



ZAGREBAČKI
HOLDING

MANAGEMENT
REPORT
FOR THE FIRST HALF OF

2025



Our vision:

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



ZAGREBAČKI
HOLDING

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BASIC INFORMATION ABOUT ZAGREB HOLDING GROUP

Zagreb Holding Ltd. (hereinafter: "the Company", "Parent Company", or "Zagreb Holding") is a company wholly owned by the City of Zagreb. Its core business operations are carried out through 12 subsidiaries. It owns 3 companies, co-owns 2 companies and a health institution. Together, the subsidiaries, related companies and the institution form the Zagreb Holding Group ("the Group"), with Zagreb Holding Ltd. as the leading company in the creation of its business policies.

Group members are Zagreb Holding Ltd., Zagreb City Gasworks Ltd. (hereinafter: GPZ), Zagreb City Gasworks - Supply Ltd. (hereinafter: GPZ-O), City Housing and Municipal Services Company Ltd. (hereinafter: GSKG), Water Supply and Drainage Ltd. (hereinafter: VIO), Zagreb Plakat Ltd., Zagreb City Pharmacies (hereinafter: GLJZ) and Bjelovar City Gasworks Ltd., a subsidiary of the related company Zagreb City Gasworks Ltd.

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

Main activities of Group companies

- Public and unclassified state roads: management, maintenance and protection of unclassified roads, road furniture and equipment, maintenance and installation of traffic lights and signs, asphalt production and laying
- Landscaping and green space maintenance
- Cleaning and waste collection services, waste disposal and management
- Storage and rental services
- Parking, towing and vehicle relocation from public areas
- Cemetery and crematorium maintenance
- Construction and management of electronic communication infrastructure and electronic communication networks
- Publishing activities
- Water collection, treatment and distribution
- Gas distribution and supply
- Real estate management and maintenance
- Supply and preparation of medications, supply of medical devices and other healthcare products

Group companies operate primarily in the Croatian market.

Registered office: Ulica grada Vukovara 41, Zagreb

Court Reg. No.: 080042653

PIN: 85584865987

Share capital: EUR 437,166,150

**Number of employees
as at 30/06/2025:** 7,898

Number of bonds quoted on the Official Market of the Zagreb Stock: 305,000,000
Date of issue: 11/7/2023
Maturity date: 11/07/2028
Interest rate: 4.90 %, fixed, with half-yearly payment
Ownership: City of Zagreb is the founder and full owner of Zagreb Holding Ltd.

Management Board

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

- 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

Supervisory Board

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

- Andro Pavuna, member as of 22/12/2023, Deputy President as of 26/01/2024, and President of the Supervisory Board as of 23/07/2024.
- Kristijan Starčević, member as of 13/02/2023, Deputy President from 23/07/2025 to 02/09/2025
- Martina Jurišić, member since 22/12/2023
- Željko Matijašec, member since 22/12/2023

Audit Committee

Members of the Audit Committee are as follows:

- Ivan Čevizović, member as of 16/11/2021, President as of 14/06/2022
- Josip Teklić, member as of 16/11/2021, Deputy President as of 14/06/2022
- David Krmpotić, member as of 16/11/2021
- Kristijan Starčević, member from 22/11/2024 to 02/09/ 2025

Assembly:

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

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

MANAGEMENT BOARD'S COMMENT

on H1 2025 Performance

Financial stability

In the first half of 2025, the Group achieved a positive result owing to responsible management and stable operations, despite the challenges encountered in the macroeconomic market, primarily through the impact on input prices, thereby further strengthening the confidence of investors and citizens. Through transparent and stable financial operations and investment in municipal and transport infrastructure, the foundations have been laid for the Group's long-term viability and for the further improvement and development of services provided to citizens of Zagreb.

H1 2025 Financial Result

The positive performance achieved in the first half of 2025 reflects effective management of both revenues and expenses. Proactive resource management and increased activity of the Group's operational units had a positive impact on the quality of services.

In the first half of 2025, the Group recorded higher comprehensive income by EUR 48.73 million, resulting from total revenues of EUR 382.72 million and total expenses of EUR 353.09 million. Operating profit (EBIT) achieved in the first half of 2025 increased by EUR 50.40 million (1-6/2025: EUR 41.58 mil; 1-6/2024: EUR -8.81 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 72.32 million, which represents an increase of EUR 54.43 million compared to H1 2024.

In H1 2025, operating income amounted to EUR 378.61 million, representing an increase of EUR 39.91 million (10%) compared to 2024, primarily due to the performance in the gas sales and distribution segment. The most significant income increase was achieved in the following segments: *water supply and drainage*, by 31%; *cleaning and waste disposal services*, by 19%; *landscaping and maintenance of green spaces*, by 34%; *sale of medications*, by 12%; *maintenance and management of public roads*, by 10%; and *parking*, by 16%. A decrease in sales income by 31% was recorded in the gas sales and distribution segment due to the change of supplier obligated to provide the public service and the transition to a market-based service as of 1 October 2024. The decrease in other operating income by EUR 34.56 million mainly relates to lower state subsidies, as a result of reduced subsidies received for compensation of the gas price difference. In the first half of 2025, subsidies were received from the City Budget for purposes approved by the Assembly of the City of Zagreb (coverage of costs related to the public service of municipal waste collection, costs of plastic collection and disposal, landfill remediation costs, and operating costs of water services). Impairment losses on loans granted outside Zagreb Holding Group in the amount of EUR 5,90 million were reversed as a result of their collection.

Operating expenses in H1 2025 amounted to EUR 337.03 million, representing an increase of EUR 90.30 million (21%) compared to H1 2024. Costs of material and services decreased by EUR 114.83 million, primarily due to lower costs of goods sold as a result of the change of supplier under the obligation of public gas supply service as of 1 October 2024. Depreciation expenses increased due to the non-current assets acquired by company Water Supply and Drainage Ltd. in connection with water treatment activities (acquisition of the Zagreb Central Wastewater Treatment Plant (CUPOVZ) facility on 4 August 2024). Within the structure of operating expenses, staff costs increased by EUR 16.85 million, as a result of higher employee benefits determined under the collective bargaining agreements of Zagreb Holding Ltd. and its subsidiaries in the first half of 2025, and a 6% increase in the average number of employees. The increase in the number of employees mostly relates to operational workers in subsidiary City Waste Disposal and the transfer of employees from acquired companies (Vode Jastrebarsko d.o.o., Vodovod Klinča Sela d.o.o., Odvodnja Samobor d.o.o. and Vode Žumberak d.o.o.) which merged with the company Water Supply and Drainage Ltd. (VIO).

Net finance expenses decreased by EUR 0.25 million, reflecting a decrease in finance income of EUR 1.08 million due to lower interest income from associates outside the Group, and a decrease in finance expenses of EUR 1.33 million due to lower interest expenses arising from regular and early repayment of part of the loan principal.

As at 30 June 2025, the Company's total assets amounted to EUR 788.14 million, representing an increase of EUR 27.56 million compared to the balance as at 31 December 2024.

Non-current assets decreased by EUR 4.80 million as a result of a EUR 11.47 million reduction in non-current receivables and an increase in the value of property, plant and equipment in the amount of EUR 6.94 million due to

the contribution of assets from the merged company Odvodnja Samobor d.o.o. to the company Water Supply and Drainage Ltd.

Net working capital increased by EUR 22.77 million owing to a decrease in current liabilities owed to suppliers of company Zagreb City Gasworks - Supply Ltd.

Net debt as at 30 June 2025 amounted to EUR 471.94 million, which is EUR 34.01 million lower compared to 31 December 2024, due to regular repayment of the principal of the club loan and interest on loans and the bond.

Other non-current and current liabilities increased by EUR 24.48 million due to deferred income recognition related to assets taken over by company VIO through the acquisition of company Odvodnja Samobor d.o.o. during the reporting period.

Organisational and ownership framework

The Company aligned its share capital with the Act on the Introduction of the Euro as the Official Currency in the Republic of Croatia and the Companies Act, thereby also increasing its capital by EUR 15,500,000.95, which further strengthened the balance sheet and creditworthiness. In parallel, we completed corporate mergers within VIO, creating a unified operating model in Service Area 11, which will result in lower costs and faster investment cycles.

Operational excellence and digitalisation

Operationally, significant progress was achieved across all key activities. Subsidiary City Waste Disposal reduced pending reports in the e-Redar app by 93% and completed the distribution of yellow containers, while the renewed fleet with 15 new sweepers improved the cleanliness of public areas. Zagreb Roads increased asphalt production by 3% and laid it on more than 40,000 m² of new road surface, while Zrinjevac renewed its fleet with 46 new mowers of various categories and achieved an increase in the mowing of green areas. Zagreb Markets opened a new modernised marketplace, Vrapče, Zagrebparking expanded its fleet of tow trucks and introduced additional scan-a-car vehicles, while the first Park&Ride zone improved the connectivity of public transport.

We continued strengthening digital channels (e-Jednostavna, BlicPay, digital parking meters) and develop new market products in the energy sector in order to create additional value for citizens and the City of Zagreb. Special focus was placed on cybersecurity in the context of the Cybersecurity Act; a GAP analysis was carried out, and the establishment of a Security Operations Centre is planned by the end of 2025.

Strategic projects

Project Zagreb, with an estimated value of EUR 323 million, is the largest investment in the city's water and municipal infrastructure in the past decade, aimed at expanding the water supply and sewerage network, reducing system losses, and decreasing the frequency of breakdowns.

In the area of waste management, the project of remediation of the Jakuševac landfill is underway. A facility for mechanical-biological treatment (MBT) of waste is in the preparation phase, together with activities for the gradual closure of the landfill as of 2028.

The implementation of SAP ERP is in progress, with commissioning planned for 1 October 2025 in production mode and full operational deployment during the first quarter of 2026. The LoRaWAN and the first IoT platform will provide the foundation for the network required for the implementation of smart city services.

In the energy sector, we completed the Oporovec Solar Power Plant and initiated preparations for a further 12 photovoltaic facilities.

Zagreb City Gasworks Ltd. is continuing the reconstruction of the distribution network, while Zagreb City Gasworks - Supply Ltd. is expanding its corporate customer portfolio through innovative pricing models and multi-year contracts.

Human resources

In the area of human resources management, new collective bargaining agreements were signed, increasing the salary base by 15.6%, and corporate culture and cohesion were strengthened through the first ZeGeHop sports games. The management and control levels were further reinforced through training on ethical corporate governance and successful supervisory audits for ISO 9001 and 27001. Particular focus has been placed on alignment with the NIS2 Directive and the new Cybersecurity Act.

Outlook

In the second half of the year, we will continue implementing capital investments – the remediation of Jakuševac, further installation of underground and semi-underground containers, contracting of works on the Central Wastewater Treatment Plant and for other activities under Project Zagreb, as well as preparations for the construction of the Klaićeva Garage and the reconstruction of the "Grad mladih" building complex. Our priorities remain digital transformation, reduction of the carbon footprint, and strengthening of operational efficiency while preserving financial stability. We thank our employees, the City of Zagreb, users of our services and partners for their contribution to the achieved results and their trust, as we enter the second half of the year ready for new challenges and opportunities.

SIGNIFICANT BUSINESS EVENTS

IN H1 2025

Changes in Zagreb Holding Ltd.

By virtue of the decision of 9 April 2025, the Company's share capital was aligned with the provisions of the Act on the Introduction of the Euro as the Official Currency in the Republic of Croatia and the provisions of the Companies Act. In the process, the share capital was also increased from EUR 421,666,149.05 by an amount of EUR 15,500,000.95 to a total of EUR 437,166,150.00.

Changes in subsidiaries of Zagreb Holding Ltd.

Subsidiary Zagreb Bus Terminal

- Marin Rončević, Head of subsidiary from 02/02/2022 to 19/01/2025
- Josip Krajina, Head of subsidiary as of 20/01/2025

Changes in Zagreb Holding Ltd.'s related companies

1. WATER SUPPLY AND DRAINAGE Ltd. (VIO)

Matija Subašić-Maras, Supervisory Board member as of 27/10/2021 and Supervisory Board President from 10/06/2022 to 03/03/2025, was re-elected as member and President of the Supervisory Board as of 03/03/2025
Jurica Krleža, Supervisory Board member as of 24/04/2024 and Supervisory Board Deputy President from 30/04/2024 to 03/03/2025, was re-elected as member and Deputy President of the Supervisory Board as of 03/03/2025

Tatjana Operta, Supervisory Board member as of 27/10/2021, was re-elected as member of the Supervisory Board as of 03/03/2025

Gordana Buturajac, Supervisory Board member from 27/10/2021 to 03/03/2025, was re-elected as member of the Supervisory Board as of 03/03/2025

Marija Novosel, member of the Supervisory Board as of 03/03/2025

Ivana Španić, member of the Supervisory Board as of 03/03/2025

Danijel Miholić, member of the Supervisory Board as of 03/03/2025

Igor Smetko, member of the Supervisory Board as of 03/03/2025

Status Change in the company Water Supply and Drainage Ltd.

By the Merger Decision adopted by the General Assembly on 3 March 2025, two additional public water service providers in Service Area 11, namely ODVODNJA SAMOBOR d.o.o. and VODE ŽUMBERAK d.o.o., were merged with company Water Supply and Drainage Ltd. (VIO) as the acquiring company, so that the share capital of VIO consists of a total of 6 ownership interests:

- interest belonging to Zagreb Holding, which entitles it to 97,73 % of membership rights in VIO;
- interest belonging to the Town of Jastrebarsko, which entitles it to 1,66% of membership rights in VIO;
- interest belonging to Stupnik Municipality, which entitles it to 0,46% of membership rights in VIO;
- interest belonging to Klinča Sela Municipality, which entitles it to 0,13% of membership rights in VIO;
- interest belonging to the Town of Samobor, which entitles it to 0,01% of membership rights in VIO;
- interest belonging to Žumberak Municipality, which entitles it to 0,01% of membership rights in VIO;

2. ZAGREB CITY GASWORKS Ltd. (GPZ)

Davor Mayer, director from 01/12/2023 to 01/01/2025

Bruno Lacković, director from 02/01/2025 to 30/06/2025

Ivan Šoštarčić, director from 02/01/2025 to 30/06/2025

Dalibor Pudić, director as of 01/07/2025

3. ZAGREB PLAKAT Ltd.

Mihovil Soldo, Supervisory Board member as of 24/06/2021 and Supervisory Board Deputy President from 19/11/2022 to 23/06/2025, was re-elected as member and Deputy President of the Supervisory Board as of 23/06/2025

4. ZAGREB CITY PHARMACIES

Marijo Vukušić, director of the institution from 06/07/2022 to 08/06/2025

Marina Rupčić, acting director of the institution from 09/06/2025

Prof. Sanda Vladimir-Knežević, PhD, member of the Management Board from 07/07/2021 to 06/07/2025, was re-elected as member of the Management Board as of 07/07/2025

Prof. Robert Likić, PhD, member of the Management Board from 07/07/2021 to 06/07/2025, was re-elected as member of the Management Board as of 07/07/2025.

SUSTAINABLE OPERATIONS OF THE GROUP

With the aim of establishing a long-term strategic framework for managing sustainability and developing the green economy, the Group adopted the 2023–2028 Zagreb Holding Sustainability Strategy. The Strategy sets out key objectives, directions, and components of sustainability, as well as related activities and projects, including activities aimed at reducing greenhouse gas emissions.

Through its activities and projects, the Group is continuously focused on achieving its key strategic objectives:



Good-quality, reliable, and innovative service



Quality management



Urbanisation and environmental protection



Quality of urban life

The adopted 2023–2028 Sustainability Strategy has been operationalised through the preparation of the Decarbonisation Strategy and the Waste Management Strategy, which the Company worked on during the first half of 2025 and which will be adopted in the coming period.

Decarbonisation Strategy

The Decarbonisation Strategy for the period until 2035 is under preparation. It defines measurable targets and activities for achieving carbon neutrality and is aligned with the Group's Sustainability Strategy (2023) and the *City of Zagreb Climate Change Mitigation, Climate Change Adaptation and Ozone Layer Protection Programme 2025–2028*. (2025, Official Gazette of the City of Zagreb 4/2025). The measures set out in the Decarbonisation Plan, in addition to contributing to the reduction of greenhouse gas emissions, are primarily aimed at improving the main public and municipal activities carried out by the Group (including the modernisation and renewal of the vehicle fleet to increase the efficiency of operations, primarily of subsidiaries City Waste Disposal, Zagreb Roads and Zrinjevac, investment in renewable energy infrastructure, energy efficiency, urban greening, etc.).

Waste Management Strategy

As part of the Waste Management Strategy, a list of measures and an action plan have been prepared to improve the waste management system, along with targeted strategic guidelines for the 2025–2028 period, including a practical plan to achieve the strategic objective of 59% separately collected and recycled municipal waste by 2028.

Responsible corporate governance

Training on responsible and ethical corporate governance

The Group continuously carries out activities aimed at improving its corporate governance system. In the first half of 2025, training was held for the Management Board, members of the Supervisory Board, the Company's management and Group members on their key role in building a culture of compliance and integrity, with particular emphasis on ethical conduct, the identification and prevention of conflicts of interest, inappropriate gifts, forms of hospitality and other benefits, as well as the responsible management of corruption risks.

ISO systems

In May and June 2025, regular supervisory audits of the Company's integrated quality management and environmental management system (ISO 9001 and ISO 14001 standards) were successfully carried out. Already in the previous year, the Company began implementing the so-called multi-site ISO certification model, which establishes and implements a unified management system across all its sites, with a designated central function responsible for its oversight.

In April 2025, the company Zagreb City Gasworks Ltd. successfully underwent the first audit verifying the compliance of its information security management system with the revised ISO/IEC 27001:2022 standard. A certificate valid until February 2027 was received.

In addition, during this year the Company has been carrying out activities for the implementation of the Energy Management System (EnMS) in accordance with the requirements of the HRN EN ISO 50001:2018 standard, thereby providing a tool for the systematic optimisation of energy efficiency and the continuous improvement of energy performance.

Responsibility towards service users and businesses

Digitalisation of services

Following the introduction of the service of sending a single bill of Zagreb Holding to users via e-mail, this service was also made available to corporate customers in 2025. For bills received by e-mail, a payment option via the BlicPay service has also been introduced.

The functionalities of the RazvrstajMojZG application have been further improved, now allowing bulky waste collection requests, thereby further simplifying the process.

With the aim of enabling faster and easier participation in all published simplified procurement procedures, a web platform for the electronic execution of simplified procurement procedures was launched, called eJednostavna. It has been available to all businesses since April of this year. This project contributes to greater transparency and strengthens the trust of businesses. The platform also enables direct communication between the Company as the contracting authority and potential bidders, while increasing the efficiency and quality of the procurement process.

Responsibility for effective human resources management

New collective bargaining agreements

At the initiative of trade unions whose new representatives were nominated by a decision of the competent Commission, collective bargaining was launched for the conclusion of a new Collective Agreement for the Company's employees. The negotiations were concluded with the signing of a new Collective Agreement on 15 May 2025. This Collective Agreement, concluded for a fixed term of one year, provides for an increase in the salary calculation base for the Company's employees by 15.6% as of 1 May 2025, as well as a further increase of the salary calculation base by 4.4% as of 1 January 2026.

Employee benefits were also increased in the company City Housing and Municipal Services Company Ltd. through the conclusion of a new Collective Bargaining Agreement, under which the salary base for employees rose by 15.6% as of 1 June 2025, with an additional increase of 4.4% to take effect as of 1 January 2026.

ZeGeHop – Zagreb Holding Sports Games

The first edition of the ZeGeHop games was held in early May on the sports grounds of the Zagreb Central Wastewater Treatment Plant (CUPOVZ). The sports games brought together several hundred of the Group's employees from different subsidiaries, related companies and institution, who competed in various disciplines. The ZeGeHop proved to be an opportunity for socialising, networking and true sports competition, thereby launching a new tradition within the Group.

Responsibility towards the community

Cooperation with UNICEF

On the basis of the *Cooperation and Donation Agreement for activities in 2024 and 2025*, signed in 2024 by Zagreb Holding, the City of Zagreb and UNICEF, in 2025 the Group informed citizens, through the distribution of UNICEF leaflets, about the possibility of supporting UNICEF's programme activities aimed at children without adequate parental care.

UNICEF reaffirmed Zagreb Holding's long-standing support for UNICEF programmes focused on promoting the rights and protection of children from the most vulnerable groups by presenting it with a certificate of appreciation at the beginning of this year. Zagreb Holding will continue to implement corporate social responsibility programmes and support initiatives aimed at promoting children's rights.

Clean-up Without Borders

In partnership with agency Plava Promocija, Zagreb Holding organised the 10th International Children's Diving Eco Patrol "Clean-up Without Borders" at Veli Jože Savudrija Camp. The underwater cleaning action was carried out on both the Croatian and Slovenian sides: divers cleaned Fiesa Bay in Slovenia with the support of the Slovenian Diving Association, and Savudrija Harbour on the Croatian side, while children, supervised by divers, cleaned the seabed along the coast at Veli Jože Camp. This year's jubilee Eco Patrol brought together more than 80 divers from Croatia and Slovenia, as well as over 50 children from Zagreb, Glin and Slovenia.

GROUP PROJECTS

Implementation of integrated information system – SAP solution

The project for the implementation of a unified ERP, i.e. the SAP information system, was launched at the beginning of 2024. The purpose of the project is the centralisation and consolidation of the Company's and Zagreb City Gasworks Ltd.'s financial operations in the areas of accounting, finance and controlling, all with the aim of improving reporting and planning.

In 2025, activities include data preparation for migration, integration tests, trial migrations, end-user training, and production preparation. Test production of SAP is expected in October 2025, while full operational availability is planned for the first quarter of 2026. Currently, integration of the existing ERPs with SAP is underway.

This project represents a significant step forward in the digitalisation of the Company's and the Group's operations.

Construction of the LoRaWAN communication network

The construction of the LoRaWAN communication network will enable cost-effective and efficient implementation of numerous urban and municipal services, from remote meter reading at consumers to the collection of various data for advanced management of traffic, parking, public lighting, waste, resource optimisation, etc. Once established, the network will be used to improve the services of the entire Group and the City of Zagreb.

During 2026, the establishment of a comprehensive LoRaWAN network is planned, which will become the foundation of the smart City of Zagreb. In the third quarter of 2025, procurement of the IoT platform for managing the data collected through the network and the maintenance of the LoRaWAN network will be launched. The launch of the upgrade of water meters and gas meters with LoRaWAN modules enabling remote meter reading is also planned.

Underground and semi-underground containers

The project for the construction and installation of underground and semi-underground containers, aimed at encouraging increased waste separation, achieving better recycling results, and reducing visual pollution in the historic centre of Zagreb, was launched as a pilot project at the end of 2023 and continued throughout 2024 and the first half of 2025.

By 30 June 2025, a total of 198 underground containers had been installed at 50 locations within the historic centre of Zagreb.

Following the procurement procedure in 2024 for the acquisition of 600 semi-underground containers intended for installation at the first 200 locations in other city districts, with the aim of replacing outdated standardised containers that were unsuitable in terms of capacity and location for separate collection of dry fractions of municipal waste (paper, cardboard, plastic, metal and glass packaging) in public areas, 141 semi-underground containers were installed in the first six months of 2025 at 46 locations across 9 city districts.

The Local Community Centre Zapruđe was the first local community centre in which, through the installation of semi-underground containers, all containers were removed from public areas.

Operational KPIs

Within the framework of the key performance indicator (KPI) monitoring system, which was enhanced during 2024 and places particular emphasis on monitoring activities that directly affect citizens' quality of life, numerous improvements in activity implementation were recorded in the first half of 2025. Notably: for subsidiary City Waste Disposal, a reduction in the number of unresolved reports within the e-Redar application by as much as 93%; for subsidiary Zagreb roads, a 40% decrease in the number of unrepaired excavations; and for subsidiary Zrinjevac, an increase in the mowing of green areas.

Daily monitoring of activities provides a systematic insight into operational performance and enables timely assessment of efficiency over shorter periods, with the aim of making informed decisions and continuously optimising processes. Planned further enhancements of the model include the development of a digital reporting and analysis solution, an increase in the number of monitored activities, and more in-depth data analysis.

Subsidiary City Waste Disposal

During the first half of 2025, subsidiary City Waste Disposal continued to improve the efficiency and quality of its core activities. By introducing new technological processes in the public service of municipal waste collection and carrying

out key investments for the implementation of street cleaning and washing programmes, the scope and quality of core services were significantly increased.

In the first half of 2025, subsidiary City Waste Disposal's vehicle fleet was renewed with the delivery of specialised sweepers designed for washing and cleaning public areas. This completed the investment cycle launched in 2024, which comprised the acquisition of a total of 15 sweepers. Thanks to their technical characteristics, the new vehicles have enabled the expansion of public areas maintained on a daily basis.

Since four of the sweepers for pedestrian areas are fully electric, their use marked the start of technological modernisation and the transition to more environmentally friendly fuels.

In response to the increase in waste volumes, predominantly plastic and metal packaging, subsidiary City Waste Disposal began the distribution of yellow containers in 2024. With a much larger capacity than the standardised yellow bags previously used, these containers provide residents in individual housing with greater possibilities for disposal of this type of waste. In April 2025, distribution of yellow containers to family houses was completed.

In addition, works were carried out to improve the operation of wastewater and leachate drainage, as well as the degassing of remaining landfill areas at the Jakuševac - Prudinec landfill. These constitute a basic prerequisite for the smooth daily disposal of mixed municipal waste in line with safety protocols, which were significantly revised after the landslide at the landfill at the end of 2023. In the first half of 2025, works on landslide remediation were undertaken. Upon completion of the expert examination on the causes and circumstances of the landslide, conducted by the Municipal Court in Novi Zagreb, the full scope of the landfill remediation can be determined.

Subsidiary Zagreb Roads

Under the Programme for Asphaltting First-Category Unclassified Roads for 2025, seven streets within the city were remedied in the first half of the year, in line with the planned schedule for the implementation of all contracted obligations under this programme. A total of 40,129 m² of carriageway surface was asphalted, compared with three streets and 12,307.01 m² of carriageway surface asphalted in the same period of 2024. The value of works performed under this programme in the first half of the year amounted to EUR 1,943,148.92.

In 2025, the total asphalt mixture production of subsidiary Zagreb Roads amounted to 40,195.50 tonnes, compared with 39,004.40 tonnes in the same period of the previous year, representing an increase of 3%. The asphalt produced was also used for regular maintenance and other municipal activities of the subsidiary, including the municipal activities programme (63 locations), the small municipal actions programme of local community centres (26 locations), and the extraordinary programme (2 locations).

Subsidiary Zrinjevac

During the first half of 2025, preparatory activities were carried out for the migration of the Mowing Cadastre to a new environment within the Company's data centre. In the second half of the year, testing and production launch are planned.

From 8 to 11 May, the 59th International Garden Exhibition Floraart was held in Bunde Park. The rich Floraart programme – 29 floral installations, a professional competition, workshops, children's performances, a presentation of the documentary film series Fairytale Croatia, a professional conference bringing together the academic community and other experts, as well as a themed sales fair – attracted more than 100,000 visitors to Bunde Park.

The exhibition featured 28 national and international exhibitors and more than one hundred plant material producers, while visitors could enjoy the specially decorated Bunde Park, where nearly 70,000 flower seedlings were planted.

As part of the Zagreb city greening project, in the 2024/2025 season, by March of this year, nearly 9,000 trees were planted. This season's planting was further adapted to the needs of individual city districts and citizens' initiatives, with trees planted in school and kindergarten yards, along main roads, in city cemeteries and parks. Besides lowering temperatures in the city during heat waves, trees are essential for climate adaptation and biodiversity, and by increasing their number, the City of Zagreb becomes more pleasant for its citizens. Continuing this good practice, the tree planting project will also be carried out in the next season.

The two composting facilities managed by the subsidiary Zrinjevac remain temporarily closed. The Prudinec/Jakuševac composting facility will remain closed until the technical and safety preconditions for operation are established, due to damage caused by the landslide at the landfill at the end of 2023, while the Čret/Markuševac composting facility was closed under a decision of the State Inspectorate (DIRH) of May 2024, against which the Company has initiated administrative proceedings before the Administrative Court in Zagreb.

Subsidiary Zagreb Markets

In February 2025, after a complete reconstruction that lasted from March until the end of 2024, the Vrapče market was reopened. The construction of the new Vrapče market marks the first capital investment in Zagreb's markets in almost 30 years.

The City of Zagreb, in cooperation with Zagreb Holding and the subsidiary Zagreb Markets, is systematically implementing a strategy for the modernisation and revitalisation of markets. Key projects include the reconstruction of the roof of the Utrina market, improvements to access at the Trešnjevka market, replacement of lifts at the Dolac market, implementation of a video surveillance system, and remediation of the drainage system at the wholesale market and cold storage complex.

Through numerous marketing activities, continuous efforts are made to raise consumer awareness of the quality of domestic products offered at Zagreb's markets. The Organic Market project at the Jarun market has also continued. In addition, a series of gastronomic, entertainment and cultural events were organised at Zagreb's markets (for example, Place Market, Plant Market, Food Truck Festival, Plavi ceker, Art plac, etc.). Furthermore, in cooperation with the City Office for Economy and the Croatian Markets Association, a project for the certification of local family farms (OPGs) was carried out, with a total of 96 certificates awarded.

Subsidiary Zagrebparking

During 2025, activities aimed at improving the parking fee collection system and facilitating parking in the city have continued and been enhanced, with highlights including:

New tow trucks

With its specialised tow truck vehicles, the subsidiary is responsible for the removal and transfer of illegally stopped and parked vehicles, thereby assisting in the regulation of stationary traffic. In order to maintain the existing level of organization of stationary traffic, as well as to increase the volume of removals of illegally stopped and parked vehicles, subsidiary Zagrebparking acquired 5 new tow truck vehicles in 2025. Another 5 vehicles are expected to arrive by the end of the year, and a decision has also been signed for the procurement of an additional 6 vehicles, expected to arrive during the second quarter of 2026. The team for vehicle removal and blocking carries out an average of 23,000 interventions annually in the city.

Park&Ride zone at the location Borongaj

The first Park&Ride zone at the location Borongaj has been operational since 2 December 2024. The price of the daily parking ticket (zone 5) includes the return ticket for transport by ZET. As the Rebro garage ceased to function as a public garage in the context of the reconstruction of Clinical Hospital Centre Zagreb, this Park&Ride zone enables parking for citizens and hospital visitors, with transport to CHC Rebro included in the ticket price.

Further improvements to the model in 2025 include the possibility of paying for the Park&Ride ticket through a digital parking meter. By scanning a QR code, a website opens with an interface for direct payment. The introduction of the digital parking meter provides users with a faster and simpler way of payment, reduces waiting times and simplifies the user experience. This project contributes to the modernisation of the parking ticket purchasing process of subsidiary Zagrebparking.

Automatic number plate recognition system – the so-called Scan-a-car system

The project aimed at enhancing the efficiency of parking control was launched, after the test phase, in the fourth quarter of 2024. Scan-a-car vehicles, equipped with six cameras and an integrated information system, recognise licence plates, upload them into the system and automatically verify whether a valid parking ticket exists. If not, the system issues a daily parking ticket. To date, a total of 68,000 digital daily parking tickets have been issued. In 2025, two additional scan-a-car vehicles were delivered, bringing the total to four scan-a-car vehicles used for parking control and fee collection in public car parks managed by the Subsidiary. This system makes a significant contribution to the optimisation and modernisation of parking control and fee collection processes.

Klaićeva Garage

The new garage in Klaićeva street, with a capacity of around 800 parking spaces, is a project designed to relieve pressure on on-street public parking in the centre of Zagreb and to improve the urban environment.

Once the design and technical documentation has been prepared and approved, the implementation of the project will be entrusted to the subsidiary Zagrebparking. The building permit is expected to be issued by the end of 2025, with construction scheduled to begin in the second quarter of 2026.

Vladimir Nazor – “Grad mladih”

The cultural and historical complex “Grad mladih”, covering 46 hectares of wooded clearings in Dubrava, is a protected cultural monument and a unique example of a public-use settlement in Zagreb, of high urbanistic and architectural value. The “Grad mladih” complex, with a total area of 6,502 m², comprises around forty buildings intended for the accommodation of children and youth, educational programmes, sports, recreation, and cultural activities. It includes residential buildings, classrooms, sports infrastructure, hospitality facilities, forest playgrounds, walking paths, and an open-air stage. Recognising the cultural value of the building complex and its role as an integral part of kindergarten and school programmes, the City of Zagreb has initiated the design process for its restoration.

In 2025, procedures were launched for the preparation of design documentation for the comprehensive restoration of buildings on the site damaged in the earthquake, as well as design documentation for the reconstruction of the infrastructure network, with the completed projects expected in September 2026. In addition, a public procurement procedure has been initiated for the execution of works on the second phase of the children’s playground redevelopment, in line with conservation requirements, with completion scheduled by the end of 2025.

Water Supply and Drainage Ltd. (VIO)

Decision on the fulfilment of general and special conditions for the commencement of operations of the public water service provider in Service Area No. 11

In accordance with the *Water Services Act* (Official Gazette 66/2019) and the *Regulation on Service Areas* (Official Gazette 70/2023), the prior consent of the City Assembly of the City of Zagreb of 7 November 2024 and the Decision of the General Assembly of Zagreb Holding Ltd. of 26 November 2024, the public water service providers in the same service area (Service Area 11), namely VODE JASTREBARSKO d.o.o. and VODOVOD KLINČA SELA d.o.o., were merged with the company VIO as the acquiring company, and an Agreement on Contribution and Assumption of Assets was signed between VIO and the Municipality of Stupnik. On 26 November 2024, Articles of Association were signed under which, in addition to Zagreb Holding Ltd., the new members of the General Assembly of VIO are the Town of Jastrebarsko, the Municipality of Klinča Sela and the Municipality of Stupnik.

Following the mergers carried out by the Company in the second half of 2024, on 3 March 2025 Merger Agreements were concluded with companies Odvodnja Samobor d.o.o. and Vode Žumberak d.o.o., and with the accession of two new members to the Company, new Articles of Association were signed on 3 March 2025. Pursuant to Article 16(5) of the *Water Services Act* (Official Gazette 66/2019), the Company obtained a Decision of the Ministry of Environmental Protection and Green Transition on 6 June 2025 confirming the fulfilment of the general and special conditions for the commencement of operations of the public water service provider in Service Area No. 11.

Project Zagreb 2021–2027 (improvement of water management and municipal infrastructure)

Project Zagreb, the largest strategic investment in the water supply and sewerage system of the City of Zagreb, encompasses a comprehensive renewal and expansion of the water supply and sewerage network, with the aim of increasing network availability, reducing water losses, and minimising pipe breakages.

The total value of Project Zagreb amounts to EUR 323 million and includes investment in infrastructure reconstruction, i.e. the construction, reconstruction and extension of water supply and sewerage systems, as well as the introduction of a new level of wastewater treatment. The purpose of the project is to expand the water supply network (EU Drinking Water Directive), expand the sewerage network (EU Urban Wastewater Treatment Directive), and improve operational efficiency.

In May of this year, the Government of the Republic of Croatia adopted a *Decision on the financing model for new projects in the water and municipal sector* within the *Competitiveness and Cohesion Programme 2021–2027* and granted approval to the Ministry of Environmental Protection and Green Transition for the allocation of grants from the *Cohesion Fund under the Competitiveness and Cohesion Programme 2021–2027*. Upon publication of the Call, VIO will submit the application for Project Zagreb.

VIO carried out prior consultations for three procurement procedures for works falling within the scope of Project Zagreb:

- PROJECT ZAGREB: RECONSTRUCTION AND EXTENSION OF THE WATER SUPPLY AND SEWERAGE SYSTEM – EUR 147,892,663.00. This includes the construction, reconstruction or extension of the sewerage and water supply network in several settlements in the districts of the City of Zagreb: Sesvete, Novi Zagreb East and West, as well as in the Municipality of Stupnik, the connection of the Sesvete sewerage system to the Central Wastewater Treatment Plant, and the construction of associated municipal water facilities.
- EXTENSION OF THE CENTRAL WASTEWATER TREATMENT PLANT OF THE CITY OF ZAGREB, THIRD STAGE TREATMENT FOR NITROGEN AND PHOSPHORUS REMOVAL – EUR 64,358,000.00. The procurement covers design, obtaining the necessary permits, and construction of the plant.

- WORKS ON THE UPGRADING OF THE SLUDGE TREATMENT LINE AT THE CENTRAL WASTEWATER TREATMENT PLANT OF THE CITY OF ZAGREB WITH THE INTRODUCTION OF THE THP PROCESS AND THERMAL DRYING – EUR 64,358,000.00. The procurement includes design, obtaining approvals and permits, and construction of the facility.

In addition to the above procurement items, Project Zagreb also includes the ZERO ZONE project (EUR 35,790,257.00), which encompasses the construction of the Šalata reservoir, supply and discharge pipelines, the construction of pumping stations (hereinafter: PS) Klin and Selska, and the establishment of the Zero Zone at the Mala Mlaka wellfield, thereby ensuring a reduction in average pressure by 1.5 to 2.0 bar.

In the second half of 2025, the remaining public procurement procedures will be published for all planned activities under Project Zagreb. Details of the interventions and investments covered by Project Zagreb are available on the website <https://www.vio.hr/vio-projekti/eu-projekt-zagreb/3102>. Their implementation is multi-annual, and the project itself is divided into several separate public procurement procedures. All building permits and required documentation for these procurement items are in place.

City Housing and Municipal Services Company Ltd. (GSKG)

On 1 January 2025, the new Building Management and Maintenance Act (Official Gazette 152/24) entered into force, introducing a number of changes in the regulation of the rights and obligations of co-owners and in the management of multi-residential buildings. The Act was adopted with the aim of improving the maintenance of common parts of buildings and encouraging long-term investments in the sustainability and safety of residential properties. The new Act provides greater legal and financial autonomy for buildings and clearer decision-making procedures, thereby seeking to improve the quality of living in communities. Special attention is devoted to financial planning, energy renovation and the provision of common funds.

In addition to regular building management activities, GSKG also provides services related to the energy renovation of multi-residential buildings and the coordination of the reconstruction of buildings damaged in the 2020 earthquake. As at 30 June 2025, City Housing and Municipal Services Company Ltd. has 709 registered buildings for structural renovation, 398 received decisions on structural renovation, of which 90 are through organised structural renovation with 51 currently active construction sites, and 178 buildings in the structural self-renovation programme with 86 currently active construction sites.

Zagreb City Gasworks – Supply Ltd. (GPZ-O)

Since the second half of 2024, company GPZ-O has no longer been the supplier under the public service obligation for gas supply, but has instead been offering a market-based service primarily in the area of the City of Zagreb and its surroundings. By the end of June 2025, more than 180,000 market-based contracts had been successfully concluded with household customers, and customer interest and switching to the market supplier GPZ-O continues. Accordingly, during June 2025, the Company approached a large number of potential customers, offering corporate customers new contracting options. The new products combine gas supply contracts for periods ranging from one to three years with a pricing model that includes both a fixed and a variable component.

This innovative approach, in a volatile market environment, enables GPZ-O to remain competitive while simultaneously reducing risks for customers. The fixed component of the price provides stability, while the variable component allows for adjustment to market developments, ensuring a fair price.

GPZ-O is also actively developing a dedicated strategy targeting household customers who have used the services of other suppliers since 30 September 2024. By informing them about the improved quality of household gas supply, the aim is to rebuild trust with former customers. All necessary preparatory activities have been undertaken to secure gas volumes for new customers, with the required flexibility of volumes and a fixed, non-variable price for all customers expressing interest.

In the first quarter of 2025, GPZ-O contracted storage capacity services for end customers in the corporate category for the period from 1 April 2026 to 31 March 2031, as it is estimated that the use of gas storage services will enable the company to achieve higher-quality, more efficient and simpler logistics, which should ultimately result in cost reductions and better portfolio balancing.

Zagreb City Gasworks Ltd. (GPZ)

The development of the gas distribution system (hereinafter: GDS) for 2025 is based on the *Gas Distribution System Development Plan for the 3rd regulation period* (1 October 2022 – 31 December 2026). This includes an investment plan for construction and reconstruction, a plan for commissioning gas pipelines and other distribution system facilities, and a feasibility study of planned investments, including a projection of gas demand and supply, a projection of the dynamics of system user connections, and sources of financing for the planned investments. Investment projects are financed from own funds, or secured through the tariff item for gas distribution Ts1, in accordance with the *Decision on the Amount of Tariff Items for Gas Distribution* (Official Gazette 108/2022).

In May 2025, the reconstruction of the GDS in Srebrnjak street continued, and preparations were made for the continuation of works on the reconstruction of parts of Medvedgradska and Tkalčičeva streets. The procurement procedure is underway for the reconstruction of the high-pressure gas pipeline for the Vrapče gas regulation station, with execution planned in the second half of the current year. To increase the safe and reliable operation of the distribution system and the supply of gas, preparations have been made for the interconnection of the low-pressure gas network of the Peščenica-Žitnjak and Donja Dubrava districts, with the start of works planned for July 2025.

Based on the approved plans, at the end of 2024 and in the first half of 2025, the company initiated procurement procedures for the continuation of ongoing reconstructions of the existing GDS at Britanski trg, Masarykova, Teslina, Selska, Maksimir, Čulinec and Gornji Grad, as well as for the start of reconstruction of Donja Kustošija and the construction of the GDS in non-gasified parts of the Petruševac settlement.

PROJECTS CO-FINANCED WITH GRANTS

Cultural heritage restoration projects at Mirogoj

Restoration of the mortuary at Mirogoj Cemetery

Works on the comprehensive rehabilitation and energy renovation of the Mortuary building, which forms part of the Mirogoj memorial complex, began in April 2024, with completion expected in 2026.

The implementation of the project is financed through the EU Solidarity Fund, the National Recovery and Resilience Plan, and national funds, in a total amount of EUR 3,501,491.39. To date, EUR 1,569,235.13 has been invested in the project.

Preparation of design documentation and implementation of measures to protect the arcades and the Church of Christ the King at the Mirogoj Cemetery

The objective of the project is the preparation of design and technical documentation for the structural restoration of the arcades and the Church of Christ the King, a protected cultural property at Mirogoj Cemetery, for the purpose of repairing the damage caused by the March 2020 earthquake. In June 2025, the main design was completed, and approval was obtained from the Institute for Conservation of Cultural and Natural Heritage confirming that the design was prepared in accordance with the special conditions for the protection of cultural property. In the coming period, funding is expected to be secured, which would create the conditions for launching a tender for phased restoration works: for Church of Christ the King, Small Arcades, North Arcades, South Arcades.

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 the Company's buildings (the so-called PVMax project) covers 16 facilities (subsidiaries Zagreb Freight Station, Zagreb Markets and Vladimir Nazor). The 16 facilities are grouped into 11 power plants. The Regional Energy and Climate Agency of North-West Croatia (hereinafter: REGEA) prepared conceptual designs for these solar power plants. Based on the completed designs, connection approvals were requested from HEP ODS d.o.o. For 5 power plants, approvals were obtained, while for the remaining 6 power plants, more complex technical conditions for grid connection were identified, and quotations have been received for the preparation of studies of the optimal technical grid connection solution ("EOTRP"). The quotations have been paid, and the EOTRPs have been received.

For the solar power plant at the Utrina Market facility (130 kW), the preparation of the main design was contracted as part of the design documentation for the reconstruction of the building's roof.

For the solar power plant of subsidiary Zagreb Freight Station at the Jankomir location (1,460 kW), the signing of the grid connection agreement, received as part of the relevant EOTRP documentation, is expected, after which the preparation of the main design will be required.

For the Bani 98 (70 kW) and Utrina Market (130 kW) solar power plants, the next step is the public procurement/tendering for the construction of the plants.

VIO continues activities connected with construction of solar power plants (SPPs)

Water Supply and Drainage Ltd. (VIO) concluded an agreement with REGEA under the PV Max project, co-financed by the EU and the Republic of Croatia, for the preparation of conceptual designs for solar power plants. Conceptual designs have been prepared for the following solar power plants: SPP Mala Mlaka (capacity 9,900 kW, construction by 2028), SPP Sašnak (capacity 7,000 kW, construction by 2028), SPP Bukovac (capacity 400 kW, commissioned in the fourth quarter of 2024), SPP Oporovec (capacity 400 kW, completed in March 2025), SPP Cerje (capacity 425 kW, construction by 2026), SPP Laščina (capacity 200 kW, construction by the end of 2026), SPP Lisičina (capacity 350 kW, construction by the end of 2026), SPP Jačkovina (capacity 50 kW, construction by the end of 2026), SPP Sokolovac (capacity 200 kW, construction by the end of 2026), SPP Folnegovićeve (capacity 500 kW, construction by the end of 2025), SPP Zagorska (capacity 200 kW, construction by the end of 2026), SPP Lonačričev put (capacity 200 kW, construction by the end of 2026), SPP Bizek (capacity 100 kW, construction by 2026). In total, 13 solar power plants have been planned, of which 11 are integrated plants and 2 are stand-alone solar power plants.

The SPP Oporovec solar power plant was completed in March 2025. Commissioning is pending works on the reconstruction of the substation by HEP.

On 30 April 2025, the Environmental Protection and Energy Efficiency Fund (FZOEU) published a call for co-financing the construction of solar power plants by public water service providers. Preparations are underway for the submission of applications for co-financing for five solar power plants: SPP Cerje, SPP Laščina, SPP Jačkovina, SPP Sokolovac and SPP Zagorska.

Based on the main designs, a request for the preparation of the EOTRP for SPP Mala Mlaka has been submitted, as well as an amended request for the preparation of the EOTRP for SPP Sašnak. An analysis is underway of the possibility of constructing the SPP Mala Mlaka and SPP Sašnak solar power plants with battery energy storage without grid feed-in.

Water management plan for 2025 - Water Supply and Drainage Ltd. (VIO) and Hrvatske Vode Projects co-financed by Hrvatske Vode under the 2025 Water Management Plan

According to the *Water Management Plan of Hrvatske Vode (Croatian national water management company) for the year 2025*, the following agreements were concluded:

1. Co-financing Agreement for the construction of water management facilities in the Zagreb agglomeration was concluded, with a total amount of EUR 327,831.25, where the co-financing ratio is 80% by Hrvatske Vode and 20% by VIO.
2. Co-financing Agreement for the programme of loss reduction in water supply systems in the Republic of Croatia, in the area of the VIO's water supply system, for a total amount of EUR 125,000.00, where the co-financing ratio is 80% by Hrvatske Vode and 20% by VIO.
3. Co-financing Agreement for design documents for the Zagreb agglomeration, for a total amount of EUR 470,588.24, where the co-financing ratio is 85% by Hrvatske Vode and 15% by VIO.
4. Co-financing Agreement for the construction of water facilities in the water supply zone of Zagreb, for a total amount of EUR 63,131.25, where the co-financing ratio is 80% by Hrvatske Vode and 20% by VIO.
5. Co-financing Agreement for the construction of water facilities in the water supply zone of Zagreb, hydrogeological exploration works, for a total amount of EUR 100,000.00, where the co-financing ratio is 80% by Hrvatske Vode and 20% by VIO.
6. Co-financing Agreement for design documents for the Donja Zdenčina/Klinča Sela agglomeration, for a total amount of EUR 11,764.70, where the co-financing ratio is 85% by Hrvatske Vode and 15% by VIO.
7. Co-financing Agreement for the construction of water facilities in the water supply zone of Klinča Sela, for a total amount of EUR 12,500.00, where the co-financing ratio is 80% by Hrvatske Vode and 20% by VIO.

PROJECTS COFINANCED AND PLANNED UNDER THE RECOVERY AND RESILIENCE FACILITY

In December 2022, an application was submitted for the 2nd Call for Grants for "Financing the implementation of investment projects related to smaller parts of the public water supply and drainage systems within the National Recovery and Resilience Plan 2021-2026". Under the above Call, in addition to the Co-financing Agreement for VIO's project, which was reported in the 2024 Annual Report, on 6 September 2024 the company Vode Jastrebarsko d.o.o. concluded a Grant Agreement for the project "Reconstruction and Extension of Municipal Water Facilities of the Jastrebarsko Agglomeration" with the Ministry of Environmental Protection and Green Transition and Hrvatske Vode. The project is worth EUR 4,100,000.00. The eligible costs of the Project for financing under the Call amount to EUR 3,280,000.00, while the grant contribution from the Recovery and Resilience Facility amounts to a maximum of EUR 2,620,000.00.

Following the status changes, described in more detail in the section "Group Projects / Water Supply and Drainage Ltd. – VIO", under which the company Vode Jastrebarsko d.o.o. was merged with VIO, on 4 March 2025 the First Addendum to the said Grant Agreement was concluded, transferring the rights and obligations from Vode Jastrebarsko d.o.o. to VIO.

IMPACT OF REGULATORY CHANGES ON BUSINESS OPERATIONS

As a provider of services of general economic interest, the Group's operations are regulated by numerous laws and by-laws, and accordingly, the Group is exposed to dynamic changes in legislation and the regulatory framework. The prices of certain activities of the Group are influenced by regulators and by the City of Zagreb as a local self-government unit. Part of the Group's activities, including the determination of service prices arising from such activities, is regulated by certain authorities in the Republic of Croatia, such as the Croatian Energy Regulatory Agency and the Water Services Council, while part is under the regulatory influence of local self-government units. On the other hand, the costs of providing services are market-driven, and in cases of market disruptions, this requires changes in the price lists for such services.

Pursuant to the **Cybersecurity Act** (Official Gazette 14/24), the Company and all its units using the Company's infrastructure are categorised as a **critical entity** and are therefore obligated to comply with all prescribed measures under the *Cybersecurity Regulation* (Official Gazette 135/24), which requires the implementation of an **advanced level** of measures for managing cybersecurity risks. This entails 13 measures and 87 sub-measures, which will be assessed through 210 controls. The Cybersecurity Act obliges the Group and brings changes to its overall operations in the form of introducing a large number of control activities for the comprehensive strengthening of its defence mechanisms in the digital space, with the aim of protecting the critical services it provides to citizens from increasingly frequent cyber threats. The deadline for compliance (implementation of all measures and controls) is the first quarter of 2026.

At the 42nd session of the City Assembly of the City of Zagreb, held on 27 March 2025, a **Decision on Amendments to the Decision on Determining Activities Considered as Municipal Activities** (Official Gazette of the City of Zagreb 12/2025) was adopted. This decision defined that only the cable ducting service, as part of the electronic communications infrastructure of the City of Zagreb, shall be considered a municipal activity. According to this decision, cable ducting services include: management and maintenance of cable ducting and the provision of access and shared use of cable ducting services. This change affects the subsidiary Zagreb Digital City, since activities of the subsidiary not covered by the above definitions are transferred to the market segment.

Performance

In the first half of 2025, Zagreb Holding Group generated a profit of EUR 29.63 million as a result of a 21% decrease in operating expenses. In the first half of 2025, operating profit (EBIT) amounted to EUR 41.58 million and EBITDA was positive at EUR 72.32 million.

A loss of EUR 11.96 million was recorded from finance activities.

Description	Jan-June 2025 EUR 000	Jan-June 2024 EUR 000	Change in %
1	2	3	4=2/3
Operating income	378,609	418,514	-10%
Operating expenses	(337,026)	(427,328)	-21%
Finance income	4,108	5,188	-21%
Finance expenses	(16,063)	(17,397)	-8%
Total income	382,717	423,702	-10%
Total expenses	(353,089)	(444,725)	-21%
Profit before tax	29,628	(21,023)	
<i>Tax expense</i>	-	-	
Profit for the year	29,628	(21,023)	

OTHER COMPREHENSIVE INCOME

Items that will never be reclassified to profit or loss

Real estate revaluation gains (net)	(729)	-
Gains on valuation of financial assets available for sale (net)	(615)	(564)
Tax on other comprehensive income	242	101

Items that may be reclassified under profit or loss

Profit based on effective cash flow hedges	-	1,564
Tax on other comprehensive income	-	(281)

Total comprehensive income/loss for the year	28,526	(20,203)
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<i>EBIT</i>	<i>41,583</i>	<i>(8,814)</i>	<i>-572%</i>
<i>EBITDA</i>	<i>72,323</i>	<i>17,893</i>	<i>304%</i>
<i>Loss from finance activities</i>	<i>(11,955)</i>	<i>(12,209)</i>	<i>-2%</i>

Income

In the first half of 2025, total revenues amounted to EUR 382.72 million, representing a decrease of EUR 40.98 million or 10% compared to the same period of the previous year, primarily driven by a decrease in other operating income of EUR 34.56 million or 30% (Jan-June 2025: 79.58 million EUR; Jan - June 2024: EUR 114.14 million).

Sales income amounted to EUR 299.03 million (Jan-June 2024: EUR 304.37 million), representing an 2% decrease compared to the same period in the previous year. The most significant increase in sales revenue was recorded in the following segments: (i) *water supply and drainage* in the amount of EUR 9.54 million, driven by higher revenues from wastewater treatment following the takeover of CUPOVZ as of 4 August 2024, higher volumes of water supplied and drainage services, and a greater number of new connections; (ii) *cleaning and waste collection* in the amount of EUR 6.87 million, resulting from a higher volume of

work on maintaining public traffic areas due to the purchase of sweepers and tank trucks and the hiring of operational workers at the end of 2024, with additional higher revenues from corporate users; (iii) *landscaping and maintenance of green areas* in the amount of EUR 5.21 million, as a result of the introduction of new services and increased revenue from landscaping, as well as the adjustment of service prices to variable input costs agreed through the public procurement process; (iv) *sales of medicines* in the amount of EUR 4.38 million, reflecting increased demand for prescription medicines, over-the-counter medicines, and other pharmaceutical preparations; (v) *maintenance and management of public roads* in the amount of EUR 1.94 million, due to an earlier start of works under regular programmes (asphalting and municipal activities), with prices adjusted since June 2024 to input parameters agreed through the public procurement process; (vi) *parking* in the amount of EUR 1.89 million, driven by higher revenues from the sale of parking tickets, while sales of privileged tickets decreased.

A decrease in sales revenue was recorded in the segment of (i) *gas sales and distribution* in the amount of EUR 37.14 million due to lower volumes of gas distributed following the change of gas supplier under the public service obligation of 1 October 2024.

A decrease in other operating income (EUR -34.56 million) mainly relates to lower income from state subsidies due to a reduced subsidy received for compensation of the difference in the gas price. In the first half of 2025, grants were received for purposes approved by the Zagreb City Assembly (coverage of costs related to the public service of municipal waste collection, costs of collection and disposal of plastics, costs of landfill remediation, and operating costs of water services). In the first half of 2025, impairment losses on loans granted in the amount of EUR 5.90 million were reversed as a result of their collection.

Finance income in the first half of 2025 decreased by EUR 1.08 million due to lower interest income from related undertakings outside the Zagreb Holding Group.

Expenses

In H1 2025, total income was generated in the amount of EUR 337.03 million, which is a EUR 90.30 million (21%) increase compared to the same period in the previous year.

In the structure of operating expenses, the most significant increases were recorded in: (i) *staff costs* in the amount of EUR 16.85 million, driven by an increase in the salary base and employee benefits under collective agreements of Zagreb Holding Ltd. and its subsidiaries signed during the first half of 2025, as well as a 6% increase in the average number of employees due to the hiring of additional operational staff in subsidiary City Waste Disposal and the transfer of employees from merged companies (Vode Jastrebarsko d.o.o., Vodovod Klinča Sela d.o.o., Odvodnja Samobor d.o.o. and Vode Žumberak d.o.o.) to Water Supply and Drainage, (ii) *depreciation expense* higher by EUR 4.03 million, primarily due to non-current assets taken over in connection with the water treatment operations as of 4 August 2024, (iii) *impairment expense* higher by EUR 2.82 million as a result of impairment of current assets of Water Supply and Drainage.

The most significant decrease in the structure of operating expenses was recorded in *costs of material and services*, in the amount of EUR 114.83 million, primarily due to lower cost of goods sold resulting from reduced quantities of distributed gas following the change of the public service gas supplier as of 1 October 2024. Higher maintenance expenses were incurred in line with the remediation of landslides at the landfill, regular maintenance and landfill management, while municipal service costs and fees also increased, mainly relating to the disposal of separately collected waste due to a 45% increase in the average price of recovery of plastic packaging compared to the previous reporting period.

Finance expenses in H1 2025 decreased by EUR 1.33 million as a result of lower interest expenses due to regular and early repayment of part of the principal of the club loan.

Statement of Financial Position

A condensed presentation of assets, equity and liabilities from the Statement of Financial Position as at 30 June 2025, compared to the balance as at 31 December 2024, is presented below.

Description	30/06/2025	31/12/2024	Change in %
	EUR 000	EUR 000	% of
Non-current assets	2,051,945	2,056,743	0%
Net working capital	53,487	30,720	74%
Inventories	27,644	26,228	5%
Receivables	364,065	367,593	-1%
Liabilities	(338,222)	(363,101)	-7%
Net debt	(471,941)	(505,952)	-7%
Loans, borrowings and financial lease	(298,116)	(316,258)	-6%
Liabilities for issued bonds	(303,361)	(303,098)	0%
Cash and cash equivalents	129,536	113,404	14%
Financial assets	4,169	4,108	1%
Other non-current and current liabilities	(849,522)	(825,038)	3%
Net assets	788,138	760,581	4%
Subscribed capital	437,166	421,666	4%
Reserves	366,598	383,218	-4%
Accumulated loss	(24,878)	(53,779)	-54%
Minority interest	9,252	9,476	-2%
Equity	788,138	760,581	4%

*Under item Loans, borrowings and financial lease, a liability from the financial lease of the hall in the amount of EUR 63.68 million for 2025 (2024: EUR 65.75 million) is disclosed. At the same time, the same amount has been recorded under Non-current assets as a receivable from the City of Zagreb and the Government of the Republic of Croatia.

As at 30 June 2025, the Company's total assets amounted to EUR 788.14 million, representing an increase of EUR 27.56 million compared to the balance as at 31 December 2024.

Non-current assets decreased by EUR 4.80 million as a result of a EUR 11.47 million reduction in non-current receivables from the City of Zagreb under multiannual lease agreements for public purpose facilities, and an increase in the value of property, plant and equipment in the amount of EUR 6.94 million due to the contribution of assets from the merged company Odvodnja Samobor d.o.o. to the company Water Supply and Drainage Ltd.

Net working capital increased by EUR 22.77 million owing to a decrease in current liabilities owed to suppliers of company Zagreb City Gasworks - Supply Ltd.

Net debt as at 30 June 2025 amounted to EUR 471.94 million, which is EUR 34.01 million lower compared to 31 December 2024, due to regular repayment of the principal of the club loan and interest on loans and the bond.

Other non-current and current liabilities increased by EUR 24.48 million due to deferred income recognition related to assets taken over by company VIO through the acquisition of company Odvodnja Samobor d.o.o. during the reporting period.

Equity and reserves increased by the profit generated in the current year.

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

In the first half of 2025, special emphasis was placed on systematic risk management, including policies, procedures, processes, and other measures and activities aimed at reducing risks to an acceptable level in order to achieve business objectives. The Management Board of the Company adopted the Risk Management Strategy with the accompanying methodology, thereby ensuring continuity in the implementation of activities for the operational application of integrated risk management. Particular attention in the preparation was given to the application of best practices in risk management, including ISO 31000, as well as to aligning operations with the forthcoming legislative requirements under the planned amendments to the Act on the System of Internal Controls in the Public Sector.

In the first half of 2025, the focus was on updating the risk register and the accompanying action plan, which defined concrete measures for the mitigation and monitoring of identified risks.

The systematic risk management cycle was implemented in 81 business processes, identifying a total of 230 risks and determining 178 measures. The priority business areas in which risks are most pronounced include the following activities of the Company:

- Cleaning and waste collection,
- Management, maintenance and protection of unclassified roads, road furniture and equipment, maintenance and installation of traffic lights and signs, asphalt production and laying,
- Landscaping and green space maintenance,
- Cemetery and crematorium maintenance.

For the identified risks, specific measures have been determined, including:

- Revision and alignment of service price lists in municipal activities to ensure sustainability and market compliance,
- Increased investment in the procurement of vehicles, equipment and machinery,
- Modernisation of municipal bases,
- Reduction of harmful particle emissions and the carbon footprint through technology and filtration systems in asphalt production,
- Additional recruitment in operational roles to strengthen execution capacity,
- Completion of landfill remediation,
- Increase in the share of separately collected waste, primarily through user education,
- optimisation of cremation processes and crematory furnace operations.

By implementing these measures, risk management has been integrated into the process of strategic planning and operational decision-making.

Structurally, the key challenges have retained their character and level of significance compared to the previous reporting period. **Climate, regulatory, market and governance risks** remain under continuous monitoring, with an emphasis on the planned implementation of measures, particularly in the segment of investments that will facilitate operational activities.

In the area of **cyber security**, despite maintaining the current level of protection, the implementation of a security operations centre and the NIS2 Directive represents a significant challenge. Accordingly, risks in the area of cyber security have been identified and specific measures determined, including an asset inventory and a GAP analysis, as well as employee training. These activities will ensure compliance with the legislative and regulatory framework, as well as the necessary future level of cyber security. In any case, determining the current status in relation to the regulatory framework and preparing a strategic plan to achieve an acceptable level of cyber security remains a priority business area.

In addition to internal business risks, external risks of a **geopolitical nature** are also actively monitored, including regional politics and public stability, macroeconomic uncertainty and fiscal pressures, as well as energy and climate volatility. The Group mitigates these risks through a combination of financial stability, sustainable and green financing instruments, operational transformation, and strategic infrastructure investments. The overall effect of these measures strengthens resilience to global turbulence, particularly in supply chains and regulatory pressures.

The Group's **interest rate risk** arises from long-term loans and leases, as well as issued bonds. Most of the long-term interest-bearing debt has been contracted at a fixed interest rate through a bond. Since further decreases in interest rates had been anticipated, in the previous period the Group terminated agreements that had been used to actively hedge against exposure to interest rate risk, which had covered part of the interest-bearing debt linked

to a variable interest rate. On the other hand, the Group is potentially exposed to fair value interest rate risk. In order to reduce interest rate risk, the Group continuously monitors interest rate movements.

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

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

The Group manages **liquidity risk** at Parent Company level and Group member level by constantly monitoring the planned cash flow, comparing it against the actual inflow and outflow of cash, and making adjustments as required. The Parent Company and Group members additionally manage this risk by ensuring the maintenance of sufficient cash and cash equivalent levels and enabling the availability of financial resources, if needed, by opening dedicated credit lines. On the other hand, the Group settles all its due obligations on time and, by utilising the synergistic effects of its wide range of services, the Group affects revenue growth and reduction of external service costs. Also, by commercialising and/or selling non-operating assets, it can 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 (IFRS) were followed in the preparation of the unaudited consolidated financial statements of Zagreb Holding Group for the period from 1 January 2025 to 30 June 2025. The statements give a full and true view of the assets and liabilities, profits and losses, financial position and operations of the issuer.
- Consolidated Management Report of Zagreb Holding Group for the period from 1 January 2025 to 30 June 2025 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, 12 September 2025

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
CONSOLIDATED
SEMI-ANNUAL
FINANCIAL
STATEMENTS
FOR THE PERIOD
JAN – JUNE 2025



ZAGREBAČKI
HOLDING

ZAGREB HOLDING Ltd. and subsidiaries

Consolidated Statement of Financial Position

as at 30 June 2025

	Note	Jan-June 2025	Jan-June 2024
		EUR 000	EUR 000
Sales income	3	299,033	304,374
Other operating income	4	79,576	114,140
Operating income		378,609	418,514
Costs of materials and services	5	(179,361)	(294,192)
Staff costs	6	(114,913)	(98,059)
Depreciation and amortisation		(30,740)	(26,707)
Value adjustment		(6,805)	(3,983)
Other operating expenses		(5,207)	(4,387)
Operating expenses		(337,026)	(427,328)
NET OPERATING PROFIT / (LOSS)		41,583	(8,814)
Finance income		4,108	5,188
Finance expenses	7	(16,063)	(17,397)
NET FINANCE EXPENSES		(11,955)	(12,209)
PROFIT / (LOSS) BEFORE TAX		29,628	(21,023)
Tax expense/ (income)		-	-
PROFIT / (LOSS) FOR THE PERIOD		29,628	(21,023)
For distribution:		29,628	(21,023)
To Company owner		28,799	(21,739)
To owners of minority interests		829	716
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss</i>			
Real estate revaluation gains (net)		(729)	-
Gains on subsequent valuation of financial assets available for sale (net)		(615)	(564)
Tax on other comprehensive income		242	101
<i>Items that may be reclassified under profit or loss</i>			
Profit based on effective cash flow hedges		-	1,564
Other items that may be reclassified under profit or loss		-	125
Tax on other comprehensive income		-	(281)
Total comprehensive income/(loss) for the period		28,526	(20,078)
Total comprehensive income/(loss) for distribution:		28,526	(20,078)
To Company owner		27,697	(20,794)
To owners of minority interests		829	716

		30/06/2025	31/12/2024
	Note	EUR 000	EUR 000
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,616,645	1,609,703
Investment property		272,658	273,241
Right-of-use assets		3,831	2,605
intangible assets and goodwill		7,365	7,661
Financial assets	9	14,690	15,305
Non-current receivables	10	123,420	134,892
Deferred tax assets		13,336	13,336
Total tangible assets		2,051,945	2,056,743
CURRENT ASSETS			
Inventories	11	27,644	26,228
Receivables from related parties	12	68,783	45,316
Trade receivables and other receivables	13	295,282	322,277
Financial assets	14	4,169	4,108
Cash and cash equivalents	15	129,536	113,404
Total current assets		525,414	511,333
TOTAL ASSETS		2,577,359	2,568,076

		30/06/2025	31/12/2024
	Note	EUR 000	EUR 000
NON-CURRENT LIABILITIES			
Loans and leases payable	16	253,646	269,163
Liabilities for issued bonds		303,361	303,098
Provisions		41,550	41,653
Deferred income recognition		706,562	676,127
Deferred tax liability		73,278	73,524
Other non-current liabilities		1,440	1,487
Total non-current liabilities		1,379,837	1,365,052
Trade payables and other liabilities	17	338,222	363,101
Liabilities payable to related parties	18	1,505	1,951
Loans and leases payable	16	44,470	47,095
Current maturity of deferred income		25,183	26,560
Current income tax liability		4	3,736
Total current liabilities		409,384	442,443
TOTAL LIABILITIES		1,789,221	1,807,495
NET ASSETS		788,138	760,581
EQUITY			
Share capital		437,166	421,666
Revaluation reserves	19	329,869	330,485
Fair value reserves		4,011	4,515
Other reserves		32,718	48,218
Accumulated loss		(24,878)	(53,779)
Minority interest		9,252	9,476
Total equity		788,138	760,581
TOTAL EQUITY AND LIABILITIES		2,577,359	2,568,076

ZAGREB HOLDING Ltd. and subsidiaries

Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2025

	Share capital	Revaluation reserves	Fair value reserves	Other reserves	Accumulated loss	Parent's owner's interest	Minority interest	Total
<i>EUR 000</i>								
Balance as at 31 December 2023	421,666	241,611	5,070	32,718	(77,831)	623,234	1,414	624,648
<i>Comprehensive income</i>								
Profit for the year	-	-	-	-	26,268	26,268	936	27,204
Gains on valuation of financial assets (net)	-	-	(555)	-	-	(555)	-	(555)
Gains on valuation of financial assets (net)	-	88,874	-	-	702	89,576	-	89,576
Other comprehensive income	-	88,874	(555)	-	702	89,021	-	89,021
Total comprehensive income	-	88,874	(555)	-	26,970	115,289	936	116,225
<i>Transactions with owners recognized directly in equity</i>								
Entry of ownership rights over real estate	-	-	-	15,500	-	15,500	7,745	23,245
Acquisition of service areas (Note 45)	-	-	-	-	(2,918)	(2,918)	-	(2,918)
Payment of profit to minority interest	-	-	-	-	-	-	(619)	(619)
Total transactions with owners recognized directly in equity	-	-	-	15,500	(2,918)	12,582	7,126	19,708
Balance as at 31 December 2024	421,666	330,485	4,515	48,218	(53,779)	751,105	9,476	760,581
<i>Comprehensive income</i>								
Profit for the year	-	-	-	-	28,799	28,799	829	29,628
Gains on valuation of financial assets (net)	-	-	(504)	-	-	(504)	-	(504)
Gains on revaluation of real estate (net)	-	(616)	-	-	18	(598)	-	(598)
Other comprehensive income	-	(616)	(504)	-	18	(1,102)	-	(1,102)
Total comprehensive income	-	(616)	(504)	-	28,817	27,697	829	28,526
<i>Transactions with owners recognized directly in equity</i>								
Entry of ownership rights over real estate	15,500	-	-	(15,500)	-	-	208	208
Acquisition of service areas	-	-	-	-	84	84	-	84
Payment of profit to minority interest	-	-	-	-	-	-	(1,261)	(1,261)
Total transactions with owners recognized directly in equity	15,500	-	-	(15,500)	84	84	(1,053)	(969)
Balance as at 30 June 2025	437,166	329,869	4,011	32,718	(24,878)	778,886	9,252	788,138

	Jan-June 2025	Jan-June 2024
	EUR 000	EUR 000
<i>Profit/(loss) before tax</i>	<i>29,628</i>	<i>(21,023)</i>
Finance expense recognised in profit or loss	16,063	17,397
Finance income recognised in profit or loss	(4,108)	(5,188)
Value adjustment of receivables from related parties	352	85
Value adjustment of trade receivables	5,687	3,681
Value adjustment of inventories	766	196
Value adjustment of current assets	-	21
Depreciation/amortisation of non-current tangible/intangible assets	30,740	26,707
Loss on deregistration of assets	79	-
Decrease in long-term provisions	(103)	(185)
Increase / (decrease) in deferred income for assets not financed by others	14,103	(84)
Changes in working capital:		
Increase in inventories	(2,062)	(3,881)
Decrease in trade receivables	22,554	10,671
(Increase)/decrease in receivables from related companies	(23,867)	17,717
Increase in receivables from employees	(4)	(12)
Decrease / (increase) in receivables from the state	721	(43,077)
Decrease / (increase) in other receivables	1,410	(954)
(Decrease) / increase in trade payables and liabilities payable to related parties	(26,692)	58,263
Increase / (decrease) in liabilities based on taxes and contributions	1,452	(4,962)
Increase in liabilities payable to employees	806	1,387
Decrease in other liabilities	(8,176)	(5,241)
<i>Net cash generated from operations</i>	<i>59,349</i>	<i>51,518</i>

	Jan-June 2025	Jan-June 2024
	EUR 000	EUR 000
Cash flow from operating activities (continued)		
Cash generated from operations	59,349	51,518
Income tax paid	(2,960)	-
Interest paid	(12,587)	(14,914)
Net cash from operating activity	43,802	36,604
Cash flow from investment activities		
Procurement of tangible and intangible assets and investment property	(23,692)	(29,938)
Receipts / (expenditures) for advances for non-current assets	65	(85)
Receipts from advance payments for non-current assets	1,294	962
Receipts from non-current receivables	11,472	14,790
(Expenditures) / receipts for current financial assets	(61)	56
Receipts / (expenditures) for non-current financial assets	616	(243)
Interest charged	1,443	1,454
Dividend receipts	11	-
Payment of profit to minority interest	(1,261)	(619)
Net cash from investment activities	(10,113)	(13,623)
Cash flow from financing activities		
Loans and borrowings	1,883	11,750
Repayment of loans and borrowings	(19,440)	(15,810)
Net cash from financing activities	(17,557)	(4,060)
Net increase in cash	16,132	18,921
Cash as at 1 Jan	113,404	86,259
Cash as at 30 June	129,536	105,180

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, drainage and treatment, cleaning and waste collection services, public road management and maintenance, parking services, warehousing and leasing services, landscaping and green space maintenance, construction management, project and facility management, management of electronic communication infrastructure and networks, gas sales and distribution, and sale of medications.

Management Board approved the issuing of these consolidated semi-annual financial statements for the period 1 Jan- 30 June 2025 on 23 September 2025.

The consolidated semi-annual financial statements were not audited.

2/BASIS FOR PREPARATION AND ACCOUNTING POLICIES**Bases for preparation of consolidated financial statements**

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

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

Significant accounting policies

The semi-annual financial statements have been prepared based on the same accounting policies and methods of calculation used in the preparation of consolidated annual financial statements of the Company as at 31 December 2024. Certain new accounting standards and interpretations have been in effect since 1 January 2025, but they do not have a significant impact on the financial statements.

Key accounting estimates

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

The current market 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 consolidated financial statements for H1 2025, the management's significant judgements regarding changes in the Group's accounting policies and the key sources of uncertainty were identical to those described in the previously published annual financial statements.

3/ SEGMENT INFORMATION

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

Operating segments are the following:

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

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

	Jan-June 2025	Jan-June 2024
	EUR 000	EUR 000
Income from gas sales and distribution	81,474	118,614
Medication sales income	41,557	37,174
Income from cleaning and waste collection	43,296	36,427
Income from water supply, drainage and treatment	40,518	30,976
Income from public road management and maintenance	21,618	19,678
Income from landscaping and maintenance of green spaces	20,382	15,171
Income from parking	14,006	12,116
Income from construction and project management	8,478	7,720
Income from warehousing and leases	6,667	6,597
Other income	21,037	19,901
	299,033	304,374
Other income comprises the following:		
	Jan-June 2025	Jan-June 2024
	EUR 000	EUR 000
Income from funerary services	5,420	5,453
Income from markets	4,454	4,479
Income from travel agencies	2,811	2,262
Income from advertising services	3,176	2,919
Income from bus terminal services	1,800	1,885
Income from telecommunication line and network leasing	1,586	1,756
Income from services of sports facility management	1,568	963
Income from publishing activities	222	184
	21,037	19,901

Revenues and results by segments for Jan-June 2025

	Construction, project and facility management	Water supply, drainage and treatment	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas supply and distribution	Sale of medications	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Revenue from sales to external customers	8,478	40,518	43,296	21,618	14,006	6,667	20,382	81,474	41,557	21,037	-	299,033
Intersegment sales	21,000	384	1,051	1,664	97	77	321	10,259	15	188	(35,056)	-
Total sales revenue	29,478	40,902	44,347	23,282	14,103	6,744	20,703	91,733	41,572	21,225	(35,056)	299,033
Expenses pertaining to other activities, net of other revenue from the main activity	(15,792)	(36,416)	(39,949)	(22,593)	(8,377)	(4,460)	(17,579)	(88,012)	(38,095)	(20,470)	34,293	(257,450)
Profit/(loss) from operating activities	13,686	4,486	4,398	689	5,726	2,284	3,124	3,721	3,477	755	(763)	41,583
Finance income	4,590	641	162	35	50	14	-	482	336	55	(2,257)	4,108
Finance expenses	(12,706)	(513)	(375)	(14)	(10)	-	(59)	(479)	(40)	(2,911)	1,044	(16,063)
Net financial result	(8,116)	128	(213)	21	40	14	(59)	3	296	(2,856)	(1,213)	(11,955)
Profit/(loss) before tax	5,570	4,614	4,185	710	5,766	2,298	3,065	3,724	3,773	(2,101)	(1,976)	29,628

Revenues and results by segments for Jan-June 2024

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

Assets and liabilities by segments as at 30 June 2025

<i>EUR 000</i>	Construction, project and facility management	Water supply, drainage and treatment	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas supply and distribution	Sale of medications	Other	Elimination	Total
Property, plant and equipment	91,646	825,279	70,036	42,718	9,737	29,295	71,981	107,057	5,192	298,892	64,812	1,616,645
Right-of-use assets	1,074	1,021	-	14	81	-	41	979	2,006	400	(1,785)	3,831
Intangible assets	3,283	1,634	477	47	132	451	40	291	108	686	216	7,365
Investment property	166,064	-	-	1,202	-	180,377	855	538	-	2,930	(79,308)	272,658
Inventories	467	4,796	1,468	4,578	147	40	2,427	1,000	11,229	1,492	-	27,644
Trade receivables, net	1,044	49,530	9,211	483	1,917	582	48	4,074	12,489	4,649	-	84,027
Unallocated assets	617,784	65,513	(1,088)	72,380	44,919	25,540	22,405	221,296	33,626	79,996	(617,182)	565,189
Total assets	881,362	947,773	80,104	121,422	56,933	236,285	97,797	335,235	64,650	389,045	(633,247)	2,577,359
Bonds issued	303,361	-	-	-	-	-	-	-	-	-	-	303,361
Trade payables	2,717	11,605	13,057	3,258	487	638	2,367	202,437	7,129	7,430	-	251,125
Liabilities payable to employees	1,696	2,052	3,277	1,111	497	172	1,140	1,175	923	1,185	-	13,228
Equity and unallocated liabilities	573,588	934,116	63,770	117,053	55,949	235,475	94,290	131,623	56,598	380,430	(633,247)	2,009,645
Total equity and liabilities	881,362	947,773	80,104	121,422	56,933	236,285	97,797	335,235	64,650	389,045	(633,247)	2,577,359
Capital expenditure:	56	11,682	3,162	81	910	296	1,862	2,543	1,256	204	-	22,052
Property, plant and equipment	56	11,489	3,151	81	874	296	1,862	2,525	1,215	105	-	21,654
Intangible assets	-	193	11	-	36	-	-	18	41	99	-	398
Depreciation/amortisation and impairment	648	16,763	3,024	385	840	275	854	5,606	428	1,917	-	30,740

Assets and liabilities by segments as at 31 December 2024

<i>EUR 000</i>	Construction, project and facility management	Water supply, drainage and treatment	Cleaning and waste collection	Public road management and maintenance	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas supply and distribution	Sale of medications	Other	Elimination	Total
Property, plant and equipment	92,244	813,972	69,888	43,728	9,659	29,264	70,958	109,994	5,102	300,082	64,812	1,609,703
Right-of-use assets	483	1,178	-	15	104	-	51	1,095	1,298	470	(2,089)	2,605
Intangible assets	3,360	1,808	542	47	118	512	44	319	80	614	217	7,661
Investment property	166,699	-	-	1,202	-	180,326	855	538	-	2,929	(79,308)	273,241
Inventories	325	6,185	1,920	4,437	61	30	2,395	886	9,012	977	-	26,228
Trade receivables, net	1,579	54,702	8,627	745	1,479	542	292	27,532	13,764	2,958	-	112,220
Unallocated assets	638,109	39,724	12,422	71,374	41,113	24,028	21,629	226,316	32,923	92,979	(664,199)	536,418
Total assets	902,799	917,569	93,399	121,548	52,534	234,702	96,224	366,680	62,179	401,009	(680,567)	2,568,076
Bonds issued	303,098	-	-	-	-	-	-	-	-	-	-	303,098
Trade payables	4,156	12,598	13,888	6,206	599	530	4,134	221,475	7,171	6,614	-	277,371
Liabilities payable to employees	1,571	1,805	3,002	1,030	463	156	1,028	917	1,393	1,057	-	12,422
Equity and unallocated liabilities	593,974	903,166	76,509	114,312	51,472	234,016	91,062	144,288	53,615	393,338	(680,567)	1,975,185
Total equity and liabilities	902,799	917,569	93,399	121,548	52,534	234,702	96,224	366,680	62,179	401,009	(680,567)	2,568,076
Capital expenditure:	4,474	27,693	16,410	86	1,175	548	3,757	10,597	1,463	1,968	-	68,171
Property, plant and equipment	2,831	27,610	16,356	86	1,095	510	3,757	10,555	1,428	1,950	-	66,178
Intangible assets	1,643	83	54	-	80	38	-	42	35	18	-	1,993
Depreciation/amortisation and impairment	774	27,814	6,087	1,023	1,537	585	1,333	11,844	712	3,933	-	55,642

4/ OTHER OPERATING INCOME

	Jan-June 2024	Jan-June 2024
	EUR 000	EUR 000
Income from subsidies, grants and refunds	42,938	86,737
Income from reversal of deferred income	14,083	10,651
Collected receivables written off	9,513	3,639
Income from reversal of provisions	6,896	6,291
Income from internal sales	1,445	1,499
Income from claim compensation collected	240	532
Other	4,461	4,791
	79,576	114,140

Income from subsidies, grants and refunds 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 Financing 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 2025	Jan-June 2024
	EUR 000	EUR 000
Subsidies and grants from the City of Zagreb	37,735	17,907
Subsidies, grants and refunds from the Republic of Croatia and others	5,203	68,830
	42,938	86,737

Significant increases in subsidies recognised from the City of Zagreb in 2025 compared to the previous year relate to operating costs associated with the public service of mixed municipal waste collection, costs of plastic packaging collection, landfill remediation, and coverage of operating costs of Water Supply and Drainage Ltd.

5/COST OF MATERIAL AND SERVICES

	Jan-June 2025	Jan-June 2024
	EUR 000	EUR 000
Costs of raw materials and supplies	12,376	10,553
Costs of energy consumption	14,328	17,059
Small inventory write-off	1,000	1,182
a) Total cost of material	27,704	28,794
b) Changes in the value of inventories of work in progress and finished products	(205)	381
c) Costs of goods sold	92,666	213,946
Municipal services and fees	20,457	18,509
Maintenance services	10,372	6,283
Costs of subcontractors	9,455	6,537
Transport service costs	4,508	4,359
Data processing services and software maintenance	3,354	3,179
Rent and lease services	3,060	2,726
Intellectual services	2,025	1,808
Insurance premiums	1,719	1,269
Bank services and transaction costs	707	788
Advertising and promotion services	153	104
Other external services	3,386	5,509
d) Total external services	59,196	51,071
	179,361	294,192

The cost of goods sold and changes compared to the same period in 2024 primarily relate to the decreased costs of purchasing natural gas for households.

6/STAFF COSTS

	Jan-June 2025	Jan-June 2024
	EUR 000	EUR 000
Net salary and remuneration costs	61,679	52,243
Salary tax and contribution costs	38,219	32,040
Compensation of employees' costs and expenses for other employee benefits	15,015	13,920
Decrease due to costs of severance pay provisions and compensation for collective redundancy	-	(144)
	114,913	98,059
Number of employees as at period end	7,892	7,446
Average number of employees based on hours worked	7,702	7,068
	Jan-June 2025	Jan-June 2024
	EUR 000	EUR 000
Staff costs	114,913	98,059
Income from reversal of provisions for severance pay and pay in lieu of notice	-	(144)
Income from reversal of provisions for unused vacation days	(6,609)	(5,150)
	108,304	92,765

7/ FINANCE EXPENSES

	Jan-June 2025	Jan-June 2024
	EUR 000	EUR 000
Interest expenses	14,282	15,761
Costs of discounts and bond issuance	278	268
Related-party interest expenses	11	4
Other finance expenses	1,492	1,364
	16,063	17,397

8/PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and residential buildings	Plants and equipment	Vehicles 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 01/01/2024	435,097	1,679,573	171,935	99,707	6,164	36,571	2,429,047
Newly purchased items	-	6,185	3,136	374	-	56,483	66,178
Acquisition of service areas	20	47,600	756	882	2	2,373	51,633
Contribution of assets	6,261	9,239	-	-	-	-	15,500
Contribution of assets pertaining to the Central Wastewater Treatment Plant (CUPOVZ)	28,402	189,162	7,681	369	-	-	225,614
Transfer from assets in preparation	7	14,291	15,795	14,194	128	(44,386)	29
Reclassifications (transfers to/from)	-	65	(500)	(83)	-	(675)	(1,193)
Revaluation	108,594	492	-	-	-	-	109,086
Write-off, alienation and sale	(859)	(487)	(4,933)	(2,206)	-	(1,452)	(9,937)
Derecognition due to return to the City	(758)	(13,907)	-	-	-	-	(14,665)
Reclassification to IAS 40	(2,752)	(827)	-	-	-	-	(3,579)
Assets held for sale	(106)	(34)	-	-	-	-	(140)
Balance as at 31/12/2024	573,906	1,931,352	193,870	113,237	6,294	48,914	2,867,573
Newly purchased items	7	385	1,696	157	-	19,409	21,654
Acquisition of service areas	207	19,140	174	920	-	3,043	23,484
Transfer from assets in preparation	-	7,790	6,682	3,589	-	(18,111)	(50)
Write-off, alienation and sale	-	(164)	(1,922)	(300)	-	-	(2,386)
Deregistration of assets	(808)	-	-	-	-	-	(808)
Assets held for sale	-	(125)	-	-	-	-	(125)
Balance as at 30/06/2025	573,312	1,958,378	200,500	117,603	6,294	53,255	2,909,342
VALUE ADJUSTMENT							
Balance as at 01/01/2024	27,307	953,603	131,380	86,390	17	2,473	1,201,170
Depreciation and amortisation	-	37,450	10,532	5,276	1	-	53,259
Value adjustment	5,293	-	-	-	-	2,091	7,384
Revaluation	(23)	-	-	-	-	-	(23)
Reclassifications (transfers to/from)	-	96	(262)	(62)	-	(212)	(440)
Acquisition of service areas	-	18,216	451	637	-	-	19,304
Write-off, alienation and sale	-	(136)	(4,816)	(2,200)	-	(37)	(7,189)
Derecognition due to return to the City	(758)	(13,907)	-	-	-	-	(14,665)
Reclassification to IAS 40	-	(334)	-	-	-	-	(334)
Assets held for sale	(69)	(7)	-	-	-	-	(76)
Balance as at 31/12/2024	31,750	994,981	137,285	90,041	18	4,315	1,258,390
Depreciation and amortisation	-	20,179	6,658	2,784	1	-	29,622
Acquisition of service areas	-	6,954	98	331	-	-	7,383
Write-off, alienation and sale	-	(98)	(1,849)	(291)	-	-	(2,238)
Assets held for sale	-	(5)	-	-	-	-	(5)
Balance as at 30/06/2025	31,750	1,022,011	142,192	92,865	19	4,315	1,293,152
Balance as at 01/01/2024	407,790	725,970	40,555	13,317	6,147	34,098	1,227,877
Balance as at 31/12/2024	542,156	936,371	56,585	23,196	6,276	44,599	1,609,183
Balance as at 30/06/2025	541,562	936,367	58,308	24,738	6,275	48,940	1,616,190

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Net value without advance payments	1,616,190	1,609,183
Advances for purchase of tangible assets	455	520
Property, plant, equipment and advance payments	1,616,645	1,609,703

9/ FINANCIAL ASSETS

Financial assets are as follows:

	30/06/2025	31/12/2024
	EUR 000	EUR 000
/i/ Financial assets at FVTPL		
Investments in shares (<i>Note 14</i>)	244	244
/ii/ Financial assets at amortised cost		
Deposits with a maturity of over one year	9,667	9,667
<i>Current portion</i>	-	-
<i>Non-current portion</i>	9,667	9,667
Deposits with maturity up to one year (<i>Note 14</i>)	13	13
Deposits for resolving matters regulated under property law (<i>Note 14</i>)	3,126	3,105
Other held-to-maturity securities (<i>Note 14</i>)	786	746
	3,925	3,864
<i>Financial assets at amortised cost - current portion</i>	3,925	3,864
<i>Financial assets at amortised cost - non-current portion</i>	9,667	9,667
/iii/ Financial assets at FVTOCI		
Investments in shares	5,023	5,638
Financial assets - total current portion	4,169	4,108
Financial assets - total non-current portion	14,690	15,305

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

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

10/NON-CURRENT RECEIVABLES

Non-current receivables were as follows:

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Non-current portion		
Receivables from related parties /i/	69,915	77,949
Receivables based on loans	23,701	26,069
Receivables under credit sales	87	87
Other receivables /ii/	29,717	30,787
	123,420	134,892
/i/ Receivables from related parties:		
	30/06/2025	31/12/2024
	EUR 000	EUR 000
Receivables from the member of the Company	116,847	124,455
Discounting of receivables from the member of the Company	(39,314)	(41,231)
Value adjustment of receivables from the member of the Company	(1,216)	(1,216)
1 Total receivables from the member of the Company	76,317	82,008
<i>Of that, current portion (Note 12)</i>	<i>11,119</i>	<i>11,119</i>
Loans granted to related parties	21,385	29,729
Value adjustment of loans granted to related parties	(14,295)	(20,296)
2 Loans granted to related parties	7,090	9,433
<i>Of that, current portion (Note 12)</i>	<i>2,373</i>	<i>2,373</i>
Total non-current receivables from related parties (1+2)	83,407	91,441
<i>Current portion, total</i>	<i>13,492</i>	<i>13,492</i>
<i>Non-current portion, total</i>	<i>69,915</i>	<i>77,949</i>

10/NON-CURRENT RECEIVABLES (continued)

Receivables from the member of the Company relate to receivables from the City of Zagreb for the financing of 50% of the costs of lease of the Arena Zagreb sports facility in the amount of EUR 31,843 thousand (2024: EUR 32,876 net), receivables under agreements on multiannual lease of public purpose facilities (schools, kindergartens, swimming pools), which the Group presented as non-current receivables from the City of Zagreb as the lessee, in accordance with IFRIC 12 *Service Concession Arrangements*, in the amount of EUR 44,474 thousand (2024: EUR 49,132 thousand). The agreed lease term ranges from 7 to 13 years, with two agreements ending in 2028, one in 2032 and two in 2035. Lease fee under the agreements is paid monthly. Under the agreement, the Group is responsible to provide investment management and maintenance of the facilities for the entire duration of the agreement, the costs of such maintenance and management being included in the calculation of monthly rent.

As at 30 June 2023, receivables from the City of Zagreb under agreements on multiannual lease of public facilities, with a net carrying amount of EUR 31,754 thousand (31 Dec 2024: EUR 34,524 thousand), are recognised as collateral under the Long-term Club Loan Agreement.

Loans granted to related parties pertain to loans granted to Zagreb Electric Tram Ltd. and Zagreb Fair Ltd. Loans granted to related parties are subject to interest charged at the rates ranging from 2.79% - 3.88%. Agreements on loans are concluded for a term of 10 years, with collateral. Due to increased credit risk, in accordance with IFRS 9 *Financial Instruments*, the Group recognised impairment of receivables arising from loans in the Statement of Comprehensive Income.

/ii/ Other receivables:

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Receivables from the Republic of Croatia	31,843	32,876
Other receivables	329	315
Impairment of other receivables	(312)	(312)
	31,860	32,879
<i>Current portion</i>	<i>2,143</i>	<i>2,092</i>
<i>Non-current portion</i>	<i>29,717</i>	<i>30,787</i>

11 / INVENTORIES

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Raw materials and supplies	22,867	23,331
Finished products	1,782	1,816
Unfinished products	951	711
Merchandise inventory	11,062	8,959
Advance payments for inventory purchases	125	81
Non-current assets held for sale	165	64
Value adjustment of inventories	(9,308)	(8,734)
	27,644	26,228

The increase in inventories mainly relates to an increase in merchandise at the institution Zagreb City Pharmacies (EUR 2,200 thousand).

12/ RECEIVABLES FROM RELATED PARTIES

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Receivables from the member of the Company and other related parties	67,296	43,774
Current maturity of non-current receivables from the member of the Company (Note 10)	11,119	11,119
Current maturity of loans granted to related parties (Note 10)	2,373	2,373
Value adjustment of receivables from related parties /i/	(12,005)	(11,950)
	68,783	45,316

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

Loans granted to related parties pertain to the current maturity of long-term loans (Note 10/i/).

13/ TRADE RECEIVABLES AND OTHER RECEIVABLES

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Trade receivables	84,027	112,220
Receivables from the Republic of Croatia and other institutions /i/	193,657	194,334
Receivables from employees	63	59
Other receivables /ii/	17,535	15,664
	295,282	322,277

/i/ Receivables from the Republic of Croatia and other institutions pertain mostly to receivables from the Croatian government based on the Amendments to the Regulation on Elimination of Disturbances in the Domestic Energy Market. The amendments to the Regulation of 6 July 2023 regulate the right of a trader, or gas supplier that supplies a public service supplier or a public service supplier itself, to be compensated for the price difference, provided that the trader or gas supplier, in the period from 1 April 2023 to 30 September 2024, supplies gas to the public service supplier under a gas sales contract concluded before 1 April 2023 and if the gas purchased and supplied to the public service supplier was at an average purchase price of natural gas delivery that is higher than the price regulated by the Regulation. The company Zagreb City Gasworks - Supply Ltd., as a public service supplier, submitted four quarterly claims to the competent Ministry for compensation in the total net amount of EUR 186,557 thousand, which, as of the date of the adoption and publication of these annual financial statements, have not yet been decided (a total of six claims have been submitted for the period from 1 April 2023 to 30 September 2024).

13/ TRADE RECEIVABLES AND OTHER RECEIVABLES (continued)

/ii/ Other receivables pertain to:

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Prepaid expenses and accrued income	7,436	5,152
Current maturity of non-current receivables	5,403	5,688
Advance payments made	4,063	4,184
Receivables from insurance companies and receivables based on damages	214	230
Other receivables	631	638
Expected credit losses from advance payments made	(212)	(228)
	17,535	15,664

14/ FINANCIAL ASSETS

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Financial assets at FVTPL (Note 9)	244	244
Financial assets at amortised cost (Note 9)	3,925	3,864
	4,169	4,108

15/CASH AND CASH EQUIVALENTS

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Giro account	48,114	87,844
Giro account – foreign currency	120	30
Cash on hand	172	237
Other cash assets (court deposits and alike)	81,131	25,293
	129,537	113,404

Out of other cash assets recognised as at 30 June 2025 in the amount of EUR 81,131 thousand (31 Dec 2024: EUR 25,293 thousand), EUR 80,540 thousand pertains to term deposits with commercial banks with a maturity of up to three months, which are treated as cash equivalents.

16/LOANS AND LEASES PAYABLE

	30/06/2025	31/12/2024
	EUR 000	EUR 000
<i>Long-term loans</i>		
Loans and borrowings	156,251	168,350
Loans granted to facility (building) management authority	23,495	25,760
Financial lease	73,900	75,053
	253,646	269,163
<i>Short-term loans</i>		
Loans and borrowings	23,477	23,508
Loans granted to facility (building) management authority	4,454	4,810
Financial lease	7,101	8,450
Other (calculated interest on loans and bonds)	9,438	10,327
	44,470	47,095
Total loans and leases	298,116	316,258

17/TRADE PAYABLES AND OTHER LIABILITIES

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Trade payables /i/	251,125	277,371
Advances, deposits and guarantees payable	7,174	5,880
Liabilities payable to employees with respect to net salaries and benefits	13,228	12,422
Other liabilities /ii/	66,695	67,428
	338,222	363,101

/i/ Trade payables include trade payables related to receivables from the Republic of Croatia, as indicated in Note 13/i/.

/ii/ Other liabilities were as follows:

	31/12/2024	31/12/2024
	EUR 000	EUR 000
Liabilities owed to third parties based on charged services	30,960	32,296
Calculated uninvoiced costs pertaining to the current period	7,761	6,136
Liabilities based on taxes and salary contributions paid by employer	6,596	6,632
VAT payable	4,775	2,474
Current maturity of long-term provisioning	5,355	5,355
Other liabilities arising from fees payable based on relevant decisions	4,550	1,502
Deferred income recognition from sales	4,725	2,887
Other	6,522	11,648
	66,694	67,428

18/ LIABILITIES PAYABLE TO RELATED PARTIES

	30/06/2025	31/12/2024
	EUR 000	EUR 000
Liabilities payable to related parties	1,505	1,951

Of the total reported liabilities to related parties, EUR 1,221 thousand relates to liabilities to the City of Zagreb.

19/ REVALUATION RESERVES**Revaluation reserves****A/ Reserves from revaluation of land and buildings**

	Jan-June 2025	2024
	EUR 000	EUR 000
Balance at beginning of year	330,485	241,611
Additions from revaluation (net)	-	89,450
Decrease in revaluation (derecognition of land)	(598)	-
Release of revaluation reserves	(18)	(576)
Balance at end of period	329,869	330,485

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

	Jan-June 2025	2024
	EUR 000	EUR 000
Balance at beginning of year	4,515	5,070
Decrease from change in fair value (net)	(504)	(555)
Balance at end of year	4,011	4,515
Revaluation reserves total (a+b)	333,880	335,000

20/ EVENTS AFTER THE DATE OF CONSOLIDATED FINANCIAL STATEMENTS

Extension of Management Board's term of office

On 27 August 2025, the General Assembly of Zagreb Holding Ltd. reappointed Ivan Novaković as President of the Management Board, and Dubravko Karačić and Matija Subašić-Maras as Management Board Members for new four-year terms, while Damir Novinić continued his initial term of office. The General Assembly also adopted a decision to expand the composition of the Management Board to include five members.

Changes in the Supervisory Board and the Audit Committee

On 2 September 2025, Kristijan Starčević, Deputy President of the Supervisory Board and member of the Audit Committee, submitted his resignation. Both bodies continue their regular activities with the remaining members.

Refinancing of the Club Loan Agreement

Zagreb Holding d.o.o. initiated the process of refinancing the existing Long-term Club Loan Agreement, in a total amount of up to EUR 240 million, with the aim of refinancing the remaining debt, which as at 30 September 2025 amounts to EUR 131 million. The process is ongoing and is currently in the contract conclusion phase.

The key objectives of the refinancing include: achieving lower and fixed interest rates thereby completely eliminating interest rate risk, significantly reducing the scope of security instruments, simplifying the covenant structure, and reducing the number of financial institutions to two, enabling more efficient and constructive communication.

Green loan with a development bank

Zagreb Holding Ltd. is currently in the process of concluding a Green Loan Agreement in the amount of up to EUR 56,000 thousand with the International Finance Corporation. This loan would finance investments aimed at supporting the development of a circular waste management system and advancing the green city agenda in Zagreb, by financing the acquisition of low-emission vehicles and machinery for separate waste collection, the development of green areas and road maintenance, infrastructure for waste separation at source, bio-waste pre-treatment facilities, and information and communication technologies for data-driven smart waste management operations.

Change in building management authority's fees

New fees have been determined for the regular maintenance of common parts of buildings with respect to contracted and compulsory management.

Annex 1		
ISSUER'S GENERAL DATA		
Reporting period:	1.1.2025	to 30.6.2025
Year:	2025	
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):	7892	
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
GRADSKA LJEKARNA ZAGREB	ZAGREB, KRALJA DRŽISLAVA 4	1269739
GRADSKA PLINARA ZAGREB D.O.O.	ZAGREB, RADNIČKA CESTA 1	3276066
GRADSKA PLINARA ZAGREB OPSKRBA D.O.O.	ZAGREB, RADNIČKA CESTA 1	2371090
GRADSKO STAMBENO KOMUNALNO GOSPODARSTVO D.O.O.	ZAGREB, SAVSKA CESTA 1	4123433
VODOOPSKRBA I ODVODNJA D.O.O.	ZAGREB, FOLNEGOVIĆEVA 1	4123425
ZAGREB PLAKAT D.O.O.	ZAGREB, HEBRANGOVA 32	2076543
Bookkeeping firm:	No	(Yes/No)
Contact person:	Smolković Vlatka	
Telephone:	+385 (0)1 6420 701	
E-mail address:	vlatka.smolkovic@zgh.hr	
Audit firm:		
Certified auditor:		

BALANCE SHEET
balance as at 30.06.2025

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	2.056.742.802	2.051.945.014
I INTANGIBLE ASSETS (ADP 004 to 009)	003	7.750.864	7.444.114
1 Research and development	004	159.076	153.050
2 Concessions, patents, licences, trademarks, software and other rights	005	3.090.885	2.546.613
3 Goodwill	006	216.522	216.522
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	3.743.180	4.034.847
6 Other intangible assets	009	541.201	493.082
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.885.458.831	1.893.054.548
1 Land	011	542.157.312	541.562.961
2 Buildings	012	936.370.111	936.366.653
3 Plant and equipment	013	56.584.196	58.306.961
4 Tools, working inventory and transportation assets	014	23.196.500	24.738.271
5 Biological assets	015	11.017	10.416
6 Advances for the purchase of tangible assets	016	519.612	455.066
7 Tangible assets in preparation	017	44.599.398	48.939.765
8 Other tangible assets	018	8.779.629	10.016.649
9 Investment property	019	273.241.056	272.657.806
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	22.995.947	19.934.536
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	7.060.859	4.716.802
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	630.094	527.740
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	15.304.994	14.689.994
IV RECEIVABLES (ADP 032 to 035)	031	127.201.105	118.175.761
1 Receivables from undertakings within the group	032	70.888.406	65.197.777
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	87.027	86.706
4 Other receivables	035	56.225.672	52.891.278
V DEFERRED TAX ASSETS	036	13.336.055	13.336.055
C) CURRENT ASSETS (ADP 038+046+053+063)	037	506.180.761	517.978.378

I INVENTORIES (ADP 039 to 045)	038	26.227.881	27.643.755
1 Raw materials and consumables	039	15.529.623	14.489.924
2 Production in progress	040	416.466	656.162
3 Finished goods	041	1.180.774	1.147.055
4 Merchandise	042	9.022.795	11.227.181
5 Advances for inventories	043	78.223	123.433
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	359.051.764	353.189.403
1 Receivables from undertakings within the group	047	42.943.406	66.410.155
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	112.219.912	84.026.942
4 Receivables from employees and members of the undertaking	050	59.261	63.353
5 Receivables from government and other institutions	051	192.211.199	191.490.648
6 Other receivables	052	11.617.986	11.198.305
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	7.497.010	7.608.645
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	2.372.824	2.372.824
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	1.015.848	1.066.811
9 Other financial assets	062	4.108.338	4.169.010
IV CASH AT BANK AND IN HAND	063	113.404.106	129.536.575
D) PREPAID EXPENSES AND ACCRUED INCOME	064	5.152.072	7.435.763
E) TOTAL ASSETS (ADP 001+002+037+064)	065	2.568.075.635	2.577.359.155
OFF-BALANCE SHEET ITEMS	066	125.717.303	121.878.813
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	760.581.334	788.137.617
I INITIAL (SUBSCRIBED) CAPITAL	068	421.666.149	437.166.150
II CAPITAL RESERVES	069	0	0
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	48.218.037	32.718.042
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	48.218.037	32.718.042
IV REVALUATION RESERVES	076	330.484.588	329.868.661
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	4.515.546	4.011.246
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	4.515.546	4.011.246
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

ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS

for the period from 1 January to 30 June 2025

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	-80.046.398	-53.676.679
1 Retained profit	084	0	0
2 Loss brought forward	085	80.046.398	53.676.679
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	26.267.825	28.798.558
1 Profit for the business year	087	26.267.825	28.798.558
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	9.475.587	9.251.639
B) PROVISIONS (ADP 091 to 096)	090	41.653.148	41.550.477
1 Provisions for pensions, termination benefits and similar obligations	091	13.347.153	13.347.152
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	19.729.201	19.626.531
4 Provisions for renewal of natural resources	094	8.576.794	8.576.794
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	647.271.985	631.725.525
1 Liabilities to undertakings within the group	098	843.868	798.493
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	205.473.711	190.863.321
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	63.689.101	62.782.635
9 Liabilities for securities	106	303.098.217	303.361.448
10 Other long-term liabilities	107	643.407	641.851
11 Deferred tax liability	108	73.523.681	73.277.777
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	442.442.152	409.383.523
1 Liabilities to undertakings within the group	110	1.950.793	1.504.710
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
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	47.094.818	44.470.121
7 Liabilities for advance payments	116	5.879.965	7.174.225
8 Liabilities to suppliers	117	277.370.693	251.125.143
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	12.421.952	13.228.354
11 Taxes, contributions and similar liabilities	120	12.983.301	11.480.123
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	84.740.630	80.400.847
E) ACCRUALS AND DEFERRED INCOME	124	676.127.016	706.562.013
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	2.568.075.635	2.577.359.155
G) OFF-BALANCE SHEET ITEMS	126	125.717.303	121.878.813

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2025 to 30.06.2025

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	418.514.120	378.609.275
1 Income from sales with undertakings within the group	002	51.458.681	63.083.241
2 Income from sales (outside group)	003	252.915.802	235.949.728
3 Income from the use of own products, goods and services	004	1.499.140	1.445.078
4 Other operating income with undertakings within the group	005	17.907.116	37.735.513
5 Other operating income (outside the group)	006	94.733.381	40.395.715
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	427.328.457	337.026.204
1 Changes in inventories of work in progress and finished goods	008	381.450	-205.136
2 Material costs (ADP 010 to 012)	009	293.810.900	179.566.307
a) Costs of raw materials and consumables	010	28.793.810	27.706.099
b) Costs of goods sold	011	213.945.906	92.665.941
c) Other external costs	012	51.071.184	59.194.267
3 Staff costs (ADP 014 to 016)	013	98.058.619	99.898.028
a) Net salaries and wages	014	66.032.685	61.678.571
b) Tax and contributions from salary costs	015	20.517.178	24.539.160
c) Contributions on salaries	016	11.508.756	13.680.297
4 Depreciation	017	26.707.122	30.739.593
5 Other costs	018	1.389.437	16.775.030
6 Value adjustments (ADP 020+021)	019	3.982.832	6.804.570
a) fixed assets other than financial assets	020	0	0
b) current assets other than financial assets	021	3.982.832	6.804.570
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	2.998.097	3.447.812
III FINANCIAL INCOME (ADP 031 to 040)	030	5.188.114	4.107.841
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	205.000	10.906
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	1.025.503	167.704
4 Other interest income from operations with undertakings within the group	034	116	769
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

ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS

for the period from 1 January to 30 June 2025

7 Other interest income	037	837.535	1.146.608
8 Exchange rate differences and other financial income	038	1.612.967	859.861
9 Unrealised gains (income) from financial assets	039	1.499.304	1.916.761
10 Other financial income	040	7.689	5.232
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	17.396.831	16.063.144
1 Interest expenses and similar expenses with undertakings within the group	042	2.959	1.622
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	1.168	9.573
3 Interest expenses and similar expenses	044	15.889.860	14.421.929
4 Exchange rate differences and other expenses	045	287	1.395
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	1.502.557	1.628.625
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	423.702.234	382.717.116
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	444.725.288	353.089.348
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-21.023.054	29.627.768
1 Pre-tax profit (ADP 053-054)	056	0	29.627.768
2 Pre-tax loss (ADP 054-053)	057	-21.023.054	0
XII INCOME TAX	058	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-21.023.054	29.627.768
1 Profit for the period (ADP 055-059)	060	0	29.627.768
2 Loss for the period (ADP 059-055)	061	-21.023.054	0
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	
2 Discontinued operations loss for the period (ADP 065-062)	067	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	
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	
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	
1 Profit for the period (ADP 068-071)	073	0	
2 Loss for the period (ADP 071-068)	074	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	-21.023.054	29.627.768
1 Attributable to owners of the parent	076	-21.739.418	28.798.558
2 Attributable to minority (non-controlling) interest	077	716.364	829.210

ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS

for the period from 1 January to 30 June 2025

STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	078	-21.023.054	29.627.768
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	1.125.558	-1.344.182
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	-563.750	-1.344.182
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	-729.182
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	-563.750	-615.000
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	-101.475	-241.953
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	1.689.308	0
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	1.564.250	0
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	125.058	0
9 Income tax relating to items that may be reclassified to profit or loss	096	281.565	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	945.468	-1.102.229
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-20.077.586	28.525.539
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	-20.202.644	28.525.539
1 Attributable to owners of the parent	100	-20.919.008	27.696.329
2 Attributable to minority (non-controlling) interest	101	716.364	829.210

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2025 . to 30.06.2025.

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	-21.023.054	29.627.768
2 Adjustments (ADP 003 to 010):	002	42.629.457	63.579.009
a) Depreciation	003	26.707.122	30.739.593
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	78.811
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	-5.188.480	-4.108.081
e) Interest expenses	007	17.396.339	16.063.613
f) Provisions	008	-184.772	-102.670
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	3.899.248	20.907.743
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	21.606.403	93.206.777
3 Changes in the working capital (ADP 013 to 016)	012	29.911.735	-33.856.793
a) Increase or decrease in short-term liabilities	013	49.446.529	-32.608.451
b) Increase or decrease in short-term receivables	014	-15.654.189	813.362
c) Increase or decrease in inventories	015	-3.880.605	-2.061.704
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	51.518.138	59.349.984
4 Interest paid	018	-14.914.073	-12.586.553
5 Income tax paid	019	0	-2.959.720
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	36.604.065	43.803.711
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	200	200
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	1.453.656	1.443.330
4 Dividends received	024	0	10.906
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	15.423.954	13.445.361
III Total cash receipts from investment activities (ADP 021 to 026)	027	16.877.810	14.899.797
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-29.937.547	-23.691.979
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	-563.487	-1.322.199
IV Total cash payments from investment activities (ADP 028 to 032)	033	-30.501.034	-25.014.178
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-13.623.224	-10.114.381
Cash flow from financing activities			

ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS

for the period from 1 January to 30 June 2025

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	11.750.417	1.882.852
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	11.750.417	1.882.852
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-11.739.751	-4.720.150
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-4.070.578	-14.719.563
VI Total cash payments from financing activities (ADP 040 to 044)	045	-15.810.329	-19.439.713
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-4.059.912	-17.556.861
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	18.920.929	16.132.469
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	86.258.702	113.404.106
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	105.179.631	129.536.575

STATEMENT OF CHANGES IN EQUITY

for the period from **1.1.2025** to **30.6.2025**

in EUR

Item	ADP code	Attributable to owners of the parent								Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	9	10	11	12	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period											
1 Balance on the first day of the previous business year	01	421.666.149	32.718.029	241.609.333	5.692.246	-621.562	-93.554.375	15.723.468	623.233.288	1.414.325	624.647.613
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	421.666.149	32.718.029	241.609.333	5.692.246	-621.562	-93.554.375	15.723.468	623.233.288	1.414.325	624.647.613
5 Profit/loss of the period	05	0	0	0	0	0	0	26.267.825	26.267.825	935.957	27.203.782
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	88.875.255	0	0	702.388	0	89.577.643	0	89.577.643
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	-1.176.700	0	0	0	-1.176.700	0	-1.176.700
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	621.562	0	0	621.562	0	621.562
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0

ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS

for the period from 1 January to 30 June 2025

15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	8	0	0	0	0	0	8	0	8
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	15.500.000	0	0	0	-2.917.879	0	12.582.121	7.744.780	20.326.901
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	-619.475	-619.475
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	15.723.468	-15.723.468	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	421.666.149	48.218.037	330.484.588	4.515.546	0	-80.046.398	26.267.825	751.105.747	9.475.587	760.581.334
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	88.875.255	-1.176.700	621.562	702.388	0	89.022.505	0	89.022.505
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	88.875.255	-1.176.700	621.562	702.388	26.267.825	115.290.330	935.957	116.226.287
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	15.500.008	0	0	0	12.805.589	-15.723.468	12.582.129	7.125.305	19.707.434
Current period											
1 Balance on the first day of the current business year	28	421.666.149	48.218.037	330.484.588	4.515.546	0	-80.046.398	26.267.825	751.105.747	9.475.587	760.581.334
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	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	48.218.037	330.484.588	4.515.546	0	-80.046.398	26.267.825	751.105.747	9.475.587	760.581.334
5 Profit/loss of the period	32	0	0	0	0	0	0	28.798.558	28.798.558	829.210	29.627.768
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	-615.927	0	0	17.998	0	-597.929	0	-597.929
8 Gains or losses from subsequent measurement of financial assets at fair value	35	0	0	0	-504.300	0	0	0	-504.300	0	-504.300

ADDENDUM: SEMI-ANNUAL FINANCIAL STATEMENTS

for the period from 1 January to 30 June 2025

through other comprehensive income (available for sale)											
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0
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	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	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	5	0	0	0	0	0	5	0	5
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	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	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	15.500.001	-15.500.000	0	0	0	83.896	0	83.897	208.370	292.267
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	-1.261.528	-1.261.528
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0
22 Carryforward per annual plan	49	0	0	0	0	0	26.267.825	-26.267.825	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	437.166.150	32.718.042	329.868.661	4.011.246	0	-53.676.679	28.798.558	778.885.978	9.251.639	788.137.617
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	-615.927	-504.300	0	17.998	0	-1.102.229	0	-1.102.229
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	-615.927	-504.300	0	17.998	28.798.558	27.696.329	829.210	28.525.539
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	15.500.001	-15.499.995	0	0	0	26.351.721	-26.267.825	83.902	-1.053.158	-969.256