



ZAGREB HOLDING LTD.

**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

TABLE OF CONTENTS

Basic Information about Zagreb Holding Ltd.	4
Management Board's Comment on H1 2024 Performance	6
Significant Business Events in H1 2024	7
H1 2024 Management Report and Business Analysis	11
Most Significant Risks and Uncertainties to Which Zagreb Holding Ltd. is Exposed	14
Statement of Persons Responsible for Preparation of Financial Statements	15
Unaudited Separate Semi-Annual Financial Statements for the Period Jan – June 2024	16

BASIC INFORMATION ABOUT ZAGREB HOLDING LTD.

Ownership: City of Zagreb is the founder and 100% owner of the company Zagreb Holding Ltd.

Assembly: City of Zagreb is the sole member of the Assembly and its representatives are the following:

- Tomislav Tomašević
- Danijela Dolenc
- Luka Korlaet

Supervisory Board:

- 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

Employee representatives did not appoint a member of their own to the Supervisory Board.

Management Board:

- Ivan Novaković, President of the Management Board since 04/10/2021
- Matija Subašić-Maras, member of the Management Board since 15/09/2021
- Dubravko Karačić, member of the Management Board since 13/12/2021
- Damir Novinić, member of the Management Board since 01/08/2023

Changes in subsidiaries of Zagreb Holding Ltd.

1. Subsidiary Zrinjevac
 - Damir Grgić, Head of subsidiary from 15/02/2022 to 29/03/2024
 - Božena Cvitanović, Head of subsidiary since 30/03/2024
2. Subsidiary Zagreb Markets
 - Božena Cvitanović, Head of subsidiary from 07/02/2022 to 30/06/2024
 - Marin Rončević, Head of subsidiary since 01/07/2024

Registered office: Ulica grada Vukovara 41, Zagreb

Court Reg. No.: 080042653

PIN: 85584865987

Share capital: EUR 421,666 thousand

Number of employees

as at 30 June 2024: 5,106

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

Date of issue: 11/07/2023
Maturity date: 11/07/2028
Interest rate: 4.90 %, fixed, payable semi-annually

Main activities of the Company:

- Cleaning and waste collection
- Waste disposal and management
- Landscaping and green space maintenance
- Construction and project management
- Public parking lot and garage services
- Storage and rental services
- Construction and management of electronic communication infrastructure and electronic communication networks
- Public and unclassified state roads: construction, management, maintenance and protection, including traffic lights and signs, machinery and asphalt production

Zagreb Holding Ltd. carries out its core business operations through 12 subsidiaries, while corporate functions are centralised and performed through Corporate Services as a separate organisational unit of the Company.

Basic information about subsidiaries of Zagreb Holding Ltd.

Name	Primary services
AGM	Publishing activities
Arena Zagreb	Sports facilities management and maintenance
Zagreb Bus Terminal	Bus terminal services
City Waste Disposal	Collection of waste from households and public areas and maintenance of clean public areas
City Cemeteries	Funerary and related activities
Zagreb Freight Station	Storage of goods
Vladimir Nazor	Organised vacations for young people and travel agency
Zagreb Markets	Wholesale and retail markets, storage
Zagreb Roads	Maintenance of unclassified roads; maintenance and construction of regional and local roads
Zagreb Digital City	Construction and management of electronic communication infrastructure and electronic communication networks
Zagrebparking	Public parking lot and garage services
Zrinjevac	Maintenance of public green spaces

MANAGEMENT BOARD'S COMMENT

on H1 2024 Performance

In the first six months of 2024, the Company 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, implementation of the SAP system and continued work on modernising infrastructure, the Company managed to maintain consistent quality in the services provided. The Company's focus remained on establishing activities that would result in better resource management and optimization of work processes.

Furthermore, we would particularly like to highlight the investment in human resources through the signing of a new collective bargaining agreement, which improved employees' benefits, thereby further strengthening employee satisfaction and workforce stability. With an investment of EUR 13.1 million in 2024, we ensured an increase in the salary base amount and other benefits for employees.

Our commitment to sustainable development is reflected in the implementation of the Sustainability Strategy, which includes waste management projects, the use of renewable energy sources, and the reduction of negative environmental impacts. Through the verification of key indicators related to our sustainability-linked bond (increasing the share of renewable energy in total consumption and increasing the amount of separately collected municipal waste), we have clearly defined sustainability goals for the period up to 2028.

In the upcoming period, we will continue to invest in projects aligned with our strategic goals, particularly those that contribute to sustainable development, the improvement of customer experience, and the financial stability of the Company.

Financial indicators

In H1 2024, Zagreb Holding Ltd. generated loss in the amount of EUR 0.44 million, with comprehensive income of EUR 0.85 million. Operating profit (EBIT) amounted to EUR 12.80 million, while earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 21.87 million.

In H1 2024, operating income was generated in the amount of EUR 140.33 million, which is an EUR 14.19 million (11%) increase compared to the previous year. The most significant increase in sales revenue was recorded in the cleaning and waste collection services and in landscaping and green space maintenance, as a result of increased income from the budget of the City of Zagreb. Increase in other operating income (+ EUR 6.24 million) pertained to grants from the City budget for purposes approved by the Zagreb City Assembly.

In the reporting period in 2024, operating expenses were generated in the amount of EUR 127.53 million, which is an EUR 16.38 million (15%) increase compared to the same period in the previous year. In the structure of operating expenses, the most significant increase was recorded in staff costs, resulting from an increase in the salary base amount by an average of 13%, increase in permanent salary supplements and other employee benefits provided for in the Collective Bargaining Agreement, changed systematization and a 7% increase in the average number of employees. Cost of material and services increased primarily as a result of increased costs of management of biowaste and plastic.

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

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 Company 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.

Sustainable business goals

Verified positive key performance indicators

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

The Company's and 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 Company 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/otvora/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 Company to continue improving its services and enhancing the quality of customer experience, while maintaining a strong commitment to environmental protection.

COMPANY 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 Jakuševac – 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, 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.

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 the Company and the 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.

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.

Performance

In H1 2024, Zagreb Holding Ltd. (hereinafter: "the Company") generated loss in the amount of EUR 0.44 million, with comprehensive income of EUR 0.85 million. With an 11% increase in operating income and a 15% increase in operating expenses, in 2024, the Company generated an operating profit (EBIT) of EUR 12.80 million, with earnings before interest, taxes, depreciation and amortisation (EBITDA) amounting to EUR 21.87 million. Financing activities generated loss of EUR 13.24 million, representing an 18% 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	140,330	126,141	11%
Operating expenses	(127,529)	(111,154)	15%
Finance income	4,029	5,906	-32%
Finance expenses	(17,267)	(17,135)	1%
Total income	144,359	132,047	9%
Total expenses	(144,796)	(128,289)	13%
(Loss)/profit before tax	(437)	3,758	
<i>Tax income/(expense)</i>	-	-	
(Loss) /profit for the period	(437)	3,758	
OTHER COMPREHENSIVE INCOME			
<i>Items that will never be reclassified to profit or loss</i>			
Real estate revaluation gains (net)	-	117	
Tax on other comprehensive income	-	(21)	
<i>Items that may be reclassified to profit or loss</i>			
Profit based on effective cash flow hedges	1,564	2,214	
Other items that may be reclassified under profit or loss	125	-	
Tax on other comprehensive income	(281)	(399)	
Total comprehensive income for the period	971	5,669	
<i>EBIT</i>	<i>12,801</i>	<i>14,987</i>	-15%
<i>EBITDA</i>	<i>21,866</i>	<i>24,890</i>	-12%
<i>Loss from financial activities</i>	<i>(13,238)</i>	<i>(11,229)</i>	18%

Income

In H1 2024, operating income was generated in the amount of EUR 140.33 million, which is an EUR 14.19 million (11%) increase compared to the previous year.

Sales revenue amounted to EUR 112.92 million (Jan-June 2023: EUR 104.97 million), while other operating income was EUR 27.41 million (Jan-Jun 2023: EUR 21.17 million). Total year-on-year increase in sales revenue was EUR 7.95 million (8%), while the increase in other operating income was EUR 6.24 million (30%).

The most significant increase in sales income 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) landscaping and green space maintenance (+ EUR 4.86 million) resulting from greater income from the City of Zagreb budget 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), and (iii) parking, amounting to EUR 1.06 million, resulting from increased sales in parking permits on public parking lots.

Decreased sales revenue was generated in the segment facility management (- EUR 4.95 million) resulting from decreased (i) income from investing activities connected with the construction of public purpose facilities for the City of Zagreb and (ii) income from lease agreements with the City of Zagreb due to expiry of the lease of public purpose facilities and their handover to the City's management.

Increase in other operating income (+ EUR 6.24 million) pertained mainly to increased income from grants from the City of Zagreb budget for purposes approved by the Zagreb City Assembly.

Expenses

In the reporting period in 2024, operating expenses were generated in the amount of EUR 127.53 million, which is an EUR 16.38 million (15%) increase compared to the same period in the previous year.

In the structure of operating expenses, the most significant increase was recorded in (i) *staff costs*, resulting from an increase in the salary base amount by an average of 13%, increase in permanent salary supplements and other employee benefits provided for in the Collective Bargaining Agreement, changed systematization and a 7% increase in the average number of employees, and (ii) *costs of material and services*, primarily resulting from increased costs of municipal fees and services due to transfer of biowaste to an external provider of recovery services and higher costs of plastics recovery caused by greater volume and higher average price. *Value adjustment costs* decreased, mainly due to reduced litigation against users of municipal waste disposal services.

Statement of Financial Position

A condensed statement of assets, equity and liabilities derived 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	1,308,557	89%	1,309,872	89%	-0.1%
Current assets	156,235	11%	156,663	11%	-0.3%
Total assets	1,464,792	100%	1,466,535	100%	-0.1%
Equity	623,819	43%	622,848	42%	0.2%
Non-current liabilities	728,993	50%	731,227	50%	-0.3%
Current liabilities	111,980	8%	112,460	8%	-0.4%
Total equity and liabilities	1,464,792	100%	1,466,535	100%	-0.1%

As at 30 June 2024, the Company's total assets amounted to EUR 1,464.79 million, representing a decrease of EUR 1.74 million compared to 31 December 2023. Non-current assets decreased by EUR 1.32 million, primarily due to (i) decreased value of non-current receivables (EUR 7.58 million) as a result of decreased receivables from the Company member and increased value of (ii) property, plant and equipment (EUR 4.88 million) due to increased 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, and (iii) financial assets (EUR 0.81 million) due to recognition of future cash flows arising from variable interest rate on the long-term club loan.

The value of current assets decreased by EUR 0.43 million, primarily driven by a significant decrease in receivables from related companies, which decreased by EUR 9.38 million, while trade receivables and other receivables increased by EUR 3.13 million, and cash and cash equivalents increased by EUR 4.33 million.

In the structure of equity and liabilities, equity was decreased by the carried-forward loss.

Non-current liabilities decreased by EUR 2.23 million, mostly due to lower credit liabilities (EUR 2.86 million). As at 30 June 2024, current liabilities decreased by EUR 0.48 million, with trade payables increasing by EUR 2.54 million, and liabilities payable to related companies decreasing by EUR 2.70 million.

MOST SIGNIFICANT RISKS AND UNCERTAINTIES TO WHICH ZAGREB HOLDING LTD. IS EXPOSED

At the beginning of 2024, the Company 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 Company.

With the financial and managerial stabilization of the Company, conditions were created for the further process of transformation, including the optimization and digitalization of operations, with the aim of increasing efficiency and revenues. In the coming period, the Company 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 Company'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 Company's and 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.

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 Company'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 Company'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 Company does not have significant assets that generate interest income, the Company's income and cash flow from operating activities are not significantly dependent on changes in market interest rates. The Company continuously monitors interest rate changes, taking into consideration potential refinancing and alternative financing, and based on this, the Company calculates the impact of interest rate changes on the profit and loss statement.

The Company's assets that carry credit risk consist mainly of cash, trade receivables and other receivables. The Company 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.

Liquidity risk at the Company level is managed by continuously monitoring the planned cash flow, comparing it against the actual inflow and outflow of cash, and making adjustments as required. The Company manages this risk further 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 Company settles all its due obligations on time and, by utilising the synergistic effects of its wide range of services, it also 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 LTD. 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 separate financial statements of Zagreb Holding Ltd. 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.
- Separate Management Report of Zagreb Holding Ltd. 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 SEPARATE
SEMI-ANNUAL
FINANCIAL
STATEMENTS FOR THE
PERIOD
JAN – JUNE 2024



ZAGREBAČKI
HOLDING

ZAGREB HOLDING Ltd.

Separate 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	112,920	104,973
Other operating income	4	27,410	21,168
Operating income		140,330	126,141
Cost of material and services	5	(50,565)	(43,146)
Staff costs	6	(63,521)	(52,246)
Depreciation and amortisation		(9,065)	(9,903)
Value adjustment of assets		(1,502)	(2,851)
Other operating expenses		(2,876)	(3,008)
Operating expenses		(127,529)	(111,154)
NET OPERATING PROFIT		12,801	14,987
Finance income		4,029	5,906
Finance expenses	7	(17,267)	(17,135)
NET FINANCE EXPENSES		(13,238)	(11,229)
(LOSS) / PROFIT BEFORE TAX		(437)	3,758
Tax (expense)/income		-	-
(LOSS) / PROFIT FOR THE PERIOD		(437)	3,758
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss</i>			
Real estate revaluation gains (net)		-	117
Tax on other comprehensive income		-	(21)
<i>Items that may be reclassified under profit or loss</i>			
Profit based on effective cash flow hedges		1,564	2,214
Other items that may be reclassified under profit or loss		125	-
Tax on other comprehensive income		(281)	(399)
Total comprehensive income for the period		971	5,669

ZAGREB HOLDING Ltd.

Separate Statement of Financial Position
as at 30 June 2024

	Note	30 June 2024	31 December 2023
		EUR 000	EUR 000
NON-CURRENT ASSETS			
Property, plant and equipment	8	562,917	558,060
Investment property		321,875	321,875
Right-of-use assets		216	325
Intangible assets		4,127	3,285
Investments in affiliated companies		289,899	289,899
Financial assets	9	7,807	7,806
Derivative financial assets	9 /iii/	806	-
Non-current receivables	10	116,320	123,895
Deferred tax assets		4,590	4,727
Total non-current assets		1,308,557	1,309,872
CURRENT ASSETS			
Inventories		9,211	7,830
Receivables from related parties	11	76,477	85,861
Trade receivables and other receivables	12	22,466	19,336
Financial assets	13	436	316
Cash and cash equivalents	14	47,645	43,320
Total current assets		156,235	156,663
TOTAL ASSETS		1,464,792	1,466,535

ZAGREB HOLDING Ltd.

Separate Statement of Financial Position
as at 30 June 2024

	Note	30 June 2024	31 December 2023
		EUR 000	EUR 000
NON-CURRENT LIABILITIES			
Loans and leases payable	15	245,270	248,131
Liabilities for issued bonds		302,875	302,622
Provisions		30,187	30,249
Deferred income		100,295	99,219
Deferred tax liability		49,734	49,589
Other non-current liabilities		632	659
Derivative financial liabilities		-	758
Total non-current liabilities		728,993	731,227
CURRENT LIABILITIES			
Trade payables and other liabilities	16	54,592	52,049
Liabilities payable to related parties		19,272	21,969
Loans and leases payable	15	35,418	34,892
Current maturity of deferred income		2,698	3,550
Total current liabilities		111,980	112,460
TOTAL LIABILITIES		840,973	843,687
NET ASSETS		623,819	622,848
EQUITY AND LIABILITIES			
Share capital		421,666	421,666
Revaluation reserves	17	225,964	225,964
Fair value reserves		661	(622)
Other reserves		32,718	32,718
Accumulated loss		(57,190)	(56,878)
Total equity		623,819	622,848
TOTAL EQUITY AND LIABILITIES		1,464,792	1,466,535

ZAGREB HOLDING Ltd.

Separate Statement of Changes in Equity

for the period from 1 January to 30 June 2024

	Share capital	Other reserves	Reserves from revaluation of real estate	Fair value reserves	Accumulated loss	Total
<i>EUR 000</i>						
Balance as at 1 January 2023	421,666	32,718	221,879	-	(77,685)	598,578
<i>Comprehensive income</i>						
Profit for the year	-	-	-	-	20,807	20,807
Real estate revaluation gains (net)	-	-	4,085	-	-	4,085
Loss on valuation of financial assets (net)	-	-	-	(622)	-	(622)
Other comprehensive income	-	-	4,085	(622)	-	3,463
Total comprehensive income	-	-	4,085	(622)	20,807	24,270
Balance as at 31 December 2023	421,666	32,718	225,964	(622)	(56,878)	622,848
<i>Comprehensive income</i>						
Loss for the year	-	-	-	-	(437)	(437)
Contribution of assets	-	-	-	-	125	125
Gains on valuation of financial assets (net)	-	-	-	1,283	-	1,283
Other comprehensive income	-	-	-	1,283	-	1,283
Total comprehensive income	-	-	-	1,283	(312)	971
Balance as at 30 June 2024	421,666	32,718	225,964	661	(57,190)	623,819

The Company has been granted a long-term club loan in the amount of EUR 240 million, and in order to protect the cash flow from interest rate fluctuations, a hedging derivative instrument, an interest rate swap, has been arranged. Based on the aforementioned, as at 30 June 2024, a profit of EUR 1,283 thousand from effective cash flow hedging has been reported, which relates to the effective portion of changes in the fair value of derivatives designated for cash flow hedging and presented as such.

The Company 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.

Separate Cash Flow Statement

for the period from 1 January to 30 June 2024

	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Cash flow from operating activities		
<i>Loss/(profit) before tax</i>	(437)	3,758
Finance expenses recognised in profit or loss	17,267	17,135
Finance income recognised in profit or loss	(4,029)	(5,906)
Value adjustment of receivables from related parties	21	614
Value adjustment of trade receivables	1,460	2,192
Value adjustment of inventories	-	22
Value adjustment of current assets	21	16
Value adjustment of non-current assets	-	7
Depreciation/amortisation of non-current tangible/intangible assets	9,065	9,903
Increase / (decrease) in deferred income	1,076	(35)
Decrease in long-term provisions	(62)	(397)
Changes in working capital:		
(Increase)/decrease in inventories	(1,381)	428
Increase /(decrease) in advances payable	389	(627)
Increase in trade receivables	(3,429)	(6,216)
Decrease in receivables from related parties	9,384	25,439
Increase in receivables from employees	(6)	(1)
(Increase)/decrease in receivables from the state	(649)	941
Decrease in other receivables	3,282	3,993
Decrease in trade payables and liabilities payable to related parties	(703)	(4,973)
Decrease in liabilities based on taxes and contributions	(3,180)	(3,914)
Increase in liabilities payable to employees	793	999
Decrease in other liabilities	(445)	(2,424)
<i>Net cash generated from operations</i>	28,437	40,954

ZAGREB HOLDING Ltd.

Separate Cash Flow Statement

for the period from 1 January to 30 June 2024

	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Cash flow from operating activities / continued		
Cash generated from operations	28,437	40,954
Interest paid	(14,449)	(6,503)
Net cash from operating activities	13,988	34,451
Cash flow from investing activities		
Expenses for procurement of tangible and intangible assets	(14,537)	(3,509)
Advance payments for non-current assets	(20)	-
Decrease in non-current receivables	7,575	7,407
(Expenses for)/ receipts from current financial assets	(120)	22
Expenses based on non-current financial assets	(807)	(3,423)
Interest charged	363	720
Receipts from share in profit and dividends	-	2,131
Net cash from investing activities	(7,546)	3,348
Cash flow from financing activities		
Loans and borrowings	10,662	266
Repayment of loans and borrowings	(12,779)	(2,016)
Net cash from financial activities	(2,117)	(1,750)
Net increase in cash	4,325	36,049
Cash as at 1 Jan	43,320	21,238
Cash as at 30 Jun	47,645	57,287

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 separate semi-annual financial statements for the period 1 January - 30 June 2024 on 23 September 2024.

The separate semi-annual financial statements were not audited.

2/BASIS FOR PREPARATION AND ACCOUNTING POLICIES

Bases for preparation of separate financial statements

The Company's summarised separate 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/o-nama-7/izvjesca/19>.

The enclosed summarised unaudited separate 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 separate annual financial statements of the Company 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 Company's financial statements.

Key accounting estimates

In applying the Company'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 environment and the Russia-Ukraine 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 separate semi-annual financial statements for H1 2024, the management's significant judgements regarding changes in the Company'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 Company has identified operating segments based on internal reports on the Company's components, which are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. The Company 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 Company's subsidiaries, in which context six business activities were found as representing individual operating segments, whereas the eighth segment represents all other business activities of the Company.

Operating segments are the following:

- 1/ Cleaning and waste collection
- 2/ Public road management and maintenance
- 3/ Parking services
- 4/ Warehousing and leases
- 5/ Landscaping and green space maintenance
- 6/ Facility management
- 7/ Other activities.

The following is an analysis of the Company'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.

	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Income from cleaning and waste disposal	36,460	29,916
Income from public road management and maintenance	21,018	21,237
Income from landscaping and maintenance of green spaces	15,174	10,316
Income from parking	12,178	11,123
Income from warehousing and leases	6,612	6,363
Income from facility management, construction and project management	4,481	9,432
Other income /i/	16,997	16,586
	112,920	104,973
/i/ Other income	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Income from funerary services	5,454	5,342
Income from markets	4,479	4,305
Income from travel agencies	2,262	2,620
Income from bus terminal services	1,898	1,927
Income from telecommunication ducts and network leasing	1,757	1,715
Income from sports facilities management and maintenance	963	539
Income from publishing activities	184	138
	16,997	16,586

ZAGREB HOLDING Ltd.

Notes to Financial Statements

for the period from 1 January to 30 June 2024

Revenues and results by segments for Jan-June 2024

	Facility management	Cleaning and waste disposal	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Revenue from sales to external customers	4,481	36,460	21,018	12,178	6,612	15,174	16,997	-	112,920
Intersegment sales	17,318	769	1,101	45	76	417	181	(19,907)	-
Total sales revenue	21,799	37,229	22,119	12,223	6,688	15,591	17,178	(19,907)	112,920
Expenses pertaining to other activities, net of other revenue from the main activity	(12,651)	(38,171)	(22,359)	(7,803)	(4,500)	(16,663)	(17,879)	19,907	(100,119)
Profit/(loss) from operating activities	9,148	(942)	(240)	4,420	2,188	(1,072)	(701)	-	12,801
Finance income	3,598	341	-	48	14	3	25	-	4,029
Finance expenses	(14,178)	(116)	(38)	(5)	(1)	(56)	(2,873)	-	(17,267)
Net financial result	(10,580)	225	(38)	43	13	(53)	(2,848)	-	(13,238)
Profit/(loss) before tax	(1,432)	(717)	(278)	4,463	2,201	(1,125)	(3,549)	-	(437)

ZAGREB HOLDING Ltd.

Notes to Financial Statements

for the period from 1 January to 30 June 2024

Revenues and results by segments for Jan-June 2023

	Facility management	Cleaning and waste disposal	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Revenue from sales to external customers	9,432	29,916	21,237	11,123	6,363	10,316	16,586	-	104,973
Intersegment sales	11,738	845	1,259	43	61	1,878	196	(16,020)	-
Total sales revenue	21,170	30,761	22,496	11,166	6,424	12,194	16,782	(16,020)	104,973
Expenses pertaining to other activities, net of other revenue from the main activity	(11,982)	(39,622)	(17,607)	(6,759)	(3,731)	(11,632)	(14,673)	16,020	(89,986)
Profit/(loss) from operating activities	9,188	(8,861)	4,889	4,407	2,693	562	2,109	-	14,987
Finance income	5,498	121	157	57	22	9	42	-	5,906
Finance expenses	(14,369)	(4)	(34)	(6)	(8)	(2)	(2,712)	-	(17,135)
Net financial result	(8,871)	117	123	51	14	7	(2,670)	-	(11,229)
Profit/(loss) before tax	317	(8,744)	5,012	4,458	2,707	569	(561)	-	3,758

ZAGREB HOLDING Ltd.

Notes to Financial Statements

for the period from 1 January to 30 June 2024

Assets and liabilities by segments as at 30 June 2024

	Construction and project management	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Property, plant and equipment	78,571	63,312	33,430	9,881	39,799	48,499	289,425	-	562,917
Right-of-use assets	-	-	17	142	-	26	31	-	216
Intangible assets	2,499	607	48	137	396	49	391	-	4,127
Investment property	138,529	-	284	-	180,149	928	1,985	-	321,875
Inventories	7	2,224	4,356	37	25	1,613	949	-	9,211
Trade receivables, net	61	7,708	395	1,319	640	348	4,193	-	14,664
Investments in affiliated companies	289,899	-	-	-	-	-	-	-	289,899
Unallocated assets	322,365	21,197	70,024	35,459	21,146	25,916	104,813	(339,037)	261,883
Total assets	831,931	95,048	108,554	46,975	242,155	77,379	401,787	(339,037)	1,464,792
Bonds issued	302,875	-	-	-	-	-	-	-	302,875
Trade payables	1,117	8,374	3,682	339	422	1,753	5,501	-	21,188
Liabilities payable to employees	1,030	2,712	977	437	150	976	1,008	-	7,290
Equity and unallocated liabilities	526,909	83,962	103,895	46,199	241,583	74,650	395,278	(339,037)	1,133,439
Total equity and liabilities	831,931	95,048	108,554	46,975	242,155	77,379	401,787	(339,037)	1,464,792
Capital expenditure:	1,691	9,921	50	596	403	305	1,570	-	14,536
<i>Property, plant and equipment</i>	<i>731</i>	<i>9,920</i>	<i>50</i>	<i>516</i>	<i>403</i>	<i>305</i>	<i>1,567</i>	<i>-</i>	<i>13,492</i>
<i>Intangible assets</i>	<i>960</i>	<i>1</i>	<i>-</i>	<i>80</i>	<i>-</i>	<i>-</i>	<i>3</i>	<i>-</i>	<i>1,044</i>
Depreciation/amortisation and impairment	1,895	2,893	569	670	303	646	2,089	-	9,065

Assets and liabilities by segments as at 31 December 2023

	Construction and project management	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Property, plant and equipment	79,541	56,115	33,947	9,969	39,582	48,832	290,074	-	558,060
Right-of-use assets	-	-	18	202	38	29	38	-	325
Intangible assets	1,609	804	48	64	455	53	252	-	3,285
Investment property	138,528	-	284	-	180,148	928	1,987	-	321,875
Inventories	4	936	3,874	29	57	1,891	1,039	-	7,830
Trade receivables, net	114	7,483	601	1,623	595	396	1,883	-	12,695
Investments in affiliated companies	289,899	-	-	-	-	-	-	-	289,899
Unallocated assets	344,780	11,398	68,543	32,634	19,812	21,949	100,112	(326,662)	272,566
Total assets	854,475	76,736	107,315	44,521	240,687	74,078	395,385	(326,662)	1,466,535
Bonds issued	302,622	-	-	-	-	-	-	-	302,622
Trade payables	957	5,200	4,722	841	575	2,835	4,064	-	19,194
Liabilities payable to employees	917	2,404	864	410	132	890	880	-	6,497
Equity and unallocated liabilities	549,979	69,132	101,729	43,270	239,980	70,353	390,441	(326,662)	1,138,222
Total equity and liabilities	854,475	76,736	107,315	44,521	240,687	74,078	395,385	(326,662)	1,466,535
Other segment information									
Capital expenditure:	25	3,606	31	369	133	1,986	1,935	-	8,085
<i>Property, plant and equipment</i>	<i>24</i>	<i>3,505</i>	<i>31</i>	<i>305</i>	<i>83</i>	<i>1,986</i>	<i>1,918</i>	<i>-</i>	<i>7,852</i>
<i>Intangible assets</i>	<i>1</i>	<i>101</i>	<i>-</i>	<i>64</i>	<i>50</i>	<i>-</i>	<i>17</i>	<i>-</i>	<i>233</i>
Depreciation/amortisation and impairment	6,194	5,177	1,160	1,532	612	1,196	4,171	-	20,042

4/ OTHER OPERATING INCOME

	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Income from subsidies and grants /i/	17,457	10,728
Income from reversal of provisions for unused vacation days	2,881	2,451
Collected receivables written off	2,630	2,065
Income from reversal of deferred income recognition	1,670	1,737
Income from reversal of provisions for collective redundancies	-	48
Income from reversal of other provisions	61	223
Other	2,711	3,916
	27,410	21.168

/i/ Income from subsidies and grants was mostly received from the City of Zagreb and Republic of Croatia and it comprises the following:

- 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 under the Croatian Government's Regulation on Elimination of Disturbances in the Domestic Energy Market (Official Gazette 104/22, 106/22 and 121/22).

	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Subsidies and grants from the City of Zagreb	14,049	1,556
Subsidies and grants from the Republic of Croatia and other subsidies and grants	3,408	9,172
	17,457	10.728

5/COST OF MATERIAL AND SERVICES

	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Costs of raw materials and supplies	7,814	7,625
Costs of energy consumption	7,594	12,538
Small inventory write-off	857	351
a) Total cost of material	16,265	20,514
b) Changes in the value of inventories of work in progress and finished products	382	264
c) Costs of goods sold	297	449
Municipal services and fees	15,078	5,195
Maintenance services	5,196	5,683
Costs of subcontractors	4,095	3,629
Transport service costs	2,464	1,776
Data processing services and software maintenance	1,825	1,476
Rent and lease services	1,514	1,367
Intellectual services	1,204	705
Insurance premiums	801	537
Bank services and transaction costs	338	308
Advertising and promotion services	69	126
Other external services	1,037	1,117
d) Total external services	33,621	21,919
	50,565	43,146

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

	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Net salary and remuneration costs	33,857	28,000
Salary tax and contribution costs	20,232	16,728
Compensation of employees' costs and expenses for other employee benefits	9,576	9,410
Decrease due to costs of severance pay provisions and compensation for collective redundancy	(144)	(1,892)
	63,521	52,246
Number of employees as at period end	5,106	4,768
Average number of employees based on hours worked	4,829	4,625
	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Staff costs	63,521	52,246
<i>Income from reversal of provisions for unused vacation days</i>	<i>(2,881)</i>	<i>(2,451)</i>
	60,640	49,795

7/ FINANCE EXPENSES

	Jan-June 2024	Jan-June 2023
	EUR 000	EUR 000
Interest expenses	15,251	14,411
Costs of discounts and bond issuance	268	1,134
Related-party interest expenses	458	531
Other finance expenses	1,290	1,059
	17,267	17,135

8/PROPERTY, PLANT AND EQUIPMENT

	Land	Non-residential and residential 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
PURCHASE COST							
Balance as at 1 Jan 2023	353,708	464,507	67,071	75,952	6,085	22,981	990,304
Newly purchased items	-	20	164	110	-	7,558	7,852
Transfer from assets in preparation	-	2,186	3,446	2,790	-	(8,422)	-
Reclassifications (transfers to/from)	-	-	(414)	(19)	-	-	(433)
Revaluation	2,306	2,954	-	-	-	-	5,260
Reclassification to IAS 40	(5,484)	(3,771)	-	-	-	(11,637)	(20,892)
Write-off, alienation and sale	(346)	(37)	(1,741)	(1,001)	(2)	(2,995)	(6,122)
Derecognition	-	(25,393)	-	-	-	-	(25,393)
Balance as at 31 Dec 2023	350,184	440,466	68,526	77,832	6,083	7,485	950,576
Newly purchased items	-	-	-	-	-	13,492	13,492
Transfer from assets in preparation	-	160	1,823	8,818	12	(10,813)	-
Reclassifications (transfers to/from)	-	5	(11)	(5)	-	(172)	(183)
Write-off, alienation and sale	-	-	(292)	(5)	-	-	(297)
Effects of restatement	-	125	-	-	-	-	125
Balance as at 30 June 2024	350,184	440,756	70,046	86,640	6,095	9,992	963,713
VALUE ADJUSTMENT							
Balance as at 1 Jan 2023	12,703	268,054	52,989	66,092	17	2,109	401,964
Depreciation	369	11,913	3,446	3,416	-	-	19,144
Value adjustment	-	-	1	-	-	382	383
Reclassifications (transfers to/from)	-	-	33	(102)	-	-	(69)
Reclassification to IAS 40	-	(532)	-	-	-	-	(532)
Write-off, alienation and sale	-	(33)	(1,701)	(997)	-	(239)	(2,970)
Derecognition	-	(25,393)	-	-	-	-	(25,393)
Balance as at 31 Dec 2023	13,072	254,009	54,768	68,409	17	2,252	392,527
Depreciation	115	4,812	1,702	1,951	-	-	8,580
Reclassifications (transfers to/from)	-	5	(11)	(5)	-	-	(11)
Write-off, alienation and sale	-	-	(264)	(5)	-	-	(269)
Balance as at 30 June 2024	13,187	258,826	56,195	70,350	17	2,252	400,827
NET CARRYING AMOUNT							
Balance as at 1 Jan 2023	341,005	196,453	14,082	9,860	6,068	20,872	588,340
Balance as at 31 Dec 2023	337,112	186,457	13,758	9,423	6,066	5,233	558,049
Balance as at 30 June 2024	336,997	181,930	13,851	16,290	6,078	7,740	562,886
				30 June 2024		31 Dec 2023	
				EUR 000		EUR 000	
Net value without advance payments				562,886		558,049	
Advances for purchase of tangible assets				31		11	
Property, plant, equipment and advance payments				562,917		558,060	

9/ FINANCIAL ASSETS

Financial assets are as follows:

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
/i/ Financial assets at FVTPL		
Investments in shares (Note 14)	149	149
/ii/ Financial assets at amortised cost		
Deposits with a maturity of over one year	7,807	7,806
<i>Current portion</i>	-	-
<i>Non-current portion</i>	7,807	7,806
Deposits with maturity up to one year	-	13
Other held-to-maturity securities	287	154
	287	167
<i>Financial assets at amortised cost - current portion (Note 14)</i>	287	167
<i>Financial assets at amortised cost - non-current portion</i>	7,807	7,806
Financial assets - total current portion	436	316
Financial assets - total non-current portion	7,807	7,806

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

/ii/ Deposits with a maturity of over one year pertain mostly to the guarantee for settlement of loan obligations and obligations under the agreement on financing the lease of Arena Zagreb, and they mature at the time of final payment of those obligations.

10/ DERIVATIVE FINANCIAL ASSETS

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 Company 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.

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Financial assets at FVTOCI		
Derivative financial instrument - interest rate hedging instrument	806	-

11/NON-CURRENT RECEIVABLES

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Non-current receivables		
Receivables from related parties /i/	84,434	91,008
Receivables under credit sales	43	10
Other receivables	31,843	32,877
	116,320	123,895
Current receivables		
Receivables from related parties /i/	14,895	13,841
Receivables under credit sales	5	9
Other receivables	2,044	1,996
	16,944	15,846

11/NON-CURRENT RECEIVABLES (continued)
/i/ Receivables from related parties

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Receivables from the member of the Company	120,669	126,776
Discounting of receivables not yet due	(39,242)	(40,377)
Value adjustment of receivables from the member of the Company	(1,216)	(1,216)
I. Total receivables from the member of the Company	80,211	85,183
<i>Of that, current portion (Note 12)</i>	<i>(9,461)</i>	<i>9,779</i>
Loans granted to related companies	53,783	55,040
Value adjustment of loans granted to related companies	(34,665)	(35,374)
II. Loans granted to related companies	19,118	19,666
<i>Of that, current portion (Note 12)</i>	<i>(5,434)</i>	<i>4,062</i>
TOTAL RECEIVABLES FROM RELATED PARTIES (I+II)	99,329	104,849
Current portion of receivables from related parties (Note 12)	14,895	13,841
Non-current receivables from related parties	84,434	91,008

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 amount of EUR 33,886 thousand (2023: EUR 34,873 thousand net), receivables under agreements on multiannual lease of public facilities (schools, kindergartens, swimming pools), which the Company 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 net). The agreed lease term ranges from 7 to 13 years, with two agreements ending in 2028, one in 2032, one in 2033 and two in 2035. Under the agreement, the Company is responsible to provide investment management and maintenance of the facilities for the entire duration of the lease, the costs of such maintenance and management being included in the calculation of monthly rent.

/i/ Receivables from related parties (continued)

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 companies are subject to interest charged at the rate equivalent to market rates at the time of loan granting, i.e. 3.88%. Agreements on loans granted to related companies are concluded for a term of 10 years, with collateral.

12/RECEIVABLES FROM RELATED PARTIES

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Receivables from the member of the Company /i/	41,643	53,747
Current maturity of non-current receivables from the member of the Company (Note 11)	9,461	9,779
Receivables from related parties	2,747	2,330
Loans granted to related companies (maturity within 1 year)	26,988	26,716
Current maturity of long-term loans granted to related parties (Note 11)	5,434	4,062
Value adjustment of receivables from related parties	(9,796)	(10,773)
	76,477	85,861

/i/ The reduction of receivables from the member of the Company primarily relates to the collection of receivables recognized in 2023, specifically for the sale of real estate for the construction of a residential-commercial building in Podbrežje, and for the performed extraordinary remediation services following the storm damage in the city of Zagreb.

13/TRADE RECEIVABLES AND OTHER RECEIVABLES

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Trade receivables	14,664	12,695
Receivables from employees	31	25
Receivables from the state and others	3,356	2,707
Other receivables	4,415	3,909
	22,466	19.336

14/ FINANCIAL ASSETS

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Financial assets at FVTPL (Note 9)	149	149
Financial assets at amortised cost (Note 9)	287	167
	436	316

15/CASH AND CASH EQUIVALENTS

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Giro account – HRK	18,778	42,491
Cash on hand	169	127
Giro account – foreign currency	623	623
Other cash assets	28,075	79
	47,645	43,320

Out of other cash assets recognised as at 30 June 2024 in the amount of EUR 28,075 thousand (31 Dec 2023: EUR 79 thousand), EUR 28,000 thousand pertains to term deposits with a maturity of up to three months, which are treated as cash equivalents.

16/LOANS AND LEASES PAYABLE

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Long-term loans		
Loans and borrowings	170,317	179,747
Leases	74,953	68,384
	245,270	248,131
Short-term loans		
Loans and borrowings	18,860	18,860
Leases	5,582	4,839
Other	10,976	11,193
	35,418	34,892
Total loans	280,688	283,023

17/TRADE PAYABLES AND OTHER LIABILITIES

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Trade payables	21,188	19,194
Liabilities payable to employees with respect to net salaries and benefits	7,290	6,497
Advances, deposits and guarantees payable	2,730	2,340
Other liabilities	23,384	24,018
	54,592	52,049

18/ REVALUATION RESERVES

The revaluation reserve is formed from the revaluation of land. Upon the sale of a revalued asset, the portion of the revaluation related to the realized asset is transferred to retained earnings.

	30 June 2024	31 Dec 2023
	EUR 000	EUR 000
Balance at beginning of year	225,964	221,879
Real estate revaluation gains (net)	-	4,085
Balance at end of period	225,964	225,964

19/ SUBSEQUENT EVENTS

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 Company 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.

Annex 1		
ISSUER'S GENERAL DATA		
Reporting period:	1.1.2024	to 30.6.2024
Year:	2024	
Semmi-annual period:	1	
Semmi-annual financial statements		
Registration number (MB):	03677702	Issuer's home Member State code: HR
Entity's registration number (MBS):	080042653	
Personal identification number (OIB):	85584865987	LEI: 74780090ND4TXRKKO752
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):	5106	
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
Bookkeeping firm:	No	(Yes/No) (name of the bookkeeping firm)
Contact person:	Smolković Vlatka (only name and surname of the contact person)	
Telephone:	01 6420 701	
E-mail address:	vlatka.smolkovic@zgh.hr	
Audit firm:		
Certified auditor:		

BALANCE SHEET
balance as at 30.06.2024

in EUR

Submitter: ZAGREBAČKI HOLDING d.o.o.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1.309.872.284	1.308.557.023
I INTANGIBLE ASSETS (ADP 004 to 009)	003	3.284.751	4.126.636
1 Research and development	004	23.363	12.556
2 Concessions, patents, licences, trademarks, software and other rights	005	1.568.714	1.230.644
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	1.309.967	2.525.318
6 Other intangible assets	009	382.707	358.118
II TANGIBLE ASSETS (ADP 011 to 019)	010	880.260.764	885.008.180
1 Land	011	337.112.348	336.997.480
2 Buildings	012	186.457.028	181.930.419
3 Plant and equipment	013	13.758.465	13.851.975
4 Tools, working inventory and transportation assets	014	9.422.548	16.289.706
5 Biological assets	015	0	11.618
6 Advances for the purchase of tangible assets	016	11.218	31.299
7 Tangible assets in preparation	017	5.232.572	7.738.888
8 Other tangible assets	018	6.391.188	6.281.398
9 Investment property	019	321.875.397	321.875.397
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	313.308.692	312.195.330
1 Investments in holdings (shares) of undertakings within the group	021	289.899.145	289.899.145
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	15.603.132	13.683.523
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	7.806.415	8.612.662
IV RECEIVABLES (ADP 032 to 035)	031	108.291.281	102.636.521

1 Receivables from undertakings within the group	032	75.404.477	70.750.659
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	10.160	42.841
4 Other receivables	035	32.876.644	31.843.021
V DEFERRED TAX ASSETS	036	4.726.796	4.590.356
C) CURRENT ASSETS (ADP 038+046+053+063)	037	154.288.627	154.015.826
I INVENTORIES (ADP 039 to 045)	038	7.830.616	9.211.112
1 Raw materials and consumables	039	5.808.032	7.594.657
2 Production in progress	040	392.599	269.307
3 Finished goods	041	1.131.151	872.976
4 Merchandise	042	459.060	421.375
5 Advances for inventories	043	39.774	52.797
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	72.044.998	64.302.574
1 Receivables from undertakings within the group	047	55.083.350	44.055.718
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	12.695.115	14.663.539
4 Receivables from employees and members of the undertaking	050	24.853	31.759
5 Receivables from government and other institutions	051	702.153	1.307.067
6 Other receivables	052	3.539.527	4.244.491
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	31.093.312	32.857.089
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	30.777.629	32.421.360
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	0	0
9 Other financial assets	062	315.683	435.729
IV CASH AT BANK AND IN HAND	063	43.319.701	47.645.051
D) PREPAID EXPENSES AND ACCRUED INCOME	064	2.373.691	2.219.519
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.466.534.602	1.464.792.368
OFF-BALANCE SHEET ITEMS	066	25.848.032	27.083.612
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	622.847.838	623.818.935
I INITIAL (SUBSCRIBED) CAPITAL	068	421.666.149	421.666.149
II CAPITAL RESERVES	069	0	0
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	32.718.029	32.718.029
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
IV REVALUATION RESERVES	076	225.963.846	225.963.846
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-621.562	661.123
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
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
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	-77.685.765	-56.753.566
1 Retained profit	084	0	0
2 Loss brought forward	085	77.685.765	56.753.566
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	20.807.141	-436.646
1 Profit for the business year	087	20.807.141	0
2 Loss for the business year	088	0	436.646
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	30.249.456	30.186.887
1 Provisions for pensions, termination benefits and similar obligations	091	8.121.542	8.121.542
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	13.663.877	13.601.308
4 Provisions for renewal of natural resources	094	8.464.037	8.464.037
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	601.759.105	598.510.812
1 Liabilities to undertakings within the group	098	655.964	601.182
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	182.122.229	181.378.588
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	66.008.321	63.891.478
9 Liabilities for securities	106	302.622.352	302.874.799
10 Other long-term liabilities	107	761.353	30.755
11 Deferred tax liability	108	49.588.886	49.734.010
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	112.459.666	111.980.281
1 Liabilities to undertakings within the group	110	4.259.609	1.589.580
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	17.709.725	17.682.855

3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	34.891.878	35.417.480
7 Liabilities for advance payments	116	2.340.307	2.729.708
8 Liabilities to suppliers	117	19.193.448	21.187.655
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	6.496.636	7.290.149
11 Taxes, contributions and similar liabilities	120	8.356.516	5.176.566
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	19.211.547	20.906.288
E) ACCRUALS AND DEFERRED INCOME	124	99.218.537	100.295.453
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1.466.534.602	1.464.792.368
G) OFF-BALANCE SHEET ITEMS	126	25.848.032	27.083.612

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2024 to 30.06.2024

in EUR

Submitter: ZAGREBAČKI HOLDING d.o.o.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (ADP 002 to 006)	001	126.141.656	140.329.370
1 Income from sales with undertakings within the group	002	44.471.594	50.618.513
2 Income from sales (outside group)	003	60.501.331	62.301.160
3 Income from the use of own products, goods and services	004	600.570	288.858
4 Other operating income with undertakings within the group	005	3.783.342	14.048.524
5 Other operating income (outside the group)	006	16.784.819	13.072.315
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	111.153.958	127.527.815
1 Changes in inventories of work in progress and finished goods	008	263.557	381.450
2 Material costs (ADP 010 to 012)	009	42.881.681	50.183.913
a) Costs of raw materials and consumables	010	20.513.714	16.265.333
b) Costs of goods sold	011	449.084	297.215
c) Other external costs	012	21.918.883	33.621.365
3 Staff costs (ADP 014 to 016)	013	52.246.041	63.520.510
a) Net salaries and wages	014	35.600.430	43.302.662
b) Tax and contributions from salary costs	015	10.410.021	12.825.094
c) Contributions on salaries	016	6.235.590	7.392.754
4 Depreciation	017	9.902.714	9.064.665
5 Other costs	018	528.157	635.060
6 Value adjustments (ADP 020+021)	019	2.851.081	1.502.310
a) fixed assets other than financial assets	020	5.909	0
b) current assets other than financial assets	021	2.845.172	1.502.310
7 Provisions (ADP 023 to 028)	022	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0
b) Provisions for tax liabilities	024	0	0
c) Provisions for ongoing legal cases	025	0	0
d) Provisions for renewal of natural resources	026	0	0
e) Provisions for warranty obligations	027	0	0
f) Other provisions	028	0	0
8 Other operating expenses	029	2.480.727	2.239.907
III FINANCIAL INCOME (ADP 031 to 040)	030	5.905.855	4.029.204
1 Income from investments in holdings (shares) of undertakings within the group	031	1.076.061	644.759
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	1.481.744	1.379.560

4 Other interest income from operations with undertakings within the group	034	18.030	33
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0
6 Income from other long-term financial investments and loans	036	0	0
7 Other interest income	037	503.734	460.460
8 Exchange rate differences and other financial income	038	3.895	405.737
9 Unrealised gains (income) from financial assets	039	2.813.634	1.135.386
10 Other financial income	040	8.757	3.269
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	17.135.129	17.267.405
1 Interest expenses and similar expenses with undertakings within the group	042	246.173	227.119
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	284.532	230.676
3 Interest expenses and similar expenses	044	14.483.626	15.307.042
4 Exchange rate differences and other expenses	045	22	12
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	1.502.556
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	132.047.511	144.358.574
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	128.289.087	144.795.220
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	3.758.424	-436.646
1 Pre-tax profit (ADP 053-054)	056	3.758.424	0
2 Pre-tax loss (ADP 054-053)	057	0	-436.646
XII INCOME TAX	058	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	3.758.424	-436.646
1 Profit for the period (ADP 055-059)	060	3.758.424	0
2 Loss for the period (ADP 059-055)	061	0	-436.646
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)			
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0
1 Pre-tax profit from discontinued operations	063	0	0
2 Pre-tax loss on discontinued operations	064	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0
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
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	068	0	0
1 Pre-tax profit (ADP 068)	069	0	0
2 Pre-tax loss (ADP 068)	070	0	0

XVII INCOME TAX (ADP 058+065)	071	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0
1 Profit for the period (ADP 068-071)	073	0	0
2 Loss for the period (ADP 071-068)	074	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0
1 Attributable to owners of the parent	076	0	0
2 Attributable to minority (non-controlling) interest	077	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	078	3.758.424	-436.646
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	2.330.382	1.689.308
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	116.508	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	116.508	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0
5 Other items that will not be reclassified	085	0	0
6 Income tax relating to items that will not be reclassified	086	20.972	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	2.213.874	1.689.308
1 Exchange rate differences from translation of foreign operations	088	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0
3 Profit or loss arising from effective cash flow hedging	090	2.213.874	1.564.250
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0
6 Changes in fair value of the time value of option	093	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0
8 Other items that may be reclassified to profit or loss	095	0	125.058
9 Income tax relating to items that may be reclassified to profit or loss	096	398.497	281.565
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	1.910.913	1.407.743
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	5.669.337	971.097
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)			
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0
1 Attributable to owners of the parent	100	0	0
2 Attributable to minority (non-controlling) interest	101	0	0

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

in EUR

Submitter: ZAGREBAČKI HOLDING d.o.o.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	3.758.424	-436.646
2 Adjustments (ADP 003 to 010):	002	23.551.363	24.818.695
a) Depreciation	003	9.902.714	9.064.665
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	-5.906.000	-4.029.309
e) Interest expenses	007	17.134.829	17.267.802
f) Provisions	008	-397.099	-62.570
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	2.816.919	2.578.107
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	27.309.787	24.382.049
3 Changes in the working capital (ADP 013 to 016)	012	13.645.092	4.055.956
a) Increase or decrease in short-term liabilities	013	-10.311.528	-3.534.525
b) Increase or decrease in short-term receivables	014	23.528.923	8.971.594
c) Increase or decrease in inventories	015	427.697	-1.381.113
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	40.954.879	28.438.005
4 Interest paid	018	-6.502.922	-14.449.163
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	34.451.957	13.988.842
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	719.573	363.000
4 Dividends received	024	2.130.770	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	7.428.360	7.454.323
III Total cash receipts from investment activities (ADP 021 to 026)	027	10.278.703	7.817.323
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-3.508.616	-14.556.750
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
4 Acquisition of a subsidiary, net of cash acquired	031	0	0

5 Other cash payments from investment activities	032	-3.423.053	-806.248
IV Total cash payments from investment activities (ADP 028 to 032)	033	-6.931.669	-15.362.998
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	3.347.034	-7.545.675
Cash flow from financing activities			
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	266.019	10.661.677
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	266.019	10.661.677
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	0
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-2.016.000	-12.779.494
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	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-2.016.000	-12.779.494
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-1.749.981	-2.117.817
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	36.049.010	4.325.350
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	21.238.210	43.319.701
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	57.287.220	47.645.051

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							Total capital and reserves
		Initial (subscribed) capital	Other reserves	Revaluation reserves	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	12	16	17	18 (3 to 6 - 7 + 8 to 17)	20 (18+19)
Previous period									
1 Balance on the first day of the previous business year	01	421.666.149	32.718.029	221.878.524	0	-100.630.364	22.944.599	598.576.937	598.576.937
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	421.666.149	32.718.029	221.878.524	0	-100.630.364	22.944.599	598.576.937	598.576.937
5 Profit/loss of the period	05	0	0	0	0	0	20.807.141	20.807.141	20.807.141
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	4.085.322	0	0	0	4.085.322	4.085.322
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	-621.562	0	0	-621.562	-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
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	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
13 Other changes in equity unrelated to owners	13	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
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

16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	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
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	22.944.599	-22.944.599	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	421.666.149	32.718.029	225.963.846	-621.562	-77.685.765	20.807.141	622.847.838	622.847.838
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)									
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	4.085.322	-621.562	0	0	3.463.760	3.463.760
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	4.085.322	-621.562	0	20.807.141	24.270.901	24.270.901
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	22.944.599	-22.944.599	0	0
Current period									
1 Balance on the first day of the current business year	28	421.666.149	32.718.029	225.963.846	-621.562	-77.685.765	20.807.141	622.847.838	622.847.838
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	31	421.666.149	32.718.029	225.963.846	-621.562	-77.685.765	20.807.141	622.847.838	622.847.838
5 Profit/loss of the period	32	0	0	0	0	0	-436.646	-436.646	-436.646
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	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)	35	0	0	0	0	0	0	0	0

9 Profit or loss arising from effective cash flow hedge	36	0	0	0	1.282.685	0	0	1.282.685	1.282.685
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	125.058	0	125.058	125.058
14 Tax on transactions recognised directly in equity	41	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)	42	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0
22 Carryforward per annual plan	49	0	0	0	0	20.807.141	-20.807.141	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	421.666.149	32.718.029	225.963.846	661.123	-56.753.566	-436.646	623.818.935	623.818.935
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)									
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	1.282.685	125.058	0	1.407.743	1.407.743
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	0	1.282.685	125.058	-436.646	971.097	971.097
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	20.807.141	-20.807.141	0	0