

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 SPAN d.d.

Scope

Pursuant to the requirements of Article 272.r, paragraph 3 of the Companies Act and the contract concluded with SPAN d.d. ("the Company"), we have performed an engagement to express a limited assurance on the attached Remuneration Report for the year ended 31 Decemebr 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 SPAN 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

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

Deloitte d.o.o.

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

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.

In accordance with Article 272r of the Companies Act and the relevant provisions of the Corporate Governance Code of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency, the Management Board and Supervisory Board of Span d.d. (hereinafter: The Company or Span) have determined the following:

REPORT ON REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD FOR 2023

1. Introduction

The Remuneration report of Management Board members and Supervisory Board members for the financial year 2023 has been prepared to fulfil the obligation under Article 272 r of the Companies Act.

The Remuneration Report provides information on all receipts paid by the Company or undertaken to be paid to the current and former members of the Management Board and Supervisory Board during the last financial year.

2. Management Board

The Management of Span in 2023 consisted of the following members:

- Nikola Dujmović – President of the Management Board,
- Marijan Pongrac – Member of the Management Board,
- Dragan Marković – Member of the Management Board,
- Antonija Kapović – Member of the Management Board¹,
- Saša Kramar – Member of the Management Board

The status of members of the Management Board is regulated through the provisions of the Statute of the Company and the Employment Contract of members of the Management Board.

2.1. Receipts of members of the Management Board

The receipts to which members of the Management Board are entitled during their work in the Company are determined by Span d.d. Remuneration Policy (hereinafter: The Remuneration Policy). The aim of Span's Remuneration Policy is to ensure balanced, sustainable and transparent receipts of Management Board members, which reward their contribution to the success of the Company.

The Remuneration Policy is based on the following principles of rewarding members of the Management Board:

- Balance and transparency of all elements of remuneration
- Rewarding performance and responsibility for results achieved
- Emphasis on fixed remuneration, which does not encourage excessive risk-taking, while variable remuneration is associated with the overall achievement of the Company's objectives
- Defining short-term and long-term goals as financial and non-financial objectives
- Remuneration should be realistic and competitive and monitor the situation and practice in the relevant IT industry market

The Company contracts with the Member of the Management Board the right to the following receipts:

- a. Monthly salary,
- b. Annual bonus,
- c. Salary supplements and benefits.

Fixed receipts represent at least 60% of total receipts.

- a. The monthly salary represents a fixed part of the receipt of a member of the Management Board, is determined by the contract concluded with the Company, and is approved by the Supervisory Board on behalf of the Company. The monthly salary does not depend on the fulfillment of the goals and performance of the member of the Management Board, but it reflects the complexity of the work, competence and legal

¹ Antonija Kapović resigned from the position of Member of the Management Board, which entered into force on 31.12.2023.

and organizational responsibility of the members of the Management Board for the management of the Company's business. Since the members of the Management Board of Span act and make decisions jointly, have the same scope of responsibility in order to act in the best interests of the Company, the fixed monthly fee/salary of the members of the Management Board of the Company is defined in a single amount for all members and in 2023 amounted to gross EUR 11,945.05.

b. The annual bonus is a variable part of the receipt of a member of the Management Board and can amount to up to 40% of the annual salary of a member of the Management Board, whereby the annual salary is 12 monthly gross salaries of a member of the Management Board determined by the employment contract of a member of the Management Board concluded between an individual member of the Management Board and the Company. The purpose of the annual bonus is to reward the work performance of a member of the Management Board based on the achievement of financial and non-financial goals for a particular business year according to criteria such as: financial benchmarks, successful opening of new markets, acquisition of new international users, growth of sales of certain types of services, growth of employee satisfaction, retention of key employees or other relevant goals for human resources, etc. These benchmarks are related to the realization of the Company's strategy and business growth. At the beginning of each business year, the Supervisory Board of the Company determines the financial and non-financial objectives of the Company for that year and key performance indicators (KPIs) that will be taken into account when determining whether the set goals have been achieved. A member of the Management Board is entitled to the payment of an annual bonus according to the achieved percentage of the KPI target value determined by the Supervisory Board. The method of determining whether financial objectives have been met is the Group's annual consolidated audited financial statements, while the assessment of non-financial objectives is based on the Company's official report and/or quantitative and/or qualitative research by the relevant independent partners. The decision on the payment as well as on the amount of the annual bonus is made by the Supervisory Board of the Company within 30 days from the date of adoption of the annual financial statements for the year for which the annual bonus relates by the General Assembly of the Company.

c. Benefits and salary supplements of management board members are a company car assigned to use 24 hours a day, additional health insurance and a personal liability insurance policy.

The determination of the level and type of remuneration took into account relevant business practices in determining remuneration for management staff and the conditions and practices in the IT industry market.

2.1.1. Receipts of members of the Management Board in 2023

The amount of gross income paid in 2023 (regardless of the period to which the payment relates) for members of the Management Board of Span d.d. is shown in the table below:

Name and surname	Annual gross salary/fee (Gross 2)	%	Other receipts	%	Variable part paid in cash	%	Variable part of the stock / annual bonus for 2022	%	Total annual receipt paid
	1	2	3	4	5	6	7	8	9 (1+3+5+7)
Nikola Dujmović	174,475 €	77.47%	2,161 €	0.96%	995 €	0.44%	47,590 €	21.13%	225,221 €
Marijan Pongrac	173,093 €	77.66%	1,206 €	0.54%	995 €	0.45%	47,590 €	21.35%	222,884 €
Dragan Marković	172,103 €	64.09%	2,161 €	0.80%	995 €	0.37%	93,269 €	34.73%	268,529 €
Antonija Kapović	168,933 €	64.04%	2,294 €	0.87%	995 €	0.38%	91,566 €	34.71%	263,788 €
Saša Kramar	174,143 €	64.33%	2,294 €	0.85%	995 €	0.37%	93,269 €	34.45%	270,702 €

*Other receipts - hot meal, Christmas bonus, jubilee awards, grants, gift to children, voluntary pension pillar, additional health insurance

2.1.2. Variable remuneration

Variable remuneration paid in June 2023 refers to the annual bonus for 2022 awarded to board members in shares in accordance with Article 6. of Remuneration Policy. In accordance with point 2.1.4 of the Report on receipts of members of the Management Board and Supervisory Board of Span d.d. for 2022 "Awarding of a one-time award", which was approved by the Decision of the General Assembly of 14 June 2023, members of the Management Board of The company Antonija Kapović, Saša Kramar and Dragan Marković were awarded a one-time award for their exceptional contribution to the preservation of business continuity of TOV Span Ukraine and the establishment and management of a crisis relief team employees of TOV Span Ukraine. The award is expressed in monetary amount in accordance with the scope of work of an individual member, which was determined by the Decision on the establishment of a crisis team for TOV Span Ukraine, and was awarded in the company's own shares, namely 574 shares to Mr. Dragan Marković, 574 shares to Mr. Saša Kramar and 477 shares to Mrs. Antonija Kapović.

In addition, 94 shares were allocated according to the ESOP program to Board member Antonija Kapović in October 2023, and the amount was recalculated based on the last trading price of shares on the Zagreb Stock Exchange on the day before the award, 11.10.2023.

The total number of allocated shares in 2023 in the name of variable remuneration listed in the above point for members of the Management Board of Span d.d. is shown in the table below, and the amount was recalculated based on the last trading price of the share on the Zagreb Stock Exchange on the day before the award, 20 June 2023:

Name and surname	Number of shares allocated	Total amount of receipt in shares
Nikola Dujmović	598	47,590 €
Marijan Pongrac	598	47,590 €
Dragan Marković	1,172	93,269 €
Antonija Kapović	1,169	91,566 €
Saša Kramar	1,172	93,269 €
TOTAL	4709	373,283 €

2.1.3. Reservation of the amount for the payment of the annual bonus

Pursuant to Article 5. Remuneration policies- *Annual bonus*, in 2023, the amounts listed below are reserved for the payment of the annual bonus for the Management Board for 2023, which will be paid in 2024 after the adoption of the annual financial statements in case of achievement of the prescribed goals. The total reserved amount of the annual bonus for 2023, which may amount to a maximum of 40% of the annual salary of a member of the Management Board in accordance with Article 6 of the Regulations. The receipt policy was converted into a corresponding number of shares, and the reservation was made on the basis of the last share trading price on the Zagreb Stock Exchange on 29 December 2023 (EUR 50).

Name and surname	Number of reserved shares	Total amount of receipt in shares
Nikola Dujmović	441	29.000
Marijan Pongrac	441	29.000
Dragan Marković	441	29.000
Antonija Kapović	441	29.000
Saša Kramar	441	29.000
TOTAL:	2,205	145.000

In accordance with Article 5. of the Remuneration Policy the decision on the payment as well as the amount of the annual bonus for 2023 is made by the Supervisory Board of the Company within 30 days from the date of adoption of the annual financial statements for 2023 by the General Assembly of the Company. On the day of the award, the amounts of annual bonuses will be converted into the number of shares in accordance with the current Remuneration Policy.

2.2. Comparative presentation of the company's income/profit movements and receipts of Management Board members

Year	in '000 EUR		in EUR	
	Total revenues of the Company	The Company's net profit	Average gross annual earnings per worker	Average gross annual receipt of members of the Management Board of the Company
2019	44,959	421	29,575	103,355
2020	55,492	862	31,652	152,569
2021	72,862	2,569	35,934	185,378
2022	92,455	5,567	37,623	207,442
2023	100,882	461	40,163	249,588

In the calculation of the average gross annual salary of workers, fixed parts of workers' compensation (regular salaries, allowances for shift work, preparedness, overtime, etc.), variable parts such as annual bonuses (quarterly incentives or various rewards for work performance) and all material rights (compensation for transport costs, hot meals, accommodation, christmas bonuses, jubilee awards, grants, gifts to children, etc.) were taken into account. The number of workers for each year was calculated as the average of the final condition during the year worked.

The average gross annual remuneration of board members also took into account all fixed and variable compensation parts paid during the specified period.

2.3 Additional information

The amount of remuneration paid to Management Board members shall be determined with the aim of attracting, motivating and retaining qualified personnel and promoting sound and effective risk management and deterring risk-taking beyond a level acceptable to the Company.

In 2023, the company did not demand the return of any variable part of the salary.

Members of the Management Board have not been paid, nor is there an obligation to pay receipts from third parties in connection with the tasks they performed as members of the Management Board of Span d.d.

Pursuant to the Agreement on termination of the employment contract of a member of the Management Board, the Company was obliged to pay severance fee in the gross amount of EUR 83,495.90 until 31 March 2024, i.e. in the amount of 6 (six) monthly gross salaries and compensation in the amount of EUR 38,522.79 based on the competition ban referred to in Articles 14 and 15 of the Employment contract of a member of the Management Board during the period from April 1 to July 1, 2024.

The annual bonus for the results achieved for 2023 will be paid according to item 2.1.3 of this Remuneration Report.

3. Supervisory Board

During 2023, the Company's Supervisory Board consisted of the following members:

- Ante Mandić – President of the Supervisory Board elected on 14 June 2023,
- Aron Paulić – Deputy President of the Supervisory Board
- Ivana Šoljan – Member of the Supervisory Board appointed on 14 June 2023
- Mirjana Marinković – Member of the Supervisory Board appointed on 14 June 2023
- Barbara Građevak - Member of the Supervisory Board- workers' representative appointed on December 29, 2023
- Jasmin Kotur - President of the Supervisory Board and Member until June 14, 2023
- Zvonimir Banek - Member of the Supervisory Board until 14 June 2023

Members of the Supervisory Board, Mr. Jasmin Kotur and Zvonimir Banek resigned from the Supervisory Board of the Company with entry into force on 14 June 2023.

3.1. Remuneration of members of the Supervisory Board

In accordance with the provisions of the Remuneration Policy, members of the Supervisory Board receive an award for their work in accordance with a special decision of the General Assembly of the Company. The amount of the award is determined by the General Assembly in that decision. The award is determined in a fixed amount after the Supervisory Board meeting.

Remunerations for the work of members of the Supervisory Board paid until June 14, 2023 are determined by the Decision of the General Assembly of the Company on the receipts of members of the Supervisory Board from 13 June 2022 in the amount of EUR 829.52 gross per session. The aforementioned decision was valid until the Decision of the General Assembly of the Company on the remuneration of the members of the Supervisory Board of 14 June 2023, which increased the fee to the amount of EUR 1,000.00 gross.

Name and Surname	Function	Total gross compensation paid
Ante Mandić	President of the Supervisory Board	5,900 €
Aron Paulić	Deputy President of the Supervisory Board	4,825 €
Ivana Šoljan*	Member of the Supervisory Board	3.225 €
Mirjana Marinković*	Member of the Supervisory Board	3.225 €

Former members of the Supervisory Board who were paid benefits during 2023:

Name and Surname	Function	Total gross compensation paid
Jasmin Kotur**	President of the Supervisory Board	2,675 €
Zvonimir Banek**	Member of the Supervisory Board	2,675 €

For the purpose of independence and complete objectivity of board members, the awards of the Supervisory Board do not depend on the company's results and do not contain a variable part.

All taxes, surtaxes, contributions and/or other benefits are withdrawn from the gross amount of the award.

*For the period from June 14, 2023

**For the period up to June 14, 2023



3.2. Additional information

During 2023, the Company did not provide any advances or loans to members of the Supervisory Board.

The Company had obligations in 2023 in the amount of EUR 54,960 under business cooperation agreements towards the company B U G d.o.o., whose director is Aron Paulić for the realization of the media and sponsorship package. It is a multi-year business cooperation that includes promotional activities such as advertising services, advertising campaigns, writing PR articles in its editions (bug.hr, mreza.bug.hr, BUG magazine, Mreža magazine) and sponsorships at conferences relevant to the IT industry (sponsorship Bug, debug conferences with media coverage on debug.hr pages).

4. Approval of Reports

The Remuneration Report of the Management Board and Supervisory Board of Span d.d. was approved and adopted by the Management Board and Supervisory Board on 30 April 2024.

In Zagreb, April 30, 2024.

Handwritten signature of Nikola Dujmović in blue ink.

President of the Management Board:

Nikola Dujmović

Handwritten signature of Ante Mandić in blue ink.

President of the Supervisory Board:

Ante Mandić