



**REPORT ON REMUNERATION OF MEMBERS OF THE
MANAGEMENT BOARD AND THE SUPERVISORY BOARD
FOR THE YEAR ENDED DECEMBER 31, 2023, WITH THE
INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT**

ZAGREB, April 30, 2024

This version of the remuneration report is a 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 annual report takes precedence over this translation.

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INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2023

To the Management Board and Supervisory Board of Meritus ulaganja d.d.

Scope

Pursuant to the requirements of Article 272.r, paragraph 3 of the Companies Act and the contract concluded with Meritus ulaganja d.d. ("the Company"), we have performed an engagement to express a limited assurance on the attached Remuneration Report for the year 2023 ("the Report") prepared by the Company's Management Board and Supervisory Board.

Our engagement with limited assurance relates to the subject matter of whether the Report contains information in accordance with Article 272.r, paragraphs 1 and 2 of the Companies Act.

Applicable Criteria

The applicable criteria for determining individuals to be included in the Report and requirements related to the disclosure of their receipts are contained in the requirements of Article 272.r, paragraphs 1 and 2 of the Companies Act.

Responsibilities of the Management Board and the Supervisory Board

Management Board and Supervisory Board are responsible for:

- preparing the Report for the year 2023 in accordance with the disclosure requirements outlined in Article 272.r, paragraphs 1 and 2, of the Companies Act,
- determining the individuals to be included in the Report in accordance with Article 272.r, paragraph 1, of the Companies Act,
- selecting and applying appropriate receipt policies, as well as making reasonable judgments and assessments regarding the data disclosed in the Report,
- measuring receipts for the year ended December 31, 2023, in accordance with the requirements of Article 272.r, paragraphs 1 and 2, of the Companies Act, and
- publishing the Report on the Company's website in accordance with the requirements of Article 272.r, paragraph 4, of the Companies Act.

The Management Board of the Company is responsible for designing, implementing, and maintaining a system of internal controls that reasonably ensures that the aforementioned data does not contain material errors, whether due to fraud or error. Additionally, the Management Board and the Supervisory Board of the Company are responsible for ensuring the completeness and accuracy of the documentation provided to us.

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.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 80, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2023 (CONTINUED)

Auditor's Responsibility

Our responsibility is to issue a report on the Report in accordance with the requirements of Article 272.r of the Companies Act. We have performed an engagement to express a limited assurance 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 comply with ethical standards and plan and perform the engagement to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether the Report contains the information required by relevant legal requirements.

Our Independence and Quality Management

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) ('Code') 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.

Summary of the work performed

As part of our engagement, we have planned and performed the following procedures:

- inquiries to the Management Board, the Supervisory Board, and other individuals within the Company to gain an understanding of receipt policies and the process of compiling the Report;
- we received a list of all members of the Management Board and the Supervisory Board of the Company during 2023 and verified whether their receipts were disclosed in the Report;
- we reconciled the receipt data presented in the Report with the Company's accounting records (general ledger and subledgers) for the year ended December 31, 2023.;
- we reviewed, based on a sample, the relevant documentation of the Company (contracts and payments) related to the receipt data presented in the Report; and
- we verified whether the Report contains all the data required by the provisions of Article 272.r, paragraphs 1 and 2, of the Companies Act.

The nature and scope of our procedures were determined based on risk assessment and our professional judgment to express a conclusion with limited assurance.

The scope of the engagement to express a conclusion with limited assurance is significantly smaller than the scope of the engagement to express a conclusion with limited assurance regarding risk assessment procedures, including understanding internal control and procedures performed in response to assessed risks.

We believe that the evidence we obtained is sufficient and appropriate and forms a reasonable basis for expressing our conclusion with limited assurance.

INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2023 (CONTINUED)

Conclusion with an expression of limited assurance

Based on the procedures performed and evidence obtained, nothing has come to our attention that would cause us to believe that the Report for the year 2023 prepared by Meritus ulaganja d.d. does not contain information, in all material respects, in accordance with Article 272.r, paragraphs 1 and 2 of the Companies Act.

Limitations

Our report is intended solely for the Management and the Supervisory Board of the Company for the purpose of reporting to the Company's Assembly on the Report prepared by the Company for the year ended December 31, 2023, in accordance with Article 272.r of the Companies Act. We permit the publication of this report on the Company's website in accordance with Article 272.r, paragraph 4, of the Companies Act. Our report does not constitute, nor is it intended to represent, legal advice on compliance with Article 272.r, paragraph 4, of the Companies Act.

In case of additional information or data provided to us, or in the event of misleading oral or written statements or explanations, our findings, interpretations, or conclusions in our Report of Independent Auditor with Limited Assurance may be incomplete or may result in the need for additional procedures that are not included in the scope of this engagement.

To the fullest extent permitted by law, we do not accept any responsibility and do not agree to any obligations to any other party, except to the Management and the Supervisory Board of the Company, regarding our work or this Report of Independent Auditor with Limited Assurance or the conclusions we have reached.

The Management and the Supervisory Board of the Company are responsible for publishing the Report on the Company's website as well as for the accuracy of the data contained therein. The scope of our work does not include a review of the aforementioned, and we do not accept any responsibility for any changes or amendments that may be made to the Report based on the Report of Independent Auditor with Limited Assurance or for any discrepancies between the report we issued and the data displayed on the Company's website.

Katarina Kadunc

Director and certified auditor

Deloitte d.o.o.

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

30 April 2024
Radnička cesta 80,
10 000 Zagreb,
Republic of Croatia

Pursuant to the provision of Article 272r of the Companies Act (Official Gazette 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 125/2011, 111 / 2012, 68/2013, 110/2015, 40/2019, 34/2022, 114/2022, 18/2023, 130/2023; "**Companies Act**"), the Management Board of MERITUS ULAGANJA d.d., Zagreb, Ulica grada Vukovara 23, entered in the court register of the Commercial Court in Zagreb under the company's (court) registration number (MBS): 081210030, OIB: 62230095889 (hereinafter: "**the Company**" and/or "**Meritus ulaganja d.d.**") compiles the following

REPORT on remuneration of members of the Management Board and the Supervisory Board for the year 2023

INTRODUCTION

During the last business year (2023), the following persons were, or still are, members of the Management Board and/or the Supervisory Board of the Company:

Management Board:

- i. **Darko Horvat, President of the Management Board**
- ii. **Tomislav Glavaš, Member of the Management Board**

Supervisory Board:

- i. **Tamara Sardelić, President of the Supervisory Board** since April 17, 2023, to which position she is still appointed, member of the Supervisory Board from December 3, 2018 with an extension of her mandate from November 15, 2022;
- ii. **Philipp Rösler, Deputy President of the Supervisory Board** from July 10, 2023, to which position he is still appointed, member of the Supervisory Board from June 27, 2023
- iii. **Joško Miliša, Member of the Supervisory Board**
- iv. **Ulf Gartzke, Member of the Supervisory Board**
- v. **Ana Babić, member of the Supervisory Board - employees representative** from May 16, 2023, to which position she is still appointed
- vi. **Sandi Češko, Member and President of the Supervisory Board** since June 30, 2020 which membership ended on April 6, 2023 with his resignation;
- vii. **Igor Varivoda, Deputy President of the Supervisory Board** since December 3, 2018 with an extension of the mandate from November 15, 2022. which membership ended on June 30, 2023 with his resignation
- viii. **Hrvoje Prpić, Member of the Supervisory Board** since June 30, 2020 until July 2023 which membership ended at the end of the mandate.

Pursuant to the provisions of Article 272r of the Companies Act, the Management Board of the Company hereby reports that the above-mentioned members of the Management Board and the Supervisory Board of the Company were remunerated in 2023 as follows:

1. Fixed and variable parts of the remuneration of the members of the Management Board and the Supervisory Board of the Company

1.1. The Management Board of Meritus ulaganja d.d.

On June 27, 2023, the General Assembly of the Company adopted a new Policy of Receipts for members of the Management Board, thus replacing the Policy of Receipts for Members of the Management Board approved by the General Assembly of the Company on June 30, 2020

With the remuneration policy for members of the Management Board, the Company places special emphasis on personal development, stimulating environment, work environment and aims to attract and retain quality and capable professionals, which, without a doubt, contributes to the business strategy and long-term development of the Company.

The amounts of remuneration paid to the members of the Management Board and the manner of determining these amounts are defined in order to motivate, promote effective risk management, and achieve the strategic goals of the Company.

1. Fixed and variable parts of the remuneration of the members of the Management Board and the Supervisory Board of the Company (continued)

Members of the Management Board are entitled to fixed remuneration defined by the Employment Agreement with the Company or an associated company of the Company, in accordance with the provisions of the law governing employment, other regulations, and internal acts of the Company.

In addition to the fixed part of remuneration, members of the Management Board are also entitled to a variable part of remuneration, i.e., bonuses, which are determined and paid in accordance with the decision of the Supervisory Board and criteria defined by the Supervisory Board, and which will primarily include the achievement of key financial indicators and indicators related to sustainable business ("ESG" - environmental, social and corporate governance). The payment of the variable part of the remuneration of the members of the Management Board, i.e., bonuses, is generally paid (assuming the fulfillment of the criteria defined by the Supervisory Board) by the allocation of the Company's own shares according to their market value, by payment in money or by a combination of the aforementioned. The Supervisory Board is responsible for determining whether all conditions and preconditions for the payment of bonuses to a certain member of the Management Board are met, and provided that a certain member of the Management Board has earned the right to bonus payment, the Supervisory Board determines how many shares a certain member of the Management Board is entitled to. This procedure aims to ensure that the bonuses of the members of the Management Board are balanced, sustainable, and transparent. In addition, the aim is to motivate and retain qualified members of the Management Board and promote good and effective risk management and discourage members of the Management Board from assuming risks that exceed the level of acceptable risk.

Following the above, in 2023, the members of the Management Board were paid the following remuneration in gross (I) amounts:

<i>REMUNERATION OF MANAGEMENT BOARD MEMBERS IN 2023</i>						
<i>Member</i>	<i>Fixed remuneration</i>	<i>%</i>	<i>Variable remuneration</i>	<i>%</i>	<i>Total</i>	<i>%</i>
<i>Darko Horvat</i>	<i>EUR 197,549.87</i>	<i>100%</i>	<i>EUR 0.00</i>	<i>0%</i>	<i>EUR 197,549.87</i>	<i>100%</i>
<i>Tomislav Glavaš</i>	<i>EUR 194,450.92</i>	<i>100%</i>	<i>EUR 0.00</i>	<i>0%</i>	<i>EUR 194,450.92</i>	<i>100%</i>

In addition to the above, the Company or its affiliates paid other payments to the following members of the Management Board during 2023:

- a subsidiary of the Company, M Plus Croatia d.o.o. approved and made available a loan in the amount of EUR 650.000,00 to **Darko Horvat**.

1.2. The Supervisory Board of Meritus ulaganja d.d.

Remuneration is paid to the members of the Supervisory Board in accordance with the decision of the General Assembly of June 30, 2020, which in addition to the amounts provided for payment, also defines the dynamics of payment until a different decision of the Assembly of the Company.

The remuneration policy of the members of the Supervisory Board, approved by the General Assembly of the Company on June 30, 2020, is based on the principle of engaging, motivating, and retaining qualified persons in the Supervisory Board.

The policy contributes to the business strategy and long-term development of the Company by ensuring balanced, sustainable, and transparent remuneration to the members of the Supervisory Board, which undoubtedly significantly contributes to maintaining the long-term strategy and development of the Company.

1. Fixed and variable parts of remuneration of members of the Management Board and the Supervisory Board of the Company (continued)

The remuneration paid to the members of the Supervisory Board does not include variable elements or other elements related to business performance. It is paid in a monthly lump sum and no remuneration in shares is envisaged. Following the above, in 2023, the members of the Supervisory Board were paid the following remuneration in gross (I) amounts:

<i>REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD IN 2023</i>		
<i>Member</i>	<i>Fixed remuneration</i>	<i>Note</i>
<i>Tamara Sardelić</i>	<i>EUR 7,963.32</i>	
<i>Philipp Rösler</i>	<i>EUR 3,406.53</i>	
<i>Ulf Gartzke</i>	<i>EUR 8,869.61</i>	
<i>Joško Miliša</i>	<i>EUR 7,963.32</i>	
<i>Ana Babić</i>	<i>EUR 4,324.17</i>	
<i>Sandi Češko</i>	<i>EUR 2,765.04</i>	
<i>Igor Varivoda</i>	<i>EUR 0,00</i>	<i>He waived his right to compensation of a member of the Supervisory Board for the period from January 1 until June 30, 2023 until he was member of the Supervisory Board.</i>
<i>Hrvoje Prpić</i>	<i>EUR 4,666.68</i>	
Total	EUR 39,958.67	

In addition to the above, the Company or its affiliates paid other payments to the following members of the Supervisory Board during 2023:

- **Tamara Sardelić**, the President of the Supervisory Board, in December 2017, entered into an Agreement on the provision of legal services with the Company's subsidiary, Meritus Plus d.o.o., whose legal successor, after the company's merger with another company, takes over the subsidiary M Plus Croatia d.o.o., where according to the above Contract for the year 2023 paid fees in the gross amount of EUR 10,949.82.
- **Philipp Rösler**, Deputy President of the Supervisory Board, in June 2023 entered into an Agreement on the provision of consulting services with the Company's subsidiary, M Plus Croatia d.o.o., where, based on the aforementioned Agreement, he was paid fees in the gross amount of EUR 40,637.99 for the year 2023.
- **Ana Babić**, Member of the Supervisory Board - employees representative, in addition to remuneration for work in the Supervisory Board, received payments in accordance with the contract with the Company in the gross amount of EUR 43,289.45.
- **Igor Varivoda**, Deputy President of the Supervisory Board until June 30, 2023. in March 2022, concluded an Agreement on the provision of consulting services with the Company's subsidiary, Linea Directa d.o.o., Ljubljana, whose legal successor, after the company's merger with another company, is taken over by the subsidiary CDE Nove Tehnologije d.o.o. where based on the aforementioned Agreement, in the period from 1.1.2023 to 30.6.2023, when he was a member of the Supervisory Board, he was paid compensation in the gross amount of EUR 53,530.00.
- **Sandi Češko**, President of the Supervisory Board until April 6, 2023. is a member of Kanatol Holdings Ltd, Cyprus, to whom the Company's subsidiary, Meritus Global Strategics d.o.o., paid the gross amount of EUR 200,000.00 in 2023 based on the concluded Loan Agreement and the Annex to the Loan Agreement.

2. Comparative presentation of annual changes in remuneration, revenues, i.e., profits of the Company and average remuneration of full-time employees for the last five business years

Considering exponential growth of the Group and the nature of the Company's operations (Holding operations), as well as the minimum number of people employed by the Company, the Company has prepared a comparative presentation of the requested data, taking into account the Group amounts of revenue, profit and the number of employees.

	2019	2020	2021	2022	2023
Revenues (in thousand EUR)	43,425	93,826	105,442	179,432	302,808
Profit of the year (in thousand EUR)	1,011	9,042	8,624	8,426	6,288
Average remuneration per Management Board member	28,054	31,609	64,484	89,406	196,000
Number of employees	2,796	7,928	9,880	12,517	13,930

3. Number of shares and stock options given or undertaken to be given by the Company to members of the Management Board and the Supervisory Board of the Company

In the previous business year, the Company did not give or undertake to give any member of the Management Board or the Supervisory Board of the Company shares or stock options.

4. Return of variable parts of remuneration

In the previous business year, the Company did not request the return of variable parts of remuneration.

5. Deviation from the remuneration policy in accordance with the provisions of the Companies Act

In the previous business year, and from June 30, 2020, when the Company adopted the remuneration policies, including new remuneration policy adopted on General assembly of the Company on June 27, 2023, the Company did not deviate from the remuneration policy.

6. Remuneration that the Company and/or a third party undertook to pay in case of regular and/or early termination of membership

In the business year 2023:

1. there was no remuneration paid or undertaken to be paid to a member of the Management Board by a third party in connection with the activities he/she performed as a member of the Management Board;
2. The Company has not undertaken to pay any remuneration to the members of the Management Board in case of early termination of membership in the Management Board;
3. The Company has not undertaken to pay any cash value to a member of the Management Board in the event of regular termination of membership in the Management Board;
4. During the last business year, there were no changes in the composition of the members of the Management Board, and thus no members of the Management Board whose membership in the Management Board was terminated.

7. Final provisions

The General Assembly of the Company has so far adopted the Reports on Receipts for 2019, 2020, 2021 and 2022 together with the report of the certified auditor, which the Company in accordance with the Companies Act published on the same day after approval and made available free of charge on the Company's website.

The remuneration report for 2023 will be prepared for the General Assembly of the Company, which is scheduled for June 2024.



Darko Horvat,
President of the Management Board



Tomislav Glavaš,
Member of the Management Board



Tamara Sardelić,
President of the Supervisory Board