



SCALABLE GLOBAL SOLUTIONS JSC



2021 HALF-YEAR BUSINESS REPORT

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We Work & You Grow



SGS BUSINESS REPORT

2021 HALF-YEAR REPORT

SGS business report provides information about SGS company business. The overview will be explained and supported by the financial data as well as by executive briefs and comments by the department heads. The report is showing continuous business development, agile development, R&D progress, as well as general enhancement and optimization according to the company strategy, mission and defined goals. The business focus and key initiatives in 2021 are:

1. Win new incremental client revenues
2. Acquire additional Investments to secure the cash flow
3. Go to Market: Creating and Implementing the Channel Strategy
4. R&D: SGS platform and services further development
5. Create the global web presence and establishment as the first "DaaS" [Department as a Solution] Global Provider, which fuses "WaaS" [Workforce as a Solution] & SaaS [Software as a Service].

SGS has by now proved to be a unique and advanced solution for the SME & SMB market. Our Target audience is companies with between 50 and 5000 employees. We expect a double-digit yearly growth as SGS is the first company that has developed DaaS, a new and unique one-stop solution that combines the BPO, SaaS, RPO and Managed Office Service industries. DaaS [Department as a Solution], a solution that combines both WaaS [Workforce as a Solution] & SaaS [Software as a Service]. This allows us also to acquire clients for WaaS and clients for SaaS. It is allowing SGS to win even bigger customers going forward.

FINANCIAL REPORT

The Financial report presents the overview of business results achieved in 2021 by providing a clear overview of how business costs are managed as well as streams of company revenues. The goal is to describe in a transparent way all the company financial impacts which have affected the business.

Preamble & Facts and figures

During the 2021 Q1, SGS company focused on reaching clients who indicated an interest in SGS services in the last year. Bear in mind that we hired end Q4/2020 the first real senior salesperson. The covid-19 pandemic continued with lockdowns Q4/2020, stretching into the first ½ year in 2021. The global situation current is remote working, companies restructuring, clients realizing to downsize mid-and long-term office space and that working remotely / from a home office. So, working from Croatia is cost beneficial to the company OPEX. The appearance of vaccines will allow slowly returning to more normality in the future. The impact was not to be seen in the first ½ year of 2021.

Corona is was in 2020 a delay in clients decision for our business as no one ever before had to deal with such a virus and situation. In the aftermath, the corona is the biggest enable of DaaS for SGS. SME's & SMB's have always been conservative in their decision-making processes and working from home was never existing in these client segments. Through covid-19, they have all realized that it is no problem to run a company when people are not present in the office. That is the major milestone for our DaaS solutions. Why? SME's & SMB's never want to lose control, and with DaaS, that is 100% accomplished. In 2021 SGS, taking into account market challenges, continued negotiations in order to sign multiple client agreements and based on SGS sales team and overall sales pipeline development, SGS acquired clients who are ensuring business reoccurring monthly revenues. Furthermore, restructuring and growth of

Investment team in Q1 2020. This resulted in new investors in the company. New investors relations have been developed. The current shareholder complied with the decision to increase the company share capital. After a successful share capital increase, the aim is to offer more shares and raise the company value, attractiveness and credibility on the market.

SGS is in 2021 in the optimal position to ensure business scalability, monthly reoccurring client revenues and greater investment funds that will support business development. One last important point to mention: Customers tend to start the teams small and then grow them from there. So DaaS teams that start out with 2 or 3 people are normally expected to grow significantly going into the future. I.e., a client starts with the support for one country and then implements the teams for the other countries. Every starting revenue with a client is mostly expected to increase during the contractual live cycle.

FINANCIAL KPIs OVERVIEW

All Numbers in €	Q1	Q2	Q3E	Q4E	YTD 2021	2021 PLAN
ACV FUNNEL*	17.000	147.000	105.000	519.000	788.000***	2.158.000
REVENUES PLAN	25.000	18.000	63.000	370.000	43.000	534.000
REVENUES ACHIEVED	24.829	17.850	-	-	42.679	(491.321)
INVESTMENT PLAN	215.000	400.000	600.000	785.000		2.000.000
INVESTMENT ACHIEVED	214.845	-	-	-	214.845	(1.785.000)
Corporate Costs Plan**	171.000	230.000	190.000	182.000	401.000	773.000
Corporate Costs Achieved	170.401	220.473	-	-	390.874	(382.126)

*ACV (Annually Contracted Value) is based on existing clients that have signed the client agreements that have been delayed due to Covid-19 and are expected to be signed within the 2021 fiscal year.

**Corp. costs are planned according to target client revenues achievement, but they strictly correlate and depend on acquired investments and overall team growth.

*** this was achieved with netto 2.5 FTE (full-time equivalent) employees as we did not have the funding to have according to plan by the end of the ½ year 6 FTE in Sales, due to not achieved min. investments.

Based on the inflows stated in the Financial KPIs table, SGS has achieved target revenues, and investments amount for Q1 2021 and, according to negotiations and sales pipeline, is on a path to raise monthly new acquired revenues in the following quarters.

Cashflow overview, presented in Annex I of this Report, presents a detailed overview of inflows which SGS started to accumulate continuous monthly revenues. Furthermore, a detailed overview and accumulated P&L and financial data are stated in the Annex of the Report.

The main elements of SGS Financial KPIs target achievements are the following:

- ✓ Sales pipeline execution and annual-based client agreements signatures
- ✓ Sales team as well as sales pipeline growth
- ✓ Investment targets achievement
- ✓ Investment team growth achievement

Based on revenues and investments, if achieved, SGS will further focus on business-, marketing-, channel- and R&D -development. The further business enhancement will be ensured by each department leader as we grow the business. We have made major enhancements in the New Corporate website, implementing investor documentation and investor corner, GTM and Channel Program announcement. Further SGS ONE and Workforce APP development. Started the process for SGS ONE 2.0.

The following sections will present a business overview, achievements by each department and KPIs for measuring further business advancement.

BUSINESS OVERVIEW

The business overview presents the general business targets specified by the department heads. Targets will be tracked and changed/alterd based on the client revenues and, specifically, investments acquired.

SGS COMPANY GOALS facts and figures

<i>SGS power in numbers*</i>	Achieved	Goal 2021
Clients	2	10
Sales team	2	15
Recruitment team	0	2
Marketing team	1	1
Operations and Service team	2	2
Finance team	4	5

Based on the business enhancement, clients acquired and services to clients provided, SGS is planning continuous team growth. However, due to lack of Investment, we did not grow the sales team to 6 FTEs as planned. The moment we get the needed Investment, we ramp up the Team ASAP.

Furthermore, due to lack of Investment, we did not replace the HR Team in the 2nd quarter as we would need them with newly signed clients. Therefore, we will fill the position for Q3 when we have signed the next customers that are in the pipeline. (As this report has been written in August, we already have signed new clients and secured the right researcher in HR for us.)

In the following sections, you can find a detailed overview of each department responsibilities and achievements in the first half of the 2021 financial year. Furthermore, below you can find a specified plan and outcomes on departmental activities in the following quarters.

EXECUTIVE SUMMARY

Business procedures and standards are in the phase of further development & enhancement. This is an ongoing process over the year. The accountability and responsibility of the 1st line are intended to grow. A business activities overview is presented in the following sections, aligned with each department strategy and responsibilities.

SALES DEPARTMENT

Sales Funnel 2021 EST.

For the 2021 year, as well as the prediction of signed contracts that will take effect 2021 and the following fiscal year. The goal is in 2021 to achieve the turnaround to profitability. It is imminent that we get the necessary Investment to ramp up the sales team with senior sales professionals. This will allow us to ramp up the sales funnel as planned as well as possibilities to sign new client agreements even faster.

Q1 2021 Sales department achieved outcomes:

- ✓ Implementing a result-oriented culture
- ✓ Implemented MBO's and KPI's
- ✓ Implemented Revenue Targets for Sales
- ✓ Plan for 2nd half-year is Profit Targets
- ✓ Tracking the handling, management and execution of all major prospects
- ✓ Search for a Sales Team Leader and Manager.
- ✓ Closed negotiations with clients from 2020 and signing first long-term client agreements (36 months client agreements).
- ✓ DaaS sales documentation implementation
- ✓ WaaS sales document implementation
- ✓ DaaS three more services implemented.
 - Sales, Recruitment, Operations, **Back office**, IT, **Finance**, Marketing and **Custom Care**.
- ✓ Completion of web-based presentations for sales.
- ✓ SGS has set up a running recruitment process with onboarding plan for senior Salespeople as well as an Assessment Center for new hires. The initiative to have a full engaged sales team with the manager in place for 2021 onwards stays in place.
- ✓ Revision of the sales training guide.
- ✓ Exchanged two salespeople for non-performance



Further mentioned notes present and described how planned results are being achieved.

Initiatives & Strategic development & Achievements

1. We signed the Romberg Sersa Group with the test project and a full 36-month DaaS Research and Recruitment Team for their HR. It is expected that this Team will grow going forward as the need of the customer is to recruit about 270 people/annum, but the capacity of the current Team is only good for 60 people/annum.
2. We are currently in negotiations for DaaS team implementation for Orbis, Ininit IT, Human Q Solutions, Firnberger, looikos and more.
3. We have built client leads in Germany, Austria, Switzerland, Finland, Belgium, Luxemburg, and the Netherlands. We are planning in the second half-year to have dedicated salespeople covering Finland, Sweden, Denmark, Norway, UK and Ireland.

4. We have grown the ACV Pipeline significantly with only 2.5 FTE's and therefore developed offers to clients that will be signed in the next quarters. We could have done significantly more if we had had more Investment in the first ½ year.
5. I had to replace two salespeople due to not performing as expected in their probation time. That also delayed some of the deals and development of potential.
6. We prepare the GTM Strategy and Channel documentation and program to be launched for the 2nd half of 2021

We have a great success rate with clients when we contact them. But to get faster the revenues and ACV's we have planned we need Investment. With the Investment, we can do three vital things to faster signing up long term client revenues:

1. Hire account managers for planned regions
2. Implement the channel strategy
3. Execute marketing strategy

MARKETING DEPARTMENT

SGS continued with Marketing Strategy realization. Accordingly, SGS started with an agile approach, refreshing old social media pages to spread the word about business and development. Furthermore, further promotion and a global approach are planned according to business development.

2021 Marketing department achieved outcomes:

1. Website building – SGS has set up a new website with rewritten content that describes SGS products and services as more attractive, transparent and in a more concise way. Besides, new Info pages that describe our 8 solutions within the DaaS service are set up. Pushing DaaS as the new solution in the market.
2. SGS website development - planning to implement an Investor and Blog page intending to present business and investment opportunities. Implementation of articles and blogs related to the business topics to further the unique business concept SGS has put in place.
 - ✓ Publishing blog posts on the website is currently active.
 - ✓ Planning to share published blog posts on social media with the scope to reach a wider public and get customers and investors/associates interested in our business.
 - ✓ Blog posts and Job posts are actively published on social media by the moment they are created on the SGS platform.
 - ✓ DaaS implemented with its 8 solutions: Sales, Recruitment, Operations, Back Office, IT, Finance, Marketing, Customer Care.
 - ✓ Option "Book a meeting "and "Get a free consultation "SGS offers a solution to book an appointment by interested parties time requirements with options for 15-30 min short meetings.
 - ✓ Investor documentation revision and updating
 - ✓ SGS ONE: Page and documentation created, designed, and published
 - ✓ SGS Workforce: Page and documentation created, designed, and published
 - ✓ Investor page as login place - SGS plans to set up a login system that allows investors to log in in a dedicated place to read investors' presentations and documents.

Initiatives & Strategic further development

- ✓ Development of approach and generating awareness about SGS as a company and solutions through web-based company channels:
 - Marketing Strategy & Plans, Timeline development for social media is in development.
 - Twitter account as the next social media channel

- The Facebook Manager – the tool for publishing campaigns is used to publish other promotional campaigns on Facebook, Instagram, Facebook and Instagram stories and other related channels.
 - SGS Product packages – Business packages created for clients and website visitors - The SGS services are divided into basic packages with specified offers and scope of business intended for the clients. It helps to present our offer and help them choose an exact package, according to their needs.
 - Investor's Corner creation as the new landing page for Investors
 - Investor newsletter development with a newsletter marketing system
 - Video presentations for the entire SGS solution range are in the planning.
- ✓ Investor Newsletter campaigns activation planning - contacts investors we contacted before and those at our "Newsletter list" – the aim is to utilize the about 12.000 connections we made over social media in the last 24 months.
 - ✓ Sales documents: further development
 - ✓ Intranet development: For Investors, Channel Partner and Associates
 - Sales Material
 - Video Content
 - Deal Registration
 - Promotional Campaigns
 - NDA agreements with the web-based signing process
 - Internal documents and templates optimization
 - ✓ HQ Office interior design decoration

By creating a Marketing strategy, GTM, Channel program, documentation as well as social media, SGS strives to win new clients, investors and associates and get the message about SGS unique DaaS and SGS ONE out to the market.

HR SERVICE (DELIVERY TEAM)

The recruitment team is responsible for all active projects in the areas of direct recruitment, building DaaS departments, reporting, interviewing, training & client communication.

The recruitment Team (HR Department) is continuously ensuring implementation of won DaaS deals, helping to grow and or development of existing clients DaaS teams.

2021 HR department (Delivery Team) achieved outcomes:

- ✓ Proactive support in sales: In Q1 R&R team has engaged and support the Sales department in direct sales activities resulting in: Finishing the Pilot Project for 1 client and progressing from Pilot Project to full DaaS Recruitment Team with the same client.
- ✓ Team Size: In Q1, SGS had a team of 2 recruiters. Focus for the Team is to find candidates for Client Operations and to fill internal positions for the Sales, Marketing, and Investor Analyst, team.
- ✓ In Q2, due to personal reasons, the two recruiters left the organization for relocation to Marbella. Both of them, as they are a couple in real life.

Initiatives & Strategic further development

- ✓ As we expected the next clines to be ramped up in Q3 of this year, we decided to replace the poison for Q3 and start the process of search and interviewing in Q2.
- ✓ Recruitment process and training: Updated the training guide and implemented test for DaaS HR solutions for new joining account managers.
- ✓ New department head must work with sales to facilitate a price list for our services for our target countries by quarterly checking the salary cost of employees in those countries vs our salary cost in Croatia and the Balkan Region. This is crucial to stay informed and to guarantee competitive pricing while ensuring top margins for SGS.
- ✓ Participate in further development of SGS ONE HR as well as Workforce APP.
- ✓ Implementing in the 2nd ½ year the company culture, values, and employer branding

As stated, HR Department is proactively involved in all SGS departmental activities and supports the key 2021 SGS initiatives.

OPERATIONS DEPARTMENT

The operations department, Business Support Team (BST), is continuously ensuring business operational quality and functional internal services along with further IT and Business Process Operations development. Operations provide support with SGS ONE and are responsible for SGS ONE database management and further development.

2021 Operations department achieved outcomes:

- ✓ SGS APP: Finalized development and client testing of the SGS APP for Android and IOS.
- ✓ Setting up new office space in Almeria Center. Triple the size of our office space due to sales goals and expectations for this year.
- ✓ Selecting and hiring a new colleague for Operations/Office department "Digital office assistant" to support with office and software management.
- ✓ Clone and prepare the first SGS One CRM solution database for a client on a new domain.
- ✓ Onboarding with 4 new salespeople.

Initiatives & Strategic further development

- ✓ R&D Project Launch: "SGS ONE 2.0" - road mapping: The enhancement and optimization of SGS ONE. Project Start in May 2021
- ✓ SGS ONE HANDBOOK: created and implemented the SGS ONE & Workforce APP handbook
- ✓ Creation of SLA's online for implementation in Client contracts
- ✓ Implement a roadmap and reporting tool for client DaaS implementation to ensure accurate information and smooth implementation of departments for clients.
- ✓ Support in the establishment of "Value Added Reseller" [VAR] agreement and process
- ✓ Further internal processes optimization and development.
- ✓ Support to other departments in procedures optimization.

As stated, Operations Department is proactively involved in SGS company continuous development and, as an assistant to all SGS company departments, supports the 2021 SGS Strategy.

FINANCE DEPARTMENT

The finance department is continuously ensuring proper finance management, execution of activities within the cooperation with accounting, legal support, and other subcontracted vendors. Furthermore, the Finance department has the responsibility to ensure the development of set business procedures, legal and business documentation. Finance has the full responsibility to find new investors for the seed phase and has full control and leadership over the Investor analyst team that has to find and secure Investment for SGS. Also, to ensure continuous support to Associates and Investors. Management of the investor page and investor communication.

2021 Finance department achieved:

- ✓ Seed Phase: With January 1st 2021, SGS has started the "Seed Phase" where we aim to acquire 5m euro within the period of 2 years. In Q1 and Q2, SGS acquired 215k EUR of new investments necessary for SGS to run, grow and operate the startup.
- ✓ Investors/Advisory agreements: In the first half of 2021, SGS has 12+ advisors globally who are reaching their network with the goal or intention to support SGS investment targets. Most of them are individuals who are targeting their private networks. Since we signed them, they produced zero

results. Several investors have reached the stage of detailed conversations to evaluate a potential investment into the company. We have also implemented the presentation with the team & necessary documentation.

- ✓ SGS has further developed business documentation as well as planning documents to transparently present "Data Room" – overview of company status, legal form, capitalization table, present planning of revenues and business expenses as well as structure revenue streams and investment targets. Furthermore, use of investments and compiled business strategy in one document. The whole finance-investment Team dedicated their significant amount of working hours to prepare those data which will be presentable to potential investors. Accordingly, SGS has developed a more reliable financial growth planning.
- ✓ With the latest acquired investments, SGS has agreed with current investors to perform a Share capital increase. Accordingly, the process has been finalized in May 2021, and at the current company stage, the company has in total of 140.000 shares on the market, which is not publicly traded.
- ✓ Team size: Currently with 3 FTEs and 1 half-time employee SGS is scheduling a great number of introduction calls with potential investors/advisors per month. A number of team members are intended to grow and be allocated globally according to the further acquired investments.
- ✓ In the first half of 2021, Finance Department is tracking revenues and expenses on a monthly level,
- ✓ Furthermore, the Finance department and management revised current employees Bonus agreements for sales to motivate sales team members with appropriate targets and KPI metrics.
- ✓ Finance department implemented a new Bonus scheme with KPIs for Investment team members. The aim is to motivate the Team and recognize their effort and accountability according to achieved results.
- ✓ With support from the Marketing department, a new Investor page, Blog section has been created as well as Investor presentations, One-pager, and pitch-deck. The aim is to allow access to crucial documents to interested parties but also allow access to password-protected web-based "Data room" to specified investors/associates when NDA is signed. In that way, the latest version of each of our business documents (e.g., SGS Term sheet with crucial data about the company, Business plan, Investor presentation, etc.) will be available online and transparent to our investors/advisors.

Initiatives & Strategic further development:

- ✓ New Investment: In Q3 & Q4, SGS strives to focus also on company advisors who have a much bigger network and can support our business in a shorter timeframe. i.e., Faster Capital. These bigger and more professional organizations will cost money, and they ask a fee for the work and the successful Investment.
- ✓ SGS Investment Team: Implementing resources, business tools, business processes and procedures to contact and attract new investors/investments from individuals and professional organizations (Venture Capital companies, Angel Investment professional consulting firms, Family offices, etc.). This is a strategic initiative that will be a vital part going forward into the future. The performance needs to get much better.
- ✓ To scale on a much high level, Investors / Investments are in this phase of the startup the critical component. Implemented for the Team
- ✓ Investment campaigns: implementing the investor corner and investor campaigns in coordination with the Marketing department.
- ✓ Investor Newsletter: Preparation of Implementing a monthly newsletter for investors and interested parties
- ✓ Company Documentation and Reporting: Raising the quality and visibility of company data.

In addition, the SGS Finance department in 2021 continued with an agile approach to achieve the seed phase and its targets. Investment goals and funds allocation is presented in the Investor presentation (see corporate website/Investor proposal). However, the current Team is not producing the overall expected results and, therefore, will be revised in structure, setup and focus by adding seniors and letting go the students as soon as Investment allows us to do this. In the second ½ year of 2021, the Team will be changed to more focus on Investor type and focus regions. Beneficial would be a team lead to oversee daily achievements and activities.

To conclude

By presenting this report and key figures, SGS focus is to present our current values and foundations as well as our business goals execution. SGS main goal is to establish a stable and continuous business structure and to report, which will be additionally supported/enhanced by Investors, Associates, Board and Advisory Board.

- ✓ To conclude, our investors made an effort and decision to invest in SGS company's business, and by that, we are willing to provide them with the best support possible. Furthermore, to proceed with great success and additional DaaS services. We are now in the second Investment round, the "Seed" round. We are open if any of our current investors would like to raise the investment amount with SGS. This will allow us to develop our SGS goals much faster.
- ✓ DaaS as a long-term contractual relationship with clients will allow SGS in the future to be resilient and resistant against economic crises. Invoicing monthly for a managed service is a plannable and scalable business. On top of that, it allows growth with DaaS in various departments with a high cross-selling potential once we entered a client.
- ✓ Client Feedback: The customers are thrilled about our solution, and we are in discussions & negotiations with clients from all over Europe. They appreciate our concept, and some of them, especially the bigger ones want to go into planning with us in Q4 so that they could budget this for 2022. Smaller clients plan to start with us in Q4/2021. They like the concept, realization, implementation, operation and cost-saving that this solution will offer them. At the moment, our average contact to signature time is 4,5 months.
- ✓ By continued assessment of planned activities in the period 2020-2021, SGS business has presented as one of the examples of how a startup can be resilient in times of crisis. We react and adjust quickly to a changing environment. We keep all the critical success factors in the focus, such as cash flow, client business development, solution and service development and start the right initiatives and prepare them at the right time like the GTM and Channel strategy. We try to always stay one step ahead of the situation at present.
- ✓ Corona Virus / COVID-19: This is an ongoing challenge that has two sides to it. At the moment, potential clients are experiencing their own restricting and reorganization processes to stay immanent and keep the business going. On the other hand, it is the greatest business boost ever. All clients have stated that midterm they are interested in our solutions as the nearshoring the business to Croatia and business optimization would lead to cost efficiency and give the possibility to grow their business as well, specifically in this challenging time. Therefore, SGS proceeded with negotiations with those clients. We focus on a three-way strategy going into the second half of the year.
 - Low Hanging Fruits: SMB companies that make decisions in less than 4 months. Mini Team starting with 2 seats
 - Mid Hanging Fruits: SMB & SME companies that make decisions in less than 6 months. Mid teams starting with 3 seats
 - Target Clients: SME companies that make decisions in less than 9 months. Starting with 5+ seats.
- ✓ The Investment Team is an issue that needs to be resolved as we need the results. In the second half of the year, it needs to be restructured and refocused on the task of getting the needed funding in the seed phase.
- ✓ We finished the channel strategy now it is vital in the second half to implement it, and sign-up channel partner asap as this will allow growing revenue faster.
- ✓ Ramp up Sales is a strategic must-win direct sales and help the channel strategy as well

Note to readers

By writing this business report, SGS company is on a path to provide stable business reporting. For SGS, it is important to provide the best quality information to its investors and associates. Mentioned activities and targets set up for 2021 show the plan, execution, and achievements of business to ensure long term stability and sustainable business growth.

SGS is still a startup, and to reach break-even and growth over proportional, and we do require and need Investment. SGS is in the Investment round II, the "Seed" phase and is seeking new investments, as outlined in the new investment plan in the Investor presentation. To acquire the planned funds, it would be appreciated if current investors can forward the SGS Investor presentation link to potential connections/investors.

Basically, potential helping is to find more and new Investment. It is important to emphasize that, in case of investor agreement, SPA agreement, is signed and investment transaction with the new investor is successfully executed, the investor who recommended SGS new investor will be entitled to receive a commission from SGS.

Appendix

2021 SGS cashflow data

	2021											
	ACHIEVED						PLAN					
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21 E	Aug-21 E	Sep-21 E	Oct-21 E	Nov-21 E	Dec-21 E
CUSTOMER INFLOWS	5.330€	2.665€	16.834€	0€	8.845 €	9.005 €	30.709 €	11.963 €	20.449 €	81.706 €	142.249 €	148.932 €
INVESTOR INFLOWS	59.995€	154.850€	0€	0€	0€	0€	50.000 €	0€	0€	0€	0€	0€
FINANCIAL INFLOWS (share cap. Increase, etc.)	0 €	0 €	0 €	0 €	76.627 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
OTHER INFLOWS	0€	0€	51.501€	2.259€	3.033 €	2.384 €	2.927 €	2.300 €	2.300 €	2.300 €	2.300 €	2.300 €
TOTAL INFLOWS	65.325€	157.515€	68.335€	2.259€	88.506 €	11.389 €	83.636 €	14.263 €	22.749 €	84.006 €	144.549 €	151.232 €
OUTFLOW, PAYMENTS TO SUPPLIERS	12.913 €	18.329 €	37.563 €	20.313 €	17.919 €	7.400 €	22.836 €	34.000 €	20.000 €	20.000 €	20.000 €	20.000 €
OUTFLOWS FOR SALARIES, TAXES AND CONTRIBUTIONS	21.907 €	22.793 €	22.685 €	28.560 €	29.081 €	30.589 €	36.596 €	33.500 €	32.000 €	35.000 €	37.500 €	40.000 €
FINANCIAL OUTFLOWS (share cap. Increase, etc.)	0 €	0 €	0 €	76.627 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
OTHER OUTFLOWS (institution's fees, exchange rates differentials, interests repayment)	7.731 €	25.381 €	1.100 €	3.324 €	2.900 €	3.760 €	2.422 €	2.900 €	2.900 €	2.900 €	2.900 €	2.900 €
TOTAL OUTFLOW	42.551 €	66.503 €	61.347 €	128.824 €	49.900 €	41.749 €	61.854 €	70.400 €	54.900 €	57.900 €	60.400 €	62.900 €
Beginning Cash Balance	18.153€	40.927€	131.939€	138.927€	12.362€	50.968€	20.607€	42.389€	-13.748€	-45.900€	-19.794€	64.355€
Cash Flow from Operations	-37.221 €	-63.838 €	6.988 €	-49.938 €	-38.022 €	-30.360 €	-28.219 €	-56.137 €	-32.151 €	26.106 €	84.149 €	88.332 €
Cash Flow from Investing Activities	59.995 €	154.850 €	0 €	-76.627 €	0 €	0 €	50.000 €	0 €	0 €	0 €	0 €	0 €
Cash Flow from Financing Activities	0 €	0 €	0 €	0 €	76.627 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Change in Cash & Cash Equivalents	22.774 €	91.012 €	6.988 €	-126.565 €	38.605 €	-30.360 €	21.781 €	-56.137 €	-32.151 €	26.106 €	84.149 €	88.332 €
Cash Balance	40.927€	131.939€	138.927€	12.363€	50.968€	20.608€	42.389€	-13.748€	-45.900€	-19.794€	64.355€	152.688€

*all amounts are written in EUR

P & L 2021 Half-year report summary

BUSINESS ANALYSIS IN THE PERIOD from 1.1.2021. to 30.6.2021.

Revenues	Revenues from sales of goods	-	-
	Revenues from services	434.644,30 kn	99,73 %
	Other income	1.179,13 kn	0,27 %
	Total income	435.823,43 kn	

Expenses	Material costs	65.071,77 kn	3,71 %
	Service costs	448.810,45 kn	25,60 %
	Salary and contribution costs	1.052.961,27 kn	60,05 %
	Depreciation costs	-	-
	Costs of value adjustments	-	-
	Booking costs	-	-
	Other intangible costs	64.802,48 kn	3,70 %
	Other costs	6.924,54 kn	0,39 %
	Financing costs and exchange rate differences	114.828,82 kn	6,55 %
	Cost of goods sold	-	-
Total costs	1.753.399,33 kn		

RESULT OF BUSINESS	Total income	435.823,43 kn	
	Total costs	1.753.399,33 kn	
	Gross profit / loss	-1.317.575,90 kn	-302,32 %

BUSINESS RESULT	Total income	58.109,79 €
	Total costs	233.786,58 €
	Gross profit / loss	-175.676,79 €
	EBITDA	-160.366,28 €
	EBIT	-160.366,28 €
	NET Financial result	-15.153,29 €
	PROFIT/LOSS	-175.519,57 €
	TAX	0,00 €
	NET PROFIT/LOSS	-175.519,57 €
*values in EUR, course EUR/HRK=7,5		

Balance Sheet 2021 report*

BALANCE SHEET PER DAY 30.6.2021.				
Balance sheet - ASSETS	Fixed assets	775.295,37 kn	56,89 %	
	Stocks of raw materials	-	-	
	Inventories of goods and finished products	-	-	
	Real estate stocks	-	-	
	Trade receivables	303.593,65 kn	22,28 %	
	Other claims	86.578,37 kn	6,35 %	
	Financial assets	39.717,51 kn	2,91 %	
	Money in the account and cash register	156.393,86 kn	11,48 %	
	Calculate future operating costs	1.109,43 kn	0,08 %	
	TOTAL ASSETS	1.362.688,19 kn		
Balance sheet - LIABILITIES	Subscribed capital	1.400.000,00 kn	102,74 %	
	Reserves	2.158.255,29 kn	158,38 %	
	Retained earnings	121.347,70 kn	8,91 %	
	Transferred loss	-4.759.982,12 kn	-349,31 %	
	The result of the current period	-1.317.575,90 kn	-96,69 %	
	Provisions for future expenses	-	-	
	Long term obligations	3.375.463,17 kn	247,71 %	
	Short-term liabilities	385.180,05 kn	28,27 %	
	TOTAL CAPITAL AND LIABILITIES	1.362.688,19 kn		
Financial indicators	LIQUIDITY INDICATORS		DEBT INDICATORS	
Ind. current liquidity	0,41	0,50	Ind. current indebtedness	6,40 < 0,50
Ind. accelerated liquidity	1,42	> 1	Ind. own financing	-1,76 > 0,50
Ind. current liquidity	1,52	> 2	Funding ratio	-1,57 što manji
Ind. financial stability	-0,32	< 1	Indebtedness factor	0,66 < 5

* Balance sheet data validated and accessible, all the items harmonized and balanced, after we completed the transition from previous accounting and bookkeeping services provider to a new one.