

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 PRIVILEGED INFORMATION

ZAGREB, May 18, 2020

NOTICE OF CHANGES IN THE MANAGEMENT AND THE SUPERVISORY BOARDS

The company Meritus ulaganja d.d., better known on the market as the M + Group, announced the audited business results of the company for 2019, which generated a revenue of HRK 327 million. Compared to last year, it is an increase of 51%, while the realized adjusted EBITDA amounts to HRK 44.6 million, which is an increase of 77%. At the meeting of the Supervisory Board on May 18, the M + Group appointed Darko Horvat as the new President of the Management Board and Tomislav Glavaš as a new member of the Management Board of the M + Group. Glavaš was also appointed as the Chief Executive Officer (CEO) of Meritus upravljanje d.o.o., a subsidiary of Meritus ulaganja d.d. Also, the company Meritus upravljanje unites the operations of the M + Group in the BPO sector under the M + Connect brand, the company in which the leading investment fund Mid Europa Partners has invested.

The Supervisory Board of the M + Group proposed to the Assembly of the Company that Sandi Češko be elected to the Supervisory Board at the next session, which is expected to be held at the end of June. After he is elected, his election as president of the Supervisory Board is expected, meaning Češko will replace Zvonimir Mršić, whose term is expiring.

At the meeting of the Supervisory Board, approval was given to the annual financial statements, which determined the audited consolidated results of the company's operations for the previous year. The revenue growth of this Croatian company in 2019 was influenced by strategic decisions of the Management Board and Supervisory Board, organic growth and business events, such as the listing on the Zagreb Stock Exchange with the support of all leading Croatian institutional investors, and new acquisitions successfully implemented by the Group. In the next phase of development, the company will operationally separate the business into the investment holding Meritus ulaganja d.d. (M + Group) which is listed on the Zagreb Stock Exchange, and the operating group operating in the BPO sector, Meritus upravljanje d.o.o. (M + Connect), whose co-owner is the M + Group Mid Europa Partners.

The investment holding - **M + Group** - will be managed by the new President of the Management Board, Darko Horvat, who will take over the position from the position of a member of the Management Board and will replace the current President of the Management Board, Ivan Posavac. **Darko Horvat** has more than 10 years of work experience in leading auditing and consulting companies, as well as tax consulting companies. Prior to joining the M + Group, he worked as a senior manager at Deloitte Croatia and Deloitte USA, where he was responsible for risk assessment, financial planning for critical clients, execution planning, and software development. Prior to his appointment to the position of President of the Management Board of the M + Group,

Meritus ulaganja d.d.

Horvat held the positions of a member of the Management Board of M + Group (Meritus ulaganja d.d.) and a member of the Management Board of M + Connect (Meritus upravljanje d.o.o.). In that period, the Group, under the leadership of the team in which Horvat was in charge of finances and controlling, achieved exceptional financial results. The company's revenue grew 3.5 times, while its EBITDA grew 14 times over the past three years through a series of acquisitions led by Horvat's financial team.

The management of the company's operational group - **M + Connect** - is taken over by the new CEO Tomislav Glavaš, a former member of the Management Board of M + Connect, who has now also joined the Management Board of M + Group. In the past three years, Tomislav Glavaš has been the Director of Controlling and Procurement and the Executive Director of individual portfolio companies, and he has been the Chief Operating Officer and a member of the Management Board of M + Connect. By developing new BPO services and IT solutions, the management team and employees of the M + Group, in which Glavaš was responsible for operations, created a regional leader that provides services to more than 200 clients in 58 countries and employs over 7,000 employees. Working for international companies in the telecommunications, auditing and finance sectors, Glavaš has gained many years of experience in consulting, finance and controlling. Prior to joining the M + Group, he worked as a planning coordinator for the HT Group, while at Deloitte he worked on audit and consulting projects for some of the largest companies and banks in the region.

The current President of the Supervisory Board of the M + Group, **Zvonimir Mršić**, is ending his one-year term as President. Mršić is proud of the outstanding results achieved by the M + Group during his tenure as head of the Supervisory Board, doubling revenues and EBITDA and establishing a partnership with Mid Europa Partners, and believes that the company will continue to operate equally successfully in the future and advise the group on strategy, acquisitions, and corporate governance. Zvonimir Mršić is an operating partner in the American consulting company Spitzberg Partners LLC, in charge of investment management in the Adria region.

The current President of the Management Board of Meritus Investments (M + Group) Ivan Posavec, during whose term the Zagreb Stock Exchange successfully issued new ordinary shares subscribed by renowned institutional investors and pursued an active investment and acquisition strategy, will continue his career outside the M + Group. Posavec believes that M + Group is a great company with great employees and leaves proud of the results it achieved. "As a company, M + Group is fully prepared for all the challenges this market brings.," said Ivan Posavec.

Sandi Češko is best known as the founder and CEO of the Slovenian company Studio Moderna Holdings, the largest European multichannel retailer that has grown to more than 8,000 employees with operations in over 20 countries in Central and Eastern Europe, Russia and Turkey. Global Private Equity Funds General Atlantic, Franklin Templeton Emerging Markets, Insight Venture Partners and JH Partners invested in Studio Moderna in 2011. Even after the takeover by the funds, the Češko led the strategic development of the company as the Chairman of the Supervisory Board of SMH through rapid further growth.

Through the continuous development of services, the company has successfully established itself as a regional leader and gained has achieved significant contracts with global clients. With the realization of this acquisition in early 2020, its eleventh acquisition in the last four years, M + Group became the largest BPO company in Southeastern Europe and Asia Minor. The company currently provides services to more than 200 clients from 58 countries, employs more than 7,000 people and is one of the largest private employers in Croatia and SE Europe. Since its founding in 2007, the M+Group has been

committed to providing high quality customer support and BPO services. Its services and products of information technology, contact centers, and employment mediation are used by leading telecommunication and financial companies in Southeastern Europe, as well as clients from Europe, North America, and Australia. M + Group's clients include Microsoft, Samsung, Bosch, Siemens, Carlsberg, General Dynamics Corp., United Health Corp., Vodafone, Unicredit, HSBC Bank, ING Bank and many others.



Ivan Posavec, Chairman of the Board



Darko Horvat, member of the Board

Meritus ulaganja d.d.
Zagreb