

MERITUS ULAGANJA D.D.
HEINZELOVA ULICA 62/A
10 000 ZAGREB

SECURITY: MRUL
ISIN: HRMRULRA0009
LEI: 74780080JD6L45P7YG07
REGULATED MARKET SEGMENT: ZAGREB STOCK EXCHANGE, THE OFFICIAL MARKET
HOME MEMBER STATE: CROATIA

PUBLICATION OF OTHER INFORMATION

In ZAGREB, 13.03.2020

ANNOUNCEMENT REGARDING THE IMPACT OF COVID-19 ON BUSINESS

In accordance with the recommendation of the European Securities and Markets Authority (ESMA), as published on the ESMA website on March 11, 2020, the company Meritus Ulaganja d.d. (hereinafter: the Company) hereby notifies on the impact of the COVID-19 outbreak on the regular business of the Company and its subsidiaries.

For the company Meritus Ulaganja d.d. and its subsidiaries (the Group), the health and safety of our employees, as well as our customers and partners, are of the utmost concern and the Group very closely monitors the development of COVID-19 in all the countries in which it operates and in the markets in which it provides services. As a regional technology company engaged in business process outsourcing (BPO), we are convinced that we can adhere to locally imposed policies while continuing to support our customers' business and end-user satisfaction, depending on the future development of COVID-19.

Since the next stages of the epidemic are deeply uncertain, especially as the prevailing view of policy makers and markets is that the next stage in the development of COVID-19 will be a pandemic, and, due to a lack of historical data regarding the systemic risk of such a cause and the changes it will make to the behavior of end consumers, the Group cannot conduct a quantitative risk assessment, but only a qualitative one.

The Group noted that certain customers whose shares were listed on domestic and foreign stock exchanges experienced a decrease in market capitalization, but, by the date of writing this letter, the Group did not receive any announcements from its customers about changes in their plans, and the Group's operational business is going as planned, which may change with the further development of COVID-19.

In order to reduce the risk of the impact of a further development of COVID-19, the Group has divided its activities into three segments:

1. Protecting Employees
 - a. The Group has implemented safety measures in the business premises it operates in, in accordance with the instructions of local regulations, such as in, for example,

- b. Croatia, those in accordance with the instructions of the Croatian Institute of Public Health.
 - c. The Group has informed its employees of the facts and misconceptions related to the COVID-19 virus, in accordance with the information provided by the World Health Organization (WHO).
 - d. The group has canceled all business trips and meetings, which are now held electronically.
 - e. In agreement with its clients, the Group has initiated the implementation of work from home for most of our projects.
2. Customer Relations
 - a. The Group has initiated direct discussions and planning of further steps related to the development of COVID-19 with all its customers.
 - b. In agreement with its clients, the Group has initiated the implementation of work from home.
 3. Supplier Relations
 - a. The Group is in constant contact with the infrastructure suppliers necessary for the performance of services.
 - b. The Group has had no challenges regarding the suppliers for the equipment necessary to work from home and, for now, that equipment is available.

Impact of COVID-19 on business risks:

Type of Risk	Likelihood of realization	Degree of impact	Explanation
Risk of revenue decline	Medium	Medium	The Group operates in 5 countries and provides services in 58 countries. The Group has diverse clients across industries and geographies. The Group estimates that the continued development of COVID-19 will adversely affect end-user behavior, which will not be long-lasting, and that a recovery will occur at the end of the second, or the beginning of the third quarter.
Supplier risk	Low	Medium	The Group is not exposed to the risk of a lack of equipment or infrastructure support necessary to provide services.
Employee risk	High	Medium	The further development of systemic risk of this cause is deeply uncertain. The Group has implemented all of the above steps to protect the health and safety of its employees.


Ivan Posavec, President of the Board

Meritus ulaganja d.d.
Zagreb


Darko Horvat, member of the Board