losses are calculated as the product of PD, loss given default (LGD) and exposure at default (EAD), over the remaining expected life. duration of the financial asset and discounted with the reporting date at the effective interest rate for exposures with a significant increase in credit risk (Phase 2 contracts). On the other hand, for exposures classified as Phase 1, the expected credit loss is calculated over a one-year period, i.e. the expected credit loss of one year is estimated. PD estimates represent PD at a point in time, updated annually based on the Groups historical experience, current conditions and related forward-looking expectations.

Loss given default (LGD) represents the Group's expectations regarding loss after entering default, for placements that are not in default at the time of assessment.

EAD includes forward-looking expectations of repayments of drawn loans and expectations of future drawdowns where applicable.

Measured expected credit loss represents an unbiased, probability-weighted amount of expected loss, determined by taking into account various outcomes, the time dimension of the value of money, available information about past events, current characteristics and expected future economic conditions.

As a basis for calculating provisions in risk subgroups of Phase 1 and Phase 2, the Group applies the calculation of twelve-month and lifetime credit losses depending on the change in the estimated risk on the reporting date and the date of the initially recognized financial asset. Risk assessment and calculation of provisions is determined in models for measuring expected credit loss, the calculation of which is determined by the parameters of the probability of default (PD), loss given default (LGD), assessment of exposure in case of default (EAD) while anticipating the time value of money. The Group applies publicly available model parameters that are based on historical time series of relevant data that are applied individually to financial assets. The assessment and calculation of expected credit losses, in addition to statistically determined parameters, are influenced by key expected macroeconomic trends as an addition to future oriented information.

Other receivables are initially recognized at transaction value and subsequently measured at amortized cost using the effective interest rate method.

Expected credit losses

The Group calculates expected credit losses for other receivables. The amount of expected credit losses is calculated at each reporting date to reflect changes in credit risk since initial recognition.

For other receivables, the Group calculates lifetime expected credit loss (ECL) based on a simplified approach. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the trade receivables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24. Financial instruments (continued)

Receivables from customers are initially recognized at transaction value and subsequently measured at amortized cost using the effective interest rate method.

Interest income is recognized using the effective interest rate method. Interest income is recognized in profit or loss and is included in the item "Financial income - interest income".

Expected credit losses (trade receivables)

The Group recognizes expected credit losses from trade receivables. The amount of expected credit losses is calculated at each reporting date to reflect changes in credit risk since the initial recognition of trade receivables.

For receivables from customers, the Group calculates lifetime expected credit loss (ECL) based on a simplified approach. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the trade receivables.

Write-off policy for long-term financial assets, other short-term financial assets, trade receivables, other receivables

The Group writes off long-term financial assets, other short-term financial assets, receivables from customers, other receivables, when there are data indicating that the debtor is in serious financial difficulties and that there are no realistic prospects for recovery, for example, when the debtor is placed under liquidation or in bankruptcy proceedings. A written-off financial asset may still be subject to enforcement activities as part of recovery proceedings, taking into account legal advice where appropriate. Recovery, or inflows of previously impaired receivables from customers, are recognized in profit or loss.

The Group derecognizes a financial asset (in whole or in part) when its rights to receive cash flows from the financial asset expire or when it transfers the financial asset. The Group transfers financial assets, only and exclusively if it transfers contractual rights to receive cash flows from financial assets or retains contractual rights to receive cash flows from financial assets, but undertakes the contractual obligation to pay cash flows to one or more recipients within the contract.

b) Long-term financial assets measured at fair value through other comprehensive income

Investments in financial assets at fair value through other comprehensive income refer to equity instruments that are not listed on the stock exchange or do not have an active market, and the share is stated at cost, given that the fair value cannot be reliably measured. During 2024 and 2023, there was no impairment of financial assets at fair value through OCI.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24. Financial instruments (continued)

Financial liabilities

Financial liabilities include received loans, trade payables and lease liabilities. After initial recognition, all financial liabilities are measured at amortized cost.

Loans received

Loans received are initially recognized at fair value. After initial recognition, received loans are valued at amortized cost. Any differences between receipts less transaction costs are recognized in profit or loss over the term of the loan, using the effective interest rate method.

Loans received are classified as short-term liabilities, unless the Group has an unconditional right to postpone the settlement of the liability for at least 12 months after the reporting date.

The Group stops recognizing received credits when, and only when, the obligations are paid, cancelled or expired. The difference between the book value of the financial liability written off and the compensation paid for the compensation liability is recognized in profit or loss.

3.25. Cash and cash equivalents

Cash and cash equivalents are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method.

3.26. Earnings per share

The Group presents basic and diluted earnings per share for ordinary shares. Basic earnings per share are calculated by dividing the profit or loss for the current period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares, adjusted for the potential effects of the increase in the number of shares.

(All amounts are presented in thousands of EUR)

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in Note 3, the Management Board is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. Estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from estimates. The estimates and assumptions on which the estimates are based are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the revision period of the estimate if the change affects only that period or in the revision period of the estimate and in future periods if the change affects both current and future periods The following is a description of the key judgments of the Management Board in the process of applying the Group's accounting policies that have had the most significant effect on the amounts recognized in the consolidated financial statements.

Impairment of goodwill

The Group performs regular impairment tests of goodwill in accordance with the policy disclosed in Note 3. Goodwill is allocated to cash-generating units or business segments as follows:

	December 31, 2024	**December 31, 2023**
BPTO	15,666	15,749
eCommerce	475	1,506
HR	521	521
Food	11,252	-
Other	2,245	207
	30,159	**17,983**

The cash-generating unit to which goodwill is allocated undergoes impairment testing annually or more frequently if there are indications of potential impairment. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of goodwill allocated to the unit, and then proportionately to the other assets of the cash-generating unit based on the carrying amount of each asset in the cash-generating unit. Any gains or losses arising from the impairment are recognized directly in profit or loss. Once recognized, impairment losses on goodwill are not reversed in subsequent periods.

The Group tests goodwill impairment at the level of the lowest cash-generating unit. The Group has defined business segments as the lowest cash-generating unit, except for the eCommerce segment, where each subsidiary is a cash-generating unit. This decision acknowledges the diversity of revenue sources and business models within each segment/company. Goodwill determined based on acquisitions made during 2024 were not subject to impairment testing due to the recent nature of these transactions.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of goodwill (continued)

The recoverable amount of the cash-generating units is determined as follows:

- **BPTO segment** – Using the fair value less costs to sell method.

- **All other segments** - the Group applies the discounted cash flow method based on cash flow projections approved by management covering multiple annual periods.

The methodology for calculating fair value less costs to sell is based on the recapitalization of the BPTO business segment through M Plus Croatia by the European Bank for Reconstruction and Development, with the fair value of the segment derived through the calculation of invested funds for the obtained ownership stake.

The discounted cash flow methodology involves estimating future cash flows for a period of 3 to 5 years, discounting these cash flows using a discount rate reflecting the risk of cash flows and the time value of money, estimating residual value and terminal value. The weighted average cost of capital (WACC), comprising both debt and equity, is 9% (2023: 14%). Key assumptions include a planned revenue growth rate of 3% by 2028, representing the estimated market growth on a global scale. The terminal growth rate is 1%.

The Group subjects goodwill to impairment testing annually or more frequently if there are indications of impairment.

Impairment of brands

Brands with an indefinite useful life are tested for impairment individually, at least annually, or more frequently if there are indications of impairment. As a result of the impairment test performed on brands with an indefinite useful life as at the reporting date, an impairment loss of EUR 260 thousand was recognised (2023: -). In testing brands using the royalty relief method, an estimate is made of the amount (royalty) the Group would be willing to pay to use the brand if it were not owned by the Group. This method is used to determine the financial value of a brand based on hypothetical licensing arrangements. The royalty rates used in the models range from 0.6% to 2.7%, while the weighted average cost of capital (WACC), including both debt and equity, ranged from 7.16% to 15.62%. The terminal growth rate applied ranges from 1% to 2%.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY (CONTINUED)

Deferred tax asset

Deferred tax assets represent amounts of income tax recoverable based on future deductible taxable profits and are recognized in the balance sheet. Deferred tax assets are recognized up to the amount of taxable profits for which it is probable that they will be realized. Management exercises judgment and makes estimates based on taxable profits from previous years and expectations of future revenues, considered reasonable under current circumstances, when determining future taxable profits and the amounts of taxable profits likely to be realized in the future.

Provisions

Provisions are recognized when the Group has an existing obligation as a result of past events and there is a probability of an outflow of resources to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the best current estimate. In cases where the time value of money is significant, the amount of the reserve represents the present value of expenditures. The Group has recognized provisions for long-term employee benefits, taxes, legal disputes, onerous contracts, and other provisions. The most significant provision are for long-term employee benefits, calculated assuming a real discount rate of 4.28% (2023: 3.63%) using a 22.5% annual inflation rate (2023: 21%) and discount rates of 26.53% (2023: 24.63%). The provision relates to the subsidiary CMC and comply with Turkish regulatory requirements.

Financial Reporting in Hyperinflationary Economies

In cases where a Group member is classified as operating in a hyperinflationary economy, restatement is applied in accordance with IAS 29. In 2022, the Republic of Turkey met the criteria of IAS 29 for such classification, and the appropriate restatements were applied to the years 2023 and 2024. The indices were determined at the level of the Republic of Turkey.

Useful life of long-term tangible and intangible assets

The Group reviews the estimated useful lives of long-term tangible and intangible assets at the end of each reporting date, based on the planned use in future periods.

4.1. OPERATIONAL SEGMENTS

The group operates through three core operating segments. These segments offer different products and services and are managed separately because they require different technologies and marketing strategies.

As a result of forming new industrial verticals during the year that ended December 31, 2024, the Group has restructured its internal organization and composition of its operating segments, resulting in a change in reporting segments. Accordingly, the Group has restated previously disclosed segment information for the year ended December 31, 2023.

Operational segment	**Activities**
BPTO	Business process outsourcing services, contact center services, and customer care management development services
HR	Temporary staffing services, human resource management, selection and recruitment
Food	Production and sale of food products and provision of services in agriculture
Other	Holding company services and real estate management

The data relating to each mentioned segment is provided below. Segment revenues are used to measure performance because management believes that analyzing these data is most relevant for evaluating the results of individual segments compared to other entities operating in the same industry. However, the Group's financing (which includes financial expenses and financial income) and income tax are reported at the Group level and are not relevant for making business decisions at the segment level.

The eCommerce operating segment became immaterial in 2024 compared to the Group’s other operating segments. As a result, the Group continued to manage this segment together with other companies outside the BPTO, HR, and Food operating segments. This change also reflects the sale of the related company.

(All amounts are shown in thousands of EUR)

4.1.1. SEGMENT REVENUES AND RESULTS

2023	**BPTO**	**HR**	**Food**	**Other**	**Eliminations***	**Total**
Revenue from contracts with customers	203,282	78,610	-	3,460	-	**285,352**
Intersegment sales revenue	1,391	48	-	-	(1,439)	**-**
Other revenue	3,944	493	-	2,790	309	**7,536**
Cost of raw materials and supplies	(2,095)	(242)	-	(262)	38	**(2,561)**
Cost of goods sold	(2,197)	-	-	(192)	-	**(2,389)**
Cost of services	(8,999)	(7,751)	-	(2,893)	1,497	**(18,146)**
Staff cost	(153,151)	(66,405)	-	(270)	1	**(219,825)**
Depreciation	(17,428)	(2,102)	-	(862)	87	**(20,305)**
Other operating expenses including expected credit losses	(12,638)	(2,439)	-	(1,208)	165	**(16,120)**
Operating profit / (loss)	**12,109**	**212**	**-**	**563**	**658**	**13,542**
Financial income						**4,148**
Financial expense						**(9,427)**
Income tax						**(1,707)**
Profit for the year						**6,556**

(All amounts are shown in thousands of EUR)

4.1.1. SEGMENT REVENUES AND RESULTS (CONTINUED)

2024	**BPTO**	**HR**	**Food**	**Other**	**Eliminations***	**Total**
Revenue from contracts with customers	221,594	114,817	17,886	4,347	-	**358,644**
Intersegment sales revenue	640	262	-	2	(904)	**-**
Other revenue	5,670	731	3,420	8,021	(4,833)	**13,009**
Change in inventories of finished goods and work in progress	-	-	(1,524)	-	-	**(1,524)**
Cost of raw materials and supplies	(1,470)	(381)	(8,451)	(308)	62	**(10,548)**
Cost of goods sold	(2,305)	(105)	(1,658)	(44)	-	**(4,112)**
Cost of services	(13,227)	(16,162)	(2,245)	(2,637)	1,960	**(32,311)**
Staff cost	(164,476)	(92,658)	(2,810)	(451)	22	**(260,373)**
Depreciation	(19,850)	(3,280)	(1,122)	(1,067)	343	**(24,976)**
Other operating expenses including expected credit losses	(16,248)	(4,007)	(1,174)	(1,683)	234	**(22,878)**
Operating profit/(loss)	**10,328**	**(783)**	**2,322**	**6,180**	**(3,116)**	**14,931**
Financial income						**4,513**
Financial expense						**(12,851)**
Loss from associates						**(189)**
Income tax						**(1,498)**
Profit for the year						**4,906**

(All amounts are shown in thousands of EUR)

4.1.2 SEGMENT ASSETS AND LIABILITIES

2023	BPTO	HR	Food	Other	Elimination*	Total
Long-term asset	53,476	13,814	-	53,296	8,655	**129,241**
Short-term asset	73,446	20,328	-	64,775	(46,360)	**112,189**
Total asset	**126,922**	**34,142**	**-**	**118,071**	**(37,705)**	**241,430**
Long-term liabilities	59,234	14,518	-	60,738	(37,054)	**97,436**
Short-term liabilities	63,877	20,390	-	24,960	(23,338)	**85,889**
Total liabilities	**123,111**	**34,908**	**-**	**85,698**	**(60,392)**	**183,325**

2024	BPTO	HR	Food	Other	Elimination*	Total
Long-term asset	104,131	17,840	109,355	56,255	(23,143)	**264,438**
Short-term asset	99,290	23,149	39,852	74,044	(16,262)	**220,073**
Total asset	**203,421**	**40,989**	**149,207**	**130,299**	**(39,405)**	**484,511**
Long-term liabilities	44,687	15,271	101,584	63,443	(52,497)	**172,488**
Short-term liabilities	64,573	28,565	37,948	34,486	(8,500)	**157,072**
Total liabilities	**109,260**	**43,836**	**139,532**	**97,929**	**(60,997)**	**329,560**

4.1.3 OTHER SEGMENT INFORMATION

2023	BPTO	HR	Food	Other	Total
Additions to non-current assets	21,006	1,073	-	2,695	**24,774**

2024	BPTO	HR	Food	Other	Total
Additions to non-current assets	21,800	799	2,919	720	**26,238**

The Group has presented the data on depreciation by segments within Note 4.1.1. Segment revenues and results.

*Eliminations include intersegment transactions and balances as well as consolidation adjustments.

(All amounts are shown in thousands of EUR)

4.1.4 GEOGRAPHICAL INFORMATION

The Group makes its geographical information and key decisions at the level of two geographical areas: EU and non-EU.
The Group's domicile environment is the geographical area of the EU.

2023	**EU**	**non-EU**	**Elimination***	**Total**
Non-current asset	42,367	50,492	26,982	**119,841**

2024	**EU**	**non-EU**	**Elimination***	**Total**
Non-current asset	125,388	44,086	47,783	**217,257**

Geographic data on non-current do not include financial instruments or deferred tax assets.

The Group has presented geographic information on sales revenue within Note 5 - Revenue from Contracts with Customers.

4.1.5 INFORMATION ABOUT MAJOR CUSTOMERS

The Group does not have significant customers exceeding 10% of revenue from contracts with customers.

(All amounts are shown in thousands of EUR)

5. REVENUES FROM CONTRACTS WITH CUSTOMERS

	2024	**2023**
Revenues from contact centres	206,106	190,475
Revenues from agency employment and similar services	114,815	78,610
Revenues from sale of agricultural and food products and services	17,886	-
Revenues from sale of software solutions	15,487	12,807
eCommerce revenues	3,359	3,460
Other sales revenues	991	-
	358,644	**285,352**

2023	**BPTO**	**HR**	**Food**	**Other**	**Eliminations**	**Total**
Revenues from contracts with customers	204,673	78,658	-	3,460	(1,439)	**285,352**
EU	90,964	46,779	-	670	(1,289)	**137,124**
non-EU	113,709	31,879	-	2,790	(150)	**148,228**
Total	**204,673**	**78,658**	**-**	**3,460**	**(1,439)**	**285,352**
Point in time	341	5,266	-	3,460	-	**9,067**
Through time	204,332	73,392	-	-	(1,439)	**276,285**
Total	**204,673**	**78,658**	**-**	**3,460**	**(1,439)**	**285,352**

2024	**BPTO**	**HR**	**Food**	**Other**	**Eliminations**	**Total**
Revenues from contracts with customers	222,234	115,079	17,886	4,350	(905)	**358,644**
EU	95,201	64,093	17,576	991	(441)	**177,420**
non-EU	127,033	50,986	310	3,359	(464)	**181,224**
Total	**222,234**	**115,079**	**17,886**	**4,350**	**(905)**	**358,644**
Point in time	4,797	3,778	17,886	-	-	**26,461**
Through time	217,437	111,301	-	4,350	(905)	**332,183**
Total	**222,234**	**115,079**	**17,886**	**4,350**	**(905)**	**358,644**

(All amounts are shown in thousands of EUR)

6. OTHER REVENUES

	2024	2023
Income from subsidies	3,879	1,153
Income from fair value of receivables	3,167	-
Rental income	2,003	1,366
Income from reimbursed expenses	1,317	623
Income from intellectual services	1,150	-
Income from sale of fixed asset	463	146
Income from the reversal of provisions	241	404
Income from write-off of liabilities	14	1,464
Gain from bargain purchase	-	1,577
Profit from the reversal of the lease liability	-	180
Income from penalties	-	78
Other	775	545
	13,009	**7,536**

Income from subsidies primarily relates to government grants received in connection with agricultural and food production within the Panvita Group. In line with the reorganization, the Group invoiced certain intellectual services as part of its expansion into new verticals.

7. COSTS OF RAW MATERIALS AND SUPPLIES

	2024	2023
Cost of raw materials and supplies used in food production	7,803	-
Energy cost	2,279	1,944
Cost of office supplies	119	175
Other costs of raw materials and supplies	347	442
	10,548	**2,561**

8. COSTS OF GOODS SOLD

	2024	2023
Cost of goods sold	4,112	2,389
	4,112	**2,389**

(All amounts are shown in thousands of EUR)

9. COSTS OF SERVICES

	2024	2023
Services related to the distribution of products and services	9,746	2,110
Intellectual costs	6,246	5,263
Subcontractor expenses	4,195	3,333
Short-term rental costs	2,284	1,884
Maintenance costs	2,123	2,287
Service costs in food production	1,407	-
IT Services	2,266	735
Transport costs	742	603
Intermediation costs	542	894
Postal services	275	184
Other service costs	2,485	853
	32,311	**18,146**

Audit fees in 2024 amounted to EUR 652 thousand (2023: EUR 466 thousand), while fees for non-audit services provided by firms within the audit firm's network amounted to EUR 156 thousand (2023: EUR 273 thousand).

Other service costs include, among the others, vehicle maintenance and registration costs, graphic design services, notary services and security services.

10. STAFF COSTS

	2024	2023
Net salary costs	162,228	152,019
Costs of taxes and contributions from salaries	58,404	39,152
Costs of contributions on salaries	25,711	18,568
Costs of external employment	1,062	1,080
Other staff costs	12,968	9,006
	260,373	**219,825**

Other staff costs relate to business travel, transportation, vacation pay, bonuses and other employee benefits.

(All amounts are shown in thousands of EUR)

11. DEPRECIATION AND AMORTIZATION

	2024	2023
Amortization of intangible assets	12,991	11,780
Amortization of right of use assets	6,170	4,666
Depreciation of property, plant and equipment	5,062	3,387
Depreciation of investment property	455	472
Value adjustment of intangible asset	298	-
	24,976	**20,305**

12. OTHER OPERATING COSTS

	2024	2023
Telecomumunication cost	6,994	4,297
Advertising and promotion cost	2,025	1,571
Provision cost	1,671	1,653
Licences expenses	1,390	884
Other taxes, duties and fees	1,237	1,190
Representation cost	1,187	769
Recharged costs	1,065	929
Insurance premiums	969	568
Bank and transaction charges	640	383
Education cost	557	413
Cost of fixed asset disposal	498	321
Work safety	454	324
Communal fees	385	322
Sales commisions	218	229
Parking costs	43	125
Other	3,521	2,122
	22,854	**16,100**

Other expenses include several individually immaterial items within the Group, comprising various one-off costs and occasional operating expenses arising from events specific to individual business segments of the Group.

(All amounts are shown in thousands of EUR)

13. FINANCIAL REVENUE AND EXPENSES

	2024	2023
Financial income		
Interest income	2,703	762
Foreign exchange gains	1,065	3,115
Other financial income	745	271
	4,513	**4,148**
Financial expenses		
Interest expenses	11,075	8,173
Other financial expenses	1,776	1,254
	12,851	**9,427**

14. EARNINGS PER SHARE

	2024	2023
Net profit from continued operations attributable to owners	6,770	5,462
Weighted average number of shares over the period	1,021,742	982,032
Basic and diluted earnings per share (in euro and cents)	**6.63**	**5.56**

	2024	2023
Net loss from discontinued operations attributable to owners	(2,214)	(1,701)
Weighted average number of shares over the period	1,021,742	982,032
Basic and diluted earnings per share (in euro and cents)	**(2.17)**	**(1.73)**

On June 18, 2024, the Annual General Meeting of BOSQAR d.d. was held, and a dividend of EUR 2,258,673.60 (EUR 2.3 per share) was approved. The dividend was paid on July 17, 2024.

On June 27, 2023, the Annual General Meeting of BOSQAR d.d. was held, and a dividend of EUR 1,374,844.80 (EUR 1.4 per share) was approved, The dividend was paid on July 21, 2023.

The increase in the weighted average number of ordinary shares compared to the previous year is the result of the issuance of new shares (Note 30).

(All amounts are shown in thousands of EUR)

15. INCOME TAX AND DEFERRED TAX

	2024	2023
Current tax	3,598	3,669
Deferred tax, net	(2,100)	(1,962)
	1,498	**1,707**

	2024	2023
Profit before tax	**6,404**	**8,263**
Income tax at a tax rate of 18% (2023: 18%)	1,153	1,487
The effect of non-taxable revenue	(633)	(649)
The effect of non-tax deductible expenses	1,485	1,472
Unrecognized deferred tax assets on tax losses	812	573
Use of tax losses previously unrecognized as deferred tax assets	(1,192)	(1,090)
The effect of different tax rates	(127)	(86)
Income tax	**1,498**	**1,707**
Effective tax rate	***23.39%***	***20.66%***

An overview of tax loss carry forwards that have a certain deadline by which they can be used are shown below:

Tax loss that can be used until 2025	473
Tax loss that can be used until 2026	1,381
Tax loss that can be used until 2027	2,691
Tax loss that can be used until 2028	2,877
Tax loss that can be used until 2029	35,717
Tax loss that can be used until 2030	61
Total	**43,200**

A significant portion of tax loss carryforwards relates to companies within the Group whose main source of income is profit from shares in subsidiaries, which is non-taxable and based on the above, no deferred tax asset has been recognized, In addition, the increase in the amount of tax loss carryforwards is largely the result of the acquisition of the Panvita group for which a detailed estimate of future taxable profit has not yet been made for all components of the group.

In addition to the above, there are another EUR 6,738 thousand of deferred tax assets based on tax loss carryforwards in members of the M Germany group that do not have a specific deadline for their utilization. Of the above amount, the Group has not recognized deferred tax assets in the amount of EUR 3,338 thousand based on tax loss carryforwards of the companies due to uncertainty of their utilization in the future period.

(All amounts are shown in thousands of EUR)

15. INCOME TAX AND DEFERRED TAX (CONTINUED)

The reconciliation of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets

	Total
January 1, 2023	**3,355**
Acquisition of subsidiaries	-
Increase of deferred tax assets recognized in profit or loss	1,384
December 31, 2023	**4,739**
January 1, 2024	**4,739**
Acquisition of subsidiaries (Note 40)	50
Increase in deferred tax assets recognized in profit or loss	1,269
December 31, 2024	**6,058**

Deferred tax assets have been recognised on carried forward tax losses

Deferred tax liability

	2024	**2023**
January 1	**3,272**	**2,957**
Adjustment of initial conditions for the impact of hyperinflation	(709)	(711)
Amortization	219	474
Effects of purchase price allocation	187	927
Capitalization of development costs	(32)	(140)
Leases	-	(180)
Unused vacations	(162)	224
Provisions for legal disputes	(40)	29
Non-current employee benefits	(49)	236
Disposal of subsidiary (Note 41)	(737)	-
Other	(133)	(48)
Exchange rate fluctuations	(413)	(496)
December 31	**1,403**	**3,272**

The deferred tax movement is presented netted, considering that a significant part of deferred taxes is related to the members of the Group who present deferred taxes netted.

(All amounts are shown in thousands of EUR)

16. GOODWILL

	December 31, 2024	December 31, 2023
BPTO	15,666	15,749
eCommerce	475	1,506
HR	521	521
Food	11,252	-
Other	2,245	207
	30,159	**17,983**

	2024	2023
At the beginning of the period	**17,983**	**17,249**
Additional amounts recognized from acquisitions of subsidiaries during the year	13,290	1,031
Disposals	(1,114)	(297)
At the end of the period	**30,159**	**17,983**

Methodology for goodwill impairment testing is described in note 4.

Amount recognized from acquisitions relates to acquisition of subsidiaries Panvita Holding d.o.o. (EUR 11,227 thousand), Future Food Solutions d.o.o. (EUR 25 thousand) and Real Estate Development Projekti d.o.o. (EUR 2,038 thousand), while disposals relate to sale of companies Konverzija d.o.o. (EUR 1,031 thousand) and Calyx d.o.o. (EUR 83 thousand).

(All amounts are shown in thousands of EUR)

17. INTANGIBLE ASSETS

	Licenses and software	Other intangible assets	Intangible assets in preparation	Total
Balance as at December 31, 2022				
Purchase value	15,454	37,621	530	**53,605**
Accumulated depreciation	(5,863)	(7,970)	(188)	**(14,020)**
Net book value	**9,591**	**29,651**	**342**	**39,585**
Changes during 2023				
Increase	11,348	5,000	3,025	**19,372**
Acquisition of subsidiaries	3,077	12,044	95	**15,216**
Sale/write-off	(5,116)	(138)	-	**(5,254)**
Transfers	(1,667)	718	(838)	**(1,787)**
Exchange rate differences	461	751	(139)	**1,073**
Depreciation expense	(4,262)	(7,534)	-	**(11,796)**
Net book value	**13,432**	**40,492**	**2,485**	**56,409**
Balance as at December 31, 2023				
Purchase value	23,557	55,996	2,673	**82,225**
Accumulated depreciation	(10,125)	(15,504)	(188)	**(25,816)**
Net book value	**13,432**	**40,492**	**2,485**	**56,409**
Changes during 2024				
Increase	6,064	10,973	855	**17,892**
Acquisition of subsidiaries (Note 40)	211	154	-	**365**
Sale/write-off	(451)	(83)	(282)	**(816)**
Transfers	61	1,706	(1,767)	**-**
Disposals of subsidiaries	(225)	(4,235)	(13)	**(4,473)**
Other movements	9	(9)	(17)	**(17)**
Exchange rate differences	1,257	940	127	**2,324**
Value adjustments	-	(298)	-	**(298)**
Depreciation expense	(3,972)	(9,122)	-	**(13,094)**
Net book value	**16,386**	**40,518**	**1,388**	**58,292**
Balance as at December 31, 2024				
Purchase value	30,483	65,144	1,576	**97,203**
Accumulated depreciation	(14,097)	(24,626)	(188)	**(38,911)**
Net book value	**16,386**	**40,518**	**1,388**	**58,292**

The most significant item of other intangible assets relates to the customer base and is the result of acquiring control over the CMC Group. In addition to the customer base, this category also includes intangible assets based on franchise agreements and intangible assets recognized during the allocation of the purchase price. The impairment of other intangible assets relates to the impairment of brand Invitel, given that the Group started operating under the brand Mpus Germany.

(All amounts are shown in thousands of EUR)

18. RIGHT OF USE ASSETS

	Business premises	Vehicles	Equipment	Total
Balance as at December 31, 2022				
Purchase value	14,407	2,833	6,101	23,341
Accumulated depreciation	(6,766)	(1,637)	(3,892)	(12,296)
Net book value	**7,641**	**1,196**	**2,209**	**11,045**
Changes during 2023				
Increase	3,909	1,671	147	5,728
Acquisition of subsidiaries	1,538	437	-	1,975
Sale/write-off	(999)	(99)	(990)	(2,088)
Transfers	1,389	303	91	1,783
Exchange rate differences	10	64	(8)	66
Depreciation expense	(3,308)	(950)	(668)	(4,926)
Net book value	**10,180**	**2,622**	**781**	**13,583**
Balance as at December 31, 2023				
Purchase value	20,254	5,209	5,342	30,805
Accumulated depreciation	(10,074)	(2,587)	(4,561)	(17,222)
Net book value	**10,180**	**2,622**	**781**	**13,583**
Changes during 2024				
Increase	8,635	1,905	1,771	12,311
Acquisition of subsidiaries (Note 40)	2,188	1,572	386	4,146
Sale/write-off	(134)	(329)	-	(463)
Other movements	(470)	(71)	(6)	(547)
Exchange rate differences	(837)	(172)	(3)	(1,012)
Depreciation expense	(4,079)	(1,403)	(1,057)	(6,539)
Net book value	**15,483**	**4,124**	**1,872**	**21,479**
Balance as at December 31, 2024				
Purchase value	29,636	8,114	7,489	45,239
Accumulated depreciation	(14,153)	(3,990)	(5,617)	(23,760)
Net book value	**15,483**	**4,124**	**1,872**	**21,479**

The right to use leased property refers to business premises, vehicles, and equipment for the needs of regular business operations.

Amounts recognized in the statement of comprehensive income	**2024**	**2023**
Depreciation expenses on right of use assets (Note 11)	6,170	4,926
Interest on operating leases	1,077	738
Costs related to current leases (Note 9)	2,284	1,884

The repayment of lease liabilities in fixed amounts in 2024 amounted to EUR 7,251 thousand (2023: EUR 5,307 thousand),

(All amounts are shown in thousands of EUR)

19. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Buildings	Land	Assets under construction, given advances and other asset	Total
Balance as at December 31, 2022					
Purchase value	10,176	26,624	-	628	37,428
Accumulated depreciation	(3,323)	(918)	-	(162)	(4,403)
Net book value	**6,853**	**25,706**	-	**466**	**33,025**
Changes during 2023					
Increase	4,855	146	-	7	5,008
Acquisition of subsidiaries	614	-	-	248	862
Sale/write-off	(988)	(2,077)	-	(400)	(3,465)
Transfers	196	(14,305)	-	(195)	(14,304)
Exchange rate differences	(103)	-	-	(2)	(105)
Depreciation expense	(3,094)	(327)	-	(10)	(3,431)
Net book value	**8,333**	**9,143**	-	**114**	**17,590**
Balance as at December 31, 2023					
Purchase value	14,750	10,388	-	286	25,424
Accumulated depreciation	(6,417)	(1,245)	-	(172)	(7,834)
Net book value	**8,333**	**9,143**	-	**114**	**17,590**
Changes during 2024					
Increase	5,718	244	424	1,870	8,256
Acquisition of subsidiaries (Note 40)	19,495	30,456	9,282	11,308	70,541
Sale/write-off	(304)	(52)	-	(26)	(382)
Transfers	917	1,040	-	(1,957)	-
Disposal of subsidiaries	(9)	-	-	-	(9)
Other movements	(1,097)	1,177	-	(91)	(11)
Exchange rate differences	2,320	(32)	-	-	2,288
Depreciation expense	(4,607)	(534)	-	-	(5,141)
Net book value	**30,766**	**41,442**	**9,706**	**11,218**	**93,132**
Balance as at December 31, 2024					
Purchase value	41,790	43,221	9,706	11,390	106,107
Accumulated depreciation	(11,024)	(1,779)	-	(172)	(12,975)
Net book value	**30,766**	**41,442**	**9,706**	**11,218**	**93,132**

The total value of buildings and land is encumbered by mortgages in favour of banks.

(All amounts are shown in thousands of EUR)

20. INVESTMENT PROPERTY

	Investment property
Balance as at December 31, 2022	
Purchase value	-
Accumulated depreciation	-
Net book value	**-**
Changes during 2023	
Increase	444
Acquisition of subsidiaries	14,304
Depreciation expense	(472)
Net book value	**14,276**
Balance as at December 31, 2023	
Purchase value	14,748
Accumulated depreciation	(472)
Net book value	**14,276**
Changes during 2023	
Increase	91
Acquisition of subsidiaries (Note 40)	288
Sale/write-off	(5)
Accumulated depreciation	(455)
Net book value	**14,195**
Balance as at December 31, 2024	
Purchase value	15,251
Accumulated depreciation	(1,056)
Net book value	**14,195**

Buildings classified as Investment Property is encumbered with a lien in favor of the banks,

An appraisal was made by an independent licensed appraiser, and the market value of the investment property is approximately EUR 14,344 thousand.

Rental income is disclosed in Note 6 Other Income. Costs related to the maintenance of the building classified as investment property amount to EUR 200 thousand (2023: EUR 183 thousand).

(All amounts are shown in thousands of EUR)

21. INVESTMENT IN ASSOCIATES

Through the parent company of Panvita Group, Panvita Holding, Group has significant influence in the following associated companies:

			Share of ownership and voting rights of the Group	
Associate	**Activity**	**Country**	**December 31, 2024**	**December 31, 2023**
PANVITA EKOTEH d.o.o.	Collection and processing of biowaste	Slovenia	31.76%	-
PAN-NUTRI d.o.o.	Consulting services related to food production and food processing	Slovenia	24.90%	-

	PANVITA EKOTEH d,o.o.	**PAN-NUTRI d.o.o.**
	December 31, 2024	**December 31, 2024**
Non-current assets	9,443	1
Current assets	1,890	35
Non-current liabilities	(1,720)	-
Current liabilities	(2,460)	(1)
	2024	**2024**
Revenues	708	1
Loss for the year	(594)	-
Loss attributable to Group	**(189)**	**-**

Movement table:

	2024
Opening balance	-
Acquisition of subsidiary (note 40)	2,475
Loss attributable to Group	(189)
Closing balance	**2,286**

(All amounts are shown in thousands of EUR)

22. NON-CURRENT FINANCIAL ASSET

22.1. FINANCIAL ASSET MEASURED AT AMORTIZED COSTS

	December 31, 2024	December 31, 2023
Non-current loans given	33,160	1,399
Non-current deposits	3,068	882
Other long-term receivables	1,011	978
	37,239	**3,259**

Non-current deposits in the amount of EUR 3,068 thousand (December 31, 2023: EUR 882 thousand) bear minimum interest. Of the total amount of long-term deposits, an amount of EUR 2,770 thousand relates to guarantee deposits in accordance with long-term financing agreements.

Non-current loans were given to third parties in the amount of EUR 29,538 thousand (2023: EUR 296 thousand) and to members of the Management Board and employees in the amount of EUR 3,622 thousand (2023: EUR 1,103 thousand), with an average interest rate of 3.20% (31 December 2023: 2.40%).

There was no increase in credit risk after the initial recognition of the financial asset.

22.2. FINANCIAL ASSET MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2024	December 31, 2023
Other investment	1,598	1,402
	1,598	**1,402**

Other investments mainly consist of investments in educational institutions with goal of long-term investment.

23. CURRENT FINANCIAL ASSETS

	December 31, 2024	December 31, 2023
Current loans given	1,413	2,451
Current deposits	552	300
Other current financial assets	9	-
	1,974	**2,751**

The maturity of the granted loans is within one year, with an average interest rate of 3.20 % (December 31, 2023: 2.40%), Current loans have been given to employees and third parties.

There was no increase in credit risk after the initial recognition of the financial assets.

(All amounts are shown in thousands of EUR)

24. INVENTORY

	December 31, 2024	December 31, 2023
Work-in-progress	6,035	-
Raw materials and supplies	5,093	-
Spare parts and packaging	2,572	-
Finished good	2,336	-
Trade goods	1,990	1,527
Other inventories	24	-
	18,050	**1,527**

Inventories in the food operating segment are encumbered with a lien in favor of the banks in the amount of EUR 8,247 thousand.

25. BIOLOGICAL ASSETS

	December 31, 2024	December 31, 2023
Animals in fattening	1,455	-
Agricultural work-in-progress (crops)	1,439	-
Poultry for reproduction	984	-
	3,878	**-**

(All amounts are shown in thousands of EUR)

26. TRADE RECEIVABLES

	December 31, 2024	December 31, 2023
Foreign trade receivables	59,332	39,308
Domestic trade receivables	4,593	4,016
Value adjustment	(105)	(174)
	63,820	**43,150**

The average days sales outstanding is 41 days (2023: 46 days). The Group has recorded an allowance for all outstanding receivables that are estimated to be uncertain in terms of collection.

Changes in the allowance for uncertain receivables can be shown as follows:

	2024	2023
Balance at the beginning of the year	174	374
New allowances during the year	25	20
Write-offs	(94)	(220)
	105	**174**

The expected credit loss rate used for the simplified ECL model was determined by individual companies within the Group, taking into account the business models of the industries in which they operate and the macroeconomic environment in which they operate,

The maturity analysis of trade receivables at December 31, 2024, and 2023 is as follows:

	Current	31-60 days	61-90 days	91-180 days	>180 days	Total
December 31, 2024	54,663	1,962	4,054	1,517	1,624	**63,820**
December 31, 2023	34,578	5,669	931	1,354	618	**43,150**

27. OTHER RECEIVABLES

	December 31, 2024	December 31, 2023
Receivables from the state	7,248	4,799
Advances given from services	725	818
Receivables from employees	515	408
Receivables acquired by cession and assignment	102	100
Other receivables	2,655	1,072
	11,245	**7,197**

Receivables from the government relate to prepayments and advances for corporate income tax.

(All amounts are shown in thousands of EUR)

28. ACCRUED INCOME AND PREPAID EXPENSES

	December 31, 2024	December 31, 2023
Prepaid expenses	3,065	2,619
Accrued income	5,128	4,308
	8,193	**6,927**

Accrued revenues relate to services performed but not yet invoiced. Prepaid expenses relate to maintenance, insurance, and IT support costs paid in advance.

29. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Balance on giro accounts in local currency	81,799	16,690
Balance on giro accounts in foreign currency	7,535	12,224
Deposits in banks with a maturity of up to 3 months	22,348	21,709
Cash on hand	301	14
	111,983	**50,637**

30. SHARE CAPITAL

	December 31, 2024			December 31, 2023		
Registered co-owner	**Share**	**Percentage of ownership**	**Number of shares**	**Share**	**Percentage of ownership**	**Number of shares**
Orso global d.o.o.	8,131	51.99%	612,669	6,685	51.29%	503,674
Other	7,509	48.01%	565,768	6,349	48.71%	478,358
Total:	**15,640**	**100.00%**	**1,178,437**	**13,034**	**100,00%**	**982,032**

The Company's share capital as of December 31, 2024 amounts to EUR 15,640 thousand, divided into 1,178,437 shares (December 31, 2023: EUR 13,034 thousand, divided into 982,032 shares).

Based on the number of new shares subscribed and paid in due time, the Company's Management Board, with the consent of the Company's Supervisory Board, determined on October 14, 2024 that the Company's share capital was increased from EUR 13,034 thousand by EUR 2,606 thousand to EUR 15,640 thousand, by payment in cash and the issuance of a total of 196,405 new shares.

31. RESERVES

31.1. CAPITAL RESERVES

As at 31 December 2024, capital reserves amounted to EUR 65,069 thousand (31 December 2023: EUR 19,784 thousand). As a result of the share issuance process, in addition to the increase in share capital, capital reserves increased by EUR 45,285 thousand, bringing the total increase in the Company's share capital and capital reserves to EUR 47,891 thousand, which represents the net proceeds from the issuance of new shares on the capital market.

31.2. LEGAL RESERVES

Legal reserves in 2024 amount to EUR 2,405 thousand (2023: EUR 1,997 thousand) and refer to reserves of the parent company in accordance with the Accounting Act and the Companies Act in the amount of EUR 485 thousand (2023: EUR 414 thousand) and reserves for capitalized costs development in the amount of EUR 1,920 thousand (2023: EUR 1,583 thousand).

31.3. FOREIGN EXCHANGE RESERVES

Foreign exchange reserves consist of exchange differences from the translation of investments in foreign operations.

The cumulative inflation rate in Turkey in the three-year period exceeded 100% in the second quarter of 2022, and the conditions based on IAS 29 have been fulfilled and the country should be formally classified as a hyperinflationary economy.

31.4. OTHER COMPONENTS OF EQUISTY

Other equity items relate to:

a) the difference between the effective liability of the Parent company paid to the remaining non-controlling shareholder of the subsidiary Meritus plus d.o.o. and the net book value of the non-controlling interest at the time of redemption of the described interest in the amount of EUR (3,710) thousand. The transaction took place during 2020.

b) the difference between the effective liability of the Parent Company paid to the remaining non-controlling shareholder of the subsidiary Trizma d.o.o. and the net book value of the non-controlling interest at the time of redemption of the described interest in the amount of EUR (6,104) thousand. The aforementioned transaction took place during 2022.

c) the difference between the effective liability of the Parent Company paid to the remaining non-controlling shareholder of the subsidiary M+ Deutschland BPTO GmbH and the net book value of the non-controlling share at the time of the redemption of the described share in the amount of EUR (7,011) thousand. The aforementioned transaction took place during 2022.

d) the difference between the effective liability of the Parent Company paid to the remaining non-controlling shareholder of the subsidiary Smartflex and the net book value of the non-controlling share at the time of the redemption of the described share in the amount of EUR (103) thousand. The transaction took place during 2022.

e) reserves for own shares formed by a subsidiary in accordance with local regulations in the amount of EUR 291 thousand.

f) The difference between the consideration paid by the Company to the remaining non-controlling shareholder of the subsidiary CDE New Technologies and the net carrying amount of the non-controlling interest at the time of acquisition, for a total of EUR (131) thousand. This transaction occurred during the year 2023.

g) The difference between the Company's performance obligation paid to the remaining non-controlling shareholder of the subsidiary M Croatia d.o.o. and the net book value of the non-controlling interest at the time of the purchase, of the described share in the amount of EUR (19,548) thousand. The transaction occurred during 2024.

(All amounts are shown in thousands of EUR)

32. BORROWINGS

	December 31, 2024	December 31, 2023
Obligations for long-term issued bonds	40,000	40,000
Liabilities for long-term borrowings	84,856	33,718
Liabilities for short-term borrowings and accrued interest	66,459	29,022
	191,315	**102,740**

Long-term borrowings were used to finance capital investments and acquisitions. The average weighted interest rate on long-term borrowings in 2024 was 5.04% (in 2023: 4.00%), The Group regularly fulfils all obligations under these borrowings in compliance with all the terms of the agreement.

Short-term borrowings were used to finance new projects and working capital, payment instruments are the collateral provided for short-term borrowings. Of the total amount of borrowings EUR 10,734 thousand (31 December 2023: EUR 4,697 thousand) relates to the current portion of long-term loans.

The weighted average interest rate on short-term borrowings in 2024 was 7.44% (in 2023: 5.75%). The average weighted interest rate on short-term borrowings denominated in euros was 4.77% (2023: 3.34%), while for borrowings denominated in other currencies, the average weighted interest rate amounted to 42.55% (2023: 27.62%). The significant increase and discrepancy between the interest rates on borrowings denominated in euros and those in other currencies primarily reflects the impact of hyperinflation in Turkey, which has consequently led to high interest rates.

Changes in borrowings received during the year can be shown as follows:

	2024	2023
Balance as at January 1	**102,740**	**96,376**
New borrowings	253,348	39,338
Accrued interest	8,050	5,429
New borrowings - acquisition of subsidiaries (Note 40)	39,009	5,011
Repayment of borrowings	(202,347)	(36,187)
Repayment of interest	(8,364)	(4,843)
Exchange rate differences	(1,121)	(2,384)
Balance as at December 31	**191,315**	**102,740**

(All amounts are shown in thousands of EUR)

32. BORROWINGS (CONTINUED)

Issue of bonds

On July 29, 2022, the company issued bonds related to the sustainable domestic capital market in the total nominal amount of EUR 40 million, with a fixed annual interest rate of 4,25%, with semiannual interest payments and a one-time maturity of the principal after five years, marks MRUL-O-277E and International Identification Number (ISIN) HRMRULO277E9 ("Bonds").

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

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

(1) Reduce absolute Scope 1 and 2 greenhouse gas emissions by 25,2% to 2,148 tCO_2e in 2027 compared to the base year 2021

(2) Achieve 51% representation of women in management teams (including management bodies) by the end of 2030.

Detailed information about this issuance was published in the Prospectus, which was made publicly available on the Company's website on July 14, 2022, The Management estimates that both indicators will be met according to defined targets.

According to the Prospectus, below is a table showing alternative performance indicators, explanations of which are provided in the Prospectus:

Name of indicator	**2024**
Operating profit (EBIT)	14,931
EBITDA	39,907
EBITDA margin	10.74%
Consolidated normalized EBITDA	47,463
Consolidated net debt	98,661
Consolidated debt	210,643
Consolidated equity	154,951
The ratio of Consolidated net debt and Consolidated normalized EBITDA	1.90
Ratio of Consolidated Debt and Consolidated equity	1.36
Operating profit margin (EBIT margin)	4.02%
Net profit margin	1.32%
Liabilities for non-current loans received from banks	65,022
Liabilities for current loans received from banks	78,108
Liabilities for non-current loans received from shareholders	6,862
Current liabilities for leases received	8,116
Non-current liabilities for leases received	18,074

(All amounts are shown in thousands of EUR)

33. LEASE LIABILITIES

Lease liabilities in the amount of EUR 26,190 thousand (December 31, 2023: EUR 15,569) have the following maturity:

	December 31, 2024	December 31, 2023
Within a year	8,116	5,469
In the second year	6,429	3,910
In the third year	5,087	2,445
In the fourth year	2,715	1,913
In the fifth year	1,405	1,045
After five years	2,438	787
Total	**26,190**	**15,569**

	December 31, 2024	December 31, 2023
Total non-current lease liabilities	18,074	10,100
Total current lease liabilities	8,116	5,469
	26,190	**15,569**

The movement in leases is presented in Note 18 Right-of-use assets.

(All amounts are shown in thousands of EUR)

34. OTHER NON-CURRENT LIABILITIES

	December 31, 2024	December 31, 2023
Deferred income	8,701	-
Obligations for purchased rights	6,204	6,797
Other non-current liabilities	7,593	414
Total	**22,498**	**7,211**

The obligations for purchased rights primarily relate to obligations arising from franchise agreements related to the HR business segment.

Non-current deferred income relates to grants received by the Panvita Group.

Other non-current liabilities primarily relate to the deferred payment obligation arising from the acquisition of the Panvita Group in the amount of EUR 7,500 thousand.

35. TRADE PAYABLES

	December 31, 2024	December 31, 2023
Liabilities to foreign suppliers	3,138	1,505
Liabilities to domestic suppliers	32,145	10,732
	35,283	**12,237**

36. LIABILITIES TO EMPLOYEES

	December 31, 2024	December 31, 2023
Liabilities for net salaries	12,518	11,745
Liabilities for contributions from salaries	7,727	5,020
Liabilities for contributions on salaries	1,431	469
Liabilities for taxes and surtaxes from salaries	1,504	1,749
	23,180	**18,983**

(All amounts are shown in thousands of EUR)

37. OTHER CURRENT LIABILITIES

	December 31, 2024	December 31, 2023
Liabilities for VAT and other taxes	4,824	3,857
Factoring liabilities	3,559	-
Other current liabilities	2,384	1,960
Liabilities for the acquisition of shares	1,100	1,293
Liabilities for received advances	660	-
Capitalized rights	165	396
	12,692	**7,506**

38. DEFERRED REVENUE AND ACCRUED EXPENSES

	December 31, 2024	December 31, 2023
Accrued operating expenses	4,512	5,716
Deferred revenue	3,960	4,467
	8,472	**10,183**

Deferred revenues as at December 31, 2024 and 2023 are primarily related to IT and contact centre services.

The accrued expenses are mostly related to the costs of insurance, subcontracting, maintenance and licenses.

(All amounts are shown in thousands of EUR)

39. RELATED PARTY TRANSACTIONS

Balances and transactions from the relationship between the Company and its subsidiaries, which are its related parties, have been eliminated by consolidation and are not disclosed in this note. The analysis of transactions between the Group and other related parties is presented below. The total remuneration accrued to the members of the Supervisory Board, the Management Board, and the executive directors in 2024 amounted to EUR 2,036 thousand (in 2023: EUR 994 thousand). All the stated remunerations are related to short-term benefits. Key management personnel of the Company includes the Management Board members, the CEO and CFO of the BPTO, HR, and Food business verticals, as well as the members of the Company's Supervisory Board. Considering the inclusion of the Panvita Group within the Group's structure and the redesign of other business verticals, the Group has decided to expand the definition of key management personnel compared to the year 2023.

Total receivables on the basis of borrowing granted to the Management Board and executive directors as at December 31, 2024, amounted to EUR 3,405 thousand (31 December 2023: EUR 1,605 thousand at December 31, 2023).

	Receivables		Liabilities	
	December 31 2024	**December 31 2023**	**December 31 2024**	**December 31 2023**
Owners	12	-	9	-
Associates	90	-	12	-
Other related parties	49	428	1,104	431
Total	**151**	**428**	**1,125**	**431**

	Loans receivables (principal)		Loans liabilities	
	December 31 2024	**December 31 2023**	**December 31 2024**	**December 31 2023**
Owners	370	-	1	-
Associates	24	-	-	-
Other related parties	58	657	6,789	11,783
Total	**452**	**657**	**6,790**	**11,783**

	Revenues		Expenses	
	2024	**2023**	**2024**	**2023**
Owners	13	-	48	-
Associates	34	-	16	-
Other related parties	111	1,170	1,238	2,633
Total	**158**	**1,170**	**1,302**	**2,633**

(All amounts are shown in thousands of EUR)

40. ACQUISITION OF SUBSIDIARIES

The Group has prepared the initial purchase price allocation related to the acquisition of companies in 2024. The Group will assess the acquisition calculation within the measurement period in accordance with IFRS 3 *Business Combinations* during 2025.

a) Panvita Holding d.o.o.

On May 7, 2024, the Group entered into a share purchase agreement for the indirect acquisition of a 51% stake in Panvita Holding d.o.o.. Panvita Holding d.o.o. owns companies operating under the Panvita Group in Slovenia and Serbia. The completion of the transaction based on previously mention agreement was subject to approvals from the competent authorities. The Group obtained approval in November 2024, and the acquisition date was determined as November 1, 2024.

	Carrying value	Change	Fair value
Intangible assets	365	-	365
Right-of-use assets	4,146	-	4,146
Property, plant and equipment	68,440	-	68,440
Investment property	288	-	288
Investment in associates	2,475	-	2,475
Non-current financial assets	52	-	52
Deferred tax asset	50	-	50
Inventory	18,618	-	18,618
Biological asset	5,130	-	5,130
Non-current financial asset	1,226	-	1,226
Trade receivables	13,291	-	13,291
Other receivables	1,354	-	1,354
Prepaid expenses and accrued income	506	-	506
Cash and cash equivalents	10,225	-	10,225
Non-controlling interest	(5,342)	-	(5,342)
Long-term borrowings	(28,001)	-	(28,001)
Long-term lease liabilities	(4,009)	-	(4,009)
Provisions	(1,079)	-	(1,079)
Other non-current liabilities	(8,812)	-	(8,812)
Short-term borrowings	(10,415)	-	(10,415)
Short-term lease liabilities	(122)	-	(122)
Trade payables	(26,417)	-	(26,417)
Liabilities to employees	(1,864)	-	(1,864)
Accrued expenses and deferred income	(3,656)	-	(3,656)
Other short-term liabilities	(8,463)	-	(8,463)
Identifiable net asset	**27,986**	**-**	**27,986**

(All amounts are shown in thousands of EUR)

40. ACQUISITION OF SUBSIDIARIES (CONTINUED)

a) Panvita Holding d.o.o. (continued)

Consideration:	
Cash and cash equivalents	18,000
Deferred consideration	7,500
	25,500

Consideration	25,500
Non-controlling interest	13,713
Fair value of identifiable net asset	(27,986)
Preliminary calculated goodwill	**11,227**

Net cash outflow is shown as follows:

Consideration paid in cash	(18,000)
Cash and cash equivalents acquired	10,225
Net cash outflow from acqusition	**(7,775)**

(All amounts are shown in thousands of EUR)

40. ACQUISITION OF SUBSIDIARIES (CONTINUED)

b) Real Estate Development Projekt d.o.o.

On December 12, 2024, the Group acquired and merged company REAL ESTATE DEVELOPMENT PROJEKTI d.o.o. (REDP) from Croatia, Company is merged into REAL ESTATE DEVELOPMENT PROJEKTI d.o.o. - Projekt Vukovarska (REDP-PV).

	Carrying value	Change	Fair value
Property, plant and equipment	1,059	1,041	2,100
Other receivables	1,300	-	1,300
Cash and cash equivalents	2	-	2
Long-term borrowings	(586)	-	(586)
Deferred tax liability	-	(187)	(187)
Short-term borrowings	(17)	-	(17)
Trade payables	(3,551)	-	(3,551)
Identified net asset	**(1,793)**	**854**	**(939)**

The identified asset in the purchase price allocation process refers to the market value of the property as assessed by a certified appraiser.

Consideration:	
Cash and cash equivalents	-
Deferred consideration	1,100
	1,100

Consideration	1,100
Fair value of identifiable net asset	939
Preliminary calculated goodwill	**2,039**

Net cash outflow is shown as follows:

Consideration paid in cash	-
Cash and cash equivalents acquired	2
Net cash outflow from acqusition	**2**

41. DISCONTINUED OPERATIONS

a) Disposal of subsidiary

On December 27, 2024, the Group concluded a sale agreement with Vision Box d.o.o. for the sale of the subsidiary Konverzija d.o.o., which provided eCommerce services under the Pink Panda brand. The proceeds from the sale did not exceed the net book value of the assets of the said company. This sale is in line with the Group's policy to focus activities solely on materially significant services and regions. The sale was completed on the aforementioned date, and from that point onward, the Group no longer has control over the said company. Details of the sold assets and liabilities, as well as the calculation of the gain or loss on the sale, are disclosed below in the notes.

b) Classification of operations as held for sale

On December 27, 2024, the management of company M Plus Croatia d.o.o., as the holding company of the BPTO vertical, decided to divest part of the Group's operations in Germany. Subsequently, negotiations were held with several interested parties. The divestment is in line with the Group's long-term policy to focus its activities on other subsidiaries. This operation, which is expected to be sold within 12 months, has been classified as a disposal group held for sale and is presented separately in the statement of financial position.

The proceeds from the sale are expected to be in line with the carrying value of the associated net assets, and as such, no impairment losses have been recognised upon the classification of these operations as held for sale. The main asset and liability categories that constitute the operation classified as held for sale are presented in the note below.

c) Results analysis from discontinued operations

The combined results of discontinued operations included in the profit for the year are presented as indicated below in the note. The comparative results of discontinued operations have been re-presented to include these operations classified as discontinued in the current year.

(All amounts are shown in thousands of EUR)

41. DISCONTINUED OPERATIONS (CONTINUED)

Profit/(loss) for the year from the discontinued operations	**December 31, 2024**			**December 31, 2023**			
	Konverzija d.o.o.	**Mplus Magdeburg Gmbh**	**Total**	**Konverzija d.o.o.**	**Mplus Magdeburg Gmbh**	**CDE IT d.o.o.**	**Total**
Sales revenues	10,095	-	**10,095**	9,083	711	-	**9,794**
Other income	1,215	29	**1,244**	21	106	-	**127**
	11,310	**29**	**11,339**	9,104	817	-	**9,921**
Cost of raw materials	(178)	(19)	**(197)**	(121)	(24)	-	**(145)**
Cost of goods sold	(4,887)	-	**(4,887)**	(4,338)	-	-	**(4,338)**
Cost of services	(1,817)	(111)	**(1,928)**	(433)	(27)	-	**(460)**
Staff costs	(1,278)	(1,795)	**(3,073)**	(783)	(1,725)	-	**(2,508)**
Depreciation and amortization	(364)	(188)	**(552)**	(131)	(189)	-	**(320)**
Other operating expenses	(3,538)	(139)	**(3,677)**	(2,069)	(222)	-	**(2,291)**
Financial income	61	-	**61**	128	-	-	**128**
Financial expenses	(274)	(55)	**(329)**	(187)	(68)	-	**(255)**
Profit/(loss) before tax	**(965)**	**(2,278)**	**(3,243)**	**1,170**	**(1,438)**	**-**	**(268)**
Loss from the disposal	(34)	-	**(34)**	-	-	(1,324)	**(1,324)**
Income tax	-	-	**-**	-	-	-	**-**
Net profit/(loss) from discontinued operations	**(999)**	**(2,278)**	**(3,277)**	**1,170**	**(1,438)**	**(1,324)**	**(1,592)**
Net cash flows from discontinued operations	**(62)**	**4**	**(58)**	**35**	**6**	**-**	**41**

(All amounts are shown in thousands of EUR)

41. DISCONTINUED OPERATIONS (CONTINUED)

Disposal of subsidiary

During 2023, the Group sold its subsidiary CDE IT, which provided IT services in Slovenia, as well as the IT business segment of the company CDE Nove tehnologije d.o.o..

Consideration received	December 31, 2023 CDE IT
Consideration received in cash and cash equivalents	1,391
	1,391

Breakdown of the assets and liabilities over which control was lost	December 31, 2023
Current asset	
Cash	20
Trade receivables and loans given	2,569
Non-current asset	
Property, plant and equipment	118
Financial asset	8
Net asset sold	**2,715**

Loss from the sale of subsidiary	December 31, 2023 CDE IT
Consideration received	**1,391**
Net asset sold	**2,715**
Non-controlling interest	-
Loss from sale	**(1,324)**

Net cash inflow from sale of the subsidiary	December 31, 2023 CDE IT
Consideration received in cash and cash equivalent	**1,391**
Less: cash and cash equivalents of sold subsidiary	**(20)**
Net cash inflow from sale of the subsidiary	**1,371**

(All amounts are shown in thousands of EUR)

41. DISCONTINUED OPERATIONS (CONTINUED)

Disposal of subsidiary (continued)

By the end of the 2024, the Group sold its subsidiary Konverzija d.o.o., which provided eCommerce services through its brand Pink Panda.

Consideration received	**December 31, 2024 Konverzija**
Consideration received as receivable	1,310
	1,310

Breakdown of the assets and liabilities over which control was lost	**December 31, 2024 Konverzija**
Current asset	
Inventories	1,294
Trade receivables	133
Other receivables	321
Prepaid expenses and accrued income	16
Cash and cash equivalents	54
Non-current asset	
Goodwill	1,031
Intangible asset	4,473
Right-of-use asset	10
Current liabilities	
Short-term borrowings	(2,328)
Trade payables	(2,380)
Liabilities to employees	(66)
Accrued expenses and deferred income	(57)
Other current liabilities	(219)
Non-current liabilities	
Provisions	(35)
Deferred tax liability	(737)
Net asset sold	**1,510**

Loss from the sale of subsidiary	**December 31, 2024 Konverzija**
Consideration received	**1,310**
Net asset sold	**1,510**
Non-controlling interest	(166)
Loss from sale	**(34)**

Net cash inflow from sale of the subsidiary	**December 31, 2024 Konverzija**
Consideration received in cash and cash equivalent	**-**
Less: cash and cash equivalents of sold subsidiary	**54**
Net cash inflow from sale of the subsidiary	**(54)**

(All amounts are shown in thousands of EUR)

41. DISCONTINUED OPERATIONS (CONTINUED)

d) Breakdown of asset and liabilities classified as held for sale

	December 31, 2024
Right-of-use asset	547
Property, plant and equipment	10
Trade receivables	292
Other receivables	48
Prepaid expenses and accrued income	31
Cash and cash equivalents	2
Total asset classified as held for sale	**930**
Long-term lease liabilities	362
Provisions	234
Short-term lease liabilities	163
Liabilities to employees	321
Accrued expenses and deferred income	7
Total liabilities directly associated with assets classified as held for sale	**1,087**
Net asset classified as held for sale	**(157)**

(All amounts are shown in thousands of EUR)

42. NON-CONTROLLING INTERESTS

Additional information on subsidiaries with material non-controlling interests is presented below:

Subsidiary name	Share of non-controlling interest		Profit attributable to non-controlling interests	
Panvita	**2024**	**2023**	**2024**	**2023**
	49%	-	603	-

	2024	**2023**
Current assets	39,599	-
Non-current assets	106,599	-
Current liabilities	(37,558)	-
Non-current liabilities	(74,081)	-
Net assets	**34,559**	**-**
Accumulated non-controlling interest	**19,658**	**-**
Revenues	21,271	-
Net profit	1,231	-
Net decrease of cash flow	(7,629)	-

(All amounts are shown in thousands of EUR)

42. NON-CONTROLLING INTEREST (CONTINUED)

The Group acquired a 23% stake in Bulb d,o,o, through the newly established company Bulb Management d.o.o., in which it holds a 51% stake, Bulb Management d.o.o. holds a 45% stake in Bulb d.o.o. and has the right to 51% of the votes at the general meeting of Bulb d.o.o. From the transaction described, the Group obtained a controlling interest in Bulb d.o.o.

Subsidiary name	Share of non-controlling interest		Profit attributable to non-controlling interests	
Bulb	**2024**	**2023**	**2024**	**2023**
	77%	77%	1,310	287

	2024	**2023**
Current assets	4,697	3,355
Non-current assets	4,230	4,532
Current liabilities	(1,295)	(1,635)
Non-current liabilities	(821)	(582)
Net assets	**6,811**	**5,670**
Accumulated non-controlling interest	**5,522**	**4,213**
Revenues	5,539	3,893
Net profit	1,684	360
Net increase/(decrease) of cash flow	1,049	(549)

(All amounts are shown in thousands of EUR)

42. NON-CONTROLLING INTERESTS (CONTINUED)

In accordance with the transaction structure with the European Bank for Reconstruction and Development (EBRD), the Group increased its non-controlling interest in the subsidiary M Plus Croatia d.o.o. through the purchase of a portion of shares from existing shareholders and a capital contribution from EBRD.

Subsidiary name	Share of non-controlling interest		(Loss)/profit attributable to non-controlling interests	
M Plus Croatia d.o.o.	**2024**	**2023**	**2024**	**2023**
	40.25%	31.26%	(2,282)	273

	2024	**2023**
Current assets	75,064	48,559
Non-current assets	85,499	62,327
Current liabilities	(48,820)	(45,897)
Non-current liabilities	(14,309)	(28,404)
Net assets	**97,434**	**36,585**
Accumulated non-controlling interest	**68,250**	**19,178**
Revenues	41,714	35,543
Net profit	(5,670)	875
Net increase of cash flow	32,345	761

(All amounts are shown in thousands of EUR)

42. NON-CONTROLLING INTERESTS (CONTINUED)

Subsidiary name	Share of non-controlling interest		Profit attributable to non-controlling interests	
Mplus Germany GmbH	**2024**	**2023**	**2024**	**2023**
	25%	25%	(1,616)	67

	2024	2023
Current assets	4,718	6,112
Non-current assets	7,938	9,211
Current liabilities	(11,192)	(5,928)
Non-current liabilities	(13,948)	(15,473)
Net assets	**(12,484)**	**(6,078)**
Accumulated non-controlling interest	**(3,053)**	**(1,488)**
Revenues	38,671	44,065
Net (loss)/profit	(6,466)	267
Net (decrease)/increase of cash flow	(300)	392

(All amounts are shown in thousands of EUR)

42. NON-CONTROLLING INTEREST (CONTINUED)

Subsidiary name	Share of non-controlling interest		Profit intended for non-controlling interests	
Moderna Ventures	**2024**	**2023**	**2024**	**2023**
	49%	49%	709	562

	2024	**2023**
Current assets	2,956	3,125
Non-current assets	2,765	4,179
Current liabilities	(1,312)	(5,094)
Non-current liabilities	(3,434)	(558)
Net assets	**975**	**1,652**
Accumulated non-controlling interest	**2,891**	**2,182**
Revenues	3,359	2,986
Net profit	1,446	1,148
Net decrease of cash flow	(291)	(647)

43. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

43.1. Fair value

All financial instruments measured or disclosed at fair value in the balance sheet are categorized according to the hierarchy shown below, based on the lowest level of input significant to the determination of their fair value:

Levels of fair value indicators from 1 to 3 are based on the degree of measurability of fair value:

- Level 1 indicators: Fair value indicators are derived from (unadjusted) prices quoted in active markets for identical assets and liabilities,
- Level 2 indicators: Fair value indicators are derived from input variables that do not represent the aforementioned prices from Level 1 that are observable for the asset or liability, either directly (e,g,, as prices) or indirectly (e.g. derived from prices),
- Level 3 indicators: Fair value indicators are derived using valuation techniques in which inputs based on the asset or liability data are used that are not based on available market data

The fair value of financial instruments traded on active markets is based on quoted market prices at the balance sheet date. A market is considered active if quoted prices are readily and regularly available from an exchange, broker, industry group, or regulatory agency, and those prices represent actual and regularly occurring market transactions under usual market conditions. The fair value of financial instruments not traded on an active market (e.g. OTC derivatives) is determined using valuation techniques. These valuation techniques require the maximum use of observable market data where available and rely as little as possible on entity-specific estimates. If all significant inputs required for the fair valuation of the instrument are observable, the instrument is included in Level 2. If one or more significant inputs are not based on observable market data, the instrument is included in Level 3.

Of the total financial assets measured at fair value through other comprehensive income, EUR 1,258 thousand is measured through Level 3 fair value (2023: EUR 1,062 thousand), while EUR 340 thousand is measured through Level 2 fair value (2023: EUR 340 thousand).

(All amounts are shown in thousands of EUR)

43. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

43.1. Fair value (continued)

Categories of financial asset and liabilities

		Financial asset		Financial liabilities
December 31, 2024	**Note**	**Fair value through other comprehensive income**	**Amortised cost**	**Amortised cost**
Non-current financial asset	22	1,598	37,239	-
Other current financial asset	23	-	1,974	-
Trade receivables	26	-	63,820	-
Other receivables	27	-	11,245	-
Cash and cash equivaletns	29	-	111,983	-
Long-term loans	32	-	-	124,856
Long-term leases	33	-	-	18,074
Other long-term liabilities	34	-	-	22,498
Trade payables	35	-	-	35,283
Liablities to employees	36	-	-	23,180
Other short-term liabilities	37	-	-	12,692
Short-term loans	32	-	-	66,459
Short-term leases	33	-	-	8,116

		Financial asset		Financial liabilities
December 31, 2023	**Note**	**Fair value through other comprehensive income**	**Amortised cost**	**Amortised cost**
Non-current financial asset	22	1,402	3,259	-
Other current financial asset	23	-	2,751	-
Trade receivables	26	-	43,150	-
Other receivables	27	-	7,197	-
Cash and cash equivaletns	29	-	50,637	-
Long-term loans	32	-	-	73,718
Long-term leases	33	-	-	10,100
Other long-term liabilities	34	-	-	7,211
Trade payables	35	-	-	12,237
Liablities to employees	36	-	-	18,983
Other short-term liabilities	37	-	-	7,506
Short-term loans	32	-	-	29,022
Short-term leases	33	-	-	5,469

(All amounts are shown in thousands of EUR)

43. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

43.2. Financial risk management objectives

The Group's treasury function provides services to business segments within the Group, coordinates access to the domestic and international financial markets, monitors financial risks related to the Group's operations, and manages them through internal risk reports in which exposures are analysed by degree and risk. These include market risk (including currency risk, interest rate risk, and price risk), followed by credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using financial instruments to hedge against these exposures, The Group does not enter into contracts for financial instruments, including derivatives, nor does it participate in the trade of such instruments for speculative purposes.

43.3. Market risk

The Group is primarily exposed to the financial risk of changes in foreign exchange rates and interest rates (see below), There have been no changes in the Group's exposure to market risks or the way in which the Group manages and measures that risk.

43.3.1. Currency risk management

The Group is exposed to the risk of changes in currencies other than the Group's functional currency (EUR), in which the Group's subsidiaries operate (TRY,HUF, RSD, and others).

The following table presents the carrying amounts of the Group's monetary assets and monetary liabilities denominated in significant foreign currencies as at the reporting date:

	December 31, 2024			December 31, 2023		
	TRY	**HUF**	**RSD**	**TRY**	**HUF**	**RSD**
Assets	18,657	4,160	7,722	19,713	4,028	9,004
Liabilities	(20,233)	(4,651)	(7,514)	(31,156)	(2,220)	(10,198)
Net balance sheet exposure	**(1,576)**	**(491)**	**208**	**(11,443)**	**1,808**	**(1,194)**

Sensitivity Analysis to Foreign Exchange Risk

The following table analyses the Group's sensitivity to a 5% increase and decrease in the euro exchange rate against relevant foreign currencies. The 5% sensitivity rate is the rate used in the Group's internal reports to key management personnel on foreign exchange risk and represents management's estimate of reasonably possible changes in exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and adjusts their values for a 5% change in foreign exchange rates at the year-end. The sensitivity analysis includes certain receivables (trade and other receivables) and liabilities (borrowings from financial institutions, trade payables, and other contractual obligations) denominated in foreign currencies. A positive number indicates an increase in profit and equity if the euro strengthens by 5% against the relevant currency. In the case of a 5% weakening of the euro against the relevant currency, the impact on profit or equity would be equal in amount but opposite in direction, i,e, the amounts in the table would be negative.

(All amounts are shown in thousands of EUR)

43. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

43.3. Market risk (continued)

43.3.1. Currency risk management (continued)

The following significant exchange rates were applied:

	2024	2023
TRY	31.472	36.479
HUF	382.8	411.53
RSD	117.161	116.971

The effect on balance sheet positions are presented in the following table:

	Net balance sheet effects	
	Increase	**Decrease**
December 31, 2024		
TRY (5% change)	(545)	602
HUF (5% change)	(26)	23
RSD (5% change)	11	(10)
December 31, 2023		
TRY (5% change)	(75)	83
HUF (5% change)	95	(86)
RSD (5% change)	(63)	57

(All amounts are shown in thousands of EUR)

44. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

43.3. Market risk (continued)

43.3.2. Interest rate risk management

The Group is exposed to interest rate risk due to the fact that its entities borrow funds at fixed and variable interest rates. The Group manages risk by maintaining an appropriate ratio of fixed and variable interest rate borrowings. Interest rate risk on borrowing indebtedness is minimal because the contracted borrowing arrangements are mostly at a fixed interest rate. Nevertheless, the market situation is regularly monitored, and, if necessary, interest rates on existing borrowings are adjusted or refinanced with new borrowings so that the fair value of the interest rate is in line with the most favourable interest rates available on the market.

Interest rate risk sensitivity analysis

The sensitivity analyses that follow are based on the exposure to interest rates on non-derivative instruments at the end of the reporting period. For liabilities related to variable interest rates, the analysis was made under the assumption that the volume of liabilities stated at the date of the statement of financial position was valid throughout the year.

If interest rates were 0.5 p.p. higher while other variables were constant, the effects on the Group's profit would be as follows:

Interest rate risk	**2024**	**2023**
Variable interest rate instruments		
Borrowings	746	236
Total	**746**	**236**

43. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

43.4. Credit risk management

In order to reduce credit risk, the Group has adopted a policy of dealing exclusively with creditworthy parties and obtaining sufficient collection collateral instruments to mitigate the risk of financial loss due to default. The Group's exposure and the credit rating of the parties with which it does business are continuously monitored, and the total value of concluded transactions is allocated to approved clients.

Before accepting a new customer, the credit limit team uses an external credit rating system to assess the customer's creditworthiness and set a credit limit for each individual customer.

In addition, monitoring procedures have been established to ensure that the actions required to collect overdue debts are carried out. Expected credit losses on trade receivables are estimated using a provisioning matrix based on past experience with outstanding receivables and an analysis of the debtor's current financial position in accordance with the factors specific to the debtor, the general economic conditions in their industry, and the current and projected trend of conditions. No written-off receivable is subject to forced collection. Furthermore, the Group reviews the recoverable amount of debt and debt investment on an individual basis at the end of the reporting period to ensure adequate impairment provisions for non-recoverable amounts. In this regard, the Company's management believes that the Group's credit risk has been significantly reduced. Trade receivables relate to a large number of customers from various economic sectors and regions.

Collateral instruments and other credit enhancements

The Group takes collateral as required to cover its credit risk related to its financial assets and continuously monitors customers.

(All amounts are shown in thousands of EUR)

43. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

43.5. Financing ratio

The Group's financing ratio, which is determined by the ratio of net debt to equity, can be presented as follows:

	Note	December 31, 2024	December 31, 2023
Liabilities for long-term borrowings		123,245	62,018
Liabilities for short-term borrowings		61,209	28,940
Non-current liabilities for leases received	33	18,074	10,100
Current liabilities for leases received	33	8,116	5,469
Cash and cash equivalents	29	(111,983)	(50,637)
Net debt/(cash)		**98,661**	**55,890**
Equity	30	154,951	58,105
Debt to equity ratio		**63.67%**	**96.19%**

Borrowings include all external financing with the exception of loans from minority shareholders. The amount of loans includes accrued interest.

The Group's objectives in managing capital are to preserve the Group's ability to continue as a going concern, assuming an indefinite timeframe, to provide returns to its shareholders and benefits to other stakeholders, and to maintain an optimal debt and equity structure to minimize the cost of capital.

(All amounts are shown in thousands of EUR)

43. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

43.6. Liquidity risk management

The Management Board is responsible for liquidity risk management. The Group manages its liquidity through the use of bank funds (overdrafts) and continuous monitoring of planned and realized cash flows, as well as the reconciliation of financial assets and financial liabilities. The following tables analyse the remaining period to the contractual maturity of the Group's non-derivative financial liabilities and assets. The tables have been prepared on the basis of undiscounted cash inflows. The tables include cash inflows by principal and interest.

The following table analyses the expected maturity of the Group's non-derivative financial assets:

	Weighted average effective interest rate	Up to 1 month	1-3 months	3 months-1 year	1-5 years	After 5 years	Total	Book value
	%							
December 31, 2024								
Interest-free	-	187,048	-	-	1,011	-	188,059	188,059
Interest-bearing	3.20%	164	329	1,480	39,035	-	41,008e	39,800
		187,212	**329**	**1,480**	**40,046**	**-**	**229,067**	**227,859**
December 31, 2023								
Interest-free	-	104,246	-	-	-	-	104,246	104,246
Interest-bearing	2.40%	240	481	2,162	1,466	-	4,349	4,150
		104,486	**481**	**2,162**	**1,466**	**-**	**108,595**	**108,396**

(All amounts are shown in thousands of EUR)

43. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

43.6. Liquidity risk management (continued)

The following table analyses the expected maturity of the Group's non-derivative financial liabilities, The tables have been prepared on the basis of undiscounted contractual maturities of financial liabilities, including interest to be paid on those assets, Disclosure of information on a non-derivative financial liability is necessary to understand how the Group manages liquidity risk, as liquidity is managed based on the net amount of financial assets and financial liabilities,

	Weighted average effective interest rate	Up to 1 month	1-3 months	3 months-1 year	1-5 years	After 5 years	Total	Book value
	%							
December 31, 2024								
Interest-free	-	71,155	-	-	22,498	-	93,653	93,653
Interest-bearing	5.83%	6,442	12,885	57,979	98,352	50,634	226,292	217,505
		77,597	**12,885**	**57,979**	**120,850**	**50,634**	**319,945**	**311,158**
December 31, 2023								
Interest-free	-	38,726			7,211		45,937	45,937
Interest-bearing	4.83%	5,882	11,764	20,688	72,010	18,261	128,605	118,309
		44,608	**11,764**	**20,688**	**79,221**	**18,261**	**174,542**	**164,246**

(All amounts are shown in thousands of EUR)

44. COMMITMENTS AND CONTINGENT LIABILITIES

According to the management's assessment, as of December 31, 2024, and 2023, the Group does not have any significant commitments and contingent liabilities that would require disclosure in the notes to the consolidated financial statements. As of December 31, 2024, the Group was not involved in any significant legal disputes where an unfavorable outcome is expected, and such disputes were not disclosed in the consolidated financial statements.

45. SUBSEQUENT EVENTS

On 15 April 2025, the Group signed an agreement to acquire a 100% share in thè companies within Valoris Group (Romania and Serbia) and more than 96% of shares in the companies of Conectart (Czech Republic, Poland and Slovakia). The completion of the Valoris Group transaction, based on the aforementioned sale and purchase agreements, is subject to regulatory approvals.The estimated transaction value amounts to EUR 14 million. Valoris and Conectart operates within the BPTO operating segment and are engaged in call center operations in the respective countries.

46. ADOPTION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were adopted and approved for publication by the Company's Management Board on April 25, 2025.

President of the Management Board	Member of the Management Board
Darko Horvat	Tomislav Glavaš