

Zagreb Holding Group



ZAGREB  
HOLDING

# Management Report for the First Half of 2021

Our vision:

To be a reliable  
member of Zagreb's  
families and a positive  
energy in urban life



ZAGREB  
HOLDING

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# BASIC INFORMATION ABOUT ZAGREB HOLDING GROUP



Zagreb Holding Ltd. (hereinafter: the Company) is a company wholly owned by the City of Zagreb. Its core business operations are carried out through 14 subsidiaries and it also owns eight companies and an institution. Together, the subsidiaries, related companies and the institution form the Zagreb Holding Group (hereinafter: the Group), with Zagreb Holding Ltd. as its leading company in the creation of business policies.

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

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

## Main activities of Group comp

- gas distribution and supply
- waste disposal and management
- water collection, treatment and distribution
- cleaning and waste disposal services
- landscaping and green space maintenance services
- public and unclassified state roads: construction, management maintenance and protection, including traffic lights and signs, machinery and asphalt production
- real estate management and maintenance
- parking services in public areas and in public garages
- storage and renting services
- construction and management of electronic communication infrastructure and electronic communication networks
- supply and preparation of medications, supply of medical products and other healthcare products

Group companies primarily operate in the Croatian market.

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

HRK 3,177,043,600

**Number of employees as at 31 December 2020:**

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

# COMMENT OF THE MANAGEMENT BOARD

## on the results realised in the first half



Recovery of the economy as a whole, which marked the first half of 2021, has also been reflected on the performance of Zagreb Holding Group. Due to more intensified economic activity, the Group realised HRK 1.96 billion operating income in the first half of 2021, which represents a 7.4% increase compared to the same period in the previous year.

The most significant increase in operating income was realised in the activities of supply and distribution of gas, primarily as a result of expansion to new distribution areas in the segment of public service of gas supply, and also as a result of greater quantities of gas supplied (11% more), which, together with the increase in tariff items for the distributed quantities (by 5%), resulted in an increase operating income by HRK 24.7 million (16%) compared to the same period in the previous year.

Intensification of business activities was accompanied by increase in costs of material and services, which increased by HRK 28.2 million (3%) compared to the same period in the previous year. These costs were also impacted by increase in the price of some raw materials and supplies, together with an increase in the costs of energy sources.

With a total of HRK 2.02 billion income and HRK 2.08 billion expenses, at the end of the first half period the Group realised loss in the amount of HRK 60.8 million (loss generated in the same period in the previous year amounted to HRK 139.6 million).

The Group's total operating result is still greatly influenced by the operations of the subsidiary City Waste Disposal as the provider of the public service of collection of mixed and biodegradable municipal waste and other public services in the City of Zagreb. In this operating segment, loss generated at the e the first half of 2021 amounted to HRK 85.7 million.

Management of Zagreb Holding Ltd. was taken over by a new Management Board in June this year. The new Management Board has a series of challenging tasks to tackle: financial stabilisation and debt management, cost control and minimisation, expansion of offered services and products to increase income, organisational restructuring of the system by eliminating internal deficiencies and obstacles with a view of making the system more flexible and efficient, a shift from low productivity to high productivity all with the aim of efficient provision of public goods and services for the citizens and the economy.

# SIGNIFICANT BUSINESS EVENTS IN THE FIRST HALF OF 2021

## **NEW MANAGEMENT AND SUPERVISORY BOARDS OF ZAGREB HOLDING Ltd. APPOINTED**

In a meeting held on 14 June 2021, the Assembly of Zagreb Holding Ltd., comprising Mayor Tomislav Tomašević and Deputy Mayors Danijela Dolenc and Luka Korlaet, dismissed the previous Supervisory and Management Boards of Zagreb Holding Ltd. and appointed the following Supervisory Board: Suzana Brenko, President and Ratko Bajakić and Damir Topić, members of the Supervisory Board. A partial appointment of the Management Board of Zagreb Holding was made, with the Board comprising two members at that point: President of the Management Board Nikola Vuković and member of the Management Board Ante Samodol.

Formal transfer of duties from the previous to the newly appointed Management Board of Zagreb Holding Ltd. took place on 16 June 2021, in the presence of the new Supervisory Board members.

The three remaining Management Board members, Boris Sesar, Ivan Novaković and Matija Maras, were appointed in the meeting of the General Assembly of Zagreb Holding Ltd.

## **EXPANSION OF THE PUBLIC SERVICE OF GAS SUPPLY TO 11 NEW DISTRIBUTION**

Zagreb City Gasworks Supply Ltd., acting in accordance with the decision of the Croatian Energy Regulatory Agency (HERA) of 1 April 2021, took over the public service of gas supply on 11 new distribution areas stretching across as many as 9 counties. This was the result of a conducted public tendering procedure under which Zagreb City Gasworks Supply Ltd., while keeping its existing distribution areas in Zagreb and Bjelovar, also became appointed as the supplier obligated to provide this public service until 30 September 2024 in the distribution areas of Rijeka, Samobor, Ivanec, Koprivnica, Sveta Nedelja, Kutina, Garešnica, Vrbovec, Pitomača, Nova Gradiška and Križevci, which come with 45 thousand new customers.

A growing number of customers and volume of gas supplied to the new distribution areas represent a good starting point for Zagreb City Gasworks Supply Ltd. to increase its gas supply market share from the current 45% to over 60% of total household gas consumption in the distribution areas. Moreover, with approximately 350,000 customers, the company has an opportunity to position itself as a leader in the natural gas retail market as well as to increase the quantity of gas supplied by approximately 850 million kWh annually.

## **PREPARATION FOR ENERGY TRANSITION AND TRANSITION TO A LOW**

During the first half of 2021, in cooperation with the Faculty of Mechanical Engineering and Naval Architecture of the University of Zagreb, Zagreb City Gasworks Ltd. completed the feasibility study for the project of blending hydrogen into the gas distribution system of Zagreb City

The making of this study was the first step in the process of exploring environmentally neutral energy forms, something that Zagreb City Gasworks Ltd. is committed to achieving in the future, in order to meet the requirements of greenhouse gas emission reduction, in line with the EU's energy transition to a low carbon economy.

## ZAGREB'S TENTH PUBLIC GARAGE OPENED

A new public garage was opened on 11 January 2021 on the compound of Clinical Hospital Sveti Duh. This is the tenth public garage managed by Zagreb Holding's subsidiary Zagrebparking. It has four underground levels with 477 parking spaces, covering an area of 14,445 m<sup>2</sup>.

It has been built completely in line with "green standards", has as many as ten electric vehicle charging stations and it is naturally ventilated on all four levels. There are separate parking spaces for hybrid and electric vehicles, family parking spaces and free parking spaces for bicycles. The garage is equipped with an automated payment and central management system that enables users to pay the parking permit by SMS or via the ZgPark mobile application. The system has licence plate recognition cameras, which makes it possible for garage users to exit without using the parking ticket. This significantly reduces the time required for the vehicle to exit the garage, resulting in CO<sub>2</sub> emission reduction as well.

Zagreb Holding Ltd. was the investor for the whole project, which included reconstruction of the Clinical Hospital Sveti Duh compound by construction of the day care hospital with underground garage. This was a major project for the City of Zagreb, one that has solved (among other things) a very big and long standing problem of parking sufficient to meet the requirements of the entire hospital and the surrounding area.

## CONSTRUCTION OF A NEW BUILDING FOR THE 12<sup>TH</sup> GRAMMAR SCHOOL BEGAN

The laying of the cornerstone on 21 April this year officially marked the beginning of construction of a new building for the 12th Grammar School in Zagreb. The 12th Grammar School currently shares its premises with three other secondary schools – Agricultural School, Veterinary School and the Food Technology School. The construction of the new building is intended to increase the school's capacities, which is the basic prerequisite for implementing the single

The first stage will include construction of a new building with a three section school gym and with ancillary rooms. The Grammar School, which has been in operation since 1992, will have three floors – basement, ground floor and first floor, with a capacity for a total of 480 students, who will attend classes in 23 classrooms with auxiliary and staff rooms.

Investor for the project is Zagreb Holding Ltd.

## "FLORAART" INTERNATIONAL GARDEN SHOW HELD

After having skipped a year, the traditional Floraart International Garden Show was successfully organized and held between 1st and 6th June 2021, albeit at somewhat lesser scale than in previous years. As a reminder, the show was not held last year due to COVID-19.

The show has been organized by the subsidiary Zrinjevac since 1992, with the City of Zagreb as the organiser, and in 2021 the City co-financed the show with HRK 2.7 million.

The show took place outdoors, with exhibits spread across 300 thousand square meters of Bundek park, with the observance of all COVID-19 prevention measures. There were approximately 100 exhibitors from all over Croatia, but there were no foreign exhibitors.

This show has not only cultural but also great economic significance for the City of Zagreb. Besides the exhibition related part, which was estimated to have been visited by ca. 120,000 visitors, the exhibition also has a sales character and is perceived as the central annual event for flower and other plant material growers, florists, all horticulture related businesses, landscaping businesses and manufacturers and suppliers of state

## FUNDED PROJECTS

### **Intervention measure to decrease municipal waste landfilling in the City of**

In March 2021, the Grant Agreement for the project “Intervention measure to decrease landfilling municipal waste created in the City of Zagreb” was concluded between the Ministry of Economy and Sustainable Development, Environmental Protection and Energy Efficiency Fund and City of Zagreb as grant beneficiary. Total eligible costs for the project amount to HRK 93.6 million, of which HRK 75.7 million (80%) represents grants. This project has been implemented with a view of contributing to improvement of the waste management system through reducing the quantities of mixed municipal waste and increasing the rate of separate collection in the area of the city of Zagreb, and to sustainable development and sustainability of resources.

The project covers the investments made by subsidiary City Waste Disposal in vehicles and equipment for separate waste collection and the investments made by subsidiary Zrinjevac in biowaste equipment in the period from 2015 to 2022.

### **financing of reconstruction of cultural heritage damaged in the**

Under the Call for Applications for Grants for *Implementation of measures of protection of cultural heritage damaged in the earthquake of 22 March 2020 in the area of the City of Zagreb*

subsidiary City Cemeteries applied for reconstruction of Mirogoj arcades and the Church of Christ

The Grant Agreement for the project *Drafting of project documentation and implementation of measures of protection of arcades and the Church of Christ the King at Mirogoj cemetery* signed on 8 June 2021. Total value of the project and the grant funding is HRK 118.2 million with

After the reporting period, on 21 July 2021, agreements were signed under the same call for applications, for two other projects: *Drafting of project documentation and implementation of measures of protection of the morgue at Mirogoj cemetery* and *Drafting of project documentation and implementation of measures of protection of the administrative building at Mirogoj cemetery*. Total value of both projects is HRK 14.4 million with VAT.

The projects are funded by the European Union Solidarity Fund (EUSF).

### **Establishment of a Security Operations Centre at Zagreb City Gasworks Ltd.**

In April 2021, within the Call for Proposals *CEF Telecom 2020* Gasworks Ltd. received approval for the second project, No. CEF 2020 “Establishment of a Security Operations Centre (SOC)”, with a total value of HRK 2.8 million, for which a grant in the amount of HRK 2.1 million (75% of eligible costs) was requested. The main objective of the project is to enhance cybersecurity of Zagreb City Gasworks even further by establishing a centre for managing security events and incidents as well as to provide Zagreb City Gasworks employees with training in cybersecurity. The project is integrated into, complement and follows the results of the previously approved project No. CEF currently being carried out.

The Grant Agreement was signed on 16 July this year.



# MANAGEMENT REPORT AND BUSINESS ANALYSIS FOR THE FIRST HALF OF 2021

## Performance

In 2021, Zagreb Holding Group generated a net loss of HRK 61 million. Operating income (EBIT) of Zagreb Holding Group amounted to HRK 22 million in 2021, whereas the Group's financial activities generated a loss of HRK 38 million, a 6% greater loss compared to 2020.

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Operating income  
Operating expenses

Financial income  
Financial expenses

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### Loss before tax

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*Loss from financial activities*

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In the first half of 2021, operating income amounted to HRK 1,961 million, representing a year year increase by HRK 135 million (7%), as a result of higher sales income realised. Increased sales income in Zagreb Holding Group was significantly affected by increased income from distribution and supply of gas (HRK +75 million), cleaning and waste collection (HRK +17 million), management and maintenance (HRK +13 million), landscaping and green space maintenance (HRK 12 million), parking (HRK 2 million) and bus terminal services (HRK +2 million).

In the period from January to June 2021, the Group generated other operating income in the amount of HRK 217 million, which, compared to the same period in the previous year, represents an HRK 32 million increase as a result of better collection of written off receivables, income from reversal of deferred income recognition, greater income from reversal of provisions, greater income from state aids and supports, and increase in all other unspecified income.

In the period from January to June 2021, operating expenses amounted to HRK 1,983 million, representing a decrease by HRK 54 million (3%) compared to the same period in the previous year.

In the structure of operating expenses, the most significant increase pertained to costs of material and services (by HRK 28 million), staff costs (by HRK 12 million), depreciation/amortisation (by HRK 7 million), costs of value adjustment and other operating expenses (by HRK 6 million).

Increase in the costs of material and services over the two comparable periods was influenced by increased costs of goods sold (HRK +33 million), as a result of greater quantities of gas sold, whereas the part where these costs decreased pertained to other external services (HRK

Zagreb Holding Group's staff costs in the period from January to June 2021 amounted to HRK 611 million, representing a HRK 12 million increase compared to the same period in the previous year. This was caused by higher costs of gross salaries, higher compensation of costs incurred by employees and higher costs of employee benefits.

Depreciation costs in the period from January to June 2021 amounted to HRK 202 million and, compared to the balance of these costs in the same period in 2020, they increased by HRK 7 million as a result of purchasing new non

Poorer results generated by the Group's financial activities were influenced by lower income from interest (by HRK 5 million), higher other financial income (by HRK 5 million) in connection with increased income from discounting receivables from the City of Zagreb under concluded lease and poorer results pertaining to positive and negative exchange rate differences (by

In the period from January to June 2021, the Group realised HRK 146.5 million worth of investments and invested HRK 26.2 million in the construction of public facilities for the City of Zagreb and in the construction of Podbrežje city block.



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

The most significant financial risks that Zagreb Holding Group is exposed to are credit risk and liquidity risk. Credit risk pertains to success in collecting receivables and to having available external sources of funding. It is closely connected with liquidity risk and with the Group's ability to settle its liabilities owing to creditors in the contractually agreed time limits.

Group uses the following instruments to monitor and mitigate the liquidity risk: cash flow analysis and management, asset analysis and analysis of sources of asset funding, buyer creditworthiness analysis, guarantees, contracts for open credit lines based on principle and other similar instruments.

As a provider of services of general economic interest and an entity established by a unit of local government, the Group is exposed to corporate environmental risk and to the influence of regulator and the City of Zagreb when it comes to determining the prices of individual

Some of the activities of the Group, including the pricing of services based on such activities, are managed by regulatory bodies of the Republic of Croatia, whereas others are under the influence of the City of Zagreb. On the other hand, the costs of providing these services are under the influence of the market, where prices can vary on weekly or monthly basis.

Change of regulatory legislation has negative implications on the activity of waste management and increased operating costs, and consequently has a significant impact on regulated energy activities of gas distribution and supply.

The Group has no way of influencing legislative or regulatory changes, but finds the potential for annulling the negative consequences of regulatory changes in responsible corporate governance and relying on synergy between all constituents of the Group, with a view of minimising potentially negative financial implications in individual business segments.

# STATEMENT OF PERSONS RESPONSIBLE FOR PREPARATION OF FINANCIAL STATEMENTS OF ZAGREB HOLDING GROUP UNDER ARTICLE 403 OF 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 financial statements of Zagreb Holding Group for the period from 1 January 2021 to 30 June 2021 (consolidated statements). The statements fully and truthfully represent assets and liabilities, profits and losses, financial position and operations of the issuer.
- Interim Management Report of Zagreb Holding Group for the period from 1 January 2021 to 30 June 2021 (consolidated) truthfully represents the development, business results and the position of the issuer, along with a description of the major risks to which the issuer is exposed.

In Zagreb, 22 September 2021



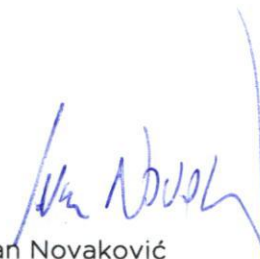
**Nikola Vuković**  
President of the Management Board  
Zagreb Holding Ltd.



**Ante Samodol**  
Member of the Management Board  
Zagreb Holding Ltd.



**Boris Sesar**  
Member of the Management Board  
Zagreb Holding Ltd.



**Ivan Novaković**  
Member of the Management Board  
Zagreb Holding Ltd.



**Matija Subašić-Maras**  
Member of the Management Board  
Zagreb Holding Ltd.

**ZAGREBAČKI HOLDING**  
d. o. o. 9  
ZAGREB, Ulica grada Vukovara 41

UNAUDITED  
CONSOLIDATED  
SEMI-ANNUAL  
FINANCIAL  
STATEMENTS FOR  
THE PERIOD FROM  
JAN - JUNE 2021



ZAGREB  
HOLDING

**ZAGREB HOLDING** Ltd. and affiliated companies  
 Consolidated Profit and Loss Statement and Other Comprehensive Income Statement

	_____	_____
<b>OPERATING INCOME</b>		
Other operating income	_____	_____
<b>OPERATING EXPENSES</b>	_____	_____
Cost of material and services		
Value adjustment of assets		
operating expenses	_____	_____
	_____	_____
Financial expenses		
<b>NET FINANCIAL EXPENSES</b>		
<b>TOTAL EXPENSES</b>	_____	_____
<b>PROFIT BEFORE TAX</b>	_____	_____
	_____	_____
wners of the company		
wners of minority interests		
<b>Other comprehensive income</b>		
Loss from revaluation of real estate property	_____	_____
<b>Total other comprehensive (loss) / income</b>	_____	_____
	_____	_____
<b>Total comprehensive loss for year</b>	_____	_____
<b>Total comprehensive loss for year to be</b>		
to the owners of the company:		
to the owners of minority interests		

**ZAGREB HOLDING** Ltd. and affiliated companies  
 Consolidated Statement of Financial Position/Balance Sheet  
 as at 30 June 2021

	_____	_____
<b>CURRENT ASSETS</b>		
Property, plant and equipment		
Investment property		
Intangible assets and goodwill		
current receivables		
Deferred tax assets	_____	_____
	_____	_____
<b>CURRENT ASSETS</b>		
Receivables from related		
Trade receivables and other receivables		
Cash and cash equivalents	_____	_____
<b>Total current assets</b>	_____	_____
	_____	_____
	_____	_____
balance sheet items		



**ZAGREB HOLDING** Ltd. and affiliated companies  
 Consolidated Statement of Financial Position/Balance Sheet  
 as at 30 June 2021

	_____	_____
<b>CAPITAL AND RESERVES</b>		
Revaluation reserves		
controlling interest	_____	_____
	_____	_____
<b>CURRENT LIABILITIES</b>		
Loans and leases payable		
Liabilities for issued bonds		
Deferred income recognition		
Deferred tax liability		
	_____	_____
	_____	_____
<b>CURRENT LIABILITIES</b>		
Trade payables and other liabilities		
Liabilities payable to related parties		
Loans and leases payable		
Current maturity of deferred income recognition		
<b>Total current liabilities</b>	_____	_____
	_____	_____
<b>TOTAL EQUITY AND</b>	_____	_____
	_____	_____
balance sheet items		

**ZAGREB HOLDING** Ltd. and affiliated companies

Consolidated Statement of Changes in Equity

Balance as at 31 December 2019	
<i>Comprehensive income</i>	
Profit from valuation of financial assets (net)	
Loss from revaluation of real estate property	
<b>Other comprehensive income</b>	
<b>Total comprehensive loss</b>	
<i>Transactions with owners recognised directly in</i>	
Profit paid out to minority interest	
<b>Total transactions with owners recognised</b>	
<b>Balance as at 31 December 2020</b>	
<i>Comprehensive income</i>	
Profit from valuation of financial assets (net)	
Loss from revaluation of real estate property	
<b>Other comprehensive income</b>	
<b>Total comprehensive loss</b>	
<i>Transactions with owners recognised directly in</i>	
Profit paid out to minority interest	
<b>Total transactions with owners recognised</b>	
<b>Balance as at 30 June 2021</b>	

**ZAGREB HOLDING** Ltd. and affiliated companies  
 Consolidated Cash Flow Statement

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*Loss for the current period*

Financial expenses recognised through profit or loss  
 Investment income recognised through profit or loss  
 Value adjustment of current assets  
 Amortisation of non current intangible assets and  
 depreciation of non

Increase in deferred income on assets financed by others  
 Foreign exchange gains (losses)

**Changes in working capital:**

Increase in trade receivables  
 Decrease / (increase) in receivables from related companies  
 Decrease / (increase) in receivables from employees  
 (Increase) / decrease in receivables  
 Decrease ( (increase) in other receivables  
 Increase / (decrease) in trade payables and liabilities payable  
  
 (Decrease) / increase in taxes and contributions payable  
 Increase in liabilities payable to employees  
 Increase / (decrease) in other non  
 Decrease in other current liabilities

***Net cash generated from operations***

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## 1/ GENERAL INFORMATION

ISSUER: ZAGREB HOLDING Ltd., Zagreb, Ulica grada

PIN: 85584865987

2021, the Management Board authorized the issuing of these Consolidated Semi Financial Statements for the period from Jan to June 2021.

The Consolidated Semi annual Financial Statements have not been

Compared to the Annual Financial Statements for 2020, certain changes occurred during the reporting period

June 2021 in the parent company's (Zagreb Holding Ltd.'s) bodies, specifically changes pertaining to new members of the General Assembly, members of the Supervisory Board and members of the Management Board of the Company, as described on pages 4 and 6 hereof.

## 2/ BASIS OF PREPARATION AND ACCOUNTING POLICIES

### Bases of preparation of consolidated financial statements

financial statements for the Group include the Company's separate financial statements and the financial statements of companies controlled by it (its affiliated companies).

The Group's consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 Interim Financial Reporting, as adopted by the EU.

Considering that the enclosed summarised unaudited semi annual financial statements do not contain all the data and publications that are obligatory in annual financial statements, 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>

### Significant accounting policies

annual financial statements have been prepared based on the same accounting policies and methods of calculation used in the preparation of consolidated annual financial statements for the Group as at 31 December 2020, or in other words, there have been no changes in accounting policies between the preparation of semi annual financial statements and the previously published consolidated annual financial

### Key accounting estimates

In applying the Group's accounting policies, the management is required to make judgments, 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. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 preparation of consolidated semi annual financial statements for the period Jan involve any changes in key accounting estimates compared to the estimates used in the preparation of the previously published annual financial statements.

### **3/ SEGMENT REPORTING**

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

Operating segments are the following:

- Cleaning and waste collection
- Public road management and maintenance
  
- Warehousing and leases
- Landscaping and green space
- Building management
- Construction and project management
- Gas sales and distribution
- Pharmaceutical sales

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

Revenues and operating results by segments for the period Jan

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Revenues and operating results by segments for the period Jan

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Assets and liabilities by segments as at 30 June 2021

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Assets and liabilities by segments as at 31 December 2020

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31/12/2020 Other segment information

**4/ PROPERTY, PLANT AND EQUIPMENT**

Transfer from assets in preparation Reclassifications (transfers to/from)		
Deregistration due to return to the		
Transfer to investment property		
Transfer from assets in preparation Reclassifications (transfers to/from)		
Reclassifications (transfers to/from)		
Deregistration due to return to the		
Transfer to investment property		
Reclassifications (transfers to/from)		

Net value without advance payments		
Advances for purchase of tangible assets		
<b>equipment and advance payments</b>		

## CURRENT RECEIVABLES

Receivables from related parties /i/		
Receivables under loans /ii/		
Receivables under credit sales /iii/		
Other receivables /iv/		

### /i/ Receivables from related parties

Receivables from the member of the Company		
Discounting of receivables from the member of the Company that are not		
Value adjustment of receivables from the member of the Company		
I. Total receivables from the member of the Company		
II. Loans granted to related companies outside the Group		
TOTAL RECEIVABLES FROM RELATED PARTIES (I+II)		
Current portion of receivables from the member of the Company		
Current portion of loans granted to related companies		

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 HRK 296,876 thousand, net (in 2020: HRK 305,173 net), receivables under agreements on multiannual lease of public purpose facilities (schools, kindergartens, swimming pools), which the Group presented as non receivables from the City of Zagreb as the lessee, in accordance with IFRIC 12 Service Concession Arrangements, in the amount of HRK 509,207 thousand (in 2020: HRK 532,379 thousand). The agreed lease term ranges from 7 to 13 years, with four agreements ending in 2023, two in 2028 and one in 2032. Rent is payable on monthly basis and it amounts to HRK 495 thousand and EUR 780 thousand. Under the agreement, the Group 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. Receivables under lease agreements amount to HRK 249,350 thousand (as at 31/12/2020 they amounted to HRK 297,066 thousand).

Loans granted to related companies outside the Group pertain to loans granted to Zagreb Electric Tram Ltd. and Zagreb Fair Ltd. Loans granted to related companies are subject to interest charged at the rate equal to market rates at the time of loan granting, 3.88%. Agreements on loans granted to related companies outside the Group are concluded for a term of 10 years, with collateral.

**6/ INVENTORIES**

	_____	_____
Raw materials and supplies		
Trading goods (and real estate property for sale)		
Advances on inventory purchases	_____	_____
	_____	_____

**7/ RECEIVABLES FROM RELATED PARTIES**

	_____	_____
the member of the Company and other related parties		
Current maturity of non current receivables from the member of the		
Loans granted to related companies (maturity within one year)		
Current maturity of loans granted to related companies	_____	_____
	_____	_____

Receivables from the member of the Company and other related parties outside the Group pertain to receivables based on regular provision of services and works for the member of the Company and other related companies that are owned by the City of Zagreb.

Loans granted to related companies pertain to current maturity of long term loans. Interest rate on long loans is 3.88% and the interest rate on short term loans ranges from 2.15% to 5.1%.

**8/ TRADE RECEIVABLES AND OTHER RECEIVABLES**

	_____	_____
Receivables from the state and other institutions		
Receivables from employees	_____	_____
	_____	_____

**9/ CASH AND CASH EQUIVALENTS**

	_____	_____
Cash on hand, foreign currency		
Other cash assets (court deposits and alike)	_____	_____
	_____	_____

**10/ LOANS AND LEASES PAYABLE**

	_____	_____
Loans and borrowings		
	_____	_____
	_____	_____
Loans and borrowings		
	_____	_____
	_____	_____
	_____	_____
	_____	_____

**11/ TRADE PAYABLES AND OTHER LIABILITIES**

	_____	_____
Advances, deposits and guarantees payable		
Liabilities payable to employees with respect to net salaries and benefits		
	_____	_____
	_____	_____

## 12/ EVENTS AFTER THE DATE OF CONSOLIDATED FINANCIAL STATEMENTS

term loan of HRK 100 million borrowed from SBER bank, with a currency clause and initial maturity on 30 June 2021, was extended by a further period of 6 months, now maturing on 15 January 2022.

term loan of HRK 185 million borrowed from PBZ bank, with initial maturity on 10 July 2021, was extended by a further period of one year, with the requirement of repayment of HRK 20 million prior to the new maturity date, payable in quarterly instalments of HRK 5 million, starting as of 30 September 2022

term loan of HRK 60 million borrowed from Erste bank, with initial maturity on 22 July 2021, was extended by a further period of 6 months, now maturing on 18 January 2022.

term loans of City Gasworks Supply Ltd., one with maturity in July (HRK 90 million with PBZ bank) and another with maturity in September (HRK 60 million with Sberbank) were reprogrammed through a syndicated loan granted by PBZ and Sberbank in the amount of HRK 200 million, with maturity on 28 July 2022

By virtue of the Decision of Zagreb Holding Ltd.'s Assembly of 23 August 2021, the Company's Management Board was expanded by three more members, appointed for a term of four years:

Boris Sesar, Member of the Management Board since 3

Ivan Novaković, Member of the Management Board since 3 September 2021

Maras, member of the Management Board since 15

For the purpose of restructuring the Zagreb Holding Group, the General Assembly of Zagreb Holding Ltd. adopted a decision in September 2021 regarding the obtaining of prior consent of the City Assembly of the City of Zagreb for the following status changes of affiliated companies founded and solely owned by Zagreb

Merger of the company AGM Ltd., Zagreb, Mihanovićeve 28, PIN: 37620818018 with the company ZAGREB HOLDING Ltd., Zagreb, Ulica grada Vukovara 41, PIN: 85584865987.

Merger of the company CENTAR Ltd., Zagreb, Ulica grada Vukovara 41, PIN: 53675116316 with the company ZAGREB HOLDING Ltd., Zagreb, Ulica grada Vukovara 41, PIN: 85584865987.

Merger of the company ZAGREB HOUSING CONSTRUCTION Ltd., Zagreb, Jankomir 25, PIN: 98543096820, with the company CITY HOUSING AND MUNICIPAL SERVICES COMPANY Ltd., Zagreb, Savska cesta 1, PIN: 03744272526.

Upon the obtaining of consent from the City Assembly of the City of Zagreb, merger decisions will be adopted by General Assemblies of the acquirors and the mergees, and merger agreements will be concluded, in accordance with the Companies Act, which will be followed by relevant registrations with the Commercial

**Annex 1**

**ISSUER'S GENERAL DATA**

Reporting period: **01.01.2021** to **30.06.2021**

Year: **2021**

Semmi-annual period: **1**

Semi-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: **1000** **ZAGREB**

Street and house number: **ULICA GRADA VUKOVARA 41**

E-mail address: **racunovodstvo@zgh.hr**

Web address: **www.zgh.hr**

Number of employees (end of the reporting period): **7765**

Consolidated report: **KD** (KN-not consolidated/KD-consolidated)

Audited: **RN** (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):	Registered office:	MB:
<b>AGM D.O.O.</b>	<b>ZAGREB, MIHANOVIĆEVA 28</b>	<b>4123506</b>

<b>CENTAR D.O.O.</b>	<b>ZAGREB, AVENIJA GRADA VUKOVARA 41</b>	<b>3205517</b>
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<b>GRADSKA LJEKARNA ZAGREB D.O.O.</b>	<b>ZAGREB, KRALJA DRŽISLAVA 4</b>	<b>1269739</b>
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<b>GRADSKA PLINARA ZAGREB D.O.O.</b>	<b>ZAGREB, RADNIČKA CESTA 1</b>	<b>3276066</b>
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<b>GRADSKA PLINARA ZAGREB OPSKRBA D.O.O.</b>	<b>ZAGREB, RADNIČKA CESTA 1</b>	<b>2371090</b>
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<b>GRADSKO STAMBENO KOMUNALNO GOSPODARSTVO D.O.O.</b>	<b>ZAGREB, SAVSKA CESTA 1</b>	<b>4123433</b>
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<b>VODOOPSKRBA I ODVODNJA D.O.O.</b>	<b>ZAGREB, FOLNEGOVIĆEVA 1</b>	<b>4123425</b>
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<b>ZAGREB PLAKAT D.O.O.</b>	<b>ZAGREB, HEBRANGOVA 32</b>	<b>2076543</b>
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<b>ZAGREBAČKA STANOGRADNJA D.O.O.</b>	<b>ZAGREB, JANKOMIR 25</b>	<b>4124286</b>
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Bookkeeping firm: **No** (Yes/No) **(name of the bookkeeping firm)**

Contact person: **Vlatka Smolković** (only name and surname of the contact person)

Telephone: **+385 (0)1 6420 701**

E-mail address: **vlatka.smolkovic@zgh.hr**

Audit firm: **(name of the audit firm)**

Certified auditor: **(name and surname)**

**BALANCE SHEET**



balance as at 30.06.2021.

in HRK

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
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>			
	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>			
	<b>002</b>	14.044.656.740	13.912.960.073
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>			
	<b>003</b>	45.842.327	50.857.716
1 Research and development	<b>004</b>	478.666	419.569
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	14.205.692	14.065.919
3 Goodwill	<b>006</b>	1.631.382	1.631.382
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	24.515.481	29.515.319
6 Other intangible assets	<b>009</b>	5.011.106	5.225.527
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>			
	<b>010</b>	11.915.249.575	11.852.960.810
1 Land	<b>011</b>	3.313.472.649	3.313.722.725
2 Buildings	<b>012</b>	5.680.627.895	5.580.130.139
3 Plant and equipment	<b>013</b>	315.064.751	316.933.977
4 Tools, working inventory and transportation assets	<b>014</b>	169.113.930	154.527.344
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	3.357.292	3.356.730
7 Tangible assets in preparation	<b>017</b>	658.731.163	712.920.850
8 Other tangible assets	<b>018</b>	73.728.723	70.215.873
9 Investment property	<b>019</b>	1.701.153.172	1.701.153.172
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>			
	<b>020</b>	441.770.531	421.028.529
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	0	0
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	275.437.379	255.763.281
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	19.142.032	19.099.332
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	10.597	10.597
8 Loans, deposits, etc. given	<b>028</b>	7.928.240	7.157.788
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	139.252.283	138.997.531
<b>IV RECEIVABLES (ADP 032 to 035)</b>			
	<b>031</b>	1.528.570.981	1.474.889.692
1 Receivables from undertakings within the group	<b>032</b>	946.976.284	862.294.523

**ZAGREB HOLDING** Ltd. and affiliated companies  
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2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	1.659.146	1.431.388
4 Other receivables	035	579.935.551	611.163.781
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	113.223.326	113.223.326
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>2.347.566.540</b>	<b>2.162.816.085</b>
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	<b>202.765.476</b>	<b>189.352.172</b>
1 Raw materials and consumables	039	103.249.695	94.182.398
2 Production in progress	040	32.794.591	32.673.571
3 Finished goods	041	24.513.833	21.226.450
4 Merchandise	042	40.873.493	40.118.909
5 Advances for inventories	043	1.333.864	1.150.844
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	<b>1.844.340.685</b>	<b>1.590.906.943</b>
1 Receivables from undertakings within the group	047	744.836.625	644.544.712
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	795.386.795	783.313.845
4 Receivables from employees and members of the undertaking	050	471.673	462.206
5 Receivables from government and other institutions	051	24.616.758	26.312.073
6 Other receivables	052	279.028.834	136.274.107
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>132.093.726</b>	<b>157.244.427</b>
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	120.611.287	144.449.391
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	7.116.064	8.500.999
9 Other financial assets	062	4.366.375	4.294.037
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	168.366.653	225.312.543
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	35.564.427	50.911.874
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>16.427.787.707</b>	<b>16.126.688.032</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	169.820.774	223.085.503
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)</b>	<b>067</b>	<b>5.770.577.048</b>	<b>5.708.788.115</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>	<b>068</b>	3.177.043.600	3.177.043.600
<b>II CAPITAL RESERVES</b>	<b>069</b>	0	0
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>322.617.489</b>	<b>322.617.489</b>
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0

**ZAGREB HOLDING** Ltd. and affiliated companies  
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3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	322.617.489	322.617.489
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>1.824.820.279</b>	<b>1.823.586.315</b>
<b>V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)</b>	<b>077</b>	<b>14.320.745</b>	<b>14.320.745</b>
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	14.320.745	14.320.745
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)</b>	<b>083</b>	<b>711.533.004</b>	<b>420.046.216</b>
1 Retained profit	084	711.533.004	420.046.216
2 Loss brought forward	085	0	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)</b>	<b>086</b>	<b>-291.916.585</b>	<b>-62.281.184</b>
1 Profit for the business year	087	0	0
2 Loss for the business year	088	291.916.585	62.281.184
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>089</b>	<b>12.158.516</b>	<b>13.454.934</b>
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>323.388.038</b>	<b>316.095.183</b>
1 Provisions for pensions, termination benefits and similar obligations	091	126.672.069	126.052.069
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	147.489.683	140.816.828
4 Provisions for renewal of natural resources	094	48.270.244	48.270.244
5 Provisions for warranty obligations	095	956.042	956.042
6 Other provisions	096	0	0
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>4.195.980.843</b>	<b>4.366.785.862</b>
1 Liabilities to undertakings within the group	098	9.702.011	8.907.380
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	619.750.835	759.502.606
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	584.191.402	567.140.820
9 Liabilities for securities	106	2.271.278.123	2.279.859.576
10 Other long-term liabilities	107	289.860.346	330.448.224
11 Deferred tax liability	108	421.198.126	420.927.256
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>2.972.883.811</b>	<b>2.522.323.936</b>
1 Liabilities to undertakings within the group	110	23.760.181	27.971.686
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
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

**ZAGREB HOLDING** Ltd. and affiliated companies  
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5 Liabilities for loans, deposits etc.	<b>114</b>	0	0
6 Liabilities to banks and other financial institutions	<b>115</b>	1.610.733.403	1.259.897.800
7 Liabilities for advance payments	<b>116</b>	42.311.731	30.307.254
8 Liabilities to suppliers	<b>117</b>	575.164.180	692.550.229
9 Liabilities for securities	<b>118</b>	0	0
10 Liabilities to employees	<b>119</b>	65.225.104	66.989.242
11 Taxes, contributions and similar liabilities	<b>120</b>	110.696.180	83.446.984
12 Liabilities arising from the share in the result	<b>121</b>	2.018.000	2.018.000
13 Liabilities arising from fixed assets held for sale	<b>122</b>	0	0
14 Other short-term liabilities	<b>123</b>	542.975.032	359.142.741
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	3.164.957.967	3.212.694.936
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>16.427.787.707</b>	<b>16.126.688.032</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	169.820.774	223.085.503

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2021 to 30.06.2021

in HRK

Submitter: ZAGREBAČKI HOLDING D.O.O.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>1.826.016.895</b>	<b>1.961.135.726</b>
1 Income from sales with undertakings within the group	002	300.503.249	328.519.820
2 Income from sales (outside group)	003	1.340.751.414	1.416.110.601
3 Income from the use of own products, goods and services	004	26.216.479	21.893.657
4 Other operating income with undertakings within the group	005	9.978.828	12.399.177
5 Other operating income (outside the group)	006	148.566.925	182.212.471
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>1.929.315.078</b>	<b>1.983.410.721</b>
1 Changes in inventories of work in progress and finished goods	008	-205.599	1.527.161
<b>2 Material costs (ADP 010 to 012)</b>	<b>009</b>	<b>1.069.971.859</b>	<b>1.096.475.204</b>
<i>a) Costs of raw materials and consumables</i>	010	152.680.442	149.866.771
<i>b) Costs of goods sold</i>	011	561.217.598	594.544.100
<i>c) Other external costs</i>	012	356.073.819	352.064.333
<b>3 Staff costs (ADP 014 to 016)</b>	<b>013</b>	<b>525.288.524</b>	<b>524.573.765</b>
<i>a) Net salaries and wages</i>	014	325.986.582	331.454.922
<i>b) Tax and contributions from salary costs</i>	015	128.172.252	122.409.753
<i>c) Contributions on salaries</i>	016	71.129.690	70.709.090
4 Depreciation	017	194.618.078	202.118.883
5 Other costs	018	83.644.421	97.186.006
<b>6 Value adjustments (ADP 020+021)</b>	<b>019</b>	<b>26.478.544</b>	<b>29.656.463</b>
<i>a) fixed assets other than financial assets</i>	020	670	27.807
<i>b) current assets other than financial assets</i>	021	26.477.874	29.628.656
<b>7 Provisions (ADP 023 to 028)</b>	<b>022</b>	<b>246.570</b>	<b>0</b>
<i>a) Provisions for pensions, termination benefits and similar obligations</i>	023	0	0
<i>b) Provisions for tax liabilities</i>	024	0	0
<i>c) Provisions for ongoing legal cases</i>	025	246.570	0
<i>d) Provisions for renewal of natural resources</i>	026	0	0
<i>e) Provisions for warranty obligations</i>	027	0	0
<i>f) Other provisions</i>	028	0	0
8 Other operating expenses	029	29.272.681	31.873.239
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>60.807.815</b>	<b>58.495.146</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	1.435.000
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	36.641.265	29.510.578
4 Other interest income from operations with undertakings within the group	034	33.334	100.679

**ZAGREB HOLDING** Ltd. and affiliated companies  
FINANCIAL STATEMENTS

5 Exchange rate differences and other financial income from operations with undertakings within the group	035	450.068	218.628
6 Income from other long-term financial investments and loans	036	0	0
7 Other interest income	037	4.809.872	6.755.968
8 Exchange rate differences and other financial income	038	4.989.037	3.017.143
9 Unrealised gains (income) from financial assets	039	13.447.028	17.162.774
10 Other financial income	040	437.211	294.376
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>97.087.936</b>	<b>97.014.200</b>
1 Interest expenses and similar expenses with undertakings within the group	042	2.005.157	5.983
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	392.350	388.954
3 Interest expenses and similar expenses	044	80.889.032	82.705.522
4 Exchange rate differences and other expenses	045	221.629	514.457
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	13.579.768	13.399.284
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>1.886.824.710</b>	<b>2.019.630.872</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>2.026.403.014</b>	<b>2.080.424.921</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>-139.578.304</b>	<b>-60.794.049</b>
1 Pre-tax profit (ADP 053-054)	056	0	0
2 Pre-tax loss (ADP 054-053)	057	-139.578.304	-60.794.049
<b>XII INCOME TAX</b>	<b>058</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>-139.578.304</b>	<b>-60.794.049</b>
1 Profit for the period (ADP 055-059)	060	0	0
2 Loss for the period (ADP 059-055)	061	-139.578.304	-60.794.049
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>			
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0
2 Pre-tax loss on discontinued operations	064	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>			
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0
2 Pre-tax loss (ADP 068)	070	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 068-071)	073	0	0
2 Loss for the period (ADP 071-068)	074	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>			

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<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	<b>075</b>	<b>-139.578.304</b>	<b>-60.794.049</b>
<b>1 Attributable to owners of the parent</b>	<b>076</b>	-139.639.551	-62.281.184
<b>2 Attributable to minority (non-controlling) interest</b>	<b>077</b>	61.247	1.487.135
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>			
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	-139.578.304	-60.794.049
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	0	-1.504.834
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	0	-1.504.834
1 Changes in revaluation reserves of fixed tangible and intangible assets	<b>081</b>	0	-1.504.834
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	<b>082</b>	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	<b>083</b>	0	0
4 Actuarial gains/losses on the defined benefit obligation	<b>084</b>	0	0
5 Other items that will not be reclassified	<b>085</b>	0	0
6 Income tax relating to items that will not be reclassified	<b>086</b>	0	-270.870
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	0	0
1 Exchange rate differences from translation of foreign operations	<b>088</b>	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	<b>089</b>	0	0
3 Profit or loss arising from effective cash flow hedging	<b>090</b>	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	<b>091</b>	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	<b>092</b>	0	0
6 Changes in fair value of the time value of option	<b>093</b>	0	0
7 Changes in fair value of forward elements of forward contracts	<b>094</b>	0	0
8 Other items that may be reclassified to profit or loss	<b>095</b>	0	0
9 Income tax relating to items that may be reclassified to profit or loss	<b>096</b>	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)</b>	<b>097</b>	0	-1.233.964
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>-139.578.304</b>	<b>-62.028.013</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>			
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	<b>-139.578.304</b>	<b>-62.028.013</b>
<b>1 Attributable to owners of the parent</b>	<b>100</b>	-139.639.551	-63.515.148
<b>2 Attributable to minority (non-controlling) interest</b>	<b>101</b>	61.247	1.487.135

STATEMENT OF CASH FLOWS - indirect method  
for the period 01.01.2021. to 30.06.2021.

in HRK

Submitter: ZAGREBAČKI HOLDING D.O.O.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-139.578.304	-60.794.049
2 Adjustments (ADP 003 to 010):	002	355.861.309	328.075.002
a) Depreciation	003	194.618.078	202.118.883
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	1.000
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	-41.935.000	-36.586.000
e) Interest expenses	007	42.086.000	95.661.000
f) Provisions	008	-2.919.553	-7.292.855
g) Exchange rate differences (unrealised)	009	12.189.147	-3.746.861
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	151.822.637	77.919.835
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>216.283.005</b>	<b>267.280.953</b>
3 Changes in the working capital (ADP 013 to 016)	012	-372.795.046	148.243.284
a) Increase or decrease in short-term liabilities	013	-142.413.000	-47.752.716
b) Increase or decrease in short-term receivables	014	-243.908.046	182.583.000
c) Increase or decrease in inventories	015	13.526.000	13.413.000
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-156.512.041</b>	<b>415.524.237</b>
4 Interest paid	018	-37.505.000	-53.637.000
5 Income tax paid	019	-639.000	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-194.656.041</b>	<b>361.887.237</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	430.000
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	42.086.000	36.683.000
4 Dividends received	024	26.927	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	125.882.000	74.496.000
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>167.994.927</b>	<b>111.609.000</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-207.748.000	-146.525.000
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	-775.000	-12.196.000



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<b>IV Total cash payments from investment activities</b> (ADP 028 to 032)	<b>033</b>	<b>-208.523.000</b>	<b>-158.721.000</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES</b> (ADP 027 +033)	<b>034</b>	<b>-40.528.073</b>	<b>-47.112.000</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	<b>035</b>	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	<b>036</b>	0	0
3 Cash receipts from credit principals, loans and other borrowings	<b>037</b>	822.311.052	547.661.642
4 Other cash receipts from financing activities	<b>038</b>	0	0
<b>V Total cash receipts from financing activities</b> (ADP 035 to 038)	<b>039</b>	<b>822.311.052</b>	<b>547.661.642</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	<b>040</b>	-407.237.531	-771.156.849
2 Cash payments for dividends	<b>041</b>	0	0
3 Cash payments for finance lease	<b>042</b>	-30.803.000	-34.334.140
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	<b>043</b>	0	0
5 Other cash payments from financing activities	<b>044</b>	0	0
<b>VI Total cash payments from financing activities</b> (ADP 040 to 044)	<b>045</b>	<b>-438.040.531</b>	<b>-805.490.989</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES</b> (ADP 039 +045)	<b>046</b>	<b>384.270.521</b>	<b>-257.829.347</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	<b>047</b>	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS</b> (ADP 020+034+046+047)	<b>048</b>	<b>149.086.407</b>	<b>56.945.890</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	202.179.152	168.366.653
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b> (ADP 048+049)	<b>050</b>	<b>351.265.559</b>	<b>225.312.543</b>

STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2021 to 30.06.2021

in HRK

Item	ADP code	Attributable to owners of the parent							Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	9	10	11	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Previous period</b>										
<b>1 Balance on the first day of the previous business year</b>	<b>01</b>	3.177.043.600	322.617.489	1.840.235.500	12.724.323	695.442.668	1.929.338	6.049.992.918	14.419.664	6.064.412.582
<b>4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)</b>	<b>04</b>	3.177.043.600	322.617.489	1.840.235.500	12.724.323	695.442.668	1.929.338	6.049.992.918	14.419.664	6.064.412.582
5 Profit/loss of the period	05	0	0	0	0	0	-291.916.585	-291.916.585	379.174	-291.537.411
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	-15.415.221	0	14.160.998	0	-1.254.223	0	-1.254.223
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	1.596.422	0	0	1.596.422	0	1.596.422
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	-2.640.322	-2.640.322
21 Other distributions and payments to members/shareholders	21	0	0	0	0	1.929.338	-1.929.338	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0
<b>24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)</b>	<b>24</b>	3.177.043.600	322.617.489	1.824.820.279	14.320.745	711.533.004	-291.916.585	5.758.418.532	12.158.516	5.770.577.048
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>										
<b>1 OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)</b>	<b>25</b>	0	0	-15.415.221	1.596.422	14.160.998	0	342.199	0	342.199

<b>II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD</b> (ADP 05+25)	<b>26</b>	0	0	-15.415.221	1.596.422	14.160.998	-291.916.585	-291.574.386	379.174	-291.195.212
<b>III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY</b> (ADP 15 to 23)	<b>27</b>	0	0	0	0	1.929.338	-1.929.338	0	-2.640.322	-2.640.322
<b>Current period</b>										
<b>1 Balance on the first day of the current business year</b>	<b>28</b>	3.177.043.600	322.617.489	1.824.820.279	14.320.745	711.533.004	-291.916.585	5.758.418.532	12.158.516	5.770.577.048
<b>4 Balance on the first day of the current business year (restated)</b> (AOP 28 to 30)	<b>31</b>	3.177.043.600	322.617.489	1.824.820.279	14.320.745	711.533.004	-291.916.585	5.758.418.532	12.158.516	5.770.577.048
5 Profit/loss of the period	<b>32</b>	0	0	0	0	0	-62.281.184	-62.281.184	1.487.135	-60.794.049
7 Changes in revaluation reserves of fixed tangible and intangible assets	<b>34</b>	0	0	-1.233.964	0	429.797	0	-804.167	0	-804.167
20 Payment of share in profit/dividend	<b>47</b>	0	0	0	0	0	0	0	-190.717	-190.717
21 Other distributions and payments to members/shareholders	<b>48</b>	0	0	0	0	-291.916.585	291.916.585	0	0	0
<b>24 Balance on the last day of the current business year reporting period</b> (ADP 31 to 50)	<b>51</b>	3.177.043.600	322.617.489	1.823.586.315	14.320.745	420.046.216	-62.281.184	5.695.333.181	13.454.934	5.708.788.115
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>										
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX</b> (ADP 33 to 41)	<b>52</b>	0	0	-1.233.964	0	429.797	0	-804.167	0	-804.167
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD</b> (ADP 32 do 52)	<b>53</b>	0	0	-1.233.964	0	429.797	-62.281.184	-63.085.351	1.487.135	-61.598.216
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY</b> (ADP 42 to 50)	<b>54</b>	0	0	0	0	-291.916.585	291.916.585	0	-190.717	-190.717