



span

JANUARY – MARCH 2024

Unaudited financial
statements of Span Group
and Span d.d.

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1.
Management
Interim Report –
Management Report

1.1. Statement by Dragan Marković, Member of the Management Board, Business Operations Director

This year has been marked with the words – a super election year. Not only in the context of Croatia and our parliamentary and presidential elections, but also on a global level, where representatives of the world's superpowers are being elected. Almost all political changes on the local, regional and global levels impact the business world as well. Therefore, greater caution in budget and investment management could be felt in the event of a change of government.

Change management is one of my main tasks in Span, since the effectiveness of change management determines the success of an organization. Together with the area of operating management, as of this year, I have also been in charge of human resources. Given the sector in which we operate, we are aware of the importance of investing in our employees and positioning ourselves in the business and academic community. Our human resource department invests great effort in implementing the best HR¹ practices, and in order to get a realistic view of our success, for the fourth year in a row we have participated in the HR system analysis, conducted by Selectio, a leading Croatian consulting firm.

The analysis makes it evident that Span invests significantly more time and resources in employee training compared to the average of other companies taking part in the certification. The desire for education and knowledge advancement is one of the main features of our culture. Moreover, the annual rate of unwanted fluctuation in Span is 3.8%, whereas in other companies taking part in the certification it amounts to 7%. Based on those and many other indicators, we have become the holders of the Employer Partner for the fourth time. Owing to our excellent results, we have also received the Above & Beyond certificate for the first time, in three out of five possible categories.

In Span, we pay great attention to education and are aware of its importance for the development of employees as well as for the enrichment of the knowledge base of Span. In more than 30 years of our operation, our employees have acquired prolific experience in the real sector and profiled themselves as experts in the areas in which they work. Our objective with Span Cyber Security Center is to share that experience through training in cyber security, customized to various employee profiles.



It is indisputable that the awareness of the importance of cyber security is growing rapidly, which is also confirmed by the adoption of the NIS2 Directive. At the same time, only today, the market is lacking a large number of experts in the cyber security area – the estimate puts them at about 3.4 million on a global level, and that number is only expected to grow over the years². When we look on a wider scale, globally³, the lack of Chief Information Security Officers (CISO) is also announced. And due to the fact that this role implies great knowledge and experience, „CISO as a service“⁴ will be in increasing demand on the market.

Having in mind the upcoming needs, our intention is to educate future cyber security experts through Span Cyber Security Center, and introduce them with technologies that will help them better understand and perform their job in this segment.

¹ Human Resources

² [Here's how to address the global cybersecurity skills gap | World Economic Forum \(weforum.org\)](#)

³ [Why 2024 will be the year of the CISO | CSO Online](#)

⁴ [Why 2024 will be the year of the CISO | CSO Online](#)

1.2. Business Events, Awards, Recognitions

1.2.1. Fourth Employer Partner status and first Above and Beyond certification

Span employed almost 300 new experts in the past two years and now boasts more than 850 employees. However, we are aware our work does not stop here. We continuously invest in the development of knowledge and skills of Span employees. We improve the aspects of the operation, and introduce new practice with the purpose of creating a positive and motivating atmosphere. Thus, the **fourth Employer Partner certification** conducted by Selectio, a leading Croatian



consulting firm, is yet another confirmation that we are on the right track. However, we have not stopped there, so this year, owing to our excellent results, we were also given an opportunity to take part in the **Above and Beyond certification**, where we got certificates in three out of five possible categories, which are Impact, Satisfaction and Future.

“Even though we are aware of the amount of effort invested into the implementation of the best HR practice, it is nice to see the highlighted numbers

from the conducted analysis. Given that we want to be leaders in the market, as well as to follow and set new trends, it is crucial to invest time and money in employee training!”, explains Ana Visković, Span HR Development Manager, highlighting another piece of information that she is very proud of - “**the annual rate of unwanted fluctuation in Span is 3.8 percent**, whereas the average in companies taking part in the certification amounted to 7 percent.”

In Span, it is important to hear what the employees think and to maintain a two-way communication. Therefore, we are happy that as much as **93 percent** of employees joined the latest **survey of the climate and satisfaction**, whereas the average among other companies taking part in the certification was 78 percent. All this data confirms that our HR is doing a good job. We are proud of the achieved results, which are only additionally motivating us to make new improvements in the future.



1.2.2. Workplace Inclusion Champion

To better understand the concepts of diversity, inclusion and belonging, last year, we joined a semi-annual training program, **Workplace Inclusion Champion**, organized by the Croatian Business Council for Sustainable Development. Span has been a member of the Cro-

atian Business Council for Sustainable Development since 2023.

Through the aforementioned training, we mastered knowledge and tools in numerous areas key for the implementation, promotion and support of the fundamental principles of **inclusion, equality and diversity** in our own organization. The involvement of the Human Resource department and the ESG department was of great importance for a better synergy in future work, in which the said areas are deeply intertwined. We plan to use the adopted knowledge to spread awareness of all essential topics among Span employees within the sustainability area.



1.2.3. Span started implementing a new ERP solution

On the first day of 2024, Span successfully started implementing a new ERP solution known as **Microsoft Dynamics 365 Business Central**. This integrated business solution supports the business processes of finance and accounting, sales, invoicing and marketing,

procurement and warehouse operations. It enables the connection of data and information at the level of the entire organization and an easy integration with specialized software solutions. With the new ERP, we introduced the world's best practices, which will greatly help in simplifying, speeding up and improving business processes.



1.3. Corporate events

1.3.1. Release of own shares

On 25 March 2024 Span d.d. (“Company“) released 5,208 own shares based on the Share Buy-Back Program adopted on 2 December 2022 at the Company’s Management and Supervisory Board meeting. The Program is carried out with the aim of the disposition of the Shares within the framework of the Company’s ESOP program, rewarding members of the Management Board, employees of the Company and affiliated companies, potential acquisitions of companies, as well as for all other purposes that are foreseen and permitted as such by the applicable legislation of the Republic of Croatia, and in accordance with the decision of the General Assembly of the Company of 13 June 2022.

Prior to the said release, the Company owned 15,673 of own shares, representing 0.7996% of the share capital, and after the said release it owns a total of 10,465 of own shares, representing 0.5339 % of the share capital¹.

1.4. Application of the NIS2 Directive in Croatia

The NIS2 Directive entered into force more than a year ago. From then until today, most of the work has been done by the legislative bodies of the member states of the European Union (hereinafter: the EU). Namely, they had to start preparing and drafting national regulations in order to implement the provisions of the NIS2 Directive into the legislation of the EU member states. In Croatia, the Cyber Security Act² (hereinafter referred to as CSA) entered into force on 15 February 2024.

Categorization is the first next step after the new CSA entered into force. Competent bodies will have to send categorization notification to all entities expected to implement cyber security measures from CSA no later than by 15 February 2025.

The competent bodies are as follows:

- The Croatian National Bank (CNB) for the banking sector
- The Croatian Financial Services Supervisory Agency (HANFA) for financial market infrastructures
- The Croatian Civil Aviation Agency (CCAA) for air traffic
- The Office of the National Security Council (UVNS) for the public sector
- The Croatian Regulatory Authority for Network Industries (HAKOM) for electronic communications

¹ The share capital of the Company is EUR 3,920,000.00 and is divided in 1,960,000 shares with the nominal value of EUR 2.00, ticker symbol SPAN-R-A and ISIN symbol HRSPANRA0007

² Official Gazette no. 14/2024

- The Central State Office for the Development of Digital Society (SDURDD) for trust service providers
- The Ministry of Science and Education (MZO) for the education system, the research sector and the registry of national top-level domain names

At the moment when the entity receives the notification that it is categorized as a “key” or “important” obligee of the CSA, two very important deadlines begin to run.

The **first deadline** is 30 days from the receipt of the notification on categorization. After the expiration of this 30-day period, the entities will be obliged to start notifying the competent CSIRT (Computer Security Incident Response Team) about any incident that has a significant effect on the availability, completeness and authenticity of data relevant to the entity's activities and/or the continuity of the services they provide or the activity they perform.



The **second deadline** is one year from the receipt of the notification on categorization, after which the entity must comply with all provisions of the CSA.

It should be pointed out that not all the objectives of NIS2 were achieved with the adoption of the Cybersecurity Act. Legislators are also obliged to adopt other bylaws that will elaborate the cyber security measures in more detail.

The most important of these bylaws is certainly the regulation of the Government of the Republic of Croatia on the categorisation of economic entities, maintaining a list of key and important entities and a special register of entities. This Regulation will elaborate the protective measures that entities are obliged to implement, the criteria for determining significant incidents and the method of submitting information about incidents to the competent CSIRT in more detail.

Furthermore, the European Commission is also obliged to adopt implementing acts that will define the cyber security measures from the NIS2 Directive in more detail.

The CSA entered into force and we are still expecting the additional implementing regulations that should enable full alignment with the NIS2 Directive. Economic entities who believe that CSA could apply to them should definitely start mapping and auditing their business processes and information security systems.

For these purposes, as a guiding thread, entities can be guided by the international **ISO 27001** standard as a globally recognised standard for information security system management. Namely, when drafting the NIS2 Directive, the legislator was guided precisely by the best practices of information and cyber security. Consequently, many of the measures from the NIS2 Directive and CSA can also be found in the ISO 27001 standard. Alignment with the mentioned standard will enable entities an easier and faster implementation of individual elements that will be additionally prescribed by the implementing acts.

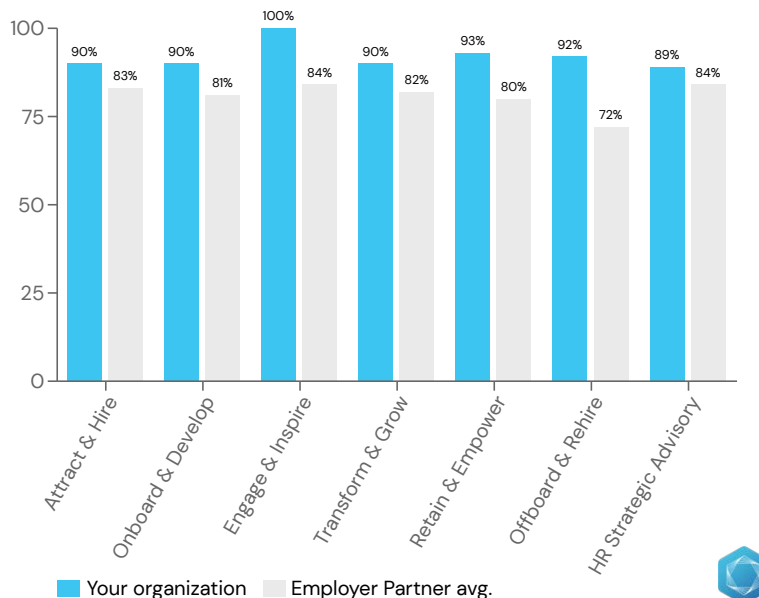
1.5. People and community

1.5.1. HR Initiatives

1.5.1.1. Span among 10% best Employer Partners

In the first quarter of this year, Span got its fourth Employer Partner certification in a row, which is implemented by a leading Croatian consulting firm, Selectio. This certification emphasized a high level of quality in managing human resources and implemented practice. Our HR processes were evaluated in seven categories, scoring **92%**, which was more by as much as 7% than the average of other certified organizations. We are especially proud of the achieved **100%** points in the area of **Inclusion and inspiration**, which confirm our dedicated work in attracting, employing, retaining and developing our employees.

Results on employee life cycle steps (Benchmark Analysis)



Owing to this exceptional result in the Employer Partner certification, we got an opportunity to take part in the new certification, **Above and Beyond**. This recognition is bestowed by Selectio to employers who have continuously shown excellence in all aspects of human resource management. Our expertise has been recognised in the **Impact, Satisfaction and Future** categories,



clearly pointing to the positive impact of HR activities on business performance, high level of satisfaction of employees and our commitment to sustainable operation.

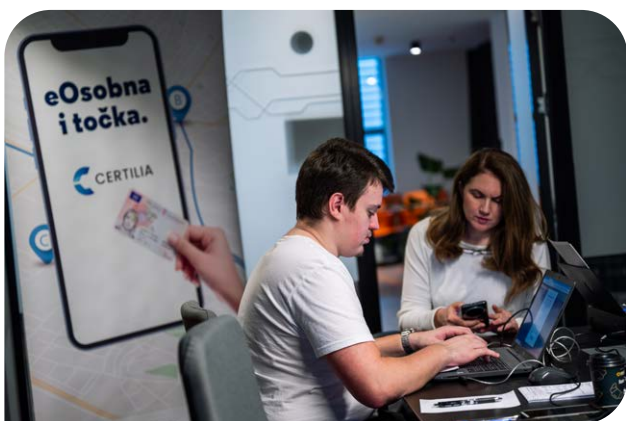
With this recognition, Span has officially been ranked among **10% best Employer Partners**.

1.5.1.2. Span and AKD: Partnership for digital transformation

In cooperation with the **Agency for Commercial Activity (Agencija za komercijalnu djelatnost)**, an initiative for the activation of Mobile ID (eOsobna) and Certilia application for our employees was implemented. This initiative gives our employees an opportunity for complete digital operation and identification in compliance with the European Union standards. Access to more than 100 services has been ensured through this advanced system through the platform eGrađani, simultaneously ensuring digital identity security.



The partnership with the Agency for Commercial Activity reflects our dedication to innovations and technological advancement, while we continue to improve our operation in the digital environment.



1.5.1.3. Survey of internal support satisfaction

At the start of the year, we presented the results of a survey of **internal support satisfaction** in different functions within Span. This survey encompassed evaluations of satisfaction with the work of Technical Support, Finance and Accounting, Logistics, HR, FrontOffice, BackOffice and Delivery. The average score of satisfaction of all departments is as high as **4.6 out of 5**, whereby no function received a score lower than 4.

These extraordinary results clearly point to continuing investment in the improvement of internal processes and support, which is vital for efficient operation and our employees' satisfaction. Preserving high scores of satisfaction and continuous improvement of communication in Span reflects our dedication to providing excellence and long-term value for all stakeholders.

1.5.1.4. Cooperation with IT community and supporting the development of talents

This year, we once again showed our skills and continued our cooperation with the gaming community in the B2B charity gaming tournament **Good Game Zagreb 2024**. In addition, we are the Golden Sponsor of the RiTeh Web Team, where we support the Ri-Hackackaton and Ri-Comp conference.

By taking part in these activities, we are building our presence and reputation in the industry and actively taking part in supporting the development of future experts and the promotion of technological innovation.



1.5.2. Sustainability in Span

1.5.2.1. Blood donation

We continued our cooperation with the Croatian Institute for Transfusion Medicine and at the beginning of the year we implemented another joint charity action for voluntary blood donation in Span, fifth in a row. We opened the year with a record 50 donations.

1.5.2.2. Gender equality in Span

Following the Workplace Inclusion Champion education, we started an education process in the area of diversity and inclusion. To mark Women's Day, we organized a lecture by Diana Kobas Dešković “**Women and business: Why so much hype?**”

The lecture dealt with the topic of gender equality and its importance in business, explaining why the promotion of gender equality in companies is not beneficial only to individuals, but to the society as a whole, enabling economic and social growth and healthy competition. The lecture covered topics such as the extent to which gender equality is important for achieving better business results for companies, why it occurs and what recent indicators and research say on this topic.



Diana is the CEO and founder of Spona Code, a strategic consultancy company, and the President of MODE1, a non-governmental organization advocating for gender equality.





2.
Financial indicators
for the first three months
of 2024

2.1. Operating Revenue, EBITDA and Net Profit of Span Group

EUR 34.0 mil.
OPERATING REVENUE

+33%
YoY

EUR 2.7 mil.
EBITDA
before one-off items

-16%
YoY

EUR 2.5 mil.
EBITDA
after one-off items

-17%
YoY

EUR 1.3 mil.
NET PROFIT
after one-off items

-31%
YoY

2.2. Operating Revenue, EBITDA and Net Profit of Span d.d.

EUR 19.1 mil.
OPERATING REVENUE

-5%
YoY

EUR 1.6 mil.
EBITDA
before one-off items

-39%
YoY

EUR 1.4 mil.
EBITDA
after one-off items

-45%
YoY

EUR 0.7 mil.
NET PROFIT
after one-off items

-61%
YoY

2.3. Key features of the period – first three months of 2024

Profit and Loss Account – shortened

Span Group			
In thousands of EUR	Q1 2023	Q1 2024	Δ%
Total revenue	25,761	34,769	35%
Operating revenue	25,625	33,975	33%
Other revenue	136	794	484%
Total costs	22,794	32,313	42%
Costs of goods and services sold	13,277	21,383	61%
Personnel expenses	7,369	8,649	17%
Other business expenses	2,148	2,280	6%
EBITDA before one-off items	3,254	2,731	-16%
EBITDA one-off items*	287	274	-4%
EBITDA after one-off items	2,967	2,457	-17%
Depreciation and amortization	742	940	27%
EBIT	2,225	1,516	-32%
Net financial result	(107)	(26)	75%
One-off items of the net financial result	-	-	-
Profit/loss before taxation before one-off items	2,405	1,764	-27%
Profit/loss before taxation after one-off items	2,118	1,490	-30%
Corporate tax	261	205	-21%
Profit/loss after taxation before one-off items	2,144	1,559	-27%
Profit/loss after taxation after one-off items	1,857	1,285	-31%

Span d.d.			
In thousands of EUR	Q1 2023	Q1 2024	Δ%
Total revenue	20,320	19,328	-5%
Operating revenue	20,222	19,133	-5%
Other revenue	98	195	99%
Total costs	17,700	17,899	1%
Costs of goods and services sold	10,835	9,888	-9%
Personnel expenses	5,397	6,248	16%
Other business expenses	1,468	1,763	20%
EBITDA before one-off items	2,691	1,648	-39%
EBITDA one-off items	71	219	-
EBITDA after one-off items	2,620	1,429	-45%
Depreciation and amortization	541	634	17%
EBIT	2,079	795	-62%
Net financial result	(128)	19	115%
One-off items of the net financial result	-	-	-
Profit/loss before taxation before one-off items	2,022	1,032	-49%
Profit/loss before taxation after one-off items	1,951	813	-58%
Corporate tax	206	139	-33%
Profit/loss after taxation before one-off items	1,816	894	-51%
Profit/loss after taxation after one-off items	1,744	674	-61%

*the value adjustment of receivables from Studio Moderna reported in the financial statement for the third quarter of 2023 related to the period from January to September 2023, therefore Q1 2023 has been corrected accordingly

REVENUES

The total consolidated revenues increased by EUR 9,009 thousand, or 35%, compared to 2023. The operating revenues grew by EUR 8,351 thousand in the observed period. The highest growth was recorded by the Software Asset Management and Licensing segment, which in most part resulted from GT Tarkvara, acquired in the second quarter of the last year.

In the same period, Span d.d. recorded a decline of its revenues by EUR 992 thousand, or 5%. The drop came from operating revenues, which were lower by EUR 1,089 thousand. The drop of revenues resulted from lower revenues of the software asset management and licensing, above all due to a one-off delivery of hardware in the first quarter of the last year.

OPERATING EXPENSES

The total consolidated operating expenses saw an increase by EUR 9,519 thousand, or 42% compared to 2023. The largest generator of the growth of expenses was the cost of the goods and services sold, following the revenue growth.

The increase of the personnel expenses was EUR 1,280 thousand, and resulted from the increasing number of employees in the segment of IT services with high added value. The average number of employees in the Group in the first quarter of 2024 was 866, compared to the prior year when the average number of employees in the Group was 807.

The total expenses of Span d.d. were on the same level as in the prior year. The growth of personnel expenses was neutralized by the lower costs of the goods and services sold.

The average number of employees in the Company in the observed period was 647, an increase compared to the prior year when the average number of employees in the Company was 612. Most new employees were hired in the segments of services with high added value.

EBITDA

EBITDA of the Group before one-off items was EUR 2,731 thousand. One-off items of EBITDA of the Group were EUR 274 thousand and related to: 1) costs of tax and surtax on capital gains arising from the Share Allocation Plan awarding employees of Ekobit, defined in the purchase and sale agreement; 2) reserved expenses for the ESOP for the allocation of shares to employees; 3) severance pay to a former member of the Management Board 4) additional expenses arising from the acquisition of GT Tarkvara. According to the requirements announced in the Prospectus, Span will award every employee who keeps in their ownership one or more ESOP packages in the period of three years with 25% shares in relation to the number of shares the respective employee holds within the ESOP package. After the expiry of the first year from the date of the public announcement of results, 5% of the total number of shares will be allocated, and 10% will be allocated after the second and third years each.

EBITDA after one-off items in the first quarter of 2024 showed a decrease of 17% compared to the same period of the prior year. Compared to EBITDA in the second, third and fourth quarter of 2023, a significant growth is visible.

Span d.d. recorded a fall of EBITDA before one-off items of EUR 1,043 thousand, or 39%, and amounted to EUR 1,648 thousand. In the observed period, Span d.d. recorded a fall of EBITDA after one-off items of EUR 1,191 thousand, to EUR 1,429 thousand, which was a 45% decline. The fall resulted from the employment of experts in the area of Cloud and Cyber Security, which still represents a realized investment of the Company in the expected trend of growth in the following years.

NET PROFIT

Profit after taxation before one-off items of the Group dropped by EUR 585 thousand, to EUR 1,559 thousand. In the observed period, profit after taxation after one-off items of the Group decreased by EUR 572 thousand, to EUR 1,285 thousand.

This fall was caused by the increase of depreciation and amortization that reflected 1) indexation of prices of the business premises 2) amortization of long-term intangible assets (allocation of the initially recognized goodwill of GT Tarkvara to relevant items of intangible assets in accordance with IFRS 3 Business Combinations, and internally generated intangible assets) and procurement of business information systems necessary for the operation.

The cost of corporate tax reflected the release of the deferred tax assets for both obtained tax reliefs based on the Investment Promotion Act.

Span d.d. recorded a decline of profit after taxation before one-off items by EUR 922 thousand, to EUR 894 thousand. Span d.d. recorded a decline of profit after taxation after one-off items by EUR 1,070 thousand, to EUR 674 thousand, caused by the higher costs of depreciation and amortization.

The Management Board of Span d.d. continuously considers all risks related to the Russian – Ukrainian war and is of opinion that those risks do not jeopardize the financial results of the Group.

2.4. Revenues by segments

The Span Group generates revenues in the following segments:

1. Software Asset Management and Licensing
2. Infrastructure Services, Cloud & Cyber Security
3. Service Center Management and Technical Support
4. Software and Business Solutions Development

Data on revenues by segments of the operation of the Group and Span d.d. for the first quarters of 2023 and 2024 is provided below.

Revenues by segments

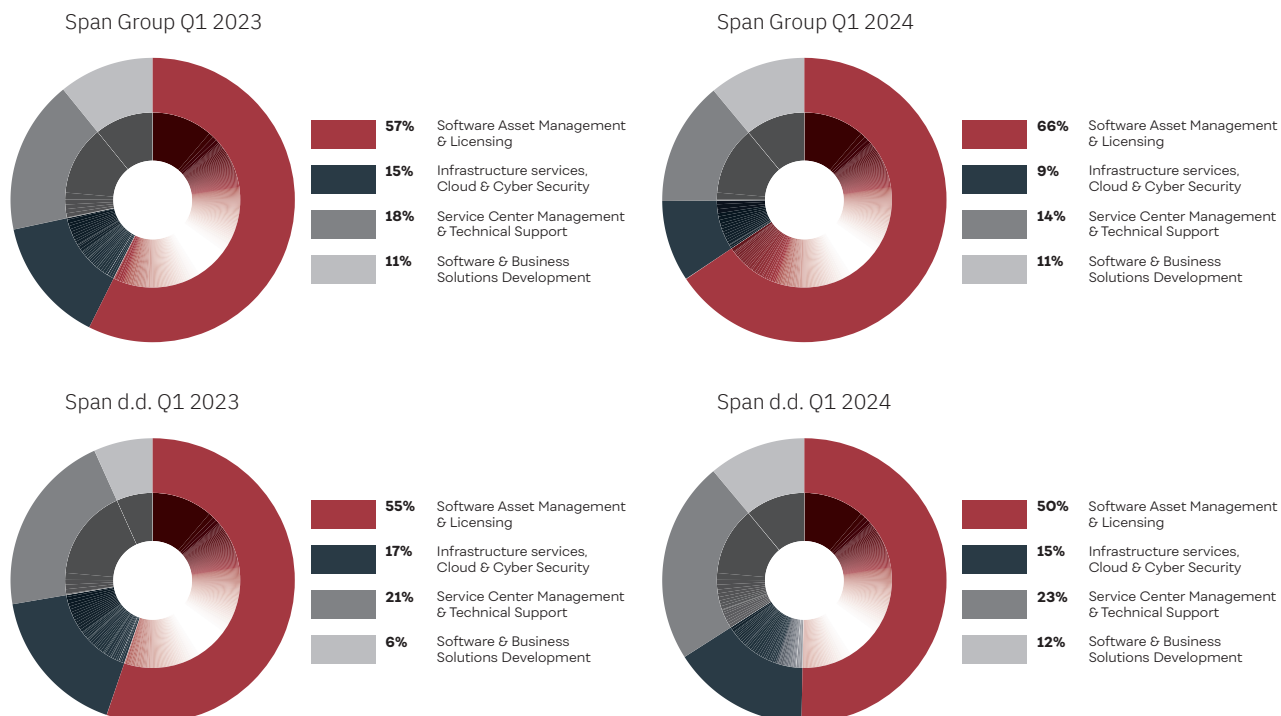
Span Group			
In thousands of EUR	Q1 2023	Q1 2024	Δ%
Total operating revenue	25,625	33,975	78%
Software Asset Management and Licensing	14,563	22,323	53%
Infrastructure Services, Cloud & Cyber Security */**	3,750	3,223	-14%
Service Center Management and Technical Support *	4,564	4,701	3%
Software and Business Solutions Development **	2,749	3,729	36%

Span d.d.			
In thousands of EUR	Q1 2023	Q1 2024	Δ%
Total operating revenue	20,222	19,133	45%
Software Asset Management and Licensing	11,144	9,625	-14%
Infrastructure Services, Cloud & Cyber Security */**	3,464	2,871	-17%
Service Center Management and Technical Support *	4,347	4,431	2%
Software and Business Solutions Development **	1,268	2,206	74%

* The Security Operations Center has become an integral part of the Cyber Security segment and we adjusted the revenue in 2023 to make it comparable to the current period

** By consolidating the software development and AI solutions offer, we started to track a part of the projects from 2024 within the segment Software and Business Solutions Development, which is why we adjusted the revenues in 2023

Revenues by segments



1. **Software Asset Management and Licensing** recorded a growth of revenues by 53%. The Group made higher revenues compared to the first quarter of 2023 mostly as a result of the investment in new markets in the Baltic region. The share of revenues in the total operating revenues was 66%.

2. **Infrastructure Services, Cloud & Cyber Security** were lower by 14% in the observed period, compared to the same period of the prior year. Even though this segment is currently recording a decline compared to the same period of the prior year, Cloud & Cyber Security is a key strategic course in the next period.

3. **Service Center Management and Technical Support** contributed to a continuous increase of revenues through the supervision and management of the IT surroundings services, and the increase of revenues in this segment was 3% compared to the same period of the prior year.

4. **Software and Business Solutions Development** achieved a growth of 36% in the observed period. The growth of this segment came from the development of specific business solutions for individual key customers, such as CRM, automation and robotization of their business processes. It will be additionally enhanced by the integration of Bonsai and Ekobit into Span, which will unite our offer of software and AI solutions development. The goal is to achieve a unique presence on the market, within the same company and unique Span brand.

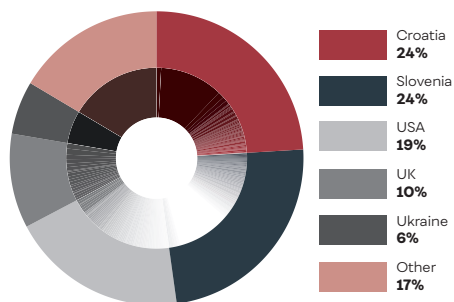
2.5. Revenues by geographic markets

Revenues by geography show the geographic market where goods, or services are invoiced. The share of revenues the Group makes in foreign markets accounts for 82% of the total revenues.

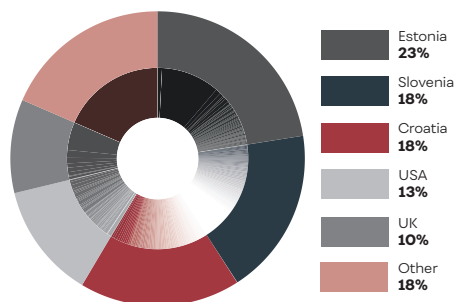
A significant growth of revenues was recorded in the market of Estonia (EUR 7,839 thousand).
27% of revenues of Span d.d. related to the Croatian market in the observed period. The highest growth in the first quarter was recorded by the United Kingdom market.

Revenues by geographic markets

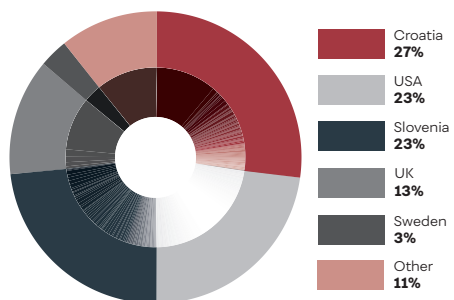
Span Group Q1 2023



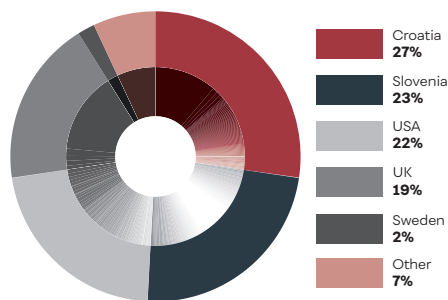
Span Group Q1 2024



Span d.d. Q1 2023



Span d.d. Q1 2024



2.6. Balance Sheet

ASSETS

In thousands of EUR	Span Group		Span d.d.	
	31.12.2023	31.03.2024	31.12.2023	31.03.2024
ASSETS	72,261	66,223	52,984	49,891
Fixed assets	23,927	23,246	28,870	28,708
Deferred tax assets	1,724	1,413	1,145	1,006
Current assets	29,354	17,821	15,497	12,070
Cash and cash equivalents	13,339	17,226	3,792	2,870
Prepaid expenses and accrued income	3,916	6,517	3,681	5,237

	72,261	66,223	52,984	49,891
LIABILITIES				
Equity and reserves	30,423	31,582	27,082	27,783
Long-term liabilities	3,509	1,363	2,995	1,067
Current liabilities	32,014	27,806	18,093	17,032
Accrued expenses and deferred revenue	6,315	5,472	4,813	4,009

The total value of the assets of the Group was lower by EUR 6,038 thousand. The decrease of the total assets resulted from the reduction of short-term assets as a result of 1) decrease of receivables; 2) decrease of the financial assets as a result of the withdrawal of a short-term fixed deposit.

CASH AND CASH EQUIVALENTS

An increase of cash compared to the prior period was due to the business and financial activities of the Group in the first quarter of 2024.

INVESTMENT IN ASSETS

In thousands of EUR	Span Group		Span d.d.	
	Q1 2023	Q1 2024	Q1 2023	Q1 2024
Computer equipment and other equipment	138	106	115	98
Right-of-use assets	67	152	64	152
Other intangible assets	115	2	115	0
Intangible assets in preparation	119	124	244	206
Investment in assets total	439	384	538	456

Investments of Span Group in tangible assets mostly related to expenditure for the procurement and replacement of worn out computers and other equipment required for the work of employees. Right-of-use assets relates to the business premises and leased vehicles. Investment in intangible assets in preparation relates to internally generated intangible assets that resulted from the continuation of the development of software available for further sale/use.

DEFERRED TAX ASSETS

Deferred tax assets are amounts of corporate income tax that are recoverable based on future deductions of taxable profit. Deferred tax assets are recognized up to the amount of taxable revenues which are likely to be achieved. When determining future taxable profit and the amount of taxable revenues which are likely to be achieved in the future, the Group judges and creates an estimate based on taxable profit from the previous years and the expected future revenues which are considered to be reasonable in existing circumstances. The Group made an assessment of the usability of tax relief for the estimate of the amount of deferred tax assets, based on received support from the Ministry of Economy, Entrepreneurship and Crafts.

The aforementioned financial support allows Span d.d. to be exempt from paying corporate income tax from 2015 to 2025, for 50% of the amount of the tax base, up to the maximum threshold in the amount of the total investment according to the Investment Promotion Act (ZOPI).

In December 2021, Span d.d. and Bonsai d.o.o. applied for the use of a new round of supports named Investment in expansion of the research and development capacity and capacity for delivery of IT solutions project. They got a positive decision on 25 February 2023 based on which the Company accomplished additional 50% relief of the tax rate. Thus, Span ensured that by 2025, i.e. by the utilization of the maximum threshold of the investment, it has a corporate income tax rate of 0%.

EQUITY AND RESERVES

The total equity and reserves of the Group increased by EUR 1,159 thousand. The increase arises from the profit of the current period.

LONG-TERM AND SHORT-TERM LIABILITIES

Total long-term liabilities decreased by EUR 2,146 thousand. Long-term liabilities decreased due to the transfer to short-term ones, related to the acquisition of GT Tarkvara and liabilities to the former owner for the purchase of a share.

Short-term liabilities decreased primarily as a result of liabilities to suppliers.

Current Assets, Current Liabilities and Working Capital In thousands of EUR	Span Group		Span d.d.	
	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.
Current assets	46,609	41,563	22,969	20,177
Current liabilities	38,329	33,278	22,906	21,041
Working capital	8,280	8,286	63	(864)
Current liquidity ratio	1.22	1.25	1.00	0.96

The current liquidity ratio points to the ability of the Group to settle its short-term liabilities.

Net debt In thousands of EUR	Span Group		Span d.d.	
	31.12.2023.	31.03.2024.	31.12.2023.	31.03.2024.
Short-term and long-term loans	2,107	3,677	2,107	4,877
Cash and cash equivalents	13,339	17,226	3,792	2,870
Net debt	(11,232)	(13,549)	(1,685)	2,007
Total equity	30,423	31,582	27,082	27,783
Net debt and total equity ratio	-	-	-	7.2%

The Group does not have net debts whereas the Company uses short-term loan frameworks to bridge liquidity.

2.7. Cash flow

In thousands of EUR	Span Group		Span d.d.	
	Q1 2023	Q1 2024	Q1 2023	Q1 2024
Net cash from operating activities	2,458	3,336	2,737	-2,679
Net cash used in investment activities	-7,776	-1,447	-7,877	-1,648
Net cash used in financial activities	-3,397	1,998	-3,486	3,405
Net increase / decrease in cash and cash equivalents	-8,715	3,887	-8,626	-922

The Group recorded positive cash flows from business activities.

The negative cash flow from investment activities was mostly the consequence of the acquisition of GT Tarkvara and investment in tangible and intangible assets.

The positive cash flow from financial activities mostly resulted from the withdrawal of short-term loan frameworks in order to bridge liquidity.



3.
Financial Statements
of Span Group
and Span d.d.

Span Group

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2024 to 31.03.2024
in EUR

Submitter: Span d.d.

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	25.760.879	25.760.879	34.769.478	34.769.478
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	25.624.814	25.624.814	33.975.476	33.975.476
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	136.065	136.065	794.002	794.002
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	23.535.927	23.535.927	33.256.324	33.256.324
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	14.756.681	14.756.681	23.047.360	23.047.360
a) Costs of raw materials and consumables	010	142.890	142.890	170.838	170.838
b) Costs of goods sold	011	12.553.634	12.553.634	20.532.720	20.532.720
c) Other external costs	012	2.060.157	2.060.157	2.343.802	2.343.802
3 Staff costs (ADP 014 to 016)	013	7.368.994	7.368.994	8.649.133	8.649.133
a) Net salaries and wages	014	4.624.779	4.624.779	5.545.780	5.545.780
b) Tax and contributions from salary costs	015	2.084.891	2.084.891	2.330.848	2.330.848
c) Contributions on salaries	016	659.324	659.324	772.505	772.505
4 Depreciation	017	742.157	742.157	940.445	940.445
5 Other costs	018	536.762	536.762	616.148	616.148
6 Value adjustments (ADP 020+021)	019	131.333	131.333	3.238	3.238
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	131.333	131.333	3.238	3.238
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	0	0	0	0
III FINANCIAL INCOME (ADP 031 to 040)	030	87.656	87.656	230.300	230.300
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	26.012	26.012	58.068	58.068
8 Exchange rate differences and other financial income	038	61.644	61.644	172.232	172.232
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	192.297	192.297	253.386	253.386
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	27.489	27.489	46.488	46.488
4 Exchange rate differences and other expenses	045	164.808	164.808	206.898	206.898
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0

VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	2.490	2.490	115	115
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	25.848.535	25.848.535	34.999.778	34.999.778
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	23.730.714	23.730.714	33.509.825	33.509.825
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	2.117.821	2.117.821	1.489.953	1.489.953
1 Pre-tax profit (ADP 053-054)	056	2.117.821	2.117.821	1.489.953	1.489.953
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	261.048	261.048	205.091	205.091
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	1.856.773	1.856.773	1.284.862	1.284.862
1 Profit for the period (ADP 055-059)	060	1.856.773	1.856.773	1.284.862	1.284.862
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	1.856.771	1.856.771	1.284.860	1.284.860
1 Attributable to owners of the parent	076	1.871.703	1.871.703	1.380.487	1.380.487
2 Attributable to minority (non-controlling) interest	077	-14.932	-14.932	-95.627	-95.627
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	1.856.771	1.856.771	1.284.860	1.284.860
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080+ 87)	079	-363.832	-363.832	10.033	10.033
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	-363.832	-363.832	10.033	10.033
1 Exchange rate differences from translation of foreign operations	088	-363.832	-363.832	10.033	10.033
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	-363.832	-363.832	10.033	10.033
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	1.492.939	1.492.939	1.294.893	1.294.893
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	1.492.939	1.492.939	1.294.893	1.294.893
1 Attributable to owners of the parent	100	1.507.871	1.507.871	1.390.520	1.390.520
2 Attributable to minority (non-controlling) interest	101	-14.932	-14.932	-95.627	-95.627

Span Group

BALANCE SHEET balance as at 31.03.2024

in EUR

Submitter: Span d.d.

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	25.651.331	24.659.131
I INTANGIBLE ASSETS (ADP 004 to 009)	003	16.053.827	15.811.481
1 Research and development	004	1.773.304	1.626.893
2 Concessions, patents, licences, trademarks, software and other rights	005	780.638	1.063.824
3 Goodwill	006	8.905.148	8.905.148
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	694.426	454.660
6 Other intangible assets	009	3.900.311	3.760.956
II TANGIBLE ASSETS (ADP 011 to 019)	010	7.399.452	6.984.271
1 Land	011	1.731.990	1.731.990
2 Buildings	012	3.453.866	3.126.790
3 Plant and equipment	013	736.056	860.004
4 Tools, working inventory and transportation assets	014	1.473.164	1.252.516
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	4.376	12.971
8 Other tangible assets	018	0	0
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	473.147	449.469
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	84.692	61.130
9 Other investments accounted for using the equity method	029	261.520	261.404
10 Other fixed financial assets	030	126.935	126.935
IV RECEIVABLES (ADP 032 to 035)	031	509	509
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	509	509
V DEFERRED TAX ASSETS	036	1.724.396	1.413.401
C) CURRENT ASSETS (ADP 038+046+053+063)	037	42.693.087	35.046.978
I INVENTORIES (ADP 039 to 045)	038	274.767	79.078
1 Raw materials and consumables	039	0	0
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	274.767	79.078
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	27.602.611	17.220.419
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	26.634.408	15.706.805
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	552.320	809.834
6 Other receivables	052	415.883	703.780
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	1.476.938	521.872
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	100.495	100.495

8 Loans, deposits, etc. given	061	1.376.443	421.377
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	13.338.771	17.225.609
D) PREPAID EXPENSES AND ACCRUED INCOME	064	3.916.351	6.516.501
E) TOTAL ASSETS (ADP 001+002+037+064)	065	72.260.769	66.222.610
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	30.422.899	31.581.959
I INITIAL (SUBSCRIBED) CAPITAL	068	3.920.000	3.920.000
II CAPITAL RESERVES	069	9.918.809	9.901.781
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	1.377.098	1.377.098
1 Legal reserves	071	1.377.098	1.377.098
2 Reserves for treasury shares	072	624.100	580.799
3 Treasury shares and holdings (deductible item)	073	-624.100	-580.799
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
IV REVALUATION RESERVES	076	1.876.704	1.876.704
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-237.143	-227.110
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-237.143	-227.110
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	12.103.558	13.128.936
1 Retained profit	084	12.103.558	13.128.936
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	1.144.183	1.380.487
1 Profit for the business year	087	1.144.183	1.380.487
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	319.690	224.063
B) PROVISIONS (ADP 091 to 096)	090	0	0
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	3.508.824	1.363.143
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	33.333	0
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	2.894.585	786.882
11 Deferred tax liability	108	580.906	576.261
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	32.014.407	27.805.688
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	2.073.477	3.677.101
7 Liabilities for advance payments	116	465.085	1.946.550
8 Liabilities to suppliers	117	19.640.965	13.468.583
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	1.781.238	1.785.698
11 Taxes, contributions and similar liabilities	120	3.355.011	2.452.036
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	4.698.631	4.475.720
E) ACCRUALS AND DEFERRED INCOME	124	6.314.639	5.471.820
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	72.260.769	66.222.610
G) OFF-BALANCE SHEET ITEMS	126	0	0

Span Group

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2024 to 31.03.2024
in EUR

Submitter: Span d.d.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	2.117.819	1.489.950
2 Adjustments (ADP 003 to 010):	002	556.204	1.003.683
a) Depreciation	003	742.157	940.445
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-12.844	-1.186
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	131.333	3.354
d) Interest and dividend income	006	-26.012	-58.068
e) Interest expenses	007	27.489	46.489
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-305.919	10.794
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	61.855
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	2.674.023	2.493.633
3 Changes in the working capital (ADP 013 to 016)	012	-173.306	946.572
a) Increase or decrease in short-term liabilities	013	1.941.608	-6.205.405
b) Increase or decrease in short-term receivables	014	-329.455	10.399.257
c) Increase or decrease in inventories	015	124.814	195.689
d) Other increase or decrease in working capital	016	-1.910.273	-3.442.969
II Cash from operations (ADP 011+012)	017	2.500.717	3.440.205
4 Interest paid	018	-28.671	-46.489
5 Income tax paid	019	-13.915	-58.087
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	2.458.131	3.335.629
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	13.324	4.213
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	58.068
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	13.324	62.281
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-371.856	-231.389
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	-7.417.457	-1.277.855
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-7.789.313	-1.509.244
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-7.775.989	-1.446.963
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	161.722	3.000.000
4 Other cash receipts from financing activities	038	26.012	978.628
V Total cash receipts from financing activities (ADP 035 to 038)	039	187.734	3.978.628
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-202.227	-1.433.333
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-1.185	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-168.000	-141.727
5 Other cash payments from financing activities	044	-3.213.058	-405.396
VI Total cash payments from financing activities (ADP 040 to 044)	045	-3.584.470	-1.980.456
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-3.396.736	1.998.172
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-8.714.594	3.886.838
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	18.815.261	13.338.771
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	10.100.667	17.225.609

Span d.d.

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2024 to 31.03.2024
in EUR

Submitter: Span d.d.

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	20.319.880	20.319.880	19.327.639	19.327.639
1 Income from sales with undertakings within the group	002	4.894.707	4.894.707	4.721.329	4.721.329
2 Income from sales (outside group)	003	15.327.285	15.327.285	14.411.787	14.411.787
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	7.765	7.765	36.830	36.830
5 Other operating income (outside the group)	006	90.123	90.123	157.693	157.693
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	18.240.750	18.240.750	18.533.087	18.533.087
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	11.896.110	11.896.110	11.125.279	11.125.279
a) Costs of raw materials and consumables	010	120.972	120.972	146.800	146.800
b) Costs of goods sold	011	9.968.394	9.968.394	9.062.777	9.062.777
c) Other external costs	012	1.806.744	1.806.744	1.915.702	1.915.702
3 Staff costs (ADP 014 to 016)	013	5.397.448	5.397.448	6.247.973	6.247.973
a) Net salaries and wages	014	3.179.229	3.179.229	3.755.633	3.755.633
b) Tax and contributions from salary costs	015	1.684.814	1.684.814	1.863.368	1.863.368
c) Contributions on salaries	016	533.405	533.405	628.972	628.972
4 Depreciation	017	540.506	540.506	634.493	634.493
5 Other costs	018	399.850	399.850	525.342	525.342
6 Value adjustments (ADP 020+021)	019	6.836	6.836	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	6.836	6.836	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	0	0	0	0
III FINANCIAL INCOME (ADP 031 to 040)	030	49.696	49.696	98.864	98.864
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	1.636	1.636	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	2.631	2.631	3.083	3.083
8 Exchange rate differences and other financial income	038	45.429	45.429	95.781	95.781
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	178.149	178.149	80.105	80.105
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	3.432	3.432	0	0
3 Interest expenses and similar expenses	044	21.085	21.085	43.861	43.861
4 Exchange rate differences and other expenses	045	153.632	153.632	15.413	15.413
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	20.831	20.831
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0

VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	20.369.576	20.369.576	19.426.503	19.426.503
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	18.418.899	18.418.899	18.613.192	18.613.192
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	1.950.677	1.950.677	813.311	813.311
1 Pre-tax profit (ADP 053-054)	056	1.950.677	1.950.677	813.311	813.311
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	206.194	206.194	138.821	138.821
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	1.744.483	1.744.483	674.490	674.490
1 Profit for the period (ADP 055-059)	060	1.744.483	1.744.483	674.490	674.490
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	1.744.483	1.744.483	674.490	674.490
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	1.744.483	1.744.483	674.490	674.490
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

Span d.d.

BALANCE SHEET
balance as at 31.03.2024
in EUR

Submitter: Span d.d.

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	30.014.430	29.713.988
I INTANGIBLE ASSETS (ADP 004 to 009)	003	5.113.644	5.160.561
1 Research and development	004	1.192.430	1.099.621
2 Concessions, patents, licences, trademarks, software and other rights	005	710.608	999.871
3 Goodwill	006	2.320.685	2.320.685
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	889.921	740.384
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	6.569.955	6.344.303
1 Land	011	1.731.990	1.731.990
2 Buildings	012	3.015.688	2.843.681
3 Plant and equipment	013	671.780	784.509
4 Tools, working inventory and transportation assets	014	1.149.713	983.339
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	784	784
8 Other tangible assets	018	0	0
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	17.185.820	17.202.935
1 Investments in holdings (shares) of undertakings within the group	021	16.808.086	16.882.002
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	56.801	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	266.375	266.375
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	32.582	32.582
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	21.976	21.976
IV RECEIVABLES (ADP 032 to 035)	031	509	509
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	509	509
V DEFERRED TAX ASSETS	036	1.144.502	1.005.680
C) CURRENT ASSETS (ADP 038+046+053+063)	037	19.288.376	14.939.667
I INVENTORIES (ADP 039 to 045)	038	261.494	67.221
1 Raw materials and consumables	039	0	0
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	261.494	67.221
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	14.120.790	11.953.560
1 Receivables from undertakings within the group	047	421.828	519.391
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	13.314.805	10.971.595
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	191.432	169.192
6 Other receivables	052	192.725	293.382
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	1.114.508	49.167
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	73.784	49.167
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0

8 Loans, deposits, etc. given	061	1.040.724	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	3.791.584	2.869.719
D) PREPAID EXPENSES AND ACCRUED INCOME	064	3.680.713	5.237.327
E) TOTAL ASSETS (ADP 001+002+037+064)	065	52.983.519	49.890.982
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	27.082.454	27.783.217
I INITIAL (SUBSCRIBED) CAPITAL	068	3.920.000	3.920.000
II CAPITAL RESERVES	069	9.918.809	9.901.781
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	1.259.454	1.259.454
1 Legal reserves	071	1.259.454	1.259.454
2 Reserves for treasury shares	072	571.011	527.710
3 Treasury shares and holdings (deductible item)	073	-571.011	-527.710
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
IV REVALUATION RESERVES	076	1.876.704	1.876.704
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	9.646.042	10.150.788
1 Retained profit	084	9.646.042	10.150.788
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	461.445	674.490
1 Profit for the business year	087	461.445	674.490
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	0	0
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	2.995.261	1.066.942
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	33.333	0
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	2.549.969	654.983
11 Deferred tax liability	108	411.959	411.959
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	18.093.243	17.031.990
1 Liabilities to undertakings within the group	110	293.901	339.174
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	1.200.000
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	2.073.477	3.677.101
7 Liabilities for advance payments	116	209.189	222.218
8 Liabilities to suppliers	117	10.101.315	6.040.139
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	1.275.225	1.308.645
11 Taxes, contributions and similar liabilities	120	1.265.065	1.162.588
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	2.875.071	3.082.125
E) ACCRUALS AND DEFERRED INCOME	124	4.812.561	4.008.833
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	52.983.519	49.890.982
G) OFF-BALANCE SHEET ITEMS	126	0	0

Span d.d.

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2024 to 31.03.2024
in EUR

Submitter: Span d.d.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	1.950.677	813.311
2 Adjustments (ADP 003 to 010):	002	553.032	732.913
a) Depreciation	003	540.506	634.493
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-12.764	-4.213
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	6.836	0
d) Interest and dividend income	006	-2.631	-3.083
e) Interest expenses	007	21.085	43.861
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	61.855
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	2.503.709	1.546.224
3 Changes in the working capital (ADP 013 to 016)	012	258.389	-4.130.741
a) Increase or decrease in short-term liabilities	013	1.466.274	-4.131.902
b) Increase or decrease in short-term receivables	014	143.354	2.167.230
c) Increase or decrease in inventories	015	336.804	194.273
d) Other increase or decrease in working capital	016	-1.688.043	-2.360.342
II Cash from operations (ADP 011+012)	017	2.762.098	-2.584.517
4 Interest paid	018	-22.267	-40.237
5 Income tax paid	019	-3.190	-53.876
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	2.736.641	-2.678.630
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	13.148	4.213
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	3.083
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	13.148	7.296
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-473.161	-303.553
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	-7.417.457	-1.351.772
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-7.890.618	-1.655.325
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-7.877.470	-1.648.029
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	18.174	4.550.000
4 Other cash receipts from financing activities	038	2.631	1.122.143
V Total cash receipts from financing activities (ADP 035 to 038)	039	20.805	5.672.143
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-202.227	-1.783.333
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-1.185	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-168.000	-141.727
5 Other cash payments from financing activities	044	-3.134.929	-342.289
VI Total cash payments from financing activities (ADP 040 to 044)	045	-3.506.341	-2.267.349
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-3.485.536	3.404.794
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-8.626.365	-921.865
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	14.212.306	3.791.584
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	5.585.941	2.869.719

4. Notes

4.1. Notes accompanying Financial Statements – (drawn up for quarterly reporting periods)

Issuer name:	Span d.d
Address:	Koturaška cesta 47, 10000 Zagreb
OIB:	19680551758
MBS:	080192242
Reporting period:	January 1st – March 31st, 2024

Notes to the financial statements for quarterly reporting periods are included in the Unaudited Business Results of Span Group and Span d.d. for the first three months 2024, available on Zagreb Stock Exchange website.

Annual Report of Span Group and Span d.d. for 2023 is available on Span d.d. website.

The accounting policies applied in the preparation of the financial statements for the reporting period are the same as in the most recent annual financial statements.

Span d.d. issued corporate guarantees in the amount of EUR 5,006 thousand (of which EUR 2,961 thousand for affiliated companies), debentures in the amount of EUR 31,504 thousand (of which EUR 1,481 thousand for affiliated companies) and bills of exchange in the amount of EUR 6,800 thousand (of which EUR 400 thousand for affiliated companies).

Average number of Span Group employees in the period from 1.1.2024. to 31.03.2024. was 866. The average number of employees of Span d.d. in the period from 1.1.2024. to 31.03.2024. was 647.

In the observed period, the company Span d.d. capitalized labor costs related to the continued development of internally generated intangible assets. The total amount of employee costs during the period, amounts to EUR 6,277 thousand, out of which EUR 6,248 thousand is directly charged to the costs of the period, while EUR 29 thousand is capitalized. Capitalized cost is broken down into net salaries (EUR 17 thousand), taxes and contributions from salaries (EUR 3 thousand) and contributions to salaries (EUR 9 thousand). In the observed period, Span Group capitalized labor costs related to the continued development of internally generated intangible assets. Total amount personnel expenses during the period amounts to EUR 8,678 thousand, of which the amount of EUR 8,649 thousand is directly charged to the expenses of the period, while EUR 29 thousand is capitalized. Capitalized cost is broken down into net salaries (EUR 17 thousand), taxes and contributions from salaries (EUR 3 thousand) and contributions to salaries (EUR 9 thousand).

Deferred tax assets of Span Group as at 31 December 2023 amount to EUR 1,724 thousand, while for Span d.d. it amounts to EUR 1,145 thousand. In Span Group, in the reporting period, deferred tax assets have been decreased by EUR 311 thousand, while in Span d.d. deferred tax assets have been decreased by EUR 139 thousand. Decrease relates to the corporate income tax liability calculated on the result of the reporting period.

Span d.d. holds a participating stake in Trilix d.o.o., Zagreb and Bonsai d.o.o., Zagreb. The amount of capital that Span d.d. holds in Trilix d.o.o. amounts to 60%, ie EUR 298 thousand, the amount of total capital and reserves of Trilix d.o.o. amounts to EUR 497 thousand, and the profit in the business year 2023 amounts to EUR 233 thousand. The amount of capital that Span d.d. holds in Bonsai d.o.o. amounts to 70%, or EUR 278 thousand, the amount of total capital and reserves of Bonsai d.o.o. amounts to EUR 396 thousand, and the profit in the business year 2023 amounts to EUR 31 thousand.

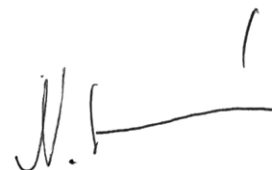
Companies where Span d.d. has unlimited liability are: Span d.o.o. Ljubljana, Span IT Ltd. London, Span USA Inc. Chicago, Span LLC Baku, Span GmbH Munich, LLC Span Kiev, SPAN SWISS AG Zurich, SPAN-IT SRL Moldova, Ekobit d.o.o. Zagreb, Span Cyber Security Center d.o.o. Zagreb, GT Tarkvara OU Tallinn and Span LLS, Tbilisi.

5. Statement on responsibility for compiling a report in the observed period

Statement

Unaudited financial statements of Span d.d. and Span Group for the period from January 1st to March 31st, 2024, are shown to be fair and truthful in accordance with International Financial Reporting Standards which have been consistently applied in relation to previous years.

All materially significant transactions were accordingly recorded in the accounting records, which were the basis of the financial statements. They give a truthful and complete overview of assets and obligations, the financial position and business activities of the Span d.d. and Span Group.



Nikola Dujmović
President of the Management Board, Span d.d.