



**ZAGREB HOLDING GROUP**

Management Report  
for the first half of

**2024**

Our vision:

To be one of the leading municipal services companies in the CEE region in every business segment.



ZAGREBAČKI  
HOLDING

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# BASIC INFORMATION ABOUT ZAGREB HOLDING GROUP

Zagreb Holding Ltd. ("the Company") is a company wholly owned by the City of Zagreb. Its core business operations are carried out through 12 subsidiaries and it also owns five companies and a healthcare institution. Together, the subsidiaries, related companies and the healthcare institution form the Zagreb Holding Group ("the Group"), with Zagreb Holding Ltd. as the leading company in the creation of its business policies.

The business group consists of Zagreb Holding Ltd., Zagreb City Gasworks Ltd., Zagreb City Gasworks-Supply Ltd., City Housing and Municipal Services Company Ltd., Water Supply and Drainage Ltd., Zagreb Plakat Ltd., the institution Zagreb City Pharmacies and Bjelovar City Gasworks Ltd., a subsidiary of the related company Zagreb City Gasworks Ltd.

The Group provides a wide range of services grouped into business areas of municipal, energy-related and commercial activities. It also provides public water supply and drainage services and pharmaceutical services.

## Main activities of Group companies

- Gas distribution and supply
- Waste disposal and management
- Water collection, treatment and distribution
- Cleaning and waste collection
- Landscaping and green space maintenance
- Public and unclassified state roads: construction, management, maintenance and protection, including traffic lights and signs, machinery and asphalt production
- Real estate management and maintenance
- Public parking lot and garage services
- Storage and rental services
- Construction and management of electronic communication infrastructure and electronic communication networks
- Supply and preparation of medications, supply of medical products and other healthcare products

Group companies operate primarily in the Croatian market.

**Registered office:** Ulica grada Vukovara 41, Zagreb

**Court Reg. No.:** 080042653

**PIN:** 85584865987

**Share capital:** EUR 421,666

**Number of employees  
as at 30/06/2024:** 7,446

**Number of bonds quoted on the Official Market of the Zagreb Stock Exchange:** 305,000,000

**Date of issue:** 11/7/2023

**Maturity date:** 11/07/2028

**Interest rate:** 4.90 %, fixed, payable semi-annually

## Management Board

Members of the Parent Company's Management Board are as follows:

- Ivan Novaković, President of the Management Board
- Matija Subašić-Maras, member of the Management Board
- Dubravko Karačić, member of the Management Board
- Damir Novinić, member of the Management Board

## Supervisory Board

Members of the Parent Company's Supervisory Board are as follows:

- Suzana Brenko, President of the Supervisory Board from 14/06/2021 to 02/07/2024
- Andro Pavuna, member from 22/12/2023, Deputy President from 26/01/2024, and President of the Supervisory Board since 23/07/2024
- Kristijan Starčević, member from 13/02/2023, Deputy President since 23/07/2024
- Martina Jurišić, member since 22/12/2023
- Željko Matijašec, member since 22/12/2023

## Audit Committee

Members of the Audit Committee are as follows:

- Ivan Čevizović, member from 16/11/2021, President since 14/06/2022
- Josip Teklić, member of the Management Board from 16/11/2021, Deputy President since 14/06/2022
- David Krmpotić, member since 16/11/2021
- Suzana Brenko, member from 14/06/2022 to 02/07/2024

## Assembly

City of Zagreb is the sole member of the Parent Company's Assembly and its representatives are the following:

- Tomislav Tomašević, since 07/06/2021
- Danijela Dolenc, since 07/06/2021
- Luka Korlaet, since 07/06/2021

# MANAGEMENT BOARD'S COMMENT

## on H1 2024 Performance

In the first six months of 2024, the Group continued optimizing operational processes, focusing on improving efficiency, sustainability, and further strengthening financial self-sustainability as a prerequisite for the continued reduction of loan obligations. Alongside work on key projects, including investments in infrastructure for providing public waste collection services, taking over management of the central wastewater treatment facility of the city of Zagreb, and preparing the Zagreb Project, the Group managed to maintain consistent quality in the services provided. The Group's focus remained on establishing activities that would result in better resource management and optimization of work processes.

Regarding sustainable development, the Group maintained its course towards environmentally responsible operations, increasing the share of renewable energy sources in total consumption and increasing the amount of separately collected municipal waste.

The "Zagreb Project 2021-2027" is one of the most important investments in the water and sanitation infrastructure sector. Its implementation will result in greater resilience to climate change, improved water quality, and reduced system losses, which is a key step towards sustainable development and enhancing the quality of life for citizens.

Additionally, during the first half of the year, the Group intensely prepared to take over the management of the central wastewater treatment facility of the city of Zagreb and officially assumed control of its operations on 4 August 2024.

Simultaneously, during the first half of the year, Zagreb City Gasworks-Supply Ltd. faced challenges, particularly regarding gas market regulations and the implementation of a Public Tender for selecting a supplier obligated to provide the public service of gas supply for the period from 1 October 2024 to 30 September 2027, which ultimately resulted in losing, as of 1 October 2024, the right to provide the public service of gas supply on 10 distribution areas in Croatia where Zagreb City Gasworks-Supply Ltd. provided that public service. Also, in the first half of 2024, negative effects on the Group's revenue were caused by uncertainty related to the Amendment to the Regulation on Elimination of Disturbances in the Domestic Energy Market and the inability to apply for compensation for the gas price difference between the price defined by the methodology of the Croatian Energy Regulatory Agency (HERA) and HERA's Decision on the gas price for the period from 1 April 2024 to 30 June 2024. Despite these challenges, measures were taken to mitigate losses, and the Group adapted to market conditions to continue operations with a focus on providing supply services to the population of its domicile distribution areas, the city of Zagreb, Velika Gorica and Zaprešić.

### Financial indicators

In the first half of 2024, the Group generated loss amounting to EUR 21.02 million, primarily due to the inability to submit applications for compensation of the gas price difference in the period after 1 April 2024, which amounted to EUR 27.4 million.

In H1 2024, operating income was generated in the amount of EUR 418.52 million, which is an EUR 42.62 million (11%) increase compared to the same period in the previous year. The most significant increase in sales revenue was recorded in the cleaning and waste collection services, landscaping and green space maintenance, and sale of medications segments. A substantial decrease in sales revenue was noted in the gas sales and distribution segment (- EUR 18.23 million), due to lower quantities of delivered gas and a drop in gas sales prices for households as of 1 April 2024, as well as a reduction in the market price of gas for corporate customers. The increase in other operating income is mostly attributed to financial support from the City's budget for purposes approved by Zagreb City Assembly and state subsidies based on the Regulation on Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market (Official Gazette 74/22) related to compensation for the difference between the purchase and sales price of gas.

Operating expenses amounted to EUR 427.33 million, representing an increase of EUR 62.40 million (17%) compared to the same period of the previous year. This increase resulted from increased costs of goods sold in the amount of EUR 51.59 million, which primarily pertained to Zagreb City Gasworks – Supply Ltd. as a result of greater purchase price of gas for the public service as of 1 April 2023, and to Zagreb City Pharmacies. The costs of municipal services and fees increased due to the disposal of biowaste via an external provider of waste recovery services and higher costs of recovery of plastic. Staff costs also rose, influenced by the increase in employee benefits under collective bargaining agreements of Zagreb Holding and subsidiaries, as well as an increase in the average number of employees by 5%.

In conclusion, despite the challenges, Zagreb Holding remains on a stable course in 2024, with further plans to improve operational and financial performance while continuing to contribute to sustainable development and enhancing the quality of life in the city of Zagreb.

# SIGNIFICANT BUSINESS EVENTS

## IN H1 2024

### Supervisory Board:

Changes in the Supervisory Board in the period from 1 January 2024 to 30 June 2024:

1. Andro Pavuna, Deputy President of the Supervisory Board since 26 January 2024

### Changes in subsidiaries of Zagreb Holding Ltd.

1. Subsidiary Zrinjevac
  - Damir Grgić, Head of subsidiary from 15 February 2022 to 29 March 2024
  - Božena Cvitanović, Head of subsidiary since 30 March 2024
2. Subsidiary Zagreb Markets
  - Božena Cvitanović, Head of subsidiary from 7 February 2022 to 30 June 2024
  - Marin Rončević, Head of subsidiary since 1 July 2024

### Changes in Zagreb Holding Ltd.'s related companies

WATER SUPPLY AND DRAINAGE Ltd.

1. Janja Mihalić, Deputy Director in the capacity of deputy member of the Management Board since 26 March 2024
2. Damir Grgić, member of the Supervisory Board from 7 June 2022 to 24 April 2024
3. Jurica Krleža, member of the Supervisory Board from 24 April 2024, Deputy President of the Supervisory Board since 30 April 2024
4. Ivan Čipin, member of the Supervisory Board (workers' representative) until 11 June 2024, when his term of office expired, and then reappointed member of the Supervisory Board, as a workers' representative, since 25 June 2024



## SUSTAINABLE OPERATIONS

### New collective bargaining agreements

Zagreb Holding and the representative unions signed a new Collective Bargaining Agreement on 26 March 2024 for the employees of the company Zagreb Holding Ltd.

During the negotiations, which began at the end of 2023, an increase in employee benefits for employees of the Group was agreed upon, including a 12 percent increase in the base salary for all employees. The amounts of permanent salary supplements, special bonuses, and other payments were also increased up to the maximum non-taxable limits.

The new Collective Bargaining Agreement of Zagreb Holding Ltd. is effective from 1 March 2024 to 31 March 2026, and it provides for an EUR 13.1 million increase in employee benefits in 2024.

Employee benefits also increased in some Zagreb Holding Group companies. New collective bargaining agreements were concluded in Water Supply and Drainage Ltd. and Zagreb City Gasworks Ltd., whereas the company City Housing and Municipal Services Company Ltd. has an agreement in place that has the legal effect of a collective bargaining agreement.

### Sustainable business goals

#### Verified positive key performance indicators

Zagreb Holding Group has adopted the 2023-2028 Sustainability Strategy, which defines its sustainable development goals.

The Group's sustainable development is based on environmental protection, adaptation to climate change, resilience to crisis situations, risk prevention, efficient use of natural resources, and the protection of biodiversity, while simultaneously strengthening economic and social cohesion in determining priorities and measures.

In the area of environmental impact, the Group is committed to sustainable resource management, which includes waste management, efficient water resource management, and the sustainable use of energy (including energy efficiency and the use of renewable energy sources).

As a result, the Company has linked itself to two key sustainability performance indicators through the issuance of sustainability-linked bonds: the share of separately collected municipal waste or waste removed from landfills (59% by 2028) and the share of renewable electricity in total electricity consumption (70% by 31 March 2028).

In accordance with Zagreb Holding's Sustainability-linked Bond Framework, published on the Company's website and available at <https://zgh.hr/investors/bonds/11927>, and in line with Green Bond Principles, the Company has hired an independent evaluator, DNV Business Assurance Italy S.r.l, which verified the key indicators and activities that the Company has implemented and intends to further implement in order to achieve the sustainability goals. The positive result of the independent evaluation conducted in May and June 2024 is available at: <https://www.zgh.hr/o-nama/izvjesca/19>.

#### Equality, equity, inclusion

In April 2024, Zagreb Holding, the City of Zagreb and UNICEF signed an agreement aimed at supporting UNICEF's activities in protecting and exercising children's rights. Based on the Cooperation and Donation Agreement with UNICEF, Zagreb Holding will include UNICEF leaflets in the monthly bills sent to customers.

Additionally, in April, an educational workshop on the topic of waste was held at the Zagreb Association of the Blind, targeting blind and visually impaired individuals. The workshop is part of a City of Zagreb and Zagreb Holding project under which waste containers are being adapted for blind and visually impaired persons by adding tactile markings. As part of the workshop, audio instructions were also created to help recognize the tactile markings on the containers.

## [Customer relations](#)

Zagreb Holding has provided the service of sending a single utility payment slip to customers via email in PDF format. Following the introduction of the fee-free [payment of the single utility payment slip by using the KEKS Pay app](#), this new functionality of electronic bill delivery allows the Group to continue improving its services and enhancing the quality of customer experience, while maintaining a strong commitment to environmental protection.

## **GROUP PROJECTS**

### **Implementation of an integrated information system of Zagreb Holding - SAP solution**

The implementation of Zagreb Holding's integrated information system, SAP, was initiated on 25 January 2024. During the period up until 30 June 2024, project preparation activities were carried out (defining the project organization, establishing the timeline), the system and network environments for all platforms were set up, the SAP Q Gate environment was installed, and the analysis phase was completed. The purpose of the SAP solution implementation project is to centralize and consolidate financial operations in the areas of accounting, finance, and controlling, all aimed at improving reporting and planning. The projected go-live date is September 2025. As of 30 June 2024, project deliveries are in line with the project timeline.

### **Subsidiary City Waste Disposal**

During the first half of 2024, City Waste Disposal continued its business activities aimed at improving the efficiency and quality of our primary operations, particularly the public service of municipal waste collection. At the same time, preparatory activities were undertaken for the remediation of the landfill collapse that occurred at the Jakušvec – Prudinec landfill in November and December 2023.

The vehicle fleet of City Waste Disposal was renewed with 39 new specialized vehicles for municipal waste collection, a result of public tenders conducted in the previous period. In addition to increasing daily operational readiness, the new vehicles, due to their characteristics, have enabled the company's greater preparedness for the challenges posed by increased amounts of recyclable waste and provided the multifunctionality needed when handling specialized containers in public spaces, such as underground containers, the installation and commissioning of which intensified in the first six months of 2024.

During the first half of the year, City Waste Disposal prepared and published documentation for procurement of semi-underground containers through a public procurement procedure. The semi-underground containers will be installed at the current locations of "recycling islands," at around 300 sites. They will be used for the disposal of plastic, paper, and glass, similar to the underground containers, and with a significantly larger capacity than the existing "bell" containers currently located at "recycling islands." The containers will be accessible by card and intended for public use.

Following the increase in waste volume, predominantly consisting of plastic and metal packaging, City Waste Disposal has begun distributing yellow containers, which, with a much larger capacity compared to the previous standard yellow bags, offer users greater possibilities for disposing of these types of waste.

Starting in March 2024, at the Čulinečka 273, Resnik site, City Waste Disposal began receiving construction materials generated from the debris removal process during the reconstruction of buildings damaged by the earthquake in the area of the city of Zagreb. Contractors with contracts with the Ministry of Physical Planning, Construction, and State Assets can, upon submitting a request, begin delivering materials to the storage location.

In April 2024, Zagreb Holding joined environmental cleanup actions in celebration of Earth Day at four locations in Zagreb. For the cleanup actions in Zagreb, City Waste Disposal provided waste collection and removal services, deploying a total of five trucks.

### **Subsidiary Zagreb Roads**

During the first half of 2024, Zagreb Roads continued the construction of City Waste Disposal's underground containers for the disposal of mixed municipal waste in dedicated bags, plastic waste, paper, and biowaste. By 30 June 2024, containers had been installed at 39 locations in the city centre. The project of construction of underground containers continues, with the aim of covering approximately 50 locations in the area of the City of Zagreb by end of 2024.

## Subsidiary Zrinjevac

In the period from 29 May to 2 June 2024, the 58th International Garden Show "Floraart" was held, co-organized by the City of Zagreb and Zagreb Holding Ltd., subsidiary Zrinjevac.

At the largest horticultural event in this part of Europe, held over an area of 300,000 square meters, more than 150 national and international exhibitors participated - from Croatia, Italy, Slovenia, and the Netherlands.

This show has an important economic aspect, as it contributes to the development of entrepreneurship and crafts and trades, and it has also become an importance segment in Zagreb's tourist offer.

Additionally, at the end of March, Subsidiary Zrinjevac successfully completed the implementation of a project to plant 8,000 new trees in the Zagreb area, with the City of Zagreb as the investor. The planting replaced the trees that were destroyed in a major storm that hit Zagreb in July 2023, and new seedlings were planted. This contributed to the greening of public urban spaces, which helps reduce air pollution and mitigate the effects of summer heat waves. In all city districts, 46 species of seedlings, grown by Zrinjevac in its nursery, were planted.

In May 2024, the State Inspectorate (DIRH) issued a Decision prohibiting the operation of the waste recovery facility at the Markuševac composting plant, located at Čret 2e, until Zrinjevac obtains an environmental permit or a decision allowing the facility to operate below threshold indicator values. The operator, Subsidiary Zrinjevac, has appealed the DIRH's decision and, at the same time, initiated the process of obtaining a decision to operate below the threshold indicator values, although it believes it is not required to obtain an environmental permit, or the decision allowing it to operate under the threshold indicator values. In May 2024, the Ministry of Environmental Protection and Green Transition confirmed Zrinjevac's understanding that it is not obligated to obtain an environmental permit. By the date of this report, DIRH has not provided a response to the mentioned appeal by Subsidiary Zrinjevac.

## Water Supply and Drainage Ltd.

### Central wastewater treatment facility of the city of Zagreb

In accordance with the decision of the Zagreb City Assembly from January 2024, the company Water Supply and Drainage Ltd. initiated preparatory actions to take over the management of the central wastewater treatment facility of the city of Zagreb.

At its session, the Assembly made the decision to unilaterally terminate the Concession Agreement for the Infrastructure Project needed for the construction of the central wastewater treatment facility for the city of Zagreb, which had been managed by a private concessionaire for the past 24 years. At the end of March, Water Supply and Drainage Ltd. formed a team of internal employees who carried out all the preparatory work for taking over the facility and ensuring its continued smooth operation after the concession expiration date. Employees of Water Supply and Drainage Ltd. participated in the training/knowledge transfer regarding the operation of the facility, and the facility, along with its employees, was successfully taken over on 4 August 2024.

### Zagreb Project 2021-2027 (improvement of water and sanitation infrastructure)

During H1 2024, the company Water Supply and Drainage Ltd. continued with preparatory activities for the "Zagreb Project 2021-2027 (improvement of water and sanitation infrastructure)". The project aims to reconstruct and expand the public water supply and sewage system in the Zagreb agglomeration and includes additional works on the expansion of the central wastewater treatment facility in Zagreb. The project is estimated to be worth 323 million euros.

In the first half of 2024, Water Supply and Drainage Ltd. took steps to secure co-financing for the largest infrastructure project in water supply and drainage to date, through European funds from the Competitiveness and Cohesion Program 2021–2027.

In accordance with the required criteria, project documentation was prepared and submitted, which includes the Project Team's Opinion on the acceptance of the prepared feasibility study, proof of legal interest in accordance with Article 109 of the Construction Act for 1,695 cadastral plots (99.82% of the total number of parcels covered by the project), and 19 location permits obtained out of the 20 required, as well as 23 building permits obtained

out of the 25 required, a building permit for the third stage of the wastewater treatment facility, and a set of procurement documentation with a report on preliminary consultation that has been prepared and published.

#### [Emptying of collection pits and septic tanks](#)

As of 1 May 2024, the service of emptying and transporting municipal wastewater from individual drainage systems is provided by the public supplier Water Supply and Drainage Ltd. The emptying service must be requested by using the form: „[Application for emptying municipal wastewater from collection pits or septic tanks](#)” and the completed request should be submitted via email to: [vio.jame@zgh.hr](mailto:vio.jame@zgh.hr) or in person at the registry office of Water Supply and Drainage Ltd. at the address Folnegovića 1, 10 000 Zagreb. The service is free of charge for citizens.

#### **City Housing and Municipal Services Company Ltd.**

City Housing and Municipal Services Company Ltd., the largest property manager in the market, continues to regularly perform management and maintenance tasks for residential and commercial spaces. The company has conducted an analysis and adopted a new calculation model for the manager's fee for regular management, as well as the manager's fee for buildings under forced management, based on which the minimum management fee was increased as of 1 June 2024.

In May 2024, the process of updating the official price lists of City Housing and Municipal Services Company Ltd. was initiated, which is necessary for the smooth execution of emergency interventions and for enabling cost assessments by clerks.

#### **IMPACT OF REGULATORY CHANGES ON BUSINESS OPERATIONS**

As a provider of services of general economic interest, the Group's operations are regulated by numerous laws and subordinate legislation, and as such, the Group is exposed to dynamic changes in legislation and the regulatory framework. The prices of certain activities within the Group are influenced by regulators and the City of Zagreb as the local self-government unit. Some of the activities of the Group, including the pricing of services based on such activities, are managed by regulatory bodies of the Republic of Croatia, such as the Croatian Energy Regulatory Agency (HERA), for example, whereas others are under the influence of the City of Zagreb. On the other hand, the costs of providing these services are under the influence of the market, where prices can vary on a weekly or a monthly basis.

##### 1. Zagreb City Gasworks – Supply Ltd.

The operations of Zagreb City Gasworks - Supply Ltd., as a supplier obligated to supply the public service in 13 distribution areas in the Republic of Croatia, have been marked by numerous changes in terms of regulatory acts and other decisions that determine the price of gas.

Based on the amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market from July 2023, Zagreb City Gasworks - Supply Ltd. submitted four timely applications for compensation of the gas price difference for the period from 1 April 2023, to 31 March 2024, in the amount of 143.9 million euros, which Zagreb City Gasworks - Supply Ltd. is claiming from the state.

Zagreb City Gasworks - Supply Ltd. is seeking compensation for the price difference caused by disturbances in the domestic energy market and previous interventions by the Government of the Republic of Croatia, which changed the final gas prices for public service as determined by HERA, through the Decision on the Amount of Tariff Items for Public Gas Supply Service and the amendment of the Methodology for Determining the Amount of Tariff Items for Public Gas Supply Service and Guaranteed Supply (Official Gazette 38/23).

Based on the new decision on the amount of tariff items for the public gas supply service and the 2023 Methodology, Zagreb City Gasworks - Supply Ltd. was entitled to invoice end-users a gas price of 41.00 EUR/MWh until 31 May 2023, and 47.60 EUR/MWh from 1 June 2023 to 31 December 2023, while at the same time, according to the Framework Agreement with the supplier, and applying the methodology defined by HANFA for the period of public service provision 2021–2024, the gas price amounted to 105.6 EUR/MWh.

By the date of this report, the Ministry of Economy has not yet made a decision regarding any of the submitted requests by Zagreb City Gasworks - Supply Ltd. Zagreb City Gasworks - Supply Ltd. has taken further legal actions

to protect its rights and interests and has initiated administrative disputes due to the “administration’s silence” and failure to decide on the aforementioned requests. Four administrative disputes are currently ongoing.

Furthermore, with the Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market (Official Gazette 32/2024) of 1 April 2024, the supplier's right to submit applications for compensation of the gas price difference was not extended. As a result, Zagreb City Gasworks - Supply Ltd. has no legal grounds on which to claim compensation for the price difference for the period from 1 April 2024 to 30 September 2024, during which the public service supply contract remains in effect.

Zagreb City Gasworks - Supply Ltd. has contacted HERA and the Ministry of Economy in writing, proposing an amendment to the Regulation and an extension of the supplier's right to compensation for the price difference during the validity of the Regulation, i.e., until 30 September 2024. In the period from April to June 2024, Zagreb City Gasworks - Supply Ltd., due to the inability to submit applications for compensation of the gas price difference, recognized lower revenue, reduced by approximately EUR 27.4 million, which added to the loss reported for the period January–June 2024 by that amount, and consequently, the company will be forced to report further losses for the period from June to September 2024.

Furthermore, in March and May, Zagreb City Gasworks - Supply Ltd. participated in two public tenders for the selection of a public service supplier for the period from 1 October 2024 to 30 September 2027. After the first tender was annulled, HERA, following the second tender, issued a decision on 29 May 2024, selecting the company Međimurje plin d.o.o. as the public service supplier for the distribution area of Zagreb.

Zagreb City Gasworks - Supply Ltd. will continue to operate on a market basis, as in addition to households, it also supplies gas to corporate customers (businesses).

At the end of June 2024, Zagreb City Gasworks - Supply Ltd. filed a lawsuit with the Administrative Court in Zagreb against HERA’s decision on appointment of a supplier obligated to provide the public service gas supply for the distribution area of the distribution system operator Zagreb City Gasworks Ltd.

## 2. Zagreb City Gasworks Ltd.

Zagreb City Gasworks Ltd. generates revenue through its regulated gas distribution service, with the regulator HERA determining the amounts of tariff items for periodic regulation periods, as established by the Methodology for Determining the Amount of Tariff Items for Gas Distribution (Official Gazette 48/2018) The price of gas distribution consists of tariff item Ts1 which pertains to distributed amount of gas which is determined for every distribution system operator separately, and of tariff item Ts2 which represents a fixed monthly charge.

In accordance with the aforementioned, HERA issued the Decision on the amount of tariff items for gas distribution for the third regulation period 2022–2026 (Official Gazette 108/2022), which has been in effect since 1 October 2022, for all distribution system operators in Croatia. The set tariff item for Zagreb City Gasworks Ltd. for 2024, Ts2 (fixed monthly charge), remained unchanged, while Ts1 (tariff item for distributed gas quantity) increased by an average of 5.5% compared to 2023

## PROJECTS FINANCED UNDER THE EU SOLIDARITY FUND

### Water Supply and Drainage Ltd.

On 3 June 2022, the company concluded a grant agreement for activities funded by the EU Solidarity Fund for the project “Repair of Earthquake-Damaged Water Supply and Drainage Systems of the Company Water Supply and Drainage Ltd., VIO 1”. The total value of the Project amounts to EUR 4,905,748, with eligible costs of EUR 4,120,194 for which a co-financing rate of 100% is provided. On 21 June 2024, a request for the reimbursement of funds in the amount of EUR 65,937.09 was submitted for the period from 30 June 2023 to 21 June 2024, which is still in the verification and approval phase.

The second grant agreement for operations financed from the EU Solidarity Fund under the project “Repair of Earthquake-Damaged Water Supply and Drainage Systems of the Company Water Supply and Drainage Ltd., VIO 2” was concluded on 16 September 2022. The total value of the Project amounts to EUR 2,079,025, with eligible costs of EUR 1,513,064 for which a co-financing rate of 100% is provided. In the first six months of 2023, a total

of EUR 1,344,185.08 was disbursed, while approval for the remainder of the cost compensation is expected in 2024 and 2025.

## OTHER PROJECTS CO-FINANCED THROUGH GRANTS

### Projects for the restoration of cultural heritage at Mirogoj

At Mirogoj Cemetery, the following projects were carried out in the first half of 2024:

1. "Preparation of Project Documentation and Implementation of Measures to Protect the Office Building at the Mirogoj Cemetery."

The renovation of the office building was completed in March 2024. The goal of this project was the comprehensive restoration of the office building, a protected cultural heritage site at Mirogoj Cemetery, to repair the damage caused by the March 2020 earthquake. Upon project completion, its total value amounted to EUR 1,727,370.05. The project was financed from the following sources: EUR 700,804.90 from the state budget, EUR 893,758.59 from the National Recovery and Resilience Plan, and EUR 132,806.56 from the EU Solidarity Fund.

2. "Preparation of Project Documentation and Implementation of Measures to Protect the Mortuary at the Mirogoj Cemetery."

Restoration work on the mortuary began in April 2024. The goal of this project is the comprehensive restoration of the mortuary at Mirogoj Cemetery, a protected cultural heritage building, to repair the damage caused by the March 2020 earthquake. As part of the project, by 30 June 2023, the design and technical documentation was prepared, and it was financed under the EU Solidarity Fund (EUSF). The project continues in 2024 and is being financed under the Recovery and Resilience Facility 2021-2026, with a total funding amount of EUR 3,469,497.16.

3. "Preparation of Project Documentation and Implementation of Measures to Protect the Arcades and the Church of Christ the King at the Mirogoj Cemetery."

The goal of this project was the preparation of design and technical documentation for structural restoration of the arcades and the Church of Christ the King, protected cultural heritage buildings at Mirogoj Cemetery, to repair the damage caused by the March 2020 earthquake. The preparation of the main design is currently underway. The deadline for the completion of the main design is 12 months from the possession of site, specifically, by 14 March 2025. The preparation of the main and detailed design will be divided into four separate stages (Church of Christ the King, Small Arcades, Northern Arcades, and Southern Arcades), and all necessary approvals will be obtained and the work will be carried out accordingly.

### City of Zagreb solarisation projects

Activities within the project "Solarisation of Institutions of the City of Zagreb" (SOLIZAG) are continuing, and a partner in that project is subsidiary City Waste Disposal. The project consists of eight pilot projects, which involve the construction of solar power plants at eight locations for the purposes of self-supply with electricity. Pilot project includes the construction of a solar power plant on the roof of the Jakuševac Service and Operational Centre. The solar power plant is intended to generate electricity for the relevant facility's own needs.

The contracted value for the construction of the power plan is EUR 41,688.53, of which EUR 29,862.63 is covered by the grant awarded under the EEA financial mechanism (2014-2020).

On 30 March 2023, the company entered into a Contract for the construction of photovoltaic systems on the roofs of buildings owned by the City of Zagreb and the company's buildings with the contractor, in the amount of EUR 41,668.54 excluding VAT.

In April 2024, the power plant received approval for permanent operation from HEP ODS (distribution system operator) and was put into operation.



## **Solar power plants on the roofs of Zagreb Holding's buildings - PVMax project**

The project for the construction of solar power plants on the roofs of buildings owned by Zagreb Holding Group (known as the PVMax project) involves 16 buildings (facilities of the subsidiaries Zagreb Freight Station, Zagreb Markets, Vladimir Nazor, and the institution Zagreb City Pharmacies). These 16 buildings are grouped under 11 solar power plants. The Regional Energy and Climate Agency of Northwestern Croatia (REGEA) prepared the conceptual designs for these solar power plants. Based on the completed designs, connection approvals were requested from HEP ODS d.o.o. (distribution system operator). Approvals have been received for 5 power plants, while for the remaining 6, it was determined that they involve more complex technical conditions for connecting the plants to the grid. Offers for the preparation of studies on the optimal technical connection solution ("EOTRP" document) were obtained. The payments have been made, and the EOTRPs have been received.

In addition to these project activities, during the first half of 2024, a market analysis was conducted for the purpose of the solar power plant construction project.

The next phase of the project involves public procurement for the development of the main designs and the public procurement/contracting of the power plant construction works, following the strategic decision of the Management Board regarding the project itself.

## **Water Supply and Drainage Ltd. continues activities related to the construction of solar power plants**

Water Supply and Drainage Ltd. has entered into an agreement with REGEA through the PVMax project, co-financed by the EU and Croatia, for the preparation of conceptual designs for solar power plants. Conceptual designs have been created for the following solar power plants: SPP Mala Mlaka (capacity 9,900 kW, construction by 2028), SPP Sašnak (capacity 7,000 kW, construction by 2028), SPP Bukovac (capacity 400 kW, construction by 2024), SPP Oporovec (capacity 400 kW, construction by 2024), SPP Cerje (capacity 425 kW, construction by 2026), SPP Laščina (capacity 200 kW, construction by 2025), SPP Lisičina (capacity 350 kW, construction by 2025), SPP Jačkovina (capacity 50 kW, construction by 2025), SPP Sokolovac (capacity 200 kW, construction by 2025), SPP Folnegovičeva (capacity 500 kW, construction by 2025), SPP Zagorska (capacity 200 kW, construction by 2025), SPP Lonačričev Put (capacity 200 kW, construction by 2025), SPP Bizek (capacity 100 kW, construction by 2026). This is a total of 13 designs for solar power plants, of which 11 are for integrated power plants and 2 are for stand-alone plants.

At the Bukovac solar power plant, the installation of solar panels, installation of electrical equipment, and system connections were completed in March. The remaining task for project completion and commissioning of the power plant is the reconstruction of the solar power plant's transformer station, which is under HEP's jurisdiction. It is expected that HEP will perform the necessary actions.

A contract was signed for the construction of the Oporovec solar power plant, and in April 2024, the contractor was introduced to the worksite. The main design has been completed and submitted to HEP for review and approval.

In October 2022, Water Supply and Drainage Ltd. applied to the public call of the Environmental Protection and Energy Efficiency Fund for co-financing of design documentation for the construction of solar power plants in the water services sector. In April 2023, a contract was signed with the Environmental Protection and Energy Efficiency Fund for co-financing the drawing-up of the main designs for six solar power plants: SPP Cerje, SPP Laščina, SPP Jačkovina, SPP Sokolovac, SPP Folnegovičeva, and SPP Zagorska. The designing of all six solar power plants has been contracted through public procurement. All contracted designs were completed by 30 June 2024.

During the first half of 2024, the conceptual designs for SPP Mala Mlaka and SPP Sašnak were completed, and the application for the preparation of the "Optimal technical connection study for the solar power plant" ("EOTRP") was made for SPP Sašnak. An analysis of the use of battery systems to reduce the connection costs of SPP Mala Mlaka to the grid has also been initiated. After the analysis is completed and the model selected, the application for the preparation of the EOTRP will be submitted. Also, the tender documentation for initiating the public procurement procedure for the design and construction of SPP Folnegovičeva (499 kW) has been prepared.

## **Application to the Environmental Protection and Energy Efficiency Fund for the procurement of a universal automatic press for subsidiary City Waste Disposal**

On 2 May 2023, the company applied to the "Public Call for the Promotion of Measures for Separate Collection of Municipal Waste (ZO 2-2023)." The application was submitted for co-financing the procurement of an APB - a universal 60-ton automatic press baler, with equipment for the intaking, sorting, and baling of secondary raw

materials for the needs of subsidiary City Waste Disposal. The public procurement process was completed during the first half of 2024. The delivery of the baler is expected in the second half of 2024.

### **2024 Water Management Plan - Water Supply and Drainage Ltd. and Hrvatske Vode Projects co-financed by Hrvatske Vode in accordance with the 2024 Water Management Plan**

In accordance with the 2024 Water Management Plan of Hrvatske Vode (Croatian national water management company), the following contracts have been signed:

1. Co-financing Agreement for the Construction of Water Management Facilities in the Zagreb Agglomeration Area, with a total value of EUR 553,125.00, where the co-financing ratio is 80% by Hrvatske Vode and 20% by Water Supply and Drainage Ltd. Under this Agreement, Water Supply and Drainage Ltd. withdrew the entire amount in the first half of 2024.
2. Co-financing Agreement for the Programme to Reduce Losses in the Water Supply Systems in the Republic of Croatia, the water supply system area covered by Water Supply and Drainage Ltd. Zagreb, with a total amount of EUR 400,000.00, of which Hrvatske Vode is to co-finance 80%, and Water Supply and Drainage Ltd. 20%. Under this Agreement, Water Supply and Drainage Ltd. withdrew the entire amount in the first half of 2024.
3. Cofinancing Agreement for the Preparation of Design Documentation for the Zagreb Agglomeration Area, with a total value of EUR 427,058.82, where the co-financing ratio is 85% by Hrvatske Vode and 15% by Water Supply and Drainage Ltd. Under this Agreement, Water Supply and Drainage Ltd. withdrew an amount of EUR 148,238.10 (40.84%) of the approved sum, whereas the remainder will be withdrawn in the second half of the year, upon approval by Hrvatske Vode.
4. Co-financing Agreement for the Construction of Water Management Facilities in the Water Supply Zone of Zagreb, with a total value of EUR 322,500, where the co-financing ratio is 80% by Hrvatske Vode and 20% by Water Supply and Drainage Ltd. Under this Agreement, Water Supply and Drainage Ltd. withdrew the entire amount in the first half of 2024.
5. Co-financing Agreement for the Construction of Water Management Facilities in the Water Supply Zone of Zagreb, Hydrogeological Investigations, with a total value of EUR 87,500.00, where the co-financing ratio is 80% by Hrvatske Vode and 20% by Water Supply and Drainage Ltd. Under this Agreement, Water Supply and Drainage Ltd. withdrew the entire amount in the first half of 2024.

### **PROJECTS CO-FINANCED AND PLANNED FOR CO-FINANCING FROM THE RECOVERY AND RESILIENCE FACILITY**

In December 2022, an application was submitted for the 2<sup>nd</sup> Call for Grants for "Financing the implementation of investment projects related to smaller parts of the public water supply and drainage systems within the National Recovery and Resilience Plan 2021-2026", with investments applied totalling EUR 19.23 million. The total eligible costs of the project "Construction and reconstruction of the public water supply system in the area of the City of Zagreb and Zagreb County" amount to 15.39 million euros. The grant from the Recovery and Resilience Facility amounts to a maximum of 12.31 million euros, or 80% of the eligible costs of the project. The project includes a total of 49 elements/subprojects, related to the construction of 1.66 km and the reconstruction of 32.2 km of the water supply network with associated facilities within the city districts of the City of Zagreb, as well as within the town of Samobor, the municipality of Stupnik, and the town of Sveta Nedelja, with the goal of ensuring the availability of water for human consumption through the public water supply system and its safe and uninterrupted delivery. In 2023, corrections and amendments to the application were made, which continued into 2024. In June 2024, final approval for the project was obtained, and the Financing Decision and the signing of the Grant Agreement are expected in the second half of 2024.



# H1 2024 MANAGEMENT REPORT AND BUSINESS ANALYSIS

## Performance

In H1 2024, Zagreb Holding Group (hereinafter: "the Group") generated loss of EUR 21.02 million. As a result of a 17% increase in operating expenses against an increase in operating income of 11%, operating loss (EBIT) was realized in 2024 in the amount of EUR 8.81 million, with positive EBITDA of EUR 17.89 million. Financing activities generated loss of EUR 12.21 million, representing a 19% increase compared to the same period in the previous year, resulting from lower finance income generated in relation to income based on discounted receivables under lease agreements concluded with the City of Zagreb (hereinafter: the City) because some facilities were handed over to the City's management.

Description	Jan-June 2024	Jan-June 2023	Change
	in EUR 000	in EUR 000	in %
1	2	3	4=2/3
Operating income	418,514	375,895	11%
Operating expenses	(427,328)	(364,926)	17%
Finance income	5,188	7,602	-32%
Finance expenses	(17,397)	(17,847)	-3%
<b>Total income</b>	<b>423,702</b>	<b>383,497</b>	<b>10%</b>
<b>Total expenses</b>	<b>(444,725)</b>	<b>(382,773)</b>	<b>16%</b>
<b>Loss/(profit) before tax</b>	<b>(21,023)</b>	<b>724</b>	
<i>Tax income/(expense)</i>	-	-	
<b>(Loss) / profit for the period</b>	<b>(21,023)</b>	<b>724</b>	
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will never be reclassified to profit or loss</i>			
Real estate revaluation gains (net)	-	117	
Profit from valuation of available-for-sale financial assets (net)	(564)	2,150	
Tax on other comprehensive income	101	(408)	
<i>Items that may be reclassified to profit or loss</i>			
Profit from effective cash flow hedging	1,564	2,213	
Other items that can be reclassified under profit or loss	125	-	
Tax on other comprehensive income	(281)	(398)	
<b>Total comprehensive (loss)/profit for the period</b>	<b>(20,078)</b>	<b>4,398</b>	
<i>EBIT</i>	<i>(8,814)</i>	<i>10,969</i>	<b>-180%</b>
<i>EBITDA</i>	<i>17,893</i>	<i>38,315</i>	<b>-53%</b>
<i>Loss from financial activities</i>	<i>(12,209)</i>	<i>(10,245)</i>	<b>19%</b>

## Income

In H1 2024, operating income was generated in the amount of EUR 418.52 million, which is an EUR 42.62 million (11%) increase compared to the same period in the previous year.

Sales revenue amounted to EUR 304.37 million (Jan-June 2023: EUR 302.25 million), while other operating income was EUR 114.14 million (Jan-Jun 2023: EUR 73.64 million). Total year-on-year increase in sales revenue was EUR 2.12 million (1%), while the increase in other operating income was EUR 40.50 million (55%).

The most significant increase in sales revenue was recorded in segments (i) cleaning and waste collection, amounting to EUR 6.54 million, primarily due to greater income from the City of Zagreb budget (+ EUR 5,46 million) resulting from a greater volume of public road maintenance works performed and new prices for the municipal service of public area maintenance as well as greater income from the service of emptying recyclable waste containers at "recycling islands", (ii) sales of medications (+ EUR 6.02 million) as a result of greater demand for prescription and over-the-counter medications, (iii) landscaping and green space maintenance (+ EUR 4.86 million) due to the change in the price list for landscaping works on green areas, as well as the increased frequency of work and higher income in other work programs (tree planting).

A substantial decrease in sales revenue was noted in the gas sales and distribution segment (- EUR 18.23 million), due to (i) lower quantities of delivered gas and a drop in gas sales prices for households as of 1 April 2024 - regulated price of gas dropped by approximately 60% compared to Q1 2024, and (ii) reduction of the market price of gas for corporate customers.

The increase in other operating income is mostly attributed to grants from the City's budget for purposes approved by Zagreb City Assembly and state subsidies based on the Regulation on Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market (Official Gazette 74/22) related to compensation for the difference between the purchase and sales price of gas.

## Expenses

In 2024, operating expenses amounted to EUR 427.33 million, which was an EUR 62.40 million (17%) increase compared to the comparative period.

This increase is a result of (i) increase in the cost of goods sold amounting to EUR 51.59 million – company Zagreb City Gasworks - Supply Ltd. (47.85 million EUR) due to the higher purchase price of gas for public service as of 1 April 2023, and institution Zagreb City Pharmacies (EUR 4.10 million) due to the greater quantity of medications sold; (ii) increase in costs of municipal services and fees (EUR 11.14 million) due to increases in the segments *cleaning and waste collection* (+EUR 8.84 million) resulting from the transfer of biowaste to an external provider of recovery services and higher costs of plastics recovery caused by greater volume and higher average prices, and the segment *water distribution* (EUR +1.04 million) due to security services costs resulting from increased unit prices and a higher number of water supply facilities that are covered by security services; and (iii) staff costs (+15.60 million EUR), which were influenced by increases in employee benefits under collective bargaining agreements of Zagreb Holding and its affiliates, as well as a 5% increase in the average number of employees.

Costs of value adjustment decreased (- EUR 5.93 million) due to reduced value adjustment of current assets.

## Statement of Financial Position

A condensed presentation of assets, equity and liabilities from the Statement of Financial Position as at 30 June 2024, compared to the balance as at 31 December 2023, is presented below.

Description	30 June 2024		31 Dec 2023		Rate of change
	in EUR 000	Share in %	in EUR 000	Share in %	%
Non-current assets	1,706,900	80%	1,714,275	81%	0%
Current assets	440,045	20%	405,625	19%	8%
<b>Total assets</b>	<b>2,146,945</b>	<b>100%</b>	<b>2,119,900</b>	<b>100%</b>	1%
Equity	621,862	29%	642,559	30%	-3%
Non-current liabilities	1,136,763	53%	1,144,900	54%	-1%
Current liabilities	388,320	18%	332,441	16%	17%
<b>Total equity and liabilities</b>	<b>2,146,945</b>	<b>100%</b>	<b>2,119,900</b>	<b>100%</b>	1%

As at 30 June 2024, the Group's total assets amounted to EUR 2,146.95 million, representing an increase of EUR 27.05 million compared to 31 December 2023. Non-current assets decreased by EUR 7.38 million due to (i) the reduction of non-current receivables by EUR 10.68 million as a result of decreased receivables from the company member, and (ii) the increase in the value of property, plant, and equipment by EUR 2.09 million due to higher investment activities and lower depreciation costs recorded as a result of the derecognition of public facilities that were handed over to the City of Zagreb for management.

The value of current assets increased by EUR 34.42 million, or 8%, due to higher (i) trade receivables and other receivables related to the increase in receivables from the Republic of Croatia based on the Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market, which regulated the right of the gas supplier supplying the public service supplier, or the public service supplier, to be compensated for the price difference in the period from 1 April 2023 to 30 March 2024, as a result of which Zagreb City Gasworks - Supply Ltd. is claiming an amount of EUR 143.92 million for four quarterly periods, and (ii) cash and cash equivalents in the amount of EUR 18.92 million. Receivables from related companies decreased by EUR 17.80 million.

In the structure of equity and liabilities, equity was decreased by the carried-forward loss. Non-current liabilities decreased by EUR 8.13 million due to a reduction in loans payable by EUR 4.73 million, and other non-current liabilities by EUR 3.44 million. The Group's current liabilities increased by EUR 55.88 million, relating to increased trade payables due to the non-payment of the difference between the contracted purchase price and the regulated sales price of gas for the supply of public service customers, which amount Zagreb City Gasworks - Supply Ltd. is claiming from the Republic of Croatia.

# MOST SIGNIFICANT RISKS AND UNCERTAINTIES TO WHICH ZAGREB HOLDING GROUP IS EXPOSED

At the beginning of 2024, the Group operated in a macroeconomic environment of economic recovery supported by the growth of household consumption. The growth of real disposable income, in the context of strong wage growth, also reflected on the public sector, including the Group.

With the financial and managerial stabilization of the Group, conditions were created for the further process of transformation, including the optimization and digitalization of operations, with the aim of increasing the Group's efficiency and revenues. In the coming period, the Group will focus its efforts in that direction, as well as on strengthening corporate risk management and compliance functions.

External factors, such as climatic conditions, the propensity to consume gas considering the economic and social status of consumers, the gas procurement market, and competition, also play a significant role in the Group's operations. A necessary precondition for further development, customer retention, and expansion into other distribution areas is the ensuring of a competitive gas purchase price and the quality of gas supply.

The Group's operations are continuously influenced by regulatory risks, which directly affect operating income. The segments of the Group's operations most affected by regulatory influence are gas supply and waste management, specifically the operations of the related company Zagreb City Gasworks - Supply Ltd. and subsidiary City Waste Disposal.

In such a business environment, Zagreb City Gasworks - Supply Ltd. was forced to report a loss of EUR 27.4 million for the period from January to June 2024, as the gas sales price is regulated by the Republic of Croatia, while the purchase price is subject to market forces. Based on the Government's Regulation on Elimination of Disturbances in the Domestic Energy Market, Zagreb City Gasworks - Supply Ltd. had the right to request compensation for the price difference for the period from 1 April 2023 to 31 March 2024, and it timely submitted four applications for four quarters. The Government extended the validity of the Regulation until 31 March 2025, but it did not extend the validity of the right of suppliers to receive compensation for the price difference. As a result, Zagreb City Gasworks - Supply Ltd. has no legal basis to request compensation for the price difference for the period from 1 April 2024 to 30 September 2024, during which the contract with the public service supplier remains in force.

In the first half of 2024, the operational risk of losing part of the gas supply market materialized, following HERA's Decision to select Međimurje-plin d.o.o as the public service supplier for the city of Zagreb and surrounding area, which company offered lower supply costs than was offered by Zagreb City Gasworks - Supply Ltd. Zagreb City Gasworks - Supply Ltd. has initiated an administrative dispute against this decision and has undertaken activities to minimize the consequences of the materialized risk by conducting actions to offer household category customers from the city of Zagreb and the surrounding area a continuation of cooperation and a transition to market supply from 1 October 2024, with a lower price than the public service.

The implementation of financial stabilization through the refinancing of existing financial instrument liabilities minimized the risks associated with financial instability. Financial risk management primarily includes managing interest rate risk, credit risk, and liquidity risk.

The Group's interest rate risk arises from long-term loans and leases and from issued bonds. Taking into account the fact that a major part of the long-term interest-bearing debt is contracted at a fixed interest rate through a bond, and that for the remaining portion of the interest-bearing debt, which is tied to a variable interest rate, a derivative instrument for hedging against interest rate exposure has been contracted until 31 December 2025, the Group's exposure to interest rate risk affecting its cash flow has been reduced to a minimum. On the other hand, the Company is potentially exposed to interest rate fair value risk. Since the Group does not have significant assets that generate interest income, the Group's income and cash flow from operating activities are not significantly dependent on changes in market interest rates. The Group continuously monitors interest rate

changes, taking into consideration potential refinancing and alternative financing, and based on this, the Group calculates the impact of interest rate changes on the profit and loss statement.

The Group's assets that carry credit risk consist mainly of cash, trade receivables and other receivables. The Group does not have significant exposure to credit risk, as it achieves a high level of service payment collection from the City of Zagreb and from customers.

The Group manages liquidity risk at Parent Company level and Group member level by constantly monitoring the planned cash flow, comparing it against the actual inflow and outflow of cash, and making adjustments as required. The Parent Company and Group members additionally manage this risk by ensuring the maintenance of sufficient cash reserves and enabling the availability of financial resources, if needed, by opening dedicated credit lines. On the other hand, the Group settles all its due obligations on time and, by utilising the synergistic effects of its wide range of services, the Group affects revenue growth and reduction of external service costs. Also, by commercialising and/or selling non-operating assets, it intends to decrease indebtedness and increase liquidity.

# STATEMENT OF PERSONS RESPONSIBLE FOR PREPARATION OF FINANCIAL STATEMENTS

## OF ZAGREB HOLDING GROUP IN ACCORDANCE WITH THE CAPITAL MARKET ACT

We hereby declare that the following is true to our best knowledge:

- International Financial Reporting Standards were followed in the preparation of the unaudited consolidated financial statements of Zagreb Holding Group for the period from 1 January 2024 to 30 June 2024. The statements give a full and true view of the assets and liabilities, profits and losses, financial position and operations of the issuer.
- Consolidated Management Report of Zagreb Holding Group for the period from 1 January 2024 to 30 June 2024 gives a true view of the development, performance and position of the issuer, along with a description of the major risks to which the issuer is exposed.

In Zagreb, 23 September 2024

Ivan Novaković  
President of the Management Board

Dubravko Karačić  
Member of the  
Management Board

Matija Subašić-Maras  
Member of the Management Board

Damir Novinić  
Member of the  
Management Board

UNAUDITED SEMI-  
ANNUAL  
CONSOLIDATED  
FINANCIAL  
STATEMENTS FOR THE  
PERIOD  
JAN – JUNE 2024



ZAGREBAČKI  
HOLDING

**ZAGREB HOLDING** Ltd. and affiliated companies

## Consolidated Profit and Loss Statement and Statement of Other Comprehensive Income

for the period from 1 January to 30 June 2024

	Note	Jan-June 2024	Jan-June 2023
		EUR 000	EUR 000
Sales revenue	3	304,374	302,254
Other operating income	4	114,140	73,641
<b>Operating income</b>		<b>418,514</b>	<b>375,895</b>
Cost of material and services	5	(294,192)	(240,705)
Staff costs	6	(98,059)	(82,462)
Depreciation and amortisation		(26,707)	(27,346)
Value adjustment		(3,983)	(9,917)
Provisions		-	(298)
Other operating expenses		(4,387)	(4,198)
<b>Operating expenses</b>		<b>(427,328)</b>	<b>(364,926)</b>
<b>NET OPERATING (LOSS)/ PROFIT</b>		<b>(8,814)</b>	<b>10,969</b>
Finance income		5,188	7,602
Finance expenses	7	(17,397)	(17,847)
<b>NET FINANCE EXPENSES</b>		<b>(12,209)</b>	<b>(10,245)</b>
<b>(LOSS) / PROFIT BEFORE TAX</b>		<b>(21,023)</b>	<b>724</b>
<b>Tax expense/(income)</b>		<b>-</b>	<b>-</b>
<b>(LOSS) /PROFIT FOR THE PERIOD</b>		<b>(21,023)</b>	<b>724</b>
<b>Attributable to:</b>		<b>(21,023)</b>	<b>724</b>
owner of the Company		(21,739)	343
non-controlling interests		716	381
<b>Other comprehensive income</b>			
<i>Items that will never be reclassified under profit or loss</i>			
Real estate revaluation gains (net)		-	117
Profit from subsequent valuation of financial assets available for sale (net)		(564)	2,150
Tax on other comprehensive income		101	(408)
<i>Items that may be reclassified under profit or loss</i>			
Profit from effective cash flow hedging		1,564	2,213
Other items that can be reclassified under profit or loss		125	-
Tax on other comprehensive income		(281)	(398)
<b>Total comprehensive (loss) /profit for the period</b>		<b>(20,078)</b>	<b>4,398</b>
<b>Total comprehensive (loss) /profit attributable to:</b>		<b>(20,078)</b>	<b>4,398</b>
owner of the Company		(20,794)	4,017
non-controlling interests		716	381



**ZAGREB HOLDING** Ltd. and affiliated companies

## Consolidated Statement of Financial Position

as at 30 June 2024

		<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>Note</b>	EUR 000	EUR 000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	1,267,440	1,265,351
Investment property		254,198	254,198
Right-of-use assets		2,060	1,393
Intangible assets and goodwill		6,714	6,269
Financial assets	9	16,169	16,733
Derivative financial assets	10	806	-
Non-current receivables	11	145,803	156,484
Deferred tax assets		13,710	13,847
<b>Total non-current assets</b>		<b>1,706,900</b>	<b>1,714,275</b>
<b>CURRENT ASSETS</b>			
Inventories	12	22,129	18,444
Receivables from related parties	13	55,600	73,402
Trade receivables and other receivables	14	253,160	223,488
Financial assets	15	3,976	4,032
Cash and cash equivalents	16	105,180	86,259
<b>Total current assets</b>		<b>440,045</b>	<b>405,625</b>
<b>TOTAL ASSETS</b>		<b>2,146,945</b>	<b>2,119,900</b>

**ZAGREB HOLDING** Ltd. and affiliated companies

## Consolidated Statement of Financial Position

as at 30 June 2024

		<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>Note</b>	EUR 000	EUR 000
<b>NON-CURRENT LIABILITIES</b>			
Loans and leases payable	17	287,551	292,279
Liabilities for issued bonds		302,875	302,622
Provisions		39,477	39,662
Deferred income		418,359	418,443
Deferred tax liability		58,431	58,387
Other non-current liabilities		30,070	32,749
Derivative financial liabilities		-	758
<b>Total non-current liabilities</b>		<b>1,136,763</b>	<b>1,144,900</b>
<b>CURRENT LIABILITIES</b>			
Trade payables and other liabilities	18	326,301	267,054
Liabilities payable to related parties	19	1,583	3,476
Loans and leases payable	17	41,195	40,745
Current maturity of deferred income		19,241	20,534
Current corporate tax liability		-	632
<b>Total current liabilities</b>		<b>388,320</b>	<b>332,441</b>
<b>TOTAL LIABILITIES</b>		<b>1,525,083</b>	<b>1,477,341</b>
<b>NET ASSETS</b>		<b>621,862</b>	<b>642,559</b>
<b>EQUITY</b>			
Share capital		421,666	421,666
Revaluation reserves	20	258,722	258,722
Fair value reserves		5,890	5,070
Other reserves		32,718	32,718
Accumulated loss		(98,645)	(77,031)
Non-controlling interests		1,511	1,414
<b>Total equity</b>		<b>621,862</b>	<b>642,559</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,146,945</b>	<b>2,119,900</b>

## ZAGREB HOLDING Ltd. and affiliated companies

### Consolidated Statement of Changes in Equity

for the period from 1 January to 30 June 2024

	Share capital	Revaluation reserves	Fair value reserves	Capital reserves from profit	Accumulated loss	Parent's ownership interest	Non-controlling interest	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
<b>Balance as at 31 December 2022</b>	<b>421,666</b>	<b>254,630</b>	<b>3,172</b>	<b>32,718</b>	<b>(92,754)</b>	<b>619,432</b>	<b>1,200</b>	<b>620,632</b>
<i>Comprehensive income</i>								
Profit for the year	-	-	-	-	15,723	<b>15,723</b>	619	<b>16,342</b>
Gains on valuation of financial assets (net)	-	-	1,898	-	-	<b>1,898</b>	-	<b>1,898</b>
Real estate revaluation gains (net)	-	4,092	-	-	-	<b>4,092</b>	-	<b>4,092</b>
Other comprehensive income	-	4,092	1,898	-	-	<b>5,990</b>	-	<b>5,990</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>4,092</b>	<b>1,898</b>	<b>-</b>	<b>15,723</b>	<b>21,713</b>	<b>619</b>	<b>22,332</b>
<i>Transactions with owners recognised directly in equity</i>								
Payment of profit to non-controlling (minority) interests	-	-	-	-	-	-	(405)	<b>(405)</b>
<b>Total transactions with owners recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(405)</b>	<b>(405)</b>
<b>Balance as at 31 December 2023</b>	<b>421,666</b>	<b>258,722</b>	<b>5,070</b>	<b>32,718</b>	<b>(77,031)</b>	<b>641,145</b>	<b>1,414</b>	<b>642,559</b>
<i>Comprehensive income</i>								
Loss for the year	-	-	-	-	(21,739)	<b>(21,739)</b>	716	<b>(21,023)</b>
Contribution of assets	-	-	-	-	125	125	-	<b>125</b>
Profit from effective cash flow hedging	-	-	1,283	-	-	1,283	-	<b>1,283</b>
Gains on valuation of financial assets (net)	-	-	(463)	-	-	(463)	-	<b>(463)</b>
Other comprehensive income	-	-	820	-	-	820	-	820
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>820</b>	<b>-</b>	<b>(21,614)</b>	<b>(20,794)</b>	<b>716</b>	<b>(20,078)</b>
<i>Transactions with owners recognised directly in equity</i>								
Payment of profit to non-controlling (minority) interests	-	-	-	-	-	-	(619)	<b>(619)</b>
<b>Total transactions with owners recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(619)</b>	<b>(619)</b>
<b>Balance as at 30 June 2024</b>	<b>421,666</b>	<b>258,722</b>	<b>5,890</b>	<b>32,718</b>	<b>(98,645)</b>	<b>620,351</b>	<b>1,511</b>	<b>621,862</b>

The Group has been granted a long-term club loan of EUR 240 million and consequently, for the purpose of hedging against interest rate change, a derivative hedging instrument has been contracted - interest rate swap. Based on the foregoing, as at 30 June 2024, profit from effective cash flow hedging in the amount of EUR 1,283 thousand was recognised and it pertains to the effective portion of the change in the fair value of derivatives serving and presented as cash flow hedges. The Group analysed the impact of interest rate changes in the upcoming one-year period and the potential effects of such changes on the fair value of the instrument and cash flows related to interest, and on 30 August 2024, it decided to exit the existing interest rate hedging derivative instrument.

**ZAGREB HOLDING** Ltd. and affiliated companies

## Consolidated Cash Flow Statement

for the period from 1 January to 30 June 2024

	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
<b><i>Loss/profit before tax</i></b>	<b><i>(21,023)</i></b>	<b><i>724</i></b>
Finance expenses recognised in profit or loss	17,397	17,847
Finance income recognised in profit or loss	(5,188)	(7,602)
Value adjustment of receivables from related parties	85	846
Value adjustment of trade receivables	3,681	8,973
Value adjustment of inventories	196	78
Value adjustment of current assets	21	14
Value adjustment of non-current assets	-	6
Depreciation/amortisation of non-current tangible/intangible assets	26,707	27,346
Decrease in long-term provisions	(185)	(600)
(Decrease)/increase in deferred income on assets financed by others	(84)	11,656
<b>Changes in working capital:</b>		
Increase in inventories	(3,881)	(1,858)
Decrease in trade receivables	10,671	10,097
Decrease in receivables from related parties	17,717	32,586
Increase in receivables from employees	(12)	(3)
Increase in receivables from the state	(43,077)	(20,793)
(Increase) / decrease in other receivables	(954)	204
Increase in trade payables and liabilities payable to related parties	58,263	2,375
Decrease in liabilities based on taxes and contributions	(4,962)	(4,404)
Increase in liabilities payable to employees	1,387	1,432
Decrease in other liabilities	(5,241)	(17,499)
<b><i>Net cash generated from operations</i></b>	<b><i>51,518</i></b>	<b><i>61,425</i></b>

**ZAGREB HOLDING** Ltd. and affiliated companies

## Consolidated Cash Flow Statement

for the period from 1 January to 30 June 2024

	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
<b>Cash flow from operating activities (continued)</b>		
Cash generated from operations	51,518	61,425
Interest paid	(14,914)	(7,047)
<b>Net cash from operating activities</b>	<b>36,604</b>	<b>54,378</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible assets and investment property	(29,938)	(12,199)
Advance payments for non-current assets	(85)	-
Receipts / (expenses) for advance payments for current assets	962	(13)
Receipts based on non-current receivables	14,790	15,180
Receipts / (expenses) based on current financial assets	56	(29)
Expenses based on non-current financial assets	(243)	(1,889)
Interest charged	1,454	2,689
Payment of profit to non-controlling (minority) interests	(619)	(405)
<b>Net cash from investing activities</b>	<b>(13,623)</b>	<b>3,334</b>
<b>Cash flow from financing activities</b>		
Loans and borrowings	11,750	337
Repayment of loans and borrowings	(15,810)	(4,124)
<b>Net cash from financial activities</b>	<b>(4,060)</b>	<b>(3,787)</b>
<b>Net increase in cash</b>	<b>18,921</b>	<b>53,925</b>
<b>Cash as at 1 January</b>	<b>86,259</b>	<b>44,875</b>
<b>Cash as at 30 June</b>	<b>105,180</b>	<b>98,800</b>

## 1/GENERAL INFORMATION

Zagreb Holding Ltd., Zagreb ("the Company") is a limited liability company with registered office in the Republic of Croatia, at the address Ulica grada Vukovara 41, Zagreb. It is the parent company of Zagreb Holding Group ("the Group"), which operates in the Republic of Croatia, providing services of water distribution, cleaning and waste collection services, public road management and maintenance, parking services, warehousing and leasing services, landscaping and green space maintenance, construction management, project and facility management, management of electronic communication infrastructure and networks, gas sales and distribution, and sale of medications.

Management Board approved the issuing of these consolidated semi-annual financial statements for the period 1 January - 30 June 2024 on 23 September 2024.

The consolidated semi-annual financial statements were not audited.

## 2/BASIS FOR PREPARATION AND ACCOUNTING POLICIES

### Bases for preparation of consolidated financial statements

The Group's summarised consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 – *Interim Financial Reporting*, as adopted by the EU, and they should be read in conjunction with the latest published annual financial statements, which are available on the Company's web pages <https://www.zgh.hr/ot-nama-7/izvjesca/19>.

The enclosed summarised unaudited consolidated semi-annual financial statements do not contain all the information and disclosures that are mandatory in annual financial statements, however, they contain select disclosures.

### Significant accounting policies

The semi-annual financial statements have been prepared based on the same accounting policies and methods of calculation used in the preparation of consolidated financial statements of the Group as at 31 December 2023 as well as semi-annual financial statements. Certain new accounting standards and interpretations have been in effect since 1 January 2024, but they do not have a significant impact on the financial statements.

### Key accounting estimates

In applying the Group's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

The current market situation and the Russo-Ukrainian conflict are still major sources of uncertainty and they require the management to make assessments and judgments when determining their impact on the financial position and performance. Related assumptions and estimates are reviewed regularly and they are based on events that can be reasonably assumed under the existing circumstances.

Furthermore, during the preparation of the consolidated financial statements for H1 2024, the management's significant judgements regarding changes in the Group's accounting policies and the key sources of uncertainty were identical to those described in the previously published annual financial statements.

### 3/SEGMENT INFORMATION

In accordance with *IFRS 8 Operating Segments*, the Group has identified operating segments based on internal reports on the Group's components, which are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. The Group has identified its operating segments based on the reports regularly reviewed by the Management Board and used for making strategic decisions. Operating segments have been identified based on the criterion of business activities of the Group's subsidiaries and affiliates, in which context nine business activities were found as representing individual operating segments, whereas the tenth segment represents all other business activities of the Group.

Operating segments are the following:

- 1/ Water distribution
- 2/ Cleaning and waste collection
- 3/ Public road management and maintenance
- 4/ Parking services
- 5/ Warehousing and leases
- 6/ Landscaping and green space maintenance
- 7/ Construction and project and facility management
- 8/ Gas sales and distribution
- 9/ Sale of medications
- 10/ Other activities.

The following is an analysis of the Group's revenues and operating results by reporting segments presented in accordance with IFRS 8. The presented sales revenue pertains to revenue generated from sales to external customers.

	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
Income from gas sales and distribution	118,614	136,842
Income from sale of medications	37,174	31,157
Income from cleaning and waste collection	36,427	29,886
Income from water distribution	30,976	29,085
Income from public road management and maintenance	19,678	20,549
Income from parking services	12,116	11,060
Income from landscaping and green space maintenance	15,171	10,311
Income from construction and project and facility management	7,720	8,226
Income from warehousing and leases	6,597	6,347
Other income	19,901	18,791
	<b>304,374</b>	<b>302.254</b>
Other income comprises the following:		
	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
Income from funerary services	5,453	5,341
Income from markets	4,479	4,305
Income from travel agencies	2,262	2,620
Income from advertising services	2,919	2,225
Income from bus terminal services	1,885	1,908
Income from telecommunication ducts and network leasing	1,756	1,715
Income from sports facilities management	963	539
Income from publishing activities	184	138
	<b>19,901</b>	<b>18,791</b>

**Revenues and results by segments for Jan-June 2024**

	Project and facility management	Water distribution	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas sales and distribution	Sale of medications	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Revenue from sales to external customers	7,720	30,976	36,427	19,678	12,116	6,597	15,171	118,614	37,174	19,901	-	<b>304,374</b>
Intersegment sales	18,363	258	802	2,441	107	91	420	11,207	13	200	(33,902)	-
<b>Total sales revenue</b>	<b>26,083</b>	<b>31,234</b>	<b>37,229</b>	<b>22,119</b>	<b>12,223</b>	<b>6,688</b>	<b>15,591</b>	<b>129,821</b>	<b>37,187</b>	<b>20,101</b>	<b>(33,902)</b>	<b>304,374</b>
<b>Expenses pertaining to other activities, net of other revenue from the main activity</b>	<b>(18,297)</b>	<b>(30,522)</b>	<b>(38,171)</b>	<b>(22,359)</b>	<b>(7,803)</b>	<b>(4,500)</b>	<b>(16,663)</b>	<b>(154,812)</b>	<b>(33,719)</b>	<b>(19,374)</b>	<b>33,032</b>	<b>(313,188)</b>
<b>Profit/(loss) from operating activities</b>	<b>7,786</b>	<b>712</b>	<b>(942)</b>	<b>(240)</b>	<b>4,420</b>	<b>2,188</b>	<b>(1,072)</b>	<b>(24,991)</b>	<b>3,468</b>	<b>727</b>	<b>(870)</b>	<b>(8,814)</b>
Finance income	4,131	972	341	-	48	14	3	867	483	62	(1,733)	<b>5,188</b>
Finance expenses	(14,359)	(512)	(116)	(38)	(5)	(1)	(56)	(607)	(20)	(2,876)	1,193	<b>(17,397)</b>
Net financial result	(10,228)	460	225	(38)	43	13	(53)	260	463	(2,814)	(540)	<b>(12,209)</b>
<b>Profit/(loss) before tax</b>	<b>(2,442)</b>	<b>1,172</b>	<b>(717)</b>	<b>(278)</b>	<b>4,463</b>	<b>2,201</b>	<b>(1,125)</b>	<b>(24,731)</b>	<b>3,931</b>	<b>(2,087)</b>	<b>(1,410)</b>	<b>(21,023)</b>



**Revenues and results by segments for Jan-June 2023**

	Project and facility management	Water distribution	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas sales and distribution	Sale of medications	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Revenue from sales to external customers	8,226	29,085	29,886	20,549	11,060	6,347	10,311	136,842	31,157	18,791	-	<b>302,254</b>
Intersegment sales	12,641	198	875	1,947	106	77	1,883	11,839	4	218	(29,788)	-
<b>Total sales revenue</b>	<b>20,867</b>	<b>29,283</b>	<b>30,761</b>	<b>22,496</b>	<b>11,166</b>	<b>6,424</b>	<b>12,194</b>	<b>148,681</b>	<b>31,161</b>	<b>19,009</b>	<b>(29,788)</b>	<b>302,254</b>
<b>Expenses pertaining to other activities, net of other revenue from the main activity</b>	<b>(15,712)</b>	<b>(31,605)</b>	<b>(39,622)</b>	<b>(17,607)</b>	<b>(6,759)</b>	<b>(3,731)</b>	<b>(11,632)</b>	<b>(148,928)</b>	<b>(28,556)</b>	<b>(16,122)</b>	<b>28,989</b>	<b>(291,285)</b>
<b>Profit/(loss) from operating activities</b>	<b>5,155</b>	<b>(2,322)</b>	<b>(8,861)</b>	<b>4,889</b>	<b>4,407</b>	<b>2,693</b>	<b>562</b>	<b>(247)</b>	<b>2,605</b>	<b>2,887</b>	<b>(799)</b>	<b>10,969</b>
Finance income	7,083	583	121	157	57	22	9	780	1,016	49	(2,275)	<b>7,602</b>
Finance expenses	(14,569)	(389)	(4)	(34)	(6)	(8)	(2)	(1,357)	(13)	(2,717)	1,252	<b>(17,847)</b>
Net financial result	(7,486)	194	117	123	51	14	7	(577)	1,003	(2,668)	(1,023)	<b>(10,245)</b>
<b>Profit/(loss) before tax</b>	<b>(2,331)</b>	<b>(2,128)</b>	<b>(8,744)</b>	<b>5,012</b>	<b>4,458</b>	<b>2,707</b>	<b>569</b>	<b>(824)</b>	<b>3,608</b>	<b>219</b>	<b>(1,822)</b>	<b>724</b>

**Assets and liabilities by segments as at 30 June 2024**

	Project and facility management	Water distribution	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas sales and distribution	Sale of medications	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Property, plant and equipment	78,680	555,506	63,312	33,430	9,881	39,799	48,499	97,158	4,918	289,691	46,566	1,267,440
Right-of-use assets	197	1,315	-	17	142	-	26	1,170	1,331	199	(2,337)	2,060
Intangible assets	2,499	1,875	607	48	137	396	49	423	72	391	217	6,714
Investment property	141,177	-	-	284	-	180,149	928	524	-	1,986	(70,850)	254,198
Inventories	261	2,774	2,224	4,356	37	25	1,613	676	9,213	950	-	22,129
Trade receivables, net	1,819	50,397	7,708	395	1,319	640	348	10,493	11,798	5,289	-	90,206
Unallocated assets	660,786	34,291	21,197	70,024	35,459	21,146	25,916	175,997	34,235	108,249	(683,102)	504,198
<b>Total assets</b>	<b>885,419</b>	<b>646,158</b>	<b>95,048</b>	<b>108,554</b>	<b>46,975</b>	<b>242,155</b>	<b>77,379</b>	<b>286,441</b>	<b>61,567</b>	<b>406,755</b>	<b>(709,506)</b>	<b>2,146,945</b>
Bonds issued	302,875	-	-	-	-	-	-	-	-	-	-	302,875
Trade payables	2,311	27,166	8,374	3,682	339	422	1,753	187,362	8,290	5,612	-	245,311
Liabilities payable to employees	1,430	1,537	2,712	977	437	150	976	1,047	597	1,033	-	10,896
Equity and unallocated liabilities	578,803	617,455	83,962	103,895	46,199	241,583	74,650	98,032	52,680	400,110	(709,506)	1,587,863
<b>Total equity and liabilities</b>	<b>885,419</b>	<b>646,158</b>	<b>95,048</b>	<b>108,554</b>	<b>46,975</b>	<b>242,155</b>	<b>77,379</b>	<b>286,441</b>	<b>61,567</b>	<b>406,755</b>	<b>(709,506)</b>	<b>2,146,945</b>
<b>Capital expenditure:</b>	<b>1,733</b>	<b>10,892</b>	<b>9,921</b>	<b>50</b>	<b>596</b>	<b>403</b>	<b>305</b>	<b>3,032</b>	<b>1,174</b>	<b>743</b>	<b>-</b>	<b>28,849</b>
Property, plant and equipment	773	10,860	9,920	50	516	403	305	3,015	1,159	738	-	27,739
Intangible assets	960	32	1	-	80	-	-	17	15	5	-	1,110
<b>Depreciation/amortisation and impairment</b>	<b>343</b>	<b>12,946</b>	<b>2,893</b>	<b>569</b>	<b>670</b>	<b>303</b>	<b>646</b>	<b>6,073</b>	<b>350</b>	<b>1,914</b>	<b>-</b>	<b>26,707</b>

**Assets and liabilities by segments as at 31 December 2023**

	Project and facility management	Water distribution	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousi ng and leases	Landscaping and green space maintenance	Gas sales and distribution	Sale of medications	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Property, plant and equipment	78,198	556,964	56,115	33,947	9,969	39,582	48,832	100,053	4,885	290,239	46,567	1,265,351
Right-of-use assets	141	1,494	-	18	202	38	29	1,498	544	231	(2,802)	1,393
Intangible assets	1,609	2,236	804	48	64	455	53	463	67	254	216	6,269
Investment property	141,177	-	-	284	-	180,148	928	524	-	1,986	(70,849)	254,198
Inventories	267	1,660	936	3,874	29	57	1,891	494	8,196	1,040	-	18,444
Trade receivables, net	1,825	53,429	7,483	601	1,623	595	396	23,978	11,902	2,726	-	104,558
Unallocated assets	692,708	34,755	11,398	68,543	32,634	19,812	21,949	129,225	31,671	102,793	(675,801)	469,687
<b>Total assets</b>	<b>915,925</b>	<b>650,538</b>	<b>76,736</b>	<b>107,315</b>	<b>44,521</b>	<b>240,687</b>	<b>74,078</b>	<b>256,235</b>	<b>57,265</b>	<b>399,269</b>	<b>(702,669)</b>	<b>2,119,900</b>
Bonds issued	304,346	-	-	-	-	-	-	-	-	-	(1,724)	302,622
Trade payables	2,532	19,734	5,200	4,722	841	575	2,835	137,606	6,859	4,251	-	185,155
Liabilities to employees	1,285	1,268	2,404	864	410	132	890	760	594	902	-	9,509
Equity and unallocated liabilities	607,762	629,536	69,132	101,729	43,270	239,980	70,353	117,869	49,812	394,116	(700,945)	1,622,614
<b>Total equity and liabilities</b>	<b>915,925</b>	<b>650,538</b>	<b>76,736</b>	<b>107,315</b>	<b>44,521</b>	<b>240,687</b>	<b>74,078</b>	<b>256,235</b>	<b>57,265</b>	<b>399,269</b>	<b>(702,669)</b>	<b>2,119,900</b>
<b>Other segment information</b>												
<b>Capital expenditure:</b>	<b>51</b>	<b>18,012</b>	<b>3,606</b>	<b>31</b>	<b>369</b>	<b>134</b>	<b>1,986</b>	<b>5,469</b>	<b>248</b>	<b>1,997</b>	<b>-</b>	<b>31,903</b>
Property, plant and equipment	50	17,968	3,505	31	305	83	1,986	5,437	212	1,980	-	31,557
Intangible assets	1	44	101	-	64	51	-	32	36	17	-	346
<b>Depreciation/amortisation and impairment</b>	<b>480</b>	<b>26,443</b>	<b>5,177</b>	<b>1,161</b>	<b>1,532</b>	<b>612</b>	<b>1,196</b>	<b>12,868</b>	<b>703</b>	<b>3,980</b>	<b>-</b>	<b>54,152</b>

**4/ OTHER OPERATING INCOME**

	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
Income from reversal of provisions	6,291	5,162
Income from reversal of deferred income recognition	10,651	10,846
Income from subsidies, grants and refunds	86,737	47,551
Collected receivables written off	3,639	3,931
Internally realized gains	1,499	1,497
Income from damages	532	321
Other	4,791	4,333
	<b>114,140</b>	<b>73,641</b>

Income from subsidies, grants and refunds was mostly received from the City of Zagreb and the Republic of Croatia and it includes:

- Grants from the City's budget intended for purposes approved by the City Assembly,
- Agreement on the Lease of Arena Zagreb
- State subsidies for electricity based on the Regulation of the Government of the Republic of Croatia on Elimination of Disturbances in the Domestic Energy Market in the amount of EUR 19,581 thousand (Official Gazette 104/22, 106/22 and 121/22), as well as a compensation of the gas supply price difference of EUR 24,644 thousand in accordance with the Regulation on the Elimination of Disturbances in the Domestic Energy Market (Official Gazette 31/23) and the Regulation on Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market (Official Gazette 74/23), which prescribe the conditions and procedure for compensating the difference in the cost of supply if a natural gas trader or supplier, in the period from 1 April 2023 to 31 March 2024, supplies gas to a supplier obligated to provide the public service based on a natural gas sale contract concluded before 1 April 2023, and if such gas was purchased and paid for (procured) for the public service supplier at an average purchase price of natural gas delivery that is higher than the price regulated by the Regulation. On 1 April 2024, the Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market (Official Gazette 32/24) came into effect, which did not provide for the possibility for suppliers obligated to provide the public service to be compensated for the price difference as prescribed in Article 8 after 31 March 2024. Had the amendment provided for the possibility of public service suppliers to be compensated for the difference in the price that was valid until 31 March 2024, in accordance with the calculation applicable until 31 March 2024, the income from state subsidies for the period from 1 April 2024 to 30 June 2024 would have been increased by 27.369 thousand euros.

	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
Subsidies and grants from the City of Zagreb	17,907	1,556
Subsidies, grants and refunds from the Republic of Croatia and other subsidies, grants and refunds	68,830	45,995
	<b>86,737</b>	<b>47,551</b>

**5/COST OF MATERIAL AND SERVICES**

	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
Costs of raw materials and supplies	10,553	9,303
Costs of energy consumption	17,059	30,487
Small inventory write-off	1,182	486
<b>a) Total cost of material</b>	<b>28,794</b>	<b>40,276</b>
<b>b) Changes in the value of inventories of work in progress and finished products</b>	<b>381</b>	<b>264</b>
<b>c) Costs of goods sold</b>	<b>213,946</b>	<b>162,352</b>
Rent and lease services	2,726	2,563
Maintenance services	6,283	6,844
Municipal services and fees	18,509	7,373
Costs of subcontractors	6,537	5,308
Intellectual services	1,808	1,241
Transport service costs	4,359	3,667
Insurance premiums	1,269	1,039
Data processing and software maintenance services	3,179	2,683
Advertising and promotion services	104	135
Bank services and transaction costs	788	780
Other external services	5,509	6,180
<b>d) Total external services</b>	<b>51,071</b>	<b>37,813</b>
	<b>294,192</b>	<b>240,705</b>

The cost of goods sold and changes compared to the same period in 2023 primarily relate to the increased costs of purchasing natural gas for households/public service customers and the higher number of medications sold.

In 2024, contracts were signed with suppliers for the collection and further disposal of biowaste, which was previously transported to Jakuševac, leading to an increase in external costs of municipal services and fees. Additionally, the quantity of waste disposed of, as well as the cost of disposal, has increased.

**6/STAFF COSTS**

	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
Net salary and remuneration costs	52,243	44,236
Salary tax and contribution costs	32,040	27,109
Compensation of employees' costs and expenses for other employee benefits	13,920	13,494
Decrease due to costs of severance pay provisions and compensation for collective redundancy	(144)	(2,377)
	<b>98,059</b>	<b>82,462</b>
Number of employees as at period end	<b>7,446</b>	<b>7,067</b>
Average number of employees based on hours worked	<b>7,068</b>	<b>6,855</b>
	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
<b>Staff costs</b>	<b>98,059</b>	<b>82,462</b>
Income from reversal of provisions for severance pay and pay in lieu of notice	(144)	(125)
Income from reversal of provisions for unused vacation days	(5,150)	(4,306)
	<b>92,765</b>	<b>78,031</b>

**7/ FINANCE EXPENSES**

	<b>Jan-June 2024</b>	<b>Jan-June 2023</b>
	EUR 000	EUR 000
Interest expenses	15,761	14,814
Costs of discounts and bond issuance	268	1,134
Related-party interest expenses	4	7
Other financial expenses	1,364	1,892
	<b>17,397</b>	<b>17,847</b>

**8/ PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Plant and equipment	Means of transport and tools	Other tangible assets	Tangible assets in preparation	Total tangible assets
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
<b>PURCHASE COST</b>							
<b>Balance as at 1 Jan 2023</b>	<b>446,836</b>	<b>1,700,628</b>	<b>168,301</b>	<b>97,339</b>	<b>6,380</b>	<b>52,788</b>	<b>2,472,272</b>
Newly purchased items	-	2,906	2,610	170	-	25,870	<b>31,556</b>
Transfer from assets in preparation	278	16,140	5,559	3,564	-	(25,463)	<b>78</b>
Reclassifications (transfers to/from)	-	(148)	463	(22)	(214)	(1,722)	<b>(1,643)</b>
Revaluation	2,314	2,954	-	-	-	-	<b>5,268</b>
Write-off, alienation and sale	(346)	(90)	(4,998)	(1,344)	(2)	(3,265)	<b>(10,045)</b>
Derecognition	-	(25,393)	-	-	-	-	<b>(25,393)</b>
Reclassification to IAS 40	(5,484)	(3,771)	-	-	-	(11,637)	<b>(20,892)</b>
<b>Balance as at 31 Dec 2023</b>	<b>443,598</b>	<b>1,693,226</b>	<b>171,935</b>	<b>99,707</b>	<b>6,164</b>	<b>36,571</b>	<b>2,451,201</b>
Newly purchased items	-	458	1,633	58	-	25,590	<b>27,739</b>
Transfer from assets in preparation	-	3,744	4,612	8,852	12	(17,220)	-
Reclassifications (transfers to/from)	-	11	(8)	(9)	-	(172)	<b>(178)</b>
Write-off, alienation and sale	-	-	(1,625)	(19)	-	(177)	<b>(1,821)</b>
Effects of restatement	-	125	-	-	-	-	<b>125</b>
<b>Balance as at 30 Jun 2024</b>	<b>443,598</b>	<b>1,697,564</b>	<b>176,547</b>	<b>108,589</b>	<b>6,176</b>	<b>44,592</b>	<b>2,477,066</b>
<b>VALUE ADJUSTMENT</b>							
<b>Balance as at 1 Jan 2023</b>	<b>12,367</b>	<b>943,377</b>	<b>125,706</b>	<b>83,464</b>	<b>154</b>	<b>4,125</b>	<b>1,169,193</b>
Depreciation and amortisation	-	36,448	9,710	4,358	-	(81)	<b>50,435</b>
Value adjustment	-	-	-	-	-	534	<b>534</b>
Reclassifications (transfers to/from)	-	(213)	908	(102)	(137)	(1,714)	<b>(1,258)</b>
Write-off, alienation and sale	-	(84)	(4,944)	(1,330)	-	(391)	<b>(6,749)</b>
Derecognition	-	(25,393)	-	-	-	-	<b>(25,393)</b>
Reclassification to IAS 40	-	(532)	-	-	-	-	<b>(532)</b>
<b>Balance as at 31 Dec 2023</b>	<b>12,367</b>	<b>953,603</b>	<b>131,380</b>	<b>86,390</b>	<b>17</b>	<b>2,473</b>	<b>1,186,230</b>
Depreciation and amortisation	-	18,225	4,820	2,436	-	-	<b>25,481</b>
Reclassifications (transfers to/from)	-	5	(7)	(9)	-	-	<b>(11)</b>
Write-off, alienation and sale	-	-	(1,591)	(18)	-	-	<b>(1,609)</b>
<b>Balance as at 30 June 2024</b>	<b>12,367</b>	<b>971,833</b>	<b>134,602</b>	<b>88,799</b>	<b>17</b>	<b>2,473</b>	<b>1,210,091</b>
<b>NET CARRYING AMOUNT</b>							
<b>Balance as at 1 Jan 2023</b>	<b>434,469</b>	<b>757,251</b>	<b>42,595</b>	<b>13,875</b>	<b>6,226</b>	<b>48,663</b>	<b>1,303,079</b>
<b>Balance as at 31 Dec 2023</b>	<b>431,231</b>	<b>739,623</b>	<b>40,555</b>	<b>13,317</b>	<b>6,147</b>	<b>34,098</b>	<b>1,264,971</b>
<b>Balance as at 30 June 2024</b>	<b>431,231</b>	<b>725,731</b>	<b>41,945</b>	<b>19,790</b>	<b>6,159</b>	<b>42,119</b>	<b>1,266,975</b>

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Net value without advance payments	1,266,975	1,264,971
Advances for purchase of tangible assets	465	380
<b>Property, plant, equipment and advance payments</b>	<b>1,267,440</b>	<b>1,265,351</b>

## 9/ FINANCIAL ASSETS

Financial assets are as follows:

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
<b>/i/ Financial assets at FVTPL</b>		
Investments in shares ( <i>Note 15</i> )	150	150
<b>/ii/ Financial assets at amortised cost</b>		
Deposits with a maturity of over one year	9,660	9,660
<i>Current portion</i>	-	-
<i>Non-current portion</i>	9,660	9,660
Deposits with maturity up to one year ( <i>Note 15</i> )	35	13
Deposits for resolving matters regulated under property law ( <i>Note 15</i> )	3,041	3,074
Other held-to-maturity securities ( <i>Note 15</i> )	750	795
	<u>3,826</u>	<u>3,882</u>
<i>Financial assets at amortised cost - current portion</i>	3,826	3,882
<i>Financial assets at amortised cost - non-current portion</i>	9,660	9,660
<b>/iii/ Financial assets at FVTOCI</b>		
Investments in shares	6,509	7,073
<b>Financial assets - total current portion</b>	<u><b>3,976</b></u>	<u><b>4,032</b></u>
<b>Financial assets - total non-current portion</b>	<u><b>16,169</b></u>	<u><b>16,733</b></u>

/i/ Financial assets at FVTPL pertain to minority interests in banks and other business entities which are not significantly affected by the Group.

/ii/ Financial assets carried at amortized cost pertain to deposits, with the most significant being long-term deposits serving as guarantee for the repayment of loan and lease contract obligations, which mature upon the final repayment of the obligations.



## 10/ DERIVATIVE FINANCIAL ASSETS

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Derivative financial instrument - interest rate swap	806	-

Financial assets at FVTOCI pertain to investments in shares in the company Medika d.d. (1,025 shares).

In order to minimize uncertainty regarding future interest expenses, the Company has protected itself against the risk of changes in the value of expected cash flows due to interest rate risk by contracting an interest rate swap. This mitigates the risk arising from changes in the reference variable interest rate on the received long-term loan. The hedged item represents probable future cash flows arising from the variable interest rate on the long-term club loan – 6M EURIBOR.

The Group analysed the impact of interest rate changes in the upcoming one-year period and the potential effects of such changes on the fair value of the instrument and cash flows related to interest, and on 30 August 2024, it decided to exit the existing interest rate hedging derivative instrument.

## 11/ NON-CURRENT RECEIVABLES

Non-current receivables are as follows:

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
<b>Non-current portion</b>		
Receivables from related parties /i/	85,402	92,511
Loan receivables	408	355
Receivables under credit sales	97	67
Other receivables /ii/	59,896	63,551
	<b>145,803</b>	<b>156,484</b>

/i/ Receivables from related parties:

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Receivables from the member of the Company	132,039	143,295
Discounting of receivables from the member of the Company that are not yet due	(42,944)	(44,443)
Value adjustment of receivables from the member of the Company	(1,216)	(1,216)
<b>1 Total receivables from the member of the Company</b>	<b>87,879</b>	<b>97,636</b>
<i>Of that, current portion (Note 13)</i>	<i>11,469</i>	<i>15,423</i>
Loans granted to related parties	41,084	41,797
Value adjustment of loans granted to related parties	(27,961)	(28,670)
<b>2 Loans granted to related parties</b>	<b>13,123</b>	<b>13,127</b>
<i>Of that, current portion (Note 13)</i>	<i>4,131</i>	<i>2,829</i>
<b>Total receivables from related parties (1+2)</b>	<b>101,002</b>	<b>110,763</b>
<i>Total current portion</i>	<i>15,600</i>	<i>18,252</i>
<i>Total non-current portion</i>	<i>85,402</i>	<i>92,511</i>

## 11/NON-CURRENT RECEIVABLES (continued)

Receivables from the member of the Company represent receivables from the City of Zagreb pertaining to the financing of 50% of the costs of lease of sports facility Arena Zagreb in the net amount of EUR 33,886 thousand (2023: EUR 34,873 net), receivables under agreements on multiannual lease of public purpose facilities (schools, kindergartens, swimming pools), which the Group presented as non-current receivables from the City of Zagreb as the lessee, in accordance with IFRIC 12 *Service Concession Arrangements*, in the amount of EUR 46,325 thousand (2023: EUR 50,310 thousand). The agreed lease term ranges from 7 to 13 years, with two agreements ending in 2028, one in 2032 and two in 2035. Rent is payable on a monthly basis. Under the agreement, the Group is responsible to provide investment management and maintenance of the facilities for the entire duration of the agreement, the costs of such maintenance and management being included in the calculation of monthly rent.

As at 31 December 2023, receivables from the City of Zagreb under agreements on multiannual lease of public facilities, with a net carrying amount of EUR 37,426 thousand (31 Dec 2023: EUR 40,470 thousand), are recognised as collateral under the Long-term Club Loan Agreement.

Loans granted to related parties pertain to loans granted to Zagreb Electric Tram Ltd. and Zagreb Fair Ltd. Loans granted to related parties are subject to interest charged at the rate equal to market rates at the time of loan granting, 3.88%. Loan agreements are concluded for a term of 10 years, with collateral. Due to increased credit risk, in accordance with IFRS 9 *Financial Instruments*, the Group recognised impairment of receivables arising from loans in the Statement of Comprehensive Income.

/ii/ Other receivables:

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Receivables from the Republic of Croatia	33,886	34,873
Other receivables	33,797	36,735
Impairment of other receivables	(312)	(312)
Impairment of receivables based on credit risks arising from loans to apartment buildings	(321)	(321)
	<b>67,050</b>	<b>70,975</b>
<i>Current portion</i>	<i>7,154</i>	<i>7,424</i>
<i>Non-current portion</i>	<i>59,896</i>	<i>63,551</i>

## 12/ INVENTORIES

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Raw materials and supplies	18,930	16,018
Finished goods	1,763	2,030
Work in progress	564	687
Merchandise inventory	9,299	8,284
Advance payments for inventory purchases	124	115
Value adjustment of inventories	(8,551)	(8,690)
	<b>22,129</b>	<b>18,444</b>

Increase in inventories mainly pertains to increase in raw material and supplies recorded by the subsidiary City Waste Disposal (EUR 1,267 thousand) and by Water Supply and Drainage Ltd. (EUR 1,266 thousand), and to increase in merchandise inventory recorded by Zagreb City Pharmacies (EUR 1,052 thousand).

**13/RECEIVABLES FROM RELATED PARTIES**

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Receivables from the member of the Company and other related parties	49,656	66,613
Current maturity of non-current receivables from the member of the Company (Note 11)	11,469	15,423
Current maturity of loans granted to related parties (Note 11)	4,131	2,829
Calculated interest on loans granted to related parties	391	116
Value adjustment of receivables from related parties /i/	(10,047)	(11,579)
	<b>55,600</b>	<b>73,402</b>

Receivables from the member of the Company and other related parties pertain to receivables based on regular performance of works and services to the member of the Company and other related parties owned by the City of Zagreb.

Loans granted to related parties pertain to the current maturity of long-term loans (Note 11/i/).

**14/TRADE RECEIVABLES AND OTHER RECEIVABLES**

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Trade receivables	90,206	104,558
Receivables from the Republic of Croatia and other institutions /i/	145,282	104,238
Receivables from employees	59	47
Other receivables /ii/	17,613	14,645
	<b>253,160</b>	<b>223,488</b>

/i/ The increase in receivables from the Republic of Croatia and other institutions in 2024 arises from receivables from the Croatian government based on the Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market. The amendments to the Regulation of 6 July 2023 regulate the right of a trader, or gas supplier that supplies a public service supplier or a public service supplier itself, to be compensated for the price difference, provided that the trader or gas supplier, in the period from 1 April 2023 to 30 March 2024, supplies gas to the public service supplier under a gas sales contract concluded before 1 April 2023 and if the gas purchased and supplied to the public service supplier was at an average purchase price of natural gas delivery that is higher than the price regulated by the Regulation. The company Zagreb City Gasworks - Supply Ltd., as a public service supplier, submitted four quarterly claims to the competent Ministry by 30 June 2024, for compensation in the total net amount of EUR 143,915 thousand, which, as of the date of the adoption and publication of these annual financial statements, have not yet been decided.

On 1 April 2024, the Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market (Official Gazette 32/24) came into effect, which did not provide for the possibility for suppliers obligated to provide the public service to be compensated for the price difference as prescribed in Article 8 after 31 March 2024. Had the amendment provided for the possibility of public service suppliers to be compensated for the difference in the price that was valid until 31 March 2024, in accordance with the calculation applicable until 31 March 2024, the income from state subsidies for the period from 1 April 2024 to 30 June 2024 would have been increased by 27.369 thousand euros.

**14/TRADE RECEIVABLES AND OTHER RECEIVABLES (continued)**

/ii/ Other receivables pertain to:

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Prepaid expenses and accrued income	6,170	5,575
	8,081	6,305
Advance payments made	2,872	2,340
Receivables from insurance companies and receivables based on damages	298	308
Other receivables	529	461
Expected credit losses from advance payments made	(337)	(344)
	<b>17,613</b>	<b>14,645</b>

**15/ FINANCIAL ASSETS**

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Financial assets at FVTPL (Note 9)	150	150
Financial assets at amortised cost (Note 9)	3,826	3,882
	<b>3,976</b>	<b>4,032</b>

**16/CASH AND CASH EQUIVALENTS**

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Giro account	38,435	60,605
Cash on hand	346	368
Giro account – foreign currency	623	623
Other cash assets	65,776	24,663
	<b>105,180</b>	<b>86,259</b>

Out of other cash assets recognised as at 30 June 2024 in the amount of EUR 65,776 thousand (31 Dec 2023: EUR 24,663 thousand), EUR 65,690 thousand pertains to term deposits with commercial banks with a maturity of up to three months, which are treated as cash equivalents.

**17/ LOANS AND LEASES PAYABLE**

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
<b>Long-term loans</b>		
Loans and borrowings	210,715	222,454
Financial lease	76,836	69,825
	<b>287,551</b>	<b>292,279</b>
<b>Short-term loans</b>		
Loans and borrowings	23,478	23,478
Financial lease	6,738	6,069
Other (interest)	10,979	11,198
	<b>41,195</b>	<b>40,745</b>
<b>Total loans and leases</b>	<b>328,746</b>	<b>333,024</b>

**18/ TRADE PAYABLES AND OTHER LIABILITIES**

	<b>30 June 2023</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Trade payables /i/	245,311	185,155
Advances, deposits and guarantees payable	4,769	3,808
Liabilities payable to employees with respect to net salaries and benefits	10,896	9,509
Other liabilities	65,325	68,582
	<b>326,301</b>	<b>267,054</b>

/i/ Trade payables include trade payables related to receivables from the Republic of Croatia, as indicated in Note 12/i/.

**19/ LIABILITIES PAYABLE TO RELATED PARTIES**

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
Liabilities payable to related parties	1,583	3,476

The reduction in liabilities payable to related companies primarily relates to the decrease in guarantees payable to the City of Zagreb for bonds issued in 2016.

## 20/ REVALUATION RESERVES

### *Revaluation reserves*

#### *a/ Real estate and land revaluation reserves*

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
<b>Balance at beginning of year</b>	<b>258,722</b>	<b>254,630</b>
Additions from revaluation (net)	-	4,092
<b>Balance at end of period</b>	<b>258,722</b>	<b>258,722</b>

#### *b/ Reserves based on change of fair value of financial assets through other comprehensive income*

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	EUR 000	EUR 000
<b>Balance at beginning of year</b>	<b>5,070</b>	<b>3,172</b>
Real estate revaluation (net)	-	1,898
Valuation of financial assets (net) / equity securities	(463)	-
Valuation of financial assets (net) / interest rate swap	1,283	-
<b>Balance at end of year</b>	<b>5,890</b>	<b>5,070</b>
<b>Revaluation reserves total (a+b)</b>	<b>264,612</b>	<b>263,792</b>

## **21/ SUBSEQUENT EVENTS**

### *Management of the Central Wastewater Treatment Facility of the city of Zagreb*

On 3 August 2024, the Concession Agreement for the Infrastructure Project needed for the construction of the central wastewater treatment facility for the city of Zagreb ceased to be valid based on the Decision on the unilateral termination of the Concession Agreement for the Project, which was adopted by the Zagreb City Assembly at its 30th session on 25 January 2024. By a resolution dated 12 July 2024, the City of Zagreb determined that the company Water Supply and Drainage Ltd., as the public water service provider, in accordance with the Water Services Act, is responsible for utilization and management of the Central Wastewater Treatment Facility of the city of Zagreb as of 4 August 2024.

### *Changes in the Parent Company's Supervisory Board*

On 2 July 2024, Suzana Brenko resigned from her position of member and President of the Supervisory Board of Zagreb Holding.

### *Early termination of the agreement on interest rate hedging derivative instrument*

The Group analysed the impact of interest rate changes in the upcoming one-year period and the potential effects of such changes on the fair value of the instrument and cash flows related to interest, and on 30 August 2024, it decided to exit the existing interest rate hedging derivative instrument.

### *Guarantees issued*

At the beginning of September 2024, the Company issued a joint and several guarantee to the related company Zagreb City Gasworks - Supply Ltd. for liabilities under the Framework Agreement on Natural Gas Sales at the virtual trading point.

<b>Annex 1</b>		
<b>ISSUER'S GENERAL DATA</b>		
Reporting period:	1.1.2024	to 30.6.2024
Year:	2024	
Semmi-annual period:	1	
<b>Semmi-annual financial statements</b>		
Registration number (MB):	03677702	Issuer's home Member State code: <span style="text-align: center;">HR</span>
Entity's registration number (MBS):	080042653	
Personal identification number (OIB):	85584865987	LEI: <span style="text-align: center;">74780090ND4TXRKKO752</span>
Institution code:	5790	
Name of the issuer:	ZAGREBAČKI HOLDING d.o.o.	
Postcode and town:	10000	ZAGREB
Street and house number:	ULICA GRADA VUKOVARA 41	
E-mail address:	zgh-royal-blue@zgh.hr	
Web address:	www.zgh.hr	
Number of employees (end of the reporting period):	7446	
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
GRADSKA LJEKARNA ZAGREB	ZAGREB, KRALJA DRŽISLAVA 4	1269739
GRADSKA PLINARA ZAGREB D.O.O.	ZAGREB, RADNIČKA CESTA 1	3276066
GRADSKA PLINARA ZAGREB OPSKRBA D.O.O.	ZAGREB, RADNIČKA CESTA 1	2371090
TAMBENO KOMUNALNO GOSPODARSTVO D.O.O.	ZAGREB, SAVSKA CESTA 1	4123433
VODOOPSKRBA I ODVODNJA D.O.O.	ZAGREB, FOLNEGOVIĆEVA 1	4123425
ZAGREB PLAKAT D.O.O.	ZAGREB, HEBRANGOVA 32	2076543
Bookkeeping firm:	No	(Yes/No) <span style="text-align: center;">(name of the bookkeeping firm)</span>
Contact person:	Smolković Vlatka (only name and surname of the contact person)	
Telephone:	+385 (0)1 6420 701	
E-mail address:	vlatka.smolkovic@zgh.hr	
Audit firm:	(name of the audit firm)	
Certified auditor:	(name and surname)	



**BALANCE SHEET**  
balance as at 30.06.2024

in EUR

<b>Submitter: ZAGREBAČKI HOLDING d.o.o.</b>			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	1.714.274.653	1.706.899.842
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	6.327.748	6.794.563
1 Research and development	<b>004</b>	35.894	37.119
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	3.892.138	3.161.640
3 Goodwill	<b>006</b>	216.522	216.522
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	1.540.102	2.782.414
6 Other intangible assets	<b>009</b>	643.092	596.868
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	1.520.882.797	1.523.617.196
1 Land	<b>011</b>	431.231.340	431.231.340
2 Buildings	<b>012</b>	739.622.751	725.729.975
3 Plant and equipment	<b>013</b>	40.554.774	41.945.885
4 Tools, working inventory and transportation assets	<b>014</b>	13.316.562	19.790.204
5 Biological assets	<b>015</b>	0	11.618
6 Advances for the purchase of tangible assets	<b>016</b>	380.045	465.137
7 Tangible assets in preparation	<b>017</b>	34.097.324	42.117.750
8 Other tangible assets	<b>018</b>	7.482.313	8.127.599
9 Investment property	<b>019</b>	254.197.688	254.197.688
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	27.385.333	26.375.105
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	0	0
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	10.297.331	8.991.730
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	0	0
8 Loans, deposits, etc. given	<b>028</b>	355.347	408.222
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	16.732.655	16.975.153
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	145.831.923	136.402.566
1 Receivables from undertakings within the group	<b>032</b>	82.213.185	76.410.049
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	66.936	96.655
4 Other receivables	<b>035</b>	63.551.802	59.895.862
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	13.846.852	13.710.412
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	400.050.192	433.874.962
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	18.444.582	22.128.974
1 Raw materials and consumables	<b>039</b>	8.289.758	11.341.488

2 Production in progress	040	392.599	269.307
3 Finished goods	041	1.394.886	1.127.514
4 Merchandise	042	8.284.412	9.299.126
5 Advances for inventories	043	82.927	91.539
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	<b>287.425.276</b>	<b>297.075.995</b>
1 Receivables from undertakings within the group	047	70.456.480	51.078.320
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	104.557.358	90.205.939
4 Receivables from employees and members of the undertaking	050	47.015	58.927
5 Receivables from government and other institutions	051	102.204.119	145.281.659
6 Other receivables	052	10.160.304	10.451.150
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>7.921.632</b>	<b>9.490.361</b>
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	2.945.816	4.521.418
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	943.741	992.856
9 Other financial assets	062	4.032.075	3.976.087
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>86.258.702</b>	<b>105.179.632</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>5.575.260</b>	<b>6.170.184</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>2.119.900.105</b>	<b>2.146.944.988</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>116.675.736</b>	<b>117.908.986</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)</b>	<b>067</b>	<b>642.558.912</b>	<b>621.861.851</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>	<b>068</b>	<b>421.666.149</b>	<b>421.666.149</b>
<b>II CAPITAL RESERVES</b>	<b>069</b>	<b>0</b>	<b>0</b>
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>32.718.029</b>	<b>32.718.029</b>
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	32.718.029	32.718.029
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>258.720.675</b>	<b>258.720.675</b>
<b>V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)</b>	<b>077</b>	<b>5.070.684</b>	<b>5.891.094</b>
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	5.692.246	5.229.971
2 Cash flow hedge - effective portion	079	-621.562	661.123
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)</b>	<b>083</b>	<b>-92.754.418</b>	<b>-76.905.892</b>

1 Retained profit	<b>084</b>	0	0
2 Loss brought forward	<b>085</b>	92.754.418	76.905.892
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)</b>	<b>086</b>	<b>15.723.468</b>	<b>-21.739.418</b>
1 Profit for the business year	<b>087</b>	15.723.468	0
2 Loss for the business year	<b>088</b>	0	21.739.418
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>089</b>	1.414.325	1.511.214
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>39.662.107</b>	<b>39.477.336</b>
1 Provisions for pensions, termination benefits and similar obligations	<b>091</b>	11.841.894	11.841.894
2 Provisions for tax liabilities	<b>092</b>	0	0
3 Provisions for ongoing legal cases	<b>093</b>	19.356.176	19.171.405
4 Provisions for renewal of natural resources	<b>094</b>	8.464.037	8.464.037
5 Provisions for warranty obligations	<b>095</b>	0	0
6 Other provisions	<b>096</b>	0	0
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>686.795.373</b>	<b>678.926.555</b>
1 Liabilities to undertakings within the group	<b>098</b>	1.123.533	1.042.054
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>099</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>100</b>	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>101</b>	0	0
5 Liabilities for loans, deposits etc.	<b>102</b>	0	0
6 Liabilities to banks and other financial institutions	<b>103</b>	223.199.303	220.050.417
7 Liabilities for advance payments	<b>104</b>	0	0
8 Liabilities to suppliers	<b>105</b>	69.079.566	67.500.608
9 Liabilities for securities	<b>106</b>	302.622.352	302.874.800
10 Other long-term liabilities	<b>107</b>	32.383.538	29.027.946
11 Deferred tax liability	<b>108</b>	58.387.081	58.430.730
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>332.441.189</b>	<b>388.320.261</b>
1 Liabilities to undertakings within the group	<b>110</b>	3.475.630	1.583.467
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>111</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>112</b>	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>113</b>	0	0
5 Liabilities for loans, deposits etc.	<b>114</b>	0	0
6 Liabilities to banks and other financial institutions	<b>115</b>	40.744.948	41.194.863
7 Liabilities for advance payments	<b>d</b>	3.806.959	4.768.738
8 Liabilities to suppliers	<b>117</b>	185.155.243	245.310.918
9 Liabilities for securities	<b>118</b>	0	0
10 Liabilities to employees	<b>119</b>	9.509.464	10.895.881
11 Taxes, contributions and similar liabilities	<b>120</b>	12.515.175	7.553.058
12 Liabilities arising from the share in the result	<b>121</b>	0	619.475
13 Liabilities arising from fixed assets held for sale	<b>122</b>	0	0
14 Other short-term liabilities	<b>123</b>	77.233.770	76.393.861
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	418.442.524	418.358.985
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>2.119.900.105</b>	<b>2.146.944.988</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	116.675.736	117.908.986

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2024 to 30.06.2024

in EUR

<b>Submitter: ZAGREBAČKI HOLDING d.o.o.</b>			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>375.895.438</b>	<b>418.514.120</b>
1 Income from sales with undertakings within the group	<b>002</b>	41.106.321	51.458.681
2 Income from sales (outside group)	<b>003</b>	261.147.491	252.915.802
3 Income from the use of own products, goods and services	<b>004</b>	1.496.989	1.499.140
4 Other operating income with undertakings within the group	<b>005</b>	3.783.342	17.907.116
5 Other operating income (outside the group)	<b>006</b>	68.361.295	94.733.381
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>364.926.147</b>	<b>427.328.457</b>
1 Changes in inventories of work in progress and finished goods	<b>008</b>	263.558	381.450
2 Material costs (ADP 010 to 012)	<b>009</b>	<b>240.441.134</b>	<b>293.810.900</b>
<i>a) Costs of raw materials and consumables</i>	<b>010</b>	40.276.515	28.793.810
<i>b) Costs of goods sold</i>	<b>011</b>	162.351.569	213.945.906
<i>c) Other external costs</i>	<b>012</b>	37.813.050	51.071.184
3 Staff costs (ADP 014 to 016)	<b>013</b>	<b>82.461.721</b>	<b>98.058.619</b>
<i>a) Net salaries and wages</i>	<b>014</b>	55.438.852	66.032.685
<i>b) Tax and contributions from salary costs</i>	<b>015</b>	17.188.583	20.517.178
<i>c) Contributions on salaries</i>	<b>016</b>	9.834.286	11.508.756
4 Depreciation	<b>017</b>	27.345.872	26.707.122
5 Other costs	<b>018</b>	1.263.282	1.389.437
6 Value adjustments (ADP 020+021)	<b>019</b>	<b>9.916.586</b>	<b>3.982.832</b>
<i>a) fixed assets other than financial assets</i>	<b>020</b>	5.909	0
<i>b) current assets other than financial assets</i>	<b>021</b>	9.910.677	3.982.832
7 Provisions (ADP 023 to 028)	<b>022</b>	<b>298.603</b>	<b>0</b>
<i>a) Provisions for pensions, termination benefits and similar obligations</i>	<b>023</b>	0	0
<i>b) Provisions for tax liabilities</i>	<b>024</b>	0	0
<i>c) Provisions for ongoing legal cases</i>	<b>025</b>	298.603	0
<i>d) Provisions for renewal of natural resources</i>	<b>026</b>	0	0
<i>e) Provisions for warranty obligations</i>	<b>027</b>	0	0
<i>f) Other provisions</i>	<b>028</b>	0	0
8 Other operating expenses	<b>029</b>	2.935.391	2.998.097
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>7.601.830</b>	<b>5.188.114</b>
1 Income from investments in holdings (shares) of undertakings within the group	<b>031</b>	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	<b>032</b>	220.375	205.000
3 Income from other long-term financial investment and loans granted to undertakings within the group	<b>033</b>	2.242.047	1.025.503
4 Other interest income from operations with undertakings within the group	<b>034</b>	563.023	116
5 Exchange rate differences and other financial income from operations with undertakings within the group	<b>035</b>	0	0
6 Income from other long-term financial investments and loans	<b>036</b>	0	0

**ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS**

for the period from 1 January to 30 June 2024

7 Other interest income	037	1.108.791	837.535
8 Exchange rate differences and other financial income	038	315.170	1.612.967
9 Unrealised gains (income) from financial assets	039	3.122.229	1.499.304
10 Other financial income	040	30.195	7.689
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>17.846.816</b>	<b>17.396.831</b>
1 Interest expenses and similar expenses with undertakings within the group	042	4.886	2.959
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	2.464	1.168
3 Interest expenses and similar expenses	044	15.718.355	15.889.860
4 Exchange rate differences and other expenses	045	335	287
5 Unrealised losses (expenses) from financial assets	046	0	0
6 Value adjustments of financial assets (net)	047	0	0
7 Other financial expenses	048	2.120.776	1.502.557
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>383.497.268</b>	<b>423.702.234</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>382.772.963</b>	<b>444.725.288</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>724.305</b>	<b>-21.023.054</b>
1 Pre-tax profit (ADP 053-054)	056	724.305	0
2 Pre-tax loss (ADP 054-053)	057	0	-21.023.054
<b>XII INCOME TAX</b>	<b>058</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>724.305</b>	<b>-21.023.054</b>
1 Profit for the period (ADP 055-059)	060	724.305	0
2 Loss for the period (ADP 059-055)	061	0	-21.023.054
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>			
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0
2 Pre-tax loss on discontinued operations	064	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>			
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0
2 Pre-tax loss (ADP 068)	070	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 068-071)	073	0	0
2 Loss for the period (ADP 071-068)	074	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>			
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	<b>075</b>	<b>724.305</b>	<b>-21.023.054</b>
1 Attributable to owners of the parent	076	343.091	-21.739.418
2 Attributable to minority (non-controlling) interest	077	381.214	716.364
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>			

**ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS**

for the period from 1 January to 30 June 2024

<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	724.305	-21.023.054
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	4.480.780	1.125.558
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	2.266.906	-563.750
1 Changes in revaluation reserves of fixed tangible and intangible assets	<b>081</b>	116.508	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	<b>082</b>	2.150.398	-563.750
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	<b>083</b>	0	0
4 Actuarial gains/losses on the defined benefit obligation	<b>084</b>	0	0
5 Other items that will not be reclassified	<b>085</b>	0	0
6 Income tax relating to items that will not be reclassified	<b>086</b>	408.043	-101.475
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	2.213.874	1.689.308
1 Exchange rate differences from translation of foreign operations	<b>088</b>	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	<b>089</b>	0	0
3 Profit or loss arising from effective cash flow hedging	<b>090</b>	2.213.874	1.564.250
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	<b>091</b>	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	<b>092</b>	0	0
6 Changes in fair value of the time value of option	<b>093</b>	0	0
7 Changes in fair value of forward elements of forward contracts	<b>094</b>	0	0
8 Other items that may be reclassified to profit or loss	<b>095</b>	0	125.058
9 Income tax relating to items that may be reclassified to profit or loss	<b>096</b>	398.497	281.565
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087 - 086 - 096)</b>	<b>097</b>	3.674.240	945.468
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	4.398.545	-20.077.586
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>			
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	4.398.545	-20.202.644
<b>1 Attributable to owners of the parent</b>	<b>100</b>	4.017.331	-20.919.008
<b>2 Attributable to minority (non-controlling) interest</b>	<b>101</b>	381.214	716.364



for the period from 1 January to 30 June 2024

**STATEMENT OF CASH FLOWS - indirect method**  
**for the period 01.01.2024. to 30.06.2024.**

in EUR

Submitter: ZAGREBAČKI HOLIDING d.o.o.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	724.305	-21.023.054
2 Adjustments (ADP 003 to 010):	002	58.560.577	42.629.457
a) Depreciation	003	27.345.872	26.707.122
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-7.602.000	-5.188.480
e) Interest expenses	007	17.846.829	17.396.339
f) Provisions	008	-600.000	-184.772
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	21.569.876	3.899.248
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>59.284.882</b>	<b>21.606.403</b>
3 Changes in the working capital (ADP 013 to 016)	012	2.138.810	29.911.735
a) Increase or decrease in short-term liabilities	013	-18.095.790	49.446.529
b) Increase or decrease in short-term receivables	014	22.092.600	-15.654.189
c) Increase or decrease in inventories	015	-1.858.000	-3.880.605
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>61.423.692</b>	<b>51.518.138</b>
4 Interest paid	018	-7.046.695	-14.914.073
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>54.376.997</b>	<b>36.604.065</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	200	200
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	2.689.000	1.453.656
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	13.278.800	15.423.954
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>15.968.000</b>	<b>16.877.810</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-12.199.022	-29.937.547
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0

**ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS**

for the period from 1 January to 30 June 2024

4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-433.000	-563.487
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-12.632.022</b>	<b>-30.501.034</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>3.335.978</b>	<b>-13.623.224</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	336.684	11.750.417
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>336.684</b>	<b>11.750.417</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-1.161.461	-11.739.751
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-2.962.567	-4.070.578
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-4.124.028</b>	<b>-15.810.329</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-3.787.344</b>	<b>-4.059.912</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>53.925.631</b>	<b>18.920.929</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>44.874.748</b>	<b>86.258.702</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>98.800.379</b>	<b>105.179.631</b>



**STATEMENT OF CHANGES IN EQUITY**

 for the period  
from

**1.1.2024**

to

**30.6.2024**

in EUR

Item	ADP code	Attributable to owners of the parent								Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	9	10	11	12	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Previous period</b>											
<b>1 Balance on the first day of the previous business year</b>	<b>01</b>	421.666.149	32.718.029	254.628.777	3.172.470	0	92.748.357	-6.061	619.431.007	1.200.380	620.631.387
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)</b>	<b>04</b>	421.666.149	32.718.029	254.628.777	3.172.470	0	92.748.357	-6.061	619.431.007	1.200.380	620.631.387
5 Profit/loss of the period	05	0	0	0	0	0	0	15.723.468	15.723.468	619.475	16.342.943
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	4.091.898	0	0	0	0	4.091.898	0	4.091.898
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	2.519.776	0	0	0	2.519.776	0	2.519.776
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	-621.562	0	0	-621.562	0	-621.562
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0

**ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS**

for the period from 1 January to 30 June 2024

11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	-405.530	-405.530
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	-6.061	6.061	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0
<b>24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)</b>	<b>24</b>	<b>421.666.149</b>	<b>32.718.029</b>	<b>258.720.675</b>	<b>5.692.246</b>	<b>-621.562</b>	<b>92.754.418</b>	<b>15.723.468</b>	<b>641.144.587</b>	<b>1.414.325</b>	<b>642.558.912</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>											
<b>I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>4.091.898</b>	<b>2.519.776</b>	<b>-621.562</b>	<b>0</b>	<b>0</b>	<b>5.990.112</b>	<b>0</b>	<b>5.990.112</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>4.091.898</b>	<b>2.519.776</b>	<b>-621.562</b>	<b>0</b>	<b>15.723.468</b>	<b>21.713.580</b>	<b>619.475</b>	<b>22.333.055</b>
<b>III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-6.061</b>	<b>6.061</b>	<b>0</b>	<b>-405.530</b>	<b>-405.530</b>

**ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS**

for the period from 1 January to 30 June 2024

<b>Current period</b>												
<b>1 Balance on the first day of the current business year</b>	<b>28</b>	421.666.149	32.718.029	258.720.675	5.692.246	-621.562	92.754.418	-	15.723.468	641.144.587	1.414.325	642.558.912
2 Changes in accounting policies	<b>29</b>	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	<b>30</b>	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the current business year (restated) (AOP 28 to 30)</b>	<b>31</b>	421.666.149	32.718.029	258.720.675	5.692.246	-621.562	92.754.418	-	15.723.468	641.144.587	1.414.325	642.558.912
5 Profit/loss of the period	<b>32</b>	0	0	0	0	0	0	0	-21.739.418	-21.739.418	716.364	-21.023.054
6 Exchange rate differences from translation of foreign operations	<b>33</b>	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	<b>34</b>	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	<b>35</b>	0	0	0	-462.275	0	0	0	0	-462.275	0	-462.275
9 Profit or loss arising from effective cash flow hedge	<b>36</b>	0	0	0	0	1.282.685	0	0	0	1.282.685	0	1.282.685
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	<b>37</b>	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	<b>38</b>	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	<b>39</b>	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	<b>40</b>	0	0	0	0	0	125.058	0	0	125.058	0	125.058
14 Tax on transactions recognised directly in equity	<b>41</b>	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	<b>42</b>	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	<b>43</b>	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	<b>44</b>	0	0	0	0	0	0	0	0	0	0	0

**ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS**

for the period from 1 January to 30 June 2024

18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	-619.475	-619.475
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0
22 Carryforward per annual plan	49	0	0	0	0	0	15.723.468	-15.723.468	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0
<b>24 Balance on the last day of the current business year reporting period (ADP 31 to 50)</b>	<b>51</b>	<b>421.666.149</b>	<b>32.718.029</b>	<b>258.720.675</b>	<b>5.229.971</b>	<b>661.123</b>	<b>76.905.892</b>	<b>-21.739.418</b>	<b>620.350.637</b>	<b>1.511.214</b>	<b>621.861.851</b>
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>											
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-462.275</b>	<b>1.282.685</b>	<b>125.058</b>	<b>0</b>	<b>945.468</b>	<b>0</b>	<b>945.468</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-462.275</b>	<b>1.282.685</b>	<b>125.058</b>	<b>-21.739.418</b>	<b>-20.793.950</b>	<b>716.364</b>	<b>-20.077.586</b>
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15.723.468</b>	<b>-15.723.468</b>	<b>0</b>	<b>-619.475</b>	<b>-619.475</b>