ZAGREBAČKI HOLDING

SEMI-ANNUAL REPORT FOR THE FIRST HALF OF 2026



Zagrebački holding d.o.o.

ZAGREBAČKI HOLDING

Management Report Zagrebački holding d.o.o. for the First Half of 2026

Impressum

Publisher

Zagrebački holding d.o.o.
Ulica grada Vukovara 41, 10000 Zagreb

www.zgh.hr

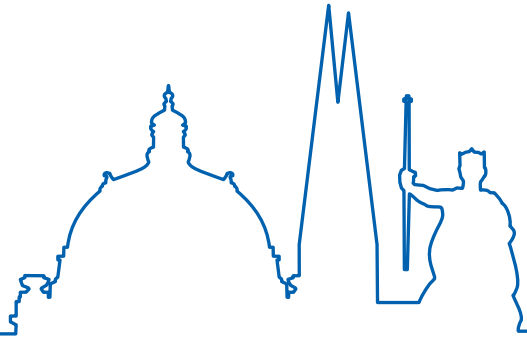
For the publisher

Sector for Strategy, Development and Business Compliance
Sector for Accounting

Professional services of all organizational units of the company
Zagrebački holding participated in the preparation of this statement

Note on gender-sensitive language

For the sake of clarity and simplicity of the text, the terms listed in this report in the masculine gender refer equally to persons of all genders and are used as gender-neutral terms, without the intention of excluding or diminishing the visibility of any gender. Zagrebački holding is committed to equality, inclusion and equal opportunities for all.



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MANAGEMENT REPORT



1 BASIC INFORMATION

ABOUT THE COMPANY ZAGREBAČKI HOLDING d.o.o

Zagrebački holding d.o.o. (hereinafter: the Company or ZGH) is a city company of the City of Zagreb that provides integrated services to citizens through a wide range of utility and market activities, striving for sustainable growth in order to create added value for its stakeholders over time[1].

Guided by its mission, "To become a partner trusted by citizens through responsible corporate governance and a commitment to an efficient and green city," the Company conducts its activities based on the fundamental principle of preserving and renewing natural, economic and social resources.

The meaning of the term Group in this report means Zagrebački holding d.o.o. and subsidiaries: Gradska plinara Zagreb d.o.o. (GPZ) with the subsidiary Gradska plinara Bjelovar d.o.o. (GPB), Gradska plinara Zagreb - Opskrba d.o.o. (GPZ-O), Gradsko stambeno komunalno gospodarstvo d.o.o. (GSKG), Vodoopskrba i odvodnja d.o.o. (VIO), Zagreb plakat d.o.o. (ZP) and the institution Gradska ljekarna Zagreb (GLJZ).

1.1. Corporate strategy of the Company

The Company's corporate strategy is focused on the sustainable development of municipal and public services and on the long-term creation of value for citizens and the City of Zagreb. It provides a common direction for development, effective resource management and the achievement of strategic objectives.

The Company operates in an environment characterised by changes in the labour market, accelerated digitalisation, the need for investment in infrastructure and equipment, and an increasingly demanding regulatory framework. In response to these challenges, the Company continues to strengthen operational efficiency, sustainable business practices and the quality of its services.

The Company's strategic priorities are focused on:

- **improving and developing services** by increasing their quality, availability and reliability and applying the principles of the circular economy,
- **increasing efficiency and productivity** through the modernisation of infrastructure, digitalisation of operations, process standardisation and cost optimisation,
- **development the organisation and employees** through investment in competencies, strengthening organizational culture and promoting responsible and transparent business practices,
- **sustainability and responsible business practices** by integrating environmental, social and governance (ESG) principles into business processes and decision-making.

In addition to its regular operations, the Company is implementing strategic projects and activities that contribute to the modernisation of systems, infrastructure development, digital transformation, more efficient resource management, and the strengthening of cooperation and organisational capabilities across the Company as a whole.

1 Stakeholders are those who have a direct or indirect interest in the Company's activities, such as: citizens and service users, employees, members of corporate bodies, founders, business partners, suppliers, contractors, regulatory and other competent authorities, financial institutions, trade unions, associations, academia, civil society organisations, the media, the local and wider community, and nature as a silent stakeholder.

1.2. Organizational structure of the Company

The Company's operations are organized into two basic segments:

- operating activities and
- corporate services.

The operating segment comprises the subsidiaries organised according to the types of services they provide to citizens, with a basic distinction between municipal and market-based activities. On the one hand, operations are monitored by individual activities (waste management, public area maintenance, parking, etc.), while on the other hand, coordinated service delivery across the City of Zagreb is ensured through shared operating systems and communication channels[2] available to all of the Company's stakeholders.

Corporate services ensure common operating standards, greater transparency and efficiency across the entire system. These functions are organised centrally and provide support to all organisational units.

Central corporate services support operating units in the areas of management and administrative activities, financial management, procurement, corporate projects, strategy and development, control functions, information technology, etc.

The area of management and administrative activities includes human resources, occupational health and safety, legal affairs, corporate communications, sales, marketing, stakeholder relations, real estate management and general services, thereby ensuring the stable and coordinated functioning of the system.

The area of financial management and controlling encompasses accounting activities, financial planning and management of financial resources, as well as monitoring and analysis of operating results, with the aim of ensuring transparency and effective management.

The investment, project management and procurement area encompasses project management, investment planning and implementation, and procurement procedures in support of business operations.

Corporate strategy and development focuses on long-term planning, business improvement and the development of new services and projects, including cooperation and partnerships that contribute to the development of the system and the quality of services.

The information and communications technology area is responsible for the development and maintenance of digital solutions, the modernisation of systems and the enhancement of operational efficiency through digitalisation.

In addition to the functions described above, the organisational structure also includes internal audit and risk management functions, which, as part of the internal control system, monitor operations and report to the supervisory bodies.

Main activities of the Company

- Public and unclassified state roads: management, maintenance and protection of unclassified roads, road facilities and equipment, maintenance and execution of traffic signals, traffic lights and production and installation of asphalt mass
- Landscaping and maintenance of green spaces
- Cleaning and waste collection services, and waste disposal and waste management
- Storage and rental services
- Parking, towing and moving vehicles in public areas
- Cemetery and crematorium maintenance services
- Construction and management of electronic communications infrastructure and electronic communications networks
- Publishing

The Company operates on the domestic market.

2 Data on addresses, phone numbers, e-mail addresses, as well as platforms for communication with stakeholders are available on the website: www.zgh.hr

BASIC INFORMATION ABOUT THE COMPANY

Registered office:	Ulica grada Vukovara 41, Zagreb
Reg. no.:	080042653
OIB (VAT ID):	85584865987
Share capital:	EUR 437,166,150
Number of employees as at 31.12.2025:	**5,586**
Nominal amount of bonds listed on the Official Market of the Zagreb Stock Exchange:	305,000,000
Date of issue:	11.07.2023
Maturity date:	11.07.2028
Interest rate:	4.90%, fixed, payable semi-annually
Ownership:	The City of Zagreb is the founder and 100% owner of the company Zagrebački holding d.o.o.
Management Board as at 30.06.2026	» Ivan Novaković, President of the Management Board » Dubravko Karačić, Member of the Management Board » Damir Novinić, Member of the Management Board (until 30.6.2026) » Miljenko Hrman, Member of the Management Board (as of 9.2.2026)
Supervisory Board as at 30.06.2026	» Martina Jurišić, Deputy President » Andro Pavuna, Member of the Supervisory Board (President of the Supervisory Board until 30.6.2026, and member from 1.7.2026) » Željko Matijašec, member » Ivan Čevizović, member » Josip Tica, Member
Audit Committee as at 30.06.2026	» Ivan Čevizović, President » Josip Teklić, Deputy President » David Krmpotić, Member
Assembly as at 30.06.2026	The only member of the Assembly of the Company is the City of Zagreb, and the representatives of the member are: » Tomislav Tomašević » Danijela Dolenec » Luka Korlaet

2 MANAGEMENT BOARD'S COMMENT

ON PERFORMANCE IN THE FIRST HALF OF 2026



Financial stability

The first half of 2026 was characterised by the continuation of stable operations at Zagrebački holding despite the ongoing challenges in the economic and regulatory environment and the increasingly pronounced effects of climate change. Through continuous monitoring of business performance indicators, responsible management of expenses and investments, and the effective use of internal and external sources of financing, the Company maintained a stable financial position and its ability to finance ordinary operations. This created the conditions for the continuation of significant investments in the modernisation of municipal infrastructure, digital transformation and the green transition of the system.

Financial results for the first half of 2026

The positive financial result achieved in the first half of 2026 confirms the stability of the Company's operations and the effective management of revenues and expenses. Increased operational activity of the subsidiaries contributed to further improvements in service quality.

In the period from January to June 2026, the Company generated a profit of EUR 19.73 million, while comprehensive income amounted to EUR 19.72 million. Compared with the same period in 2025, profit increased by EUR 2.62 million, confirming stable profitability despite the increase in operating costs.

Operating revenues amounted to EUR 190.53 million, representing an increase of EUR 19.02 million compared with the same period of the previous year. The largest contribution to revenue growth was generated in the public road management and maintenance segment, where revenues increased by EUR 8.73 million as a result of the greater volume of works related to the regular maintenance of unclassified roads and resurfacing, as well as the adjustment of prices to input costs. Revenue growth was also recorded in the landscaping and maintenance of green spaces segment, with an increase of EUR 1.73 million, and in the cleaning and waste collection segment, where revenues increased by EUR 1.15 million. A positive contribution was also made by the Facility Management and other Corporate Services segment, where, following the transfer of the GSKG business unit, revenue increased by EUR 2.81 million. Furthermore, continued support from the City of Zagreb Budget was provided to cover operating costs related to the public municipal waste collection service, the costs of plastic collection and disposal, and waste disposal charges.

Operating expenditure amounted to EUR 162.34 million, representing an increase of EUR 19.43 million compared with the first half of 2025. The increase in expenditure is primarily attributable to higher personnel costs resulting from increases in the salary calculation base (15.6% in 2025 and 4.4% as of 1 January 2026, pursuant to the Collective Agreement signed on 15 May 2025), as well as higher material costs associated with the greater volume of works, increases in raw material prices, and higher waste maintenance and disposal costs.

Despite the growth in operating expenditure, the Company maintained a stable level of operating profitability. EBITDA amounted to EUR 37.28 million, representing a slight increase compared with the same period of the previous year.

A loss of EUR 8.60 million was generated from financial activities, which was EUR 2.89 million lower than in the first half of 2025, primarily due to lower interest expenses following the refinancing of the club loan in 2025.

As at 30 June 2026, the Company's total net assets amounted to EUR 707.66 million, representing an increase of EUR 19.72 million compared with 31 December 2025. Fixed assets decreased slightly, primarily due to lower long-term receivables from the City of Zagreb arising from the lease of public-purpose facilities and the financing of the lease of the Arena Zagreb sports facility. Net working capital increased by EUR 10.23 million, as a result of a greater increase in receivables from the City of Zagreb and customers in municipal activities than in trade payables.

As at 30 June 2026, net debt amounted to EUR 459.60 million, representing a decrease of EUR 15.19 million compared with the end of 2025, as a result of regular repayments of loans and lease liabilities. This further strengthened the Company's financial position and ensured stable liquidity required to finance ordinary operations and implement planned investments.

The Company's equity increased by the amount of profit generated in the period.

Strategic investments and digitalisation

The Company's strategic focus remains on developing a modern, efficient and sustainable municipal system that will meet the long-term needs of citizens and the development needs of the City of Zagreb. Such a system requires continuous investment in infrastructure, modernisation of equipment, digitalisation of operations, employee development, and

responsible management of natural and financial resources. The investments being made are not aimed solely at renewing existing infrastructure, but also represent an investment in the city's long-term resilience, the quality of public services and sustainable development.

During the first half of the year, the investment cycle continued through the implementation and preparation of a number of strategic projects, with particular emphasis on preparatory activities for the Klaićeva Garage and Paromlin Garage projects, the modernisation of the Construction Waste Recycling Facility, the renewal of the vehicle fleet and municipal machinery, and preparations for the construction of a new central municipal operations base. In this regard, the Company entered into a Loan Agreement with the International Finance Corporation in February. At the same time, activities aimed at developing a sustainable waste management system are being carried out, including the continuation of remediation activities at the Jakuševec landfill to increase the safety and stability of the site pending the establishment of the Zagreb Waste Management Centre.

Digital transformation remains one of the key drivers of the Company's development and a prerequisite for efficient management of the municipal system. During the reporting period, in cooperation with the City of Zagreb, the eRegulacija system was put into production, digitalising the process of managing temporary traffic regulation and enabling timely information to citizens through digital navigation platforms. The implementation of a new digital system for monitoring the operations of the Winter Service is under way, enabling real-time monitoring of the completion of work tasks and more efficient management of operational activities.

At the same time, activities related to the implementation of the CRM system continued, establishing a single platform for customer relationship management that will enable faster resolution of requests, better availability of services and an improved customer experience, supported by more comprehensive analytics and more efficient management of business processes.

These projects and activities will, over the long term, improve the sustainable management of resources, increase the resilience of the municipal system and ensure a higher level of services for citizens, while ensuring alignment with national and European environmental objectives.

Development, sustainable operations and corporate governance

Sustainable operations and responsible corporate governance remain an integral part of the Company's strategic development. During the first half of the year, the development of the management system continued, integrating environmental, social and governance (ESG) aspects into business decisions, while further strengthening the risk management, compliance and internal control systems.

Particular attention was paid to improving energy efficiency, developing the circular economy and implementing projects that contribute to reducing greenhouse gas emissions. Activities continued on the implementation of an energy management system in accordance with ISO 50001, the establishment of an information security management system in accordance with ISO/IEC 27001, and preparations for introducing an occupational health and safety management system in accordance with ISO 45001.

By strengthening its governance processes, the Company is further increasing its resilience to climate, regulatory and cyber risks and creating the conditions for long-term sustainable operations and responsible management of public resources.

Responsibility towards users, workers and the community

Users and workers remain at the heart of all development activities of the Company. During the first half of the year, numerous activities were carried out aimed at increasing the accessibility and quality of services, digitalising customer processes and developing new communication channels. Particular attention was paid to increasing the accessibility of services for vulnerable groups of citizens through the further development of mobile offices, digital customer services and the continued removal of administrative barriers to accessing services.

At the same time, employee competencies continued to be developed through professional training and activities aimed at strengthening an organisational culture that promotes responsibility, cooperation and continuous improvement of operations. Particular emphasis was placed on occupational health and safety. Systematic investment in preventive measures, training, safer work procedures and improvements in work organisation resulted in a significant reduction in the number of occupational injuries and lost working hours, confirming the effectiveness of safety risk management measures.

The Company also continued to carry out numerous activities aimed at environmental protection, educating children and young people, promoting the circular economy, inclusion and local community development, reaffirming its role as a responsible public utility company that actively contributes to the quality of life of the citizens of Zagreb.

Business resilience and risk management

The Company's operations continue to be affected by a complex geopolitical and economic environment characterised by instability in energy markets, inflationary pressures, regulatory changes, climate change and growing cyber threats.

The Management Board continuously develops the risk management system and strengthens business resilience through improvements to internal controls, business continuity plans and coordinated crisis management. The effectiveness of this approach was also demonstrated during the severe storm that affected Zagreb in March 2026. Thanks to established processes and clearly defined responsibilities, the rapid mobilisation of resources and the coordinated response of the Zagrebački holding subsidiaries, the consequences were remedied within a short period while maintaining continuity in the provision of municipal services. Such experience further confirms the importance of systematic risk management and continuous investment in the resilience of the municipal system.

Closing remarks and outlook

Significant development challenges remain ahead, but there are also substantial opportunities for the further modernisation of the municipal system. In the second half of the year, we will continue implementing strategic investments, developing digital solutions, strengthening infrastructure resilience, improving energy efficiency, and further enhancing corporate governance and sustainable operations. Our goal remains unchanged – to develop Zagrebački holding as a modern, efficient and responsible public utility company that creates long-term value for the City of Zagreb and its citizens through high-quality public services, sustainable investments and innovation.

3 SELECTED BUSINESS EVENTS

IN THE FIRST HALF OF 2026



3.1. Statutory changes in the Company during the first half of 2026

Changes in the Company

MANAGEMENT BOARD:

Changes in the Management Board in the period from 1 January 2026 to 30 June 2026:

- Matija Subašić-Maras, Member of the Management Board from 15.9.2025 to 17.1.2026
- Miljenko Hrman, Member of the Management Board as of 9.2.2026
- Damir Novinić, Member of the Management Board from 1.8.2023. to 30.6.2026.

SUPERVISORY BOARD:

Changes in the Supervisory Board in the period from 1 January 2026 to 30 June 2026:

- Andro Pavuna, President of the Supervisory Board until 30.6.2026, and member from 1.7.2026

Changes in the Company's subsidiaries

Gradska groblja subsidiary

- Igor Rađenović, subsidiary manager from 7.2.2026 to 19.5.2026
- Miljenko Hrman, subsidiary manager from od 20.5.2026
- Krešimir Končevski, specialist power of attorney to undertake all actions authorized to be undertaken by the subsidiary manager from 21.05.2026

Robni terminali Zagreb subsidiary

- Roberta Čupić, subsidiary manager appointed for a second term on 7.2.2026

Vladimir Nazor subsidiary

- Irena Benko, subsidiary manager appointed for a second term on 7.2.2026

Zagrebačke ceste subsidiary

- Jurica Krleža, subsidiary manager appointed for a second term on 7.2.2026

Zagrebački digitalni grad subsidiary

- Filip Jurišić, subsidiary manager from 1.3.2026 to 24.6.2026
- Miljenko Hrman, subsidiary manager from 25.6.2026

3.2. Business activities of the Company during the first half of 2026 by business/strategic areas

ESG considerations in business activities

Sustainability strategy

The Company integrates ESG considerations into all its business and management decisions. Therefore, the *Sustainability Strategy for the period 2023-2028* is inextricably linked to business plans and business model and directs the activities and projects of both the Company and the entire Group towards the achievement of key strategic sustainability goals:

- **Improved waste management:** Achieve a 63% rate of waste separation, recycling or recovery by 2033, compared with 36% in 2022, by supporting the circular economy and reducing the disposal of waste in landfills;
- **Improved water management**: Reduce water losses from 55% in 2022 to 39% by 2033 through improved water management practices and investment in infrastructure;
- **Renewable energy:** Achieve a 70% share of renewable energy in the total energy consumption of the ZGH Group by 2028 through a combination of installing own solar photovoltaic (PV) systems and purchasing electricity from renewable sources.

In addition to the primary objectives set out above, the secondary objectives defined in the *Sustainability Strategy* focus on implementing activities in a sustainable and efficient manner, thereby improving the quality of life, accessibility of services and reducing greenhouse gas emissions.

The *2023–2028 Sustainability Strategy* was further operationalised through the *Decarbonisation Action Plan* and the *Circular Waste Management* document, adopted in 2025, which represent a roadmap towards achieving the primary objectives and will be implemented through 2035.

Report on performance targets 2025/2026

In accordance with the commitments undertaken under the *Sustainability-Linked Bond Framework*, the Company calculated and further developed the methodology for two sustainability targets:

Key performance indicator (KPI)	Base year	Value in 2025	Target values
KPI #1 Share of separately collected municipal waste (i.e. diverted from landfill)	37%	50.6%	58%
KPI #2 Share of renewable electricity in total electricity consumption (relative, as a percentage)	50%	99%	70%

For KPI #1, the baseline year is 2021, and the observation date for the performance target is 31 December 2027, while for KPI #2 the baseline period runs from 1 April 2023 to 31 March 2024, and the performance target period is the 12-month period ending on 31 March 2028.

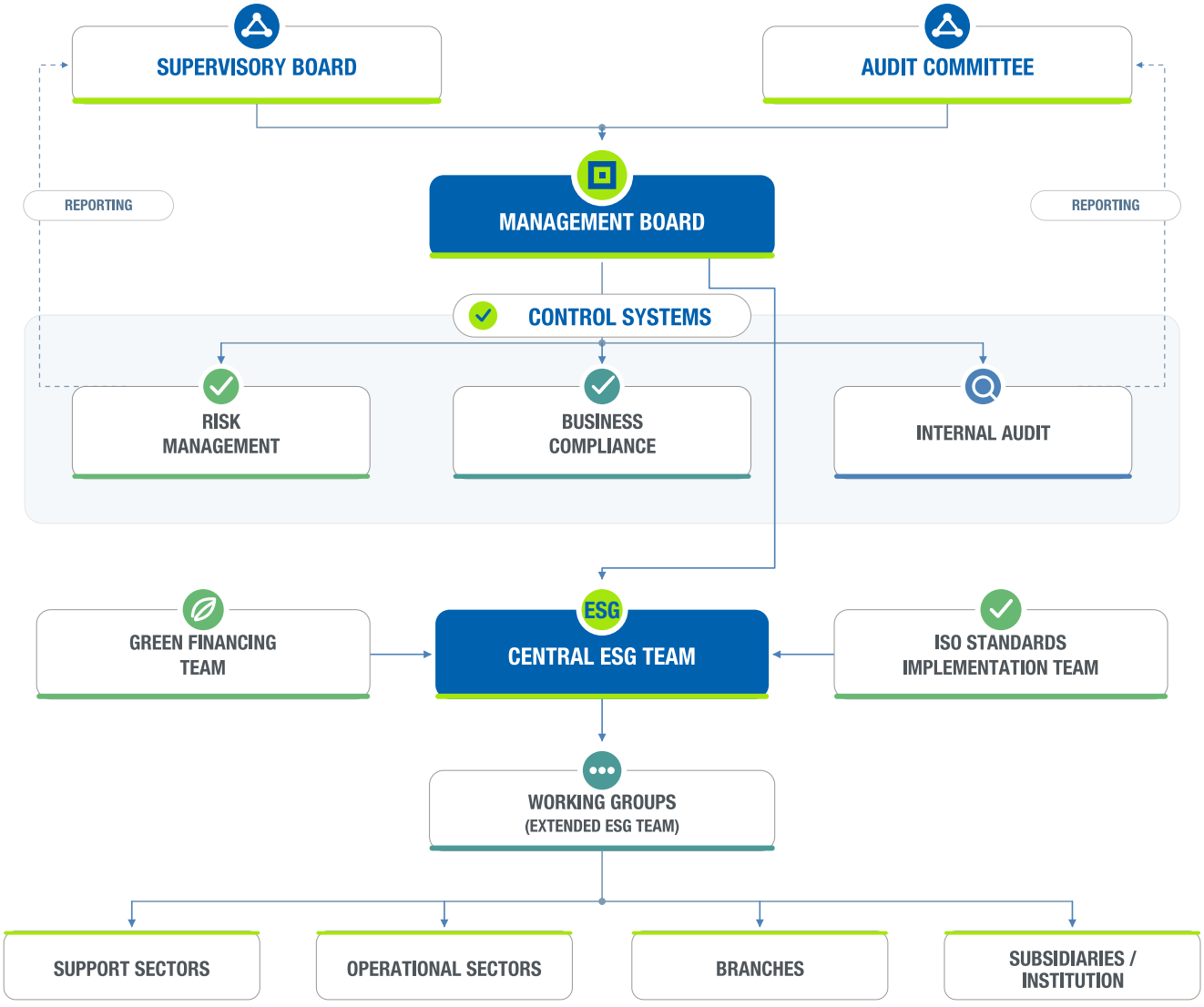
The **calculation of the KPIs**, as well as the **improvement of the methodology**, was verified by an independent assessor selected through a public procurement process, DNV Business Assurance Italy S.r.l. ("DNV"). The Report on performance targets and the *Independent assurance statement* are published in full on the www.zgh.hr website, at the following link: Reports

Environmental and social management system

The Environmental and Social Management System, which the Company has been establishing and continuously improving over the past several years, was described during the first half of 2026 in the ***Environmental and Social Management System Manual*** (hereinafter: the "ESMS") for the purpose of ensuring a clear understanding and allocation of responsibilities.

The purpose of the ESMS is to systematically manage environmental, health, safety and social (E&S) risks, ensure compliance with applicable legislation and good business practices, and continuously improve operational and ESG performance. The ESMS is implemented through the Plan–Do–Check–Act (PDCA) approach and is integrated into the Company's existing management systems, such as the ISO standards already implemented.

The ESMS requires cooperation among all organisational units, both horizontally and vertically, and is therefore organised as presented in the diagram below:



Regional ESG Leader Award

In April this year, ZGH received the "Regional ESG Leader" award, presented by the International Professional Council for Awards and Recognition "Regional ESG Leader". The award recognises excellence in the application of environmental, social and governance standards in business and highlights companies from Central and Southeast Europe that integrate sustainability into their long-term development. The Company received the award in the large enterprises category for its overall ESG achievements.

Responsibility for effective human resources management

Worker benefits of and employment

As **woker benefits were further improved** in 2025 compared with 2024, the new *Collective Agreement*, concluded for a fixed term of one year, provided for an increase in the salary calculation base for the Company's employees. As of 1 January 2026, the salary calculation base was further increased by 4.4% pursuant to that Collective Agreement.

The multi-year trend of **recruitment through public recruitment processes**, primarily for operational positions, continued successfully in 2026. In the first half of 2026, a total of 267 employees were recruited, including seasonal workers, of whom 224 were operational employees. The number of applications received in response to published recruitment processes also remained exceptionally high, with more than 2,700 applications received during the first half of the year. This once again confirmed the Company's position as a stable and attractive employer in the labour market.

The Company continues to recognise job security and stable income as key factors in attracting and retaining employees. Accordingly, the majority of new hires in 2026 were engaged on an indefinite-term basis, with a probationary period. Fixed-term contracts were concluded exclusively to replace temporarily absent employees or to address temporary increases in workload.

Competence development

During 2026, the Company successfully continued to develop its human resources and further strengthen its operational capacity, primarily through continued intensive recruitment for operational positions.

At the same time, activities aimed at building an ethical, inclusive and equitable working environment continued. Training on the Code of Ethics was organised with the aim of training all ZGH employees over the coming period. Furthermore, as part of the European **CAREvolution** project, employees participated in training on recognising unconscious bias, thereby continuing to develop an organisational culture that promotes equality, diversity and inclusion and creating the conditions for the development of the *ZGH Gender Equality Plan*.

The Company promotes a culture in which rules of conduct are clear and transparent, mutual respect between managers and employees is fostered, personal development and learning are encouraged, and commitment and professional achievement are recognised and rewarded.

ZeGeHop – Zagrebački holding sports games

The second edition of ZeGeHop, the Group's sports games, was held on Saturday, 9 May at the sports facilities of the Zagreb Central Wastewater Treatment Plant. The event, which brought together several hundred employees of the Company and the Group as a whole, provided an excellent opportunity for sporting competition as well as informal socialising among colleagues from different organisational units of the Group.

Responsibility towards users, economic operators and the community

Accessibility of services

The Company continuously improves the accessibility of its services. The implementation of a **customer relationship management system** (CRM) will enable more efficient receipt, monitoring and processing of customer requests across all communication channels.

The CRM will enable: digital receipt and monitoring of all user requests, regardless of whether they come by phone, e-mail, via a web form, application or in person; recording all communication with a customer in one place; monitoring the status and deadlines for resolving requests; faster forwarding of requests to the relevant departments; improved reporting on the number, type and resolution time of requests.

During the first half of 2026, the system for receiving requests via telephone calls was implemented. In the second half of the year, training is planned for employees who will use the CRM system, as well as testing the functionality for receiving and tracking requests received by e-mail, while the full solution is scheduled to go live by the end of 2026.

In subsequent phases, the customer relationship management system will be further enhanced through live chat with customers (a live agent, not a virtual assistant), integration with the document management system to enable digital tracking of written correspondence, and integration with the ticketing systems at the Holding Centre to include customers who visit in person.

Remediation of storm damage

At the end of March 2026, Zagreb was hit by one of the most severe storms in recent decades, accompanied by hurricane-force winds that caused extensive damage to public infrastructure, green areas and city cemeteries. From the outset, the remediation efforts involved the Zrinjevac, Zagrebačke ceste, Čistoća and Gradska groblja subsidiaries, as well as the VIO and GSKG subsidiaries, which, in coordination with the City of Zagreb and emergency services, carried out the removal of fallen trees and branches, secured roads, repaired infrastructure and eliminated hazards to citizens. In the first days following the storm, more than 2,000 interventions were carried out with the involvement of approximately 1,350 employees of Zagrebački holding, ZET and the emergency services.

The greatest damage was recorded at city cemeteries, particularly Mirogoj, where remediation is still under way due to the large number of damaged and unstable trees and the need for their gradual removal under the expert supervision of arborists and in accordance with conservation requirements, with the aim of ensuring visitor safety and protecting the cultural and historical value of the site.

To assist citizens whose graves were damaged in the storm, the City of Zagreb provided a financial assistance programme for the remediation of the damage, while Gradska groblja received damage reports and provided users with professional support in applying for the assistance.

The extraordinary circumstances further confirmed the **importance of systematic climate risk management and business continuity.** Thanks to predefined crisis procedures, coordinated action by the subsidiaries and established operational processes, the Group was able to rapidly mobilise human and material resources and ensure continuity in the provision of municipal services. The experience gained during the remediation efforts will be used to further strengthen the resilience of the system, improve crisis management plans and adapt operations to the increasingly pronounced effects of climate change.

Creative workshops on waste

ZGH and the City of Zagreb conducted the second cycle of educational and creative workshops on sustainable waste management, attended by nearly 2,000 students from 21 primary schools in Zagreb. Through interactive lectures, quizzes and creative activities, **students developed awareness of the importance of proper waste separation** and environmental protection.

The City of Zagreb further enhanced the programme by providing 1,000 sets of containers for separate waste collection to 72 primary schools, enabling students to apply the knowledge they acquired on a daily basis. By educating the youngest members of the community, the Company continues to contribute to the development of sustainable habits and greater environmental awareness in the community.

We thank all the schools for their exceptional participation and look forward to continuing our cooperation in the next school year.

Cleaning Without Borders

The XI international **children's diving eco patrol** – Cleaning Without Borders brought together 70 divers from Croatia and Slovenia and more than 30 students from Zagreb primary schools from 5 to 7 June 2026, with the aim of cleaning the seabed of Savudrija Bay and raising awareness of the importance of protecting the sea and the environment. The event was traditionally held at the Veli Jože Camp and organised by Plava Promocija Agency, the ZGH Vladimir Nazor subsidiary, numerous diving clubs, associations and institutions from Croatia and Slovenia, as well as Ukrainian veterans. During the campaign, more than 3 m^3 of waste was removed from the sea, once again combining environmental protection with educating young people about sustainable development.

Co-operation with the Council of the Roma National Minority

The Company continued its cooperation with the Council of the Roma National Minority of the City of Zagreb in **promoting the employment** of members of the Roma national minority, in accordance with the City of Zagreb Action Plan for the Implementation of the National Plan for Roma Inclusion 2025–2027. During 2026, joint working meetings and a presentation for potential candidates for employment were held in cooperation with the Croatian Employment Service, with the aim of presenting employment opportunities and measures to improve employability.

Responsible financial management

"Green" financing

The International Finance Corporation (hereinafter: "IFC"), as one of the key investors, supported the Company's long-term investment programme through a specialised green loan of up to EUR 56,000,000.00. The proceeds of the green loan are intended to finance investments aimed at supporting the development of a circular waste management system and advancing the green cities agenda in the City of Zagreb, including the procurement of lower-emission vehicles and machinery for separate waste collection, the development of green areas and road maintenance, infrastructure for source separation of waste, a bio-waste pre-treatment facility, and information and communication technologies for smart, data-driven waste management operations.

Further to the above, in December 2025 the Company obtained the consent of the City Assembly of the City of Zagreb for long-term borrowing under a loan agreement in the amount of up to EUR 56,000,000.00 between the IFC and the Company, and on 17 February 2026 the respective Loan Agreement was entered into. As at the reporting date, no funds had been drawn under the loan.

The respective investments will be implemented in accordance with the Circular Economy Green Financing Framework, which defines the key principles relating to activities that are of vital importance to the City of Zagreb. Moody's, as the independent reviewer, performed an assessment of the Circular Economy Green Financing Framework through a Second Party Opinion (SPO), under which the Company was assigned an SQS2 Sustainability Quality Score, i.e. very good.

Receivables collection management

The enhancement of the business area of receivables collection management, with the aim of gradually **centralising processes and proactively managing receivables**, primarily at the Company level, is a long-term process being implemented in several phases. In the first half of 2026, the organisational unit responsible for fee collection was transferred from GSKG to the Company and placed within the Receivables Management Sector. This represented an important step towards further centralisation of this business area.

As at the date of transfer, the organisational unit comprised 107 employees responsible for calculating and collecting fees, lease payments, rents, municipal charges and the cultural heritage levy on behalf and for the account of the City of Zagreb; calculating and collecting water management charges; and collecting receivables of the Čistoća subsidiary and the VIO subsidiary. These charges are consolidated for users through a single payment order (JUP).

As part of the transfer, the employment contracts of the employees concerned were also transferred to the Company, with no change to their employment, economic or social status.

During this first year following the transfer of the business unit, the focus is on stabilising the organisation and work processes assumed from the transferred business unit. In subsequent phases, further centralisation and standardisation of processes is expected, together with their technological enhancement and further organisational and process adjustments, with the aim of increasing efficiency and developing proactive receivables management at the ZGH level.

Municipal infrastructure

New utility bases

In the coming period, the construction of a new central municipal operations base is planned, which will consolidate the Company's operational functions at a single location and improve the efficiency of municipal service delivery. The project includes the construction of modern, energy-efficient infrastructure with integrated renewable energy sources, thereby contributing to the reduction of greenhouse gas emissions through increased energy efficiency.

The planned solution comprises modern and functional infrastructure that will support various activities within the system, from logistics and fleet management to technical and administrative services.

At the beginning of the year, ZGH and the European Investment Bank (EIB) entered into a consultancy agreement under which the EIB provides expert support to ZGH in developing sustainable, climate-neutral and financially viable investment projects. Following this agreement, during the first half of 2026 the EIB commissioned advisory services for the development of the conceptual design of the central operations base from a consortium of tenderers, which commenced its analysis of the relevant data. The advisory cooperation between ZGH and the EIB under the *InvestEU Advisory Hub* programme is the result of the City of Zagreb being awarded the European Union Mission Label for a climate-neutral and smart city, positioning Zagreb among Europe's climate-neutral cities, with ZGH acting as a key operational and investment platform for achieving the objectives of the mission to reach climate neutrality.

Mechanization / fleet

During the 2024–2026 investment period, the Company is implementing a **municipal infrastructure renewal** project aimed at modernising equipment and machinery for waste management, road maintenance and landscaping. The objective of the project is to increase the efficiency and quality of municipal services, improve urban infrastructure and reduce greenhouse gas emissions through the use of more energy-efficient and environmentally friendly vehicles, machinery and equipment. The modernisation will also enable more efficient waste management, higher-quality maintenance of transport infrastructure and further improvement of green areas in the city.

During the first half of 2026, procurement procedures were carried out for delivery and heavy-duty vehicles, as well as for machinery and equipment.

Digitalization and information security

Information security

During the first half of the year, the Company adopted a number of internal acts governing in greater detail the implementation of cybersecurity requirements and measures, with the aim of ensuring compliance with the *Cybersecurity Act* (Official Gazette No. 14/2024).

In accordance with the plan, an internal cybersecurity audit and a self-assessment were conducted based on the guidelines set out in the regulatory self-assessment calculator.

During the first half of 2026, a public procurement process was initiated for the provision of services for conducting a GAP analysis of the Company's compliance with cybersecurity regulations and establishing a security operations centre.

An LMS platform was implemented in the Company's business system, through which a phishing campaign was successfully conducted, followed by employee training using interactive materials and a quiz with randomly selected questions.

In addition, cooperation was established with the Faculty of Electrical Engineering and Computing (FER) for the future delivery of cybersecurity training.

Development of the LoRaWAN communication network

The development of the LoRaWAN communication network will enable the cost-effective and efficient delivery of numerous municipal and city services, ranging from remote meter reading at consumer premises to the collection of various types of data for advanced traffic, parking, public lighting and waste management, as well as resource utilisation optimisation. Once established, the network will be used to improve services across the entire Group and the City of Zagreb.

During the first half of 2026, the installation of LoRaWAN gateways began in the City of Zagreb, together with the establishment of a comprehensive LoRaWAN network that will form the basis of the smart City of Zagreb. The first three key applications will be public lighting management and remote reading of water and gas meters.

Čistoća subsidiary

The primary business activities of the Čistoća subsidiary during the first half of 2026 were focused on increasing the efficiency of municipal waste collection and optimising operational processes in its other activities. These activities were carried out in the context of an increase in the number of household and business customers, as well as an increase in the total volume of municipal waste collected.

By continuously optimising its work programmes, primarily in waste collection, the subsidiary carries out its activities using established technologies based on underground waste containers and digital tools for creating optimal routes for specialised vehicles. A digital work order system has also been implemented to improve the efficiency of waste collection, primarily from business customers.

The **project for the construction and installation of underground and semi-underground waste containers** continued in order to provide the infrastructure required to increase the separately collected share of municipal waste, thereby achieving statutory targets and reducing visual pollution of public areas. By the end of the first half of 2026, a total of 275 underground containers had been installed and put into operation at 66 locations in the historic city centre of Zagreb, as well as 453 semi-underground containers at 151 locations across 12 city districts outside the historic city centre. The containers are intended to replace outdated standardised containers for the separate collection of dry fractions of municipal waste (paper, cardboard, plastic, metal and glass packaging) that are unsuitable in terms of capacity and location on public areas.

In addition, in accordance with the plan, the implementation of an **access control and usage recording system for underground and semi-underground waste containers** began in the first quarter of 2026. The system provides for containers to be unlocked either using the user's physical access card or a virtual key via a mobile application. To date, such locks have been installed on underground containers at 18 locations.

Activities under the investment cycle for the modernisation of machinery and the vehicle fleet continued during the first half of 2026, as the subsidiary is included in the investment plan for which the Company is pursuing long-term financing through a "green loan". A procurement procedure was conducted for delivery and heavy-duty vehicles.

During the first half of 2026, 2,952.28 tonnes of construction waste generated from post-earthquake reconstruction were received at the **Resnik temporary construction material storage facility**, representing 49% of the volume recorded in the comparable period of the previous year. At the same time, the contribution to the circular economy is reflected in the fact that 108.64% more of the received and stored material was processed, of which 10.5% less material was released for reuse, while the quantity of residual waste handed over to authorised recovery operators was 85% lower than in the same period of the previous year. Project activities for the establishment of a construction waste recycling centre at the same location also continued.

We also note a **positive trend with regard to separately collected bulky waste**. The quantity of bulky waste collected increased by 9.91% in the first half of 2026 compared with the previous comparable period. In the first half of 2026, citizens submitted almost 40% more requests for the collection of bulky waste from customers' metering points than in the same period of 2025.

Following the successful remediation of the landslide and slope failure during 2025, activities aimed at further increasing the **long-term safety and stability of the Jakuševec landfill** continued in the first half of 2026. Additional works were carried out to improve the leachate drainage and landfill gas extraction systems, continuous geotechnical monitoring was performed, and new safety protocols introduced following the 2023 landslide continued to be implemented.

The works carried out significantly increased the stability of the landfill and created the conditions for the continuation of further remediation activities, including further improvements to the landfill gas extraction and drainage systems and monitoring. For monitoring purposes, a Programme for Systematic Observation of the Presence of Leachate at the Jakuševec Landfill was prepared, together with a general observation programme.

Further planned activities include, but are not limited to: asphalt rehabilitation on part of the northern access road; installation of new lighting poles in the composting facility area in the northern part of the landfill; continued installation of geogrids along the landfill perimeter on the slopes of sections 6/2 and 6/3; construction of an additional drainage and landfill gas extraction system, both vertical and horizontal; installation of additional inclinometers and piezometers and their inclusion in the monitoring system; and other routine works.

All of the activities described above are aimed at further reducing environmental and operational risks and ensuring the safe and reliable operation of the waste management system until the establishment of the Zagreb Waste Management Centre.

Zagrebačke ceste subsidiary

In 2026, the Zagrebačke ceste subsidiary focused on the maintenance and renewal of transport infrastructure, improving road safety and upgrading municipal infrastructure, activities which the subsidiary carries out continuously in coordination with the City Office for Local Self-Government, Transport, Municipal Affairs, Civil Protection and Security.

Under the Programme for the Asphalt Paving of First-Order Unclassified Roads, 11 streets across the city were upgraded in the first half of 2026, with more than 70,000 m^2 of carriageway surface paved in total. Under the Programme for the Improvement of Municipal Infrastructure, 59 streets were upgraded, with a total of 40,149 m^2 of carriageways and pavements being paved or otherwise improved. In the first half of 2026, total **production of asphalt mixtures** by the Zagrebačke ceste subsidiary amounted to 42,912.62 tonnes, representing a 7% increase compared with the same period of the previous year. The asphalt was used for regular maintenance and other municipal activities of the subsidiary, including the municipal activities programme (47 locations), the programme of small municipal works of local committees (12 locations) and emergency interventions (4 locations).

The **reorganisation of the road-cut reinstatement process**, which began in 2025, was intensified at the beginning of 2026 with the aim of shortening response times for reinstatement works. For this purpose, four specialised road-cut reinstatement teams were established. The results of the reorganisation are already evident, and a further reduction in the number of unrepaired road cuts is expected while maintaining a high weekly rate of reinstatement. Since the beginning of the year, the number of unrepaired road cuts has decreased by more than 60%, while the average number of road cuts reinstated each week is approximately 100.

In cooperation with the City of Zagreb, a **digital system for managing temporary traffic regulation (eRegulacija)** was put into operation in the first half of 2026, significantly improving the digitalisation and transparency of procedures related to temporary traffic regulation. The system enables electronic submission of applications through the e-Citizens portal (NIAS), issuance of decisions and record-keeping, thereby simplifying the process for citizens and businesses without the need to visit the competent authorities in person. At the same time, the system is connected to leading digital navigation platforms, so information on closed roads and alternative traffic routes is automatically displayed in real time, thereby improving traffic flow and the quality of information provided to citizens.

During 2026, further improvements were made to the **digital system for monitoring work performance and calculating Winter Service activities**. he existing Zimska 1.0 application, following its migration from the previous system at the end of 2025, is in production. At the same time, a new Zimska 2.0 application is being developed, representing a technologically and functionally enhanced solution for monitoring Winter Service activities. The application is in the final testing phase, which will be completed before the start of the 2026 winter season. The system enables monitoring of the completion of work tasks by location, team and degree of completion, supported by a map-based display of activities and detailed time records, thereby further improving operational monitoring, resource management and transparency in the performance of Winter Service activities.

The Zagrebačke ceste subsidiary operates the **Construction Waste Recycling Facility (RGO)** at Tišinska cesta, where construction waste is processed into recycled materials for the construction and maintenance of roads and other public areas. With the aim of increasing the capacity and efficiency of construction waste recovery, as part of a project co-financed under the "Investment in Efficient Use of Resources and Support for the Transition to a Circular Economy" call, the upgrading of the facility was completed during the first quarter of 2026 through the installation of three new recycling modules.

The modernisation of the facility increased the flexibility and efficiency of construction waste processing and created the conditions for greater reuse of recycled materials, reducing the quantities of waste sent to landfill and further strengthening the principles of the circular economy in the Company's operations. The total value of the project amounts to EUR 2,498,600, of which EUR 1,000,000 (40%) was provided through grants from the Ministry of Environmental Protection and Green Transition.

Zrinjevac subsidiary

The Zrinjevac subsidiary continued its activities relating to the maintenance and improvement of public green areas and the enhancement of the city's horticultural landscaping standards. Particular emphasis was placed on sustainability, biodiversity conservation and adaptation to climate change.

Despite the extraordinary circumstances caused by the severe storm in March 2026, the Zrinjevac subsidiary maintained the planned schedule for green area maintenance and, by the end of the first half of the year, completed four mowing cycles, in line with the previous year.

Furthermore, in April 2026, the horticultural landscaping project for **Središće Park** was launched on an area of 4,250 m^2. The project includes landscaping 2,550 m^2 of green areas through planting, the construction of paths with rest areas, and the installation of various urban amenities. By the end of the first half of 2026, all horticultural and technical preparatory works had been completed in preparation for planting, which will be carried out in the autumn once favourable climatic conditions are in place.

In May 2026, the **greening project for the Gredelj complex** was launched. The project will create a 55,000 m^2 grassed area, representing a new green oasis in the wider city centre. By the end of June 2026, all preparatory works for establishing the future lawn had been completed, and project implementation is planned for September 2026.

In addition, during the first half of the year, a project to establish and plant **wildflower meadows** as corridors for wild pollinators was implemented at 29 locations across the city, covering more than 20,000 m^2. The project was designed to increase biodiversity, preserve and improve green areas and thereby enhance the quality of life in the urban environment. The project also has an educational component, with 85 information boards installed providing information on the plant species planted, with the aim of raising public awareness of the importance of planting biodiversity and wild pollinators in urban areas.

As part of the **greening of the City of Zagreb** and during the 2025/2026 planting season, more than 7,800 trees had been planted by April 2026. During this season, planting was further adapted to the needs of individual city districts and citizens' initiatives, with trees planted in school and kindergarten courtyards, around health centres, along major roads and in parks. In addition to reducing temperatures during urban heatwaves, trees are important for climate adaptation and biodiversity, and increasing their number makes the City of Zagreb a more pleasant place for its citizens.

From 14 to 18 May, the **60th International Garden Exhibition Floraart** was held in Bundek Park under the theme "Water – Source of Life". Floraart's programme included 34 floral installations, a professional competition in floristry techniques, educational workshops, children's performances, numerous professional lectures and a special sales programme. The 60th anniversary of the exhibition was marked by the publication of the monograph Sixty Years in Bloom – The History of Floraart and the production of a short documentary film about the history of the exhibition. Once again this year, the event attracted several hundred thousand visitors.

Tržnice Zagreb subsidiary

The activities of the Tržnice Zagreb subsidiary are aimed at improving the offer and quality of services in city markets. During the current period, particular focus is being placed on modernising infrastructure and increasing its attractiveness to tenants and users.

In the first half of 2026, key activities included:

- **Modernization of the Trešnjevka market**, under which the refurbishment of metal structures and replacement of awnings in the market area are currently under way, while the following projects have been completed: replacement of canopies in the southern section of the market, refurbishment of the eastern plaza, and construction of a standardised waste-sorting storage facility in accordance with HACCP standards.
- **Reconstruction of Utrina Market** – reconstruction idocumentation for the roof and flooring was prepared. In addition, an analysis and structural assessment were carried out, and the remediation of the steel and reinforced-concrete structures was incorporated into the Main Design. A public procurement procedure was conducted for carrying out investigative works and preparing an assessment of the existing condition. The next steps include an analysis of options for rehabilitating the perimeter section of the underside of the roof, redesigning the project for phased execution, and coordinating the phasing of works with the Landscape and External Area Design Project, after which responsibility for the reconstruction project will be assumed by the City of Zagreb, with funding provided from the city budget.
- Following the preparation of the assessment of the existing condition, including a proposed strengthening plan, a procedure was initiated for the preparation of the Main Design for the comprehensive refurbishment of the**Dolac Market**.
- Following completion of the project documentation in 2025, activities continued in 2026 in connection with the **Vrapče Market reconstruction project**, with the aim of refurbishing the premises for tenants and improving the level of service provided by the market. The completion of the reconstruction is planned for the first quarter of 2027.

In addition, numerous marketing activities are being carried out continuously to raise consumer awareness of the quality of locally produced goods offered at Zagreb's markets. Accordingly, this year, as part of the "Certified Farmers' Market" project implemented by the City of Zagreb in cooperation with the ZGH Tržnice Zagreb subsidiary and the Croatian Association of Farmers' Markets, family farms were awarded the "Croatian Farmer's Products" certificate. A little over 100 certificates were awarded, which is also the largest number so far. The certificate provides assurance that consumers are purchasing locally produced goods directly from the producer. The Organic Market project at Jarun Market also continued.

Furthermore, the number of events held outside the markets increased through existing and new partnerships and various cultural and gastronomic events, including Place Market at Kvatrić Market, Food Truck Festival at Britanski trg Market, Art Plac at Splavnica, Špica Plac at Trešnjevka Market, Stari Plac Festival at Dubrava Market, Kultura naše Pešće at Volovčica Market, Štampar u tvom kvartu, Plac Mljac at Trešnjevka Market, and Kino na placu at Trešnjevka Market.

Zagrebparking subsidiary

During the first half of 2026, the Zagrebparking subsidiary continued to modernise and improve its services across three key business areas, with the aim of increasing efficiency, service quality and process digitalisation. The acquisition of a further six new tow trucks further strengthened its operational capacity to remove improperly stopped and parked vehicles, thereby contributing to more effective management of stationary traffic.

Klaićeva Garage

The new garage in Klaićeva Street, with a capacity of 860 parking spaces, is a project aimed at relieving on-street public parking in the centre of Zagreb and improving urban mobility.

The planned construction period is 18 months, with construction scheduled to begin in the second quarter of 2027. The project involves the construction of an underground public garage on the site of a secondary school sports ground bounded by Savska, Kačićeva, Klaićeva and Kršnjavoga streets. Construction is planned on land designated for sports and recreation, with a total area of 22,262 m^2. The land is owned by the City of Zagreb, while the planned investor is ZGH, Zagrebparking subsidiary. In order for ZGH to acquire investor status on the newly formed plot, the conclusion of an Agreement on the Transfer of the Right of Construction between the City of Zagreb and ZGH is expected during the third quarter of 2026.

The building permit for the construction of the public garage was issued on 3 April, and became final on 23 April 2026. Market research activities have also been initiated as part of the procurement procedure for the construction contractor. The market research is being conducted through the European Bank for Reconstruction and Development's Client e-Procurement Portal (ECEPP). The project is divided into three stages, as follows:

1. Construction of the underground public garage and associated above-ground structures (two covered vehicular and pedestrian entrances and three covered emergency staircases) – investor: ZGH;
2. Construction of the sports ground (sports facility), including public lighting – investor: City of Zagreb;
3. Installation of equipment in the transformer substation and construction of the medium-voltage (MV) cable – owner: HEP.

Paromlin Garage

The revitalisation project for the former Paromlin industrial complex is currently under way. The project comprises the refurbishment of four historic buildings, construction of two new buildings, a new City Library and a community and cultural centre, as well as an underground public garage with 330 parking spaces. The City of Zagreb is the project investor and is co-financing the project through grants under the *Integrated Territorial Programme 2021–2027.* Completion of the project is planned by the end of 2026.

In order to ensure the timely opening of the public garage, the City of Zagreb authorised the Zagrebparking subsidiary to conduct the procurement procedures and all preparatory activities necessary for its equipping and commissioning. The procurement of a modern garage management system is under way, including automated parking control and payment, recording of entries and exits, licence plate recognition, and integration with the ZGPARK application and m-parking service. Following completion of construction and obtaining the occupancy permit, the Paromlin public garage will become part of the City of Zagreb's public garage system, while its operation will be managed by the Zagrebparking subsidiary pursuant to an agreement with the City of Zagreb.

Gradska groblja subsidiary

The Gradska groblja subsidiary carried out activities focused on sustainability, modernisation of its vehicle fleet and the restoration of cultural heritage. In this context, a project for the **procurement of eight alternative-fuel vehicles**, with a total value of EUR 128,896, was submitted under the Public call for the purchase of new alternative-fuel vehicles (EnU-4/25) issued by the Environmental Protection and Energy Efficiency Fund. The vehicles were delivered in the first half of 2026.

At the same time, extensive **cultural heritage restoration projects at Mirogoj Cemetery** continued. The renovation works on the mortuary building were completed and financed through the EU Solidarity Fund, the National Recovery and Resilience Plan and national funding, in a total amount of EUR 3,855,661.19. These works did not include the restoration of the façade, roof and surrounding grounds of the mortuary building, for which activities to prepare the design and technical documentation were initiated in the first half of 2026.

With the aim of ensuring additional gravesites and continuity in the provision of municipal services, the implementation of the project for developing new burial plots **at Miroševac Cemetery** continued. The project includes the construction of three burial fields with a total of 357 gravesites and 34 urn niches, as well as the development of access paths, green areas and related infrastructure. Completion of the works is planned for the third quarter of 2026, with funding of EUR 1,000,000 provided in the City of Zagreb budget. The fencing of Miroševac Cemetery within its existing boundaries is also in the design phase, with the provision of new gravesites through columbarium niches and conventional ground burials.

The project for the expansion of Markovo polje Cemetery is also under way and will be implemented and financed from the City of Zagreb budget.

Vladimir Nazor subsidiary

In 2026, in addition to its regular operations, the subsidiary placed particular focus on investments in infrastructure improvements, including:

- reconstruction of the restaurant building, replacement of joinery in the accommodation pavilions and replacement of the domestic hot water preparation system at Hostel Stoimena in Crikvenica, with completion of the works expected by November this year;
- sanitary facility works at Hostel Zlatokrila on Veli Lošinj, completed at the beginning of the second quarter of 2026;
- extensive works at Veli Jože Camp in Savudrija aimed at its reclassification, expected in September 2026, including the improvement of camp areas, the restaurant terrace, sanitary facilities, infrastructure and ancillary facilities, which are also in the final stages; and
- works on the construction of sewer connections for the Snježna kraljica Apartment House, which have been completed, and for Hotel Tomislavov dom, with completion expected during the third quarter of this year.

Grad mladih Granešina

Grad mladih in Dubrava is a protected cultural and historical complex and a unique educational, sports and recreational facility intended for children and young people. Recognising its cultural and social value, the City of Zagreb initiated a comprehensive renovation project. During 2025, the preparation of project documentation for the renovation of earthquake-damaged buildings and the reconstruction of the infrastructure network was contracted. The project documentation has been completed, and the process of obtaining the necessary approvals to launch the tender for the comprehensive renovation works is under way.

During the first half of 2026, the detailed design for the installation of new infrastructure at Grad mladih (water supply, drainage, telecommunications infrastructure, low-voltage network and public lighting) was prepared and submitted for the issuance of a building permit.

At the end of 2025, the project documentation for the comprehensive renovation of the School building at Grad mladih was completed. The public procurement procedure for the execution of the works will follow, with the works expected to commence in early 2027 and to last for a total of 13 months.

At Grad mladih, Phase 2 of the renovation of the children's playground is being carried out in accordance with conservation requirements, with completion of the playground renovation expected by the end of September this year.

Autobusni kolodvor subsidiary

Following the investments made in the previous period and the analyses and inspections carried out to define the further direction of investment, the planned activities and further works at the bus terminal facility are continuing during the current year.

Rehabilitation of steel structures (Phase I and Phase II)

Following an analysis of the existing condition and stability assessments of the steel structure of the Bus Terminal facility (commissioned in May 2025), the extent of the damage was determined and recommendations for rehabilitation were defined and divided into three levels of urgency: immediate measures, works to be completed within one year, and works to be completed within five years.

Based on the expert recommendations, a decision was made to implement the works in phases: Phase I: Implementation of urgent and indispensable works, Phase II: Implementation of the remaining necessary works within the prescribed timeframes.

Phase I works commenced in April 2026 and are expected to be completed in July 2026. This phase includes two key units: the rehabilitation of steel cables and the rehabilitation of canopy concrete.

Phase II works are planned for the first quarter of 2027 and relate to the protection of all steel elements located on the facility, as well as the essential works required for the application of protective coatings to the steel structure and steel columns. The project will also include the rehabilitation of the suspended ceiling inside the facility.

Installation of automatic barriers for sanitary facilities

In June 2026, an agreement was signed for the procurement and installation of a new payment system with automatic access control. The existing payment system has reached the end of its economic and technical useful life and requires replacement. The new automatic barriers will enable reliable access control to the sanitary facilities, automated payment for use (cash/contactless payment), easy maintenance and the availability of servicing support.

The investment comprises payment barriers, pedestrian barriers, an automated payment terminal, parameter configuration services, operator training, electrical installation works and construction works. Completion of the procurement and installation of the new system is planned for August 2026.

AGM subsidiary

The core of AGM's operations is its publishing activity, encompassing around twenty specialised book series. During the first half of 2026, two new books were published with a total print run of 1,450 copies, along with one reprint of 500 copies. The remaining books are at various stages of production, ranging from translation to printing. Finalisation of the *Životinjsko carstvo* monograph is under way, as is obtaining consent from Kraš d.d. for its publication.

4 ANALYSIS OF THE COMPANY'S OPERATIONS

FOR THE FIRST HALF OF 2026



4.1. Operating result

Description	1-6/2026 in EUR 000	1-12/2025 in EUR 000	Rate of change in %
Operating revenue	190,530	171,508	11%
Operating expenditure	(162,337)	(142,907)	14%
Financial income	4,072	4,015	1%
Financial expenditure	(12,673)	(15,503)	(18%)
Total revenue	**194,602**	**175,523**	**11%**
Total expenditure	**(175,010)**	**(158,410)**	**10%**
Profit before tax	**19,592**	**17,113**	
Tax revenue	139	-	
Profit for the period	**19,731**	**17,113**	15%
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified as profit or loss			
Profit from revaluation of real estate (net)	(8)	(729)	
Tax on other comprehensive income	1	131	
Items that can be reclassified as profit or loss			
Other items that can be reclassified to profit or loss			
Tax on other comprehensive income			
Total comprehensive income for the period	**19,724**	**16,515**	
EBIT	*28,193*	*28,601*	*(1%)*
EBITDA	*37,282*	*36,558*	*2%*
Loss from financial activities	*(8,601)*	*(11,488)*	*(25%)*

4.2. Revenue

In the first half of 2026, operating revenues amounted to EUR 190.53 million, representing an increase of EUR 19 million, or 11%, compared with the same period of the previous year.

Revenue from sales amounted to EUR 141.66 million, an increase of 13% compared with the same period in 2025 (1–6/2025: EUR 125.73 million). The most significant contribution to the increase in revenue from sales was generated in the *public road management and maintenance segment*, where revenue increased by EUR 8.73 million as a result of higher revenue from the regular maintenance programme for unclassified roads, primarily due to a significant 62% increase in revenue from winter road maintenance, as well as a greater volume of paving works on first-order unclassified roads, together with the adjustment of prices to input costs. An increase in revenue of EUR 1.73 million was also recorded in the *landscaping and maintenance of green areas segment*, in line with the adjustment of service prices to variable input costs

and additional revenue from the remediation of storm damage in March 2026. In the *cleaning and waste collection segment*, revenue increased by EUR 1.15 million, primarily due to higher revenue from the public service and market-based waste collection services provided to business customers. A positive contribution to revenue growth of EUR 2.81 million was also generated in the *segment facility management and other Corporate Services revenue,* as a result of the transfer of the GSKG fee collection business unit.

Other operating revenues increased by EUR 3.09 million, mainly due to higher coverage of operating costs of the public service from the City of Zagreb Budget, amounting to EUR 3.23 million, as a result of increased personnel costs in accordance with amendments to the Collective Agreement, as well as higher material costs related to vehicle maintenance, infrastructure and energy consumption.

Financial revenue was at the same level as in the reporting period of the previous year, amounting to EUR 4.07 million.

4.3. Expenditure

In the first half of 2026, operating expenditure amounted to EUR 162.34 million, representing an increase of EUR 19.43 million, or 14%, compared with the same period of the previous year.

Within operating expenditure, the most significant increase was recorded in personnel costs, which rose by EUR 12.33 million as a result of an increase in the salary calculation base for employees of 15.6% as of 1 May 2025 and a further 4.4% as of 1 January 2026, as well as a 3.2% increase in the average number of employees, primarily due to the transfer of 107 employees from GSKG. Material costs and services increased by EUR 5.01 million, primarily due to higher subcontracting costs resulting from price increases and a greater volume of works under the regular road maintenance programme. Raw materials and consumables costs increased due to higher material costs, reflecting higher asphalt production and higher raw material prices at the Zagrebačke ceste subsidiary. Postal and telecommunications service costs increased mainly in Corporate Services as a result of the transfer of the business unit from GSKG to the Receivables Management Sector. Utility and fee costs increased due to the disposal of larger quantities of waste plastic packaging (12.8%) and biodegradable waste (3.1%). Other operating expenses increased due to the Jakuševec landfill charge in accordance with the Regulation on the Unit Charge for Waste Disposal (EUR 35/t).

Financial expenses in the first half of 2026 were EUR 2.83 million lower, primarily due to lower interest expenses following the refinancing of the club loan in 2025.

4.4. Statement of financial position

The following is a condensed presentation of assets, equity and liabilities as reported in the statement of financial position as at 30 June 2026, compared with the position as at 31 December 2025:

Description	30.06.2026. EUR 000	31.12.2025 EUR 000	Rate of change in %
Fixed assets	**1,351,044**	**1,361,013**	**(1%)**
Net working capital	**36,013**	**25,782**	**40%**
Inventories	10,810	9,783	10%
Receivables	104,491	84,467	24%
Liabilities	(79,288)	(68,468)	16%
Net debt	**(459,596)**	**(474,789)**	**(3%)**
Credits, loans, financial lease received	(199,792)	(211,047)	(5%)
Liabilities for issued bonds	(303,875)	(303,599)	0%
Cash and cash equivalents	44,071	39,857	11%
Financial assets	**257**	**234**	**10%**
Other non-current and current liabilities	**(220,055)**	**(224,301)**	**(2%)**
Net assets	**707,663**	**687,939**	**3%**
Subscribed capital	437,166	437,166	0%
Reserves	321,881	322,523	0%
Transferred loss	(51,384)	(71,750)	(28%)
Equity	**707,663**	**687,939**	**3%**

** The item "Loans, borrowings and finance lease" includes a finance lease liability relating to the Arena sports hall in the amount of EUR 57.60 million in 2026 (2025: EUR 61.57 million). At the same time, the same amount is recognised within "Non-current assets" as a receivable from the City of Zagreb and the Government of the Republic of Croatia.*

As at 30 June 2026, the Company's total net assets amounted to EUR 707.66 million, representing an increase of EUR 19.72 million compared with 31 December 2025.

The Company's fixed assets decreased by EUR 9.97 million, primarily due to a EUR 7.97 million decrease in non-current receivables, resulting from lower receivables from the City of Zagreb under multi-year lease agreements for public-purpose facilities and a decrease in receivables related to the financing of the lease of the Arena Zagreb sports facility.

Net working capital increased by EUR 10.23 million due to an increase in trade and related-party receivables, which increased by a total of EUR 20.02 million. The increase in receivables was primarily attributable to higher receivables from the City of Zagreb at the Čistoća, Zrinjevac and Zagrebačke ceste subsidiaries, as well as higher receivables of the Gradska groblja subsidiary from customers relating to annual cemetery maintenance fees. At the same time, trade payables increased by EUR 10.82 million.

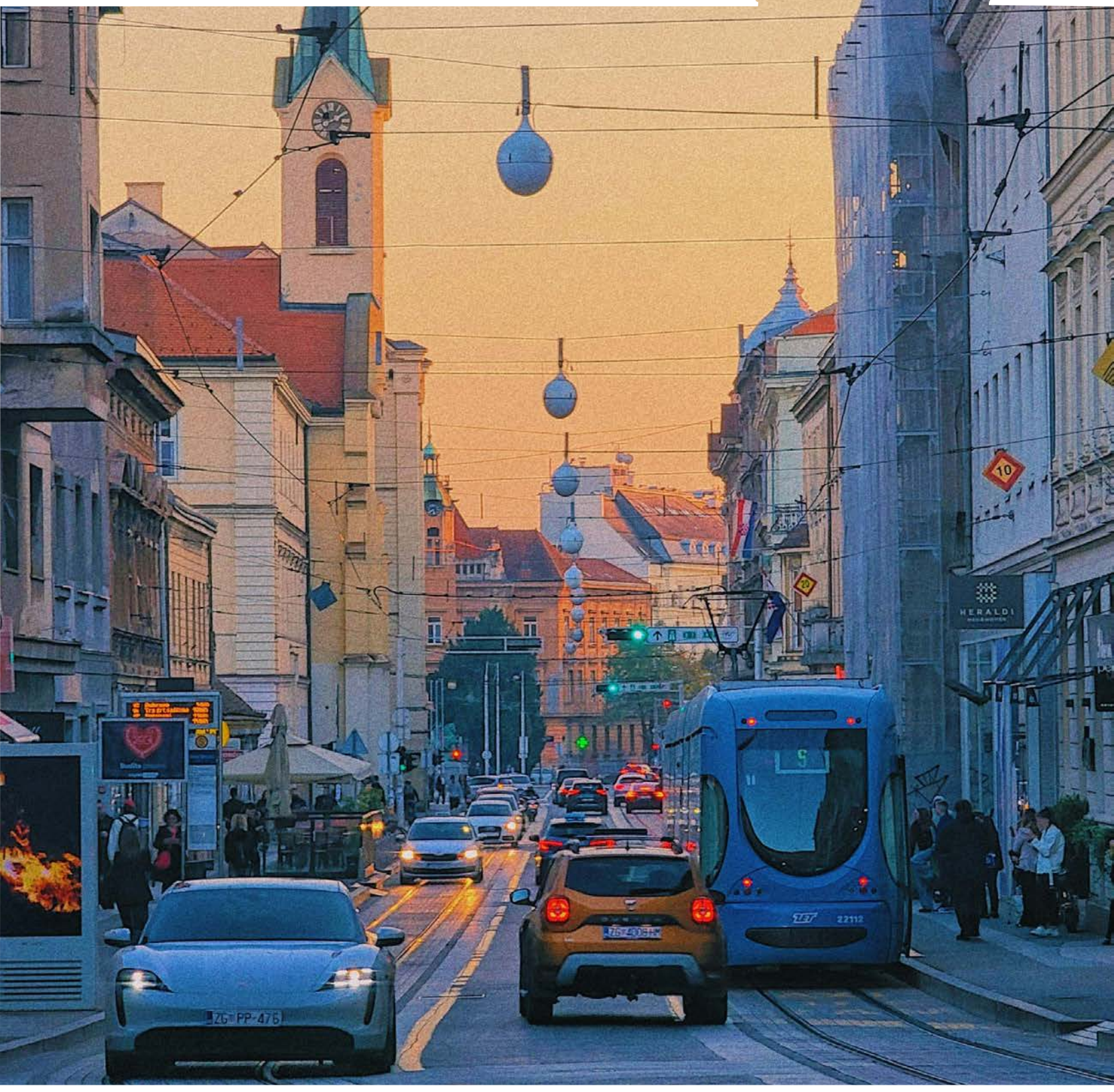
As at 30 June 2026, net debt amounted to EUR 459.60 million, representing a decrease of EUR 15.19 million compared with 31 December 2025, due to regular repayments of loans and lease liabilities.

Other non-current and current liabilities decreased by EUR 4.25 million due to a decrease in current liabilities to related companies.

Equity increased by the profit generated in the current period.

5 MOST SIGNIFICANT RISKS AND UNCERTAINTIES

TO WHICH ZAGREBAČKI HOLDING IS EXPOSED



During the first half of 2026, further efforts were made to enhance the maturity of the Company's risk management system by improving integrated risk management through project management, deepening process management from a quantitative perspective, and creating the prerequisites for implementing an integrated risk management system at Group level. Building on the critical areas identified in 2025, activities focused on operationalising risk management through a comprehensive cycle of risk identification, assessment and definition of control mechanisms in three key business areas:

- investment planning and oversight,
- real estate management and
- cybersecurity.

This directly addressed the operational efficiency of the investment cycle, identified as a key risk area, through specific proposed measures within the existing processes of the respective areas, without duplicating the responsibilities of relevant stakeholders. Emphasis was placed on a more detailed analysis of the causes and consequences of risks, more comprehensive risk assessment in accordance with potential foreseeable and unforeseen circumstances and events, and determining the impact on investment decisions and financial management. Furthermore, with the aim of maintaining business continuity and supporting the financing instruments in place, a comprehensive Environmental and Social Risk and Impact Management System was established for the first time, enabling integrated management of project-related risks. This not only fulfilled a formal prerequisite under the financing arrangements, but also systematically strengthened the resilience of the business model and significantly improved integrated risk management.

Climate change is increasing the frequency and intensity of extreme weather events, making it one of the more significant operational risks to the Company's business. At the end of March 2026, Zagreb was hit by a severe storm with hurricane-force winds reaching 120.6 km/h, constituting an extreme weather event. The consequences included fallen trees, disrupted traffic, and damage to and safety risks affecting public areas, parking areas, garages and city cemeteries.

The rapid and coordinated response of the Zrinjevac, Zagrebačke ceste, Čistoća and Gradska groblja subsidiaries, as well as the VIO and GSKG subsidiaries, enabled the effective remediation of the consequences and ensured continuity in the provision of municipal services. This response was the result of improved operational procedures, clearly defined responsibilities and developed coordination mechanisms for emergency situations, which have been systematically strengthened in recent years through risk management and business resilience planning.

As part of activities aimed at increasing employee safety and reducing **occupational safety risks**, the Company continued to strengthen its occupational health and safety management system by improving preventive measures, employee training, work organisation and the application of safer work procedures. The effectiveness of the measures implemented is confirmed by the results achieved in the first half of 2026, when, compared with the same period of the previous year, the number of occupational injuries decreased by 20%, the number of serious injuries by 80%, and the number of lost working hours by 27%, with no fatal injuries or recorded occupational diseases.

In order to further strengthen the systematic management of occupational safety risks, activities to implement an occupational health and safety management system in accordance with the HRN EN ISO 45001 standard commenced during 2026. The introduction of this internationally recognised standard will further improve risk management, preventive activities, employee training and information, and contribute to the continuous improvement of occupational health and safety.

Cyber risks represent one of the key strategic risks to the Company's operations, given the growing digitalisation of business processes, the development of information systems and increasingly stringent regulatory requirements in the area of cybersecurity. As an entity classified at the critical level under the *Cybersecurity Act* (Official Gazette No. 14/24), ZGH continued in 2026 to strengthen its cyber risk management system and align it with the national regulatory framework.

Activities focused on assessing the maturity of the cybersecurity management system, strengthening corporate governance in this area, and further standardising processes and responsibilities at Company level. Particular emphasis was placed on centralised management of information and cybersecurity, ensuring a consistent approach to risk management and the protection of information systems within the parent Company and subsidiaries using shared information and communications infrastructure.

In accordance with the plans for developing the management system, activities continued on the preparation of internal policies and procedures, conducting a self-assessment of compliance with regulatory requirements, and establishing an

information security management system in accordance with the HRN EN ISO 27001 international standard within the Company. This further strengthens the Company's resilience to cyber threats, ensures business continuity and enhances the security of public service provision.

The Company is exposed to **interest rate risk** arising from long-term loans and leases and issued bonds. Most of the Company's long-term interest-bearing debt is contracted at fixed interest rates through a EUR 305 million bond and a EUR 131 million club loan.

Under the new investment cycle financed by the IFC in an amount of up to EUR 56 million, which follows the previous refinancing of sustainability-linked bonds, a variable interest rate has been agreed, with exposure to interest rate risk managed through a combination of fixed and variable interest rates. In the event of a significant increase in benchmark interest rates transmitted from global markets to the Croatian financial market, the Company plans to minimise the impact of interest rate risk by entering into hedging instruments through interest rate swaps, with the IFC or an appropriate local bank as the counterparty, and by monitoring developments in the money market. The Company continuously monitors movements in interest rates with the aim of reducing interest rate risk.

As the Company does not have significant interest-bearing assets, its revenue and cash flows from operating activities are not materially dependent on changes in market interest rates. The Company continuously monitors changes in interest rates, taking into account potential refinancing and alternative financing opportunities, and on that basis calculates the impact of changes in interest rates on profit or loss.

The Company's **credit risk** relates to the collection of receivables from customers and other debtors and to the security of funds invested. The Company's exposure to credit risk is limited, given the high collection rate of its receivables from the City of Zagreb and other customers.

At Company level, **liquidity risk** is managed through continuous monitoring of projected cash flows and their comparison and alignment with actual cash inflows and outflows. In addition, this risk is managed by maintaining an adequate level of cash and cash equivalents and ensuring the availability of financial resources, including, where necessary, by establishing dedicated credit lines. The Company duly settles all matured financial liabilities, while the synergies arising from the Group's broad portfolio of services contribute to revenue growth and a reduction in the costs of external services. Additional potential for reducing financial indebtedness and strengthening liquidity may be achieved through the commercialisation and/or sale of non-operating assets.

6 STATEMENT OF THE PERSONS RESPONSIBLE FOR COMPILING THE STATEMENT

OF ZAGREBAČKI HOLDING d.o.o. IN ACCORDANCE WITH THE CAPITAL MARKET ACT

We declare that to the best of our knowledge:

- The unaudited separate financial statements of Zagrebački holding d.o.o. for the period from 1 January 2026 to 30 June 2026, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets and liabilities, profit or loss, financial position and operations of the issuer;
- The Management Report of Zagrebački holding d.o.o. for the period from 1 January 2026 to 30 June 2026 (separate) contains a true and fair view of the development and results of operations and the financial position of the issuer, together with a description of the most significant risks to which the issuer is exposed.

In Zagreb, 22 September 2026

Ivan Novaković
President of the
Management Board

Dubravko Karačić
Member of the
Management Board

Miljenko Hrman
Member of the
Management Board

II UNAUDITED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD 1-6/2026



ZAGREBAČKI HOLDING d.o.o.

Separate statement of comprehensive income

For the period from 1 January to 30 June 2026

	Note	1-6/2026	1-6/2025
		EUR 000	EUR 000
Sales revenue	3	141,662	125,726
Other operating revenue	4	48,868	45,782
Operating revenue		**190,530**	**171,508**
Material costs and services	5	(61,677)	(56,667)
Staff costs	6	(84,723)	(72,398)
Depreciation		(9,089)	(7,957)
Value adjustment of assets		(1,631)	(1,986)
Other operative expenditure	7	(5,217)	(3,899)
Operating expenditures		**(162,337)**	**(142,907)**
NET OPERATING PROFIT		**28,193**	**28,601**
Financial income		4,072	4,015
Financial expenditure	8	(12,673)	(15,503)
NET FINANCIAL EXPENDITURE		**(8,601)**	**(11,488)**
PROFIT BEFORE TAX		**19,592**	**17,113**
Tax revenue		139	-
PROFIT FOR THE PERIOD		**19,731**	**17,113**
Other comprehensive income			
Items that will never be reclassified as profit or loss			
Profit from revaluation of real estate (net)		(8)	(729)
Tax on other comprehensive income		1	131
Total comprehensive income for the period		**19,724**	**16,515**

ZAGREBAČKI HOLDING d.o.o.

Separate statement of financial position

As at 30 June 2026

	Note	30 June 2026	31 December 2025
		EUR 000	EUR 000
FIXED ASSETS			
Property, plants and equipment	9	641,720	642,786
Investment property		296,802	298,163
Right-of-use assets		454	423
Intangible assets		8,133	7,132
Investments in subsidiaries		285,599	285,599
Financial assets	10	8,411	9,016
Non-current receivables	11	104,124	112,093
Deferred tax assets		5,801	5,801
Total fixed assets		**1,351,044**	**1,361,013**
CURRENT ASSETS			
Inventories		10,810	9,783
Receivables from related parties	12	63,529	57,252
Trade and other receivables	13	40,962	27,215
Financial assets	14	257	234
Cash and cash equivalents	15	44,071	39,857
Total current assets		**159,629**	**134,341**
TOTAL ASSETS		**1,510,673**	**1,495,354**

	Note	30 June 2026	31 December 2025
		EUR 000	EUR 000
NON-CURRENT LIABILITIES			
Liabilities for loans and leases received	16	168,025	179,809
Liabilities for issued bonds		303,875	303,599
Provisions		36,931	36,729
Deferred revenue recognition		102,239	103,026
Deferred tax liability		63,462	63,603
Other non-current liabilities		459	459
Total non-current liabilities		**674,991**	**687,225**
CURRENT LIABILITIES			
Trade payables and other liabilities	17	79,288	68,468
Liabilities towards affiliated companies		15,304	18,794
Liabilities for loans and leases received	16	31,767	31,238
Current maturity of deferred revenue recognition		1,660	1,690
Total current liabilities		**128,019**	**120,190**
TOTAL LIABILITIES		**803,010**	**807,415**
NET ASSETS		**707,663**	**687,939**
EQUITY AND LIABILITIES			
Share capital		437,166	437,166
Revaluation reserves	18	289,163	289,805
Other reserves		32,718	32,718
Accumulated loss		(51,384)	(71,750)
Total equity		**707,663**	**687,939**
TOTAL EQUITY AND LIABILITIES		**1,510,673**	**1,495,354**

ZAGREBAČKI HOLDING d.o.o.

Separate statement of changes in equity

For the period from 1 January to 30 June 2026

	Share capital	Provisions from revaluation of real estate	Other reserves	Accumulated loss	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Balance as at 31 December 2024	**421,666**	**280,871**	**48,218**	**(105,073)**	**645,682**
Comprehensive income					
Profit for the year	-	-	-	33,256	33,256
Profit from revaluation of real estate (net)	-	8,934	-	67	9,001
Other comprehensive income	-	8,934	-	67	9,001
Total comprehensive income	**-**	**8,934**	**-**	**33,323**	**42,257**
Changes in ownership shares					
Entry of ownership rights in real estate	15,500	-	(15,500)	-	-
Total changes in ownership shares	**15,500**	**-**	**(15,500)**	**-**	**-**
Balance as at 31 December 2025	**437,166**	**289,805**	**32,718**	**(71,750)**	**687,939**
Comprehensive income					
Profit for the period	-	-	-	19,731	19,731
Loss from revaluation of real estate (net)	-	(7)	-	-	(7)
Other comprehensive income	-	(7)	-	-	(7)
Total comprehensive income	**-**	**(7)**	**-**	**19,731**	**19,724**
Transfer of revaluation provisions to accumulated loss	**-**	(635)	-	635	**-**
Balance as at 30 June 2026	**437,166**	**289,163**	**32,718**	**(51,384)**	**707,663**

	1-6/2026	1-6/2025
	EUR 000	EUR 000
Cash flows from operating activities		
Profit before tax	**19,592**	**17,113**
Financial expenses recognized in profit or loss	12,673	15,503
Financial revenue recognized in profit or loss	(4,072)	(4,015)
Value adjustment of receivables from related parties	500	358
Value adjustment of trade receivables	1,131	1,628
Depreciation of fixed and intangible assets	9,089	7,957
Loss from derecognition of assets	-	79
(Decrease) / increase in deferred revenue	(787)	364
Decrease in long-term provisions	-	(1)
Changes in working capital:		
Increase in inventories	(1,026)	(354)
(Decrease) / increase in liabilities for advances received	(770)	923
Increase in receivables from customers	(5,723)	(3,780)
Increase in receivables from related parties	(5,533)	(365)
Increase in receivables from employees	(228)	(8)
Increase in receivables from the state	(1,516)	(1,062)
(Increase) / decrease in other receivables	(3,522)	3,129
Decrease in liabilities to suppliers and related parties	(2,449)	(7,213)
Increase in liabilities for taxes and contributions	3,334	2,780
(Decrease) / increase in liabilities towards employees	(161)	766
(Increase) / decrease in other liabilities	2,400	(3,113)
Net cash from operating activities	**22,932**	**30,689**

	1-6/2026	1-6/2025
	EUR 000	EUR 000
Cash flows from operating activities / continued		
Cash from operating activities	22,932	30,689
Income tax paid	-	(2,960)
Interest paid	(8,435)	(12,298)
Interest charged	946	1,105
Net cash from operating activities	**15,443**	**16,536**
Cash flows from investment activities		
Expenses for the procurement of tangible and intangible assets	(9,055)	(7,518)
Receipts for advances for fixed assets	-	4
Receipts from non-current receivables	7,968	8,792
Receipts from fixed financial assets	605	-
Expenses on current financial assets	(23)	(215)
Receipts from shares in profit and dividends	1,031	1,324
Net cash from investment activities	**526**	**2,387**
Cash flows from financing activities		
Loans and credits received	113	9
Repayments of loans and credits	(11,868)	(13,313)
Net cash from financing activities	**(11,755)**	**(13,304)**
Net cash increase	**4,214**	**5,619**
Cash and cash equivalents as at 1 January	**39,857**	**48,337**
Cash and cash equivalents as at 30 June	**44,071**	**53,956**

1/ GENERAL DATA

Zagrebački holding d.o.o., Zagreb ("Company") is a limited liability company established with its registered office in the Republic of Croatia at ulica grada Vukovara 41, Zagreb. The Company is the parent company of the Zagrebački holding Group (the "Group"), which operates in the Republic of Croatia and provides water supply, drainage and treatment services, cleaning and waste collection, public road management and maintenance, parking, storage and rental services, landscaping and maintenance of green areas, construction and project and facility management, electronic communications infrastructure and networks, as well as gas sales and distribution and sales of medicines.

On 22 September 2026, the Management Board approved the issuance of these separate interim financial statements for the period from 1 January to 30 June 2026.

The separate interim financial statements have not been audited.

2/ BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis for the preparation of separate financial statements

The Company's condensed separate financial statements have been prepared in accordance with the International Accounting Standard 34 – *Interim Financial Reporting* approved by the European Union, and should be read in conjunction with the latest published annual financial statements available on the Company's website at https://www.zgh.hr/o-nama-7/izvjesca/19.

The accompanying condensed separate unaudited consolidated interim financial statements do not contain all the data and disclosures required for annual financial statements; however, they do contain selected disclosures.

Significant accounting policies

The interim financial statements were prepared on the basis of the same accounting policies and calculation methods used in the preparation of the Company's annual separate financial statements as at 31 December 2025., i.e. in the preparation of interim financial statements. Certain new accounting standards and interpretations have been in force since 1 January 2026, but do not have a significant impact on the financial statements of the Company.

Key accounting estimates

In applying the Company's accounting policies, 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. Estimates and related assumptions are based on past experience and other relevant factors. Actual results may differ from estimates. Estimates and the underlying 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 revision and future periods if the revision affects both current and future periods.

The current market environment, as well as the continuation of the Russia-Ukraine conflict and the crisis surrounding the Strait of Hormuz, continue to represent significant events and sources of uncertainty that require management to make estimates and judgements when determining their impact on the financial position and operating results. The related assumptions and estimates are regularly reviewed and are based on events that can reasonably be expected to occur under the existing circumstances.

Except as stated above, in preparing the separate interim financial statements for the first half of 2026, management's significant judgements regarding changes to the Company's accounting policies and the key sources of estimation uncertainty were consistent with those described in the previously published annual financial statements.

Transfer of the business unit

On 31 January 2026, the Company and its subsidiary Gradsko stambeno komunalno gospodarstvo d.o.o. entered into an agreement pursuant to which, as of 1 February 2026, the business unit responsible for the collection of fees was transferred to the Company. As a result, 107 employees transferred to the Company, retaining all employment rights acquired up to the date of the transfer of the business unit. Under the agreement, all rights and obligations of the business unit were transferred at their carrying amounts. The carrying amount of the assets transferred is EUR 2,335 thousand and liabilities EUR 1,048 thousand.

	1 February 2026
	EUR 000
FIXED ASSETS	
Real estate, plants and equipment	60
Total fixed assets	**60**
CURRENT ASSETS	
Current receivables	2,275
Total current assets	**2,275**
TOTAL ASSETS	**2,335**
NON-CURRENT LIABILITIES	
Other non-current liabilities	(202)
Total non-current liabilities	**(202)**
CURRENT LIABILITIES	
Trade payables	(733)
Liabilities to related parties	14
Other current liabilities	(127)
Total current liabilities	**(846)**
TOTAL LIABILITIES	**(1,048)**
Net merged assets	**1,287**

3/ SEGMENT INFORMATION

In accordance with *IFRS 8 – Operating Segments*, the Company has identified operating segments based on internal reports on the components of the Company that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to the segments and assessing their performance. The Company has identified operating segments based on reports that are regularly reviewed by the Management Board and used for making strategic decisions. The operating segments have been determined based on the activities of the subsidiaries comprising the Company, whereby six activities have been identified as operating segments, while the eight segment comprises all other activities of the Company.

The operating segments are as follows:

1/ Cleaning and waste collection services
2/ Management and maintenance of public roads
3/ Parking services
4/ Storage and rental
5/ Landscaping and maintenance of green spaces
6/ Facility management and Corporate services
7/ Other activities

The following is an analysis of the Company's revenues and results by reporting segments presented in accordance with IFRS 8. Sales revenue shown refers to revenue generated by sales to external customers.

	1-6/2026	**1-6/2025**
	EUR 000	EUR 000
Revenue from cleaning and waste collection services	44,494	43,345
Revenue from management and maintenance of public roads	31,071	22,344
Revenue from landscaping and maintenance of green spaces	22,195	20,464
Revenue from parking services	14,514	14,056
Revenue from storage and rental services	6,612	6,682
Revenue from facility management and Corporate services Receivables	3,773	962
Other revenue /i/	19,003	17,873
	141,662	**125,726**

/i/ Other revenue

	1-6/2026	**1-6/2025**
	EUR 000	EUR 000
Revenue from funeral services	5,706	5,420
Revenue from green markets	4,392	4,454
Revenue from travel agencies	3,257	2,810
Revenue from bus station services	2,351	1,812
Revenue from the lease of telecommunications lines and networks	1,633	1,586
Revenue from management and maintenance of sports facilities	1,475	1,569
Revenue from publishing	189	222
	19,003	**17,873**

Revenue and results by segment for 1-6/2026

	Facility management and Corporate services	Cleaning and waste collection services	Management and maintenance of public roads	Parking services	Storage and rental	Landscaping and maintenance of green spaces	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Revenue from sales to external customers	3,773	44,494	31,071	14,514	6,612	22,195	19,003	-	141,662
Inter-segmental sales	22,610	783	710	63	85	452	171	(24,874)	-
Total sales revenue	**26,383**	**45,277**	**31,781**	**14,577**	**6,697**	**22,647**	**19,174**	**(24,874)**	**141,662**
Expenditure from other activities, net other revenue from core activities	**(12,719)**	**(40,721)**	**(27,601)**	**(9,231)**	**(4,724)**	**(21,457)**	**(21,890)**	**24,874**	**(113,469)**
Profit / (loss) from operating activities	**13,664**	**4,556**	**4,180**	**5,346**	**1,973**	**1,190**	**(2,716)**	**-**	**28,193**
Financial income	3,851	139	-	37	-	-	45	-	4,072
Financial expenditure	(9,436)	(289)	(1)	(3)	-	(43)	(2,901)	-	(12,673)
Net financial result	(5,585)	(150)	(1)	34	-	(43)	(2,856)	-	(8,601)
Profit / (loss) before tax	**8,079**	**4,406**	**4,179**	**5,380**	**1,973**	**1,147**	**(5,572)**	**-**	**19,592**
Tax (expenditure) / revenue									139
Net profit									**19,731**

Revenue and results by segment for 1-6/2025

	Facility management and Corporate services	Cleaning and waste collection services	Management and maintenance of public roads	Parking services	Storage and rental	Landscaping and maintenance of green spaces	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Revenue from sales to external customers	962	43,345	22,344	14,056	6,682	20,464	17,873	-	125,726
Inter-segmental sales	19,638	1,002	938	47	62	239	172	(22,098)	-
Total sales revenue	**20,600**	**44,347**	**23,282**	**14,103**	**6,744**	**20,703**	**18,045**	**(22,098)**	**125,726**
Expenditure from other activities, net other revenue from core activities	**(7,294)**	**(39,949)**	**(22,593)**	**(8,377)**	**(4,460)**	**(17,579)**	**(18,971)**	**22,098**	**(97,125)**
Profit / (loss) from operating activities	**13,306**	**4,398**	**689**	**5,726**	**2,284**	**3,124**	**(926)**	**-**	**28,601**
Financial income	3,717	162	35	50	14	-	37	-	4,015
Financial expenditure	(12,141)	(375)	(14)	(10)	-	(59)	(2,904)	-	(15,503)
Net financial result	(8,424)	(213)	21	40	14	(59)	(2,867)	-	(11,488)
Profit / (loss) before tax	**4,882**	**4,185**	**710**	**5,766**	**2,298**	**3,065**	**(3,793)**	**-**	**17,113**
Tax (expenditure) / revenue									**-**
Net profit									**17,113**

Assets and liabilities by segment as at 30 June 2026

	Facility management and Corporate services	Cleaning and waste collection services	Management and maintenance of public roads	Parking services	Storage and rental	Landscaping and maintenance of green spaces	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Real estate, plants and equipment	101,565	68,995	46,946	10,420	28,904	75,139	309,751	-	641,720
Right-of-use assets	208	9	12	65	-	20	140	-	454
Intangible assets	5,537	340	55	152	217	31	1,801	-	8,133
Investment in real estate	121,006	116	-	-	171,682	960	3,038	-	296,802
Inventories	172	1,774	4,276	125	46	2,635	1,782	-	10,810
Investments in subsidiaries	285,599	-	-	-	-	-	-	-	285,599
Unallocated assets	223,687	89,421	93,283	67,226	35,868	47,191	107,101	(396,622)	267,155
Total assets	**737,774**	**160,655**	**144,572**	**77,988**	**236,717**	**125,976**	**423,613**	**(396,622)**	**1,510,673**
Issued bonds	303,875	-	-	-	-	-	-	-	303,875
Revaluation reserves	69,556	29,505	27,150	-	17,187	47,937	97,828	-	289,163
Equity and unallocated liabilities	364,343	131,150	117,422	77,988	219,530	78,039	325,785	(396,622)	917,635
Total equity and liabilities	**737,774**	**160,655**	**144,572**	**77,988**	**236,717**	**125,976**	**423,613**	**(396,622)**	**1,510,673**
Other segmental information									
Capital expenses:	**790**	**712**	**2,755**	**1,264**	**1**	**11**	**3,371**	**-**	**8,904**
Real estate, plants and equipment	453	695	2,752	1,264	1	11	3,005	-	8,181
Intangible assets	337	17	3	-	-	-	366	-	723
Depreciation and impairment of assets	**851**	**3,371**	**342**	**965**	**201**	**1,281**	**2,078**	**-**	**9,089**

Assets and liabilities by segment as at 31 December 2025

	Facility management and Corporate services	Cleaning and waste collection services	Management and maintenance of public roads	Parking services	Storage and rental	Landscaping and maintenance of green spaces	Other	Elimination	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Real estate, plants and equipment	101,730	71,516	44,517	10,267	29,101	76,285	309,370	-	642,786
Right-of-use assets	221	-	13	103	-	30	56	-	423
Intangible assets	5,254	396	56	188	390	35	813	-	7,132
Investment in real estate	121,006	124	1,392	-	171,642	960	3,039	-	298,163
Inventories	170	1,221	4,231	134	38	2,407	1,582	-	9,783
Investments in subsidiaries	285,599	-	-	-	-	-	-	-	285,599
Unallocated assets	311,652	36,965	74,467	53,142	29,422	27,806	89,872	(371,858)	251,468
Total assets	**825,632**	**110,222**	**124,676**	**63,834**	**230,593**	**107,523**	**404,732**	**(371,858)**	**1,495,354**
Issued bonds	303,599	-	-	-	-	-	-	-	303,599
Liabilities towards employees	69,556	29,511	27,786	-	17,187	47,937	97,828	-	289,805
Equity and unallocated liabilities	452,477	80,711	96,890	63,834	213,406	59,586	306,904	(371,858)	901,950
Total equity and liabilities	**825,632**	**110,222**	**124,676**	**63,834**	**230,593**	**107,523**	**404,732**	**(371,858)**	**1,495,354**
Other segmental information									
Capital expenses:	**4,944**	**4,752**	**339**	**2,376**	**251**	**7,186**	**3,360**	**-**	**23,208**
Real estate, plants and equipment	2,868	4,741	330	2,313	251	7,186	3,109	-	20,798
Intangible assets	2,076	11	9	63	-	-	251	-	2,410
Depreciation and impairment of assets	**1,002**	**6,688**	**692**	**1,744**	**562**	**1,889**	**4,164**	**-**	**16,741**

4/ OTHER OPERATING REVENUE

	1-6/2026	1-6/2025
	EUR 000	EUR 000
Revenue from subsidies and grants /i/	32,359	29,066
Revenue from reversal of provisions for unused annual leave (Note 6)	4,648	3,936
Collected written-off receivables	1,993	2,156
Collected value-adjusted receivables from related parties	6,453	6,547
Revenue from revocation of deferred revenue recognition	1,717	1,739
Revenue from reversal of provisions for collective surplus	-	185
Other	1,698	2,153
	48,868	**45,782**

/i/ Revenues from subsidies were mostly generated by the City of Zagreb and the Republic of Croatia:

	1-6/2026	1-6/2025
	EUR 000	EUR 000
Subsidies and grants from the City of Zagreb	30,065	26,736
Subsidies and grants from the Republic of Croatia and others	2,294	2,330
	32,359	**29,066**

Subsidies and grants from the City of Zagreb primarily relate to financial support from the City budget for the financing of the lease of the Arena Zagreb facility in the amount of EUR 1,519 thousand, as well as the coverage of the operating costs of the Čistoća subsidiary related to the public service, the costs of collecting plastic packaging and waste disposal charges pursuant to the Waste Management Act, in the total amount of EUR 27,763 thousand (1–6/2025: EUR 24,592 thousand) and other grants in the amount of EUR 783 thousand (1-6/2025: EUR 627 thousand).

5/ MATERIAL COSTS AND SERVICES

	1-6/2026	1-6/2025
	EUR 000	EUR 000
Costs of raw materials and supplies	9,918	8,899
Costs of energy consumed	7,078	6,558
Write-off of small inventory	707	751
a) Total material costs	**17,703**	**16,208**
b) Change in the value of inventories of work in progress and finished goods	**(8)**	**(205)**
c) Costs of goods sold	**885**	**1,107**
Utility services and fees /i/	17,085	16,033
Maintenance services	6,977	8,780
Costs of subcontractors /ii/	7,037	4,523
Costs of transport services	3,523	2,356
Data processing and software maintenance services	2,346	1,953
Rent and leasing services	1,976	1,748
Intellectual services	1,176	1,204
Insurance premiums	1,066	1,034
Banking services and payment costs	378	304
Advertising and promotion services	57	65
Other external services	1,476	1,557
d) Total external services	**43,097**	**39,557**
	61,677	**56,667**

/i/ The increase in costs of utilities and fees is mostly related to the disposal of separately collected waste (increase in the amount of plastic packaging and biodegradable waste).

/ii/ Subcontracting costs increased compared to the comparative period due to the higher volume of work under the regular road maintenance programme and increases in certain contractual prices charged by subcontractors for road maintenance, as well as higher subcontracting costs resulting from the greater volume of works carried out on the landscaping and construction of gravesites.

6/ STAFF COSTS

	1-6/2026	1-6/2025
	EUR 000	EUR 000
Net salary costs and charges costs	44,659	38,893
Costs of taxes and contributions	28,102	23,355
Reimbursement of costs to employees and expenses for other worker benefits	11,962	10,150
	84,723	**72,398**
Number of employees at the end of the period	**5,586**	**5,372**
Average number of employees based on work hours	**5,136**	**5,315**

	1-6/2026	1-6/2025
	EUR 000	EUR 000
Personnel costs	**84,723**	**72,398**
Revenue from reversal of provisions for unused annual leave (Note 4)	*(4,648)*	*(3,936)*
	80,075	**68,462**

6/ PERSONNEL COSTS / CONTINUED

On 15 May 2025, the Company signed a Collective Agreement for a period of one year. Pursuant to it, the salary calculation base was increased by 15.60% as of 1 May 2025 and by an additional 4.40% as of 1 January 2026.

7/ OTHER OPERATING EXPENDITURE

	1-6/2026	1-6/2025
	EUR	EUR
Fines, penalties and damages	4,185	2,714
Gifts, donations and sponsorships	50	26
Administrative and court costs	271	195
Taxes and contributions independent of the result	160	81
Membership fees to professional associations	206	186
Representation	23	12
Cultural heritage levy and environmental protection costs	118	119
Other costs	204	566
	5,217	**3,899**

8/ FINANCIAL EXPENDITURE

	1-6/2026	1-6/2025
	EUR 000	EUR 000
Interest costs	10,701	13,381
Discount and bond issuance costs	290	278
Interest costs from related parties	217	414
Other financial expenditure	1,465	1,430
	12,673	**15,503**

9/ REAL ESTATE, PLANTS AND EQUIPMENT

	Land	Buildings and residential buildings	Plants and equipment	Transport vehicles and tools	Other tangible assets	Tangible assets in preparation	Total real estate, plants and equipment
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
PURCHASE VALUE							
Balance as at 01.01.2025	**431,636**	**422,753**	**74,653**	**88,793**	**6,210**	**9,936**	**1,033,981**
New purchases	-	-	2	-	-	20,796	**20,798**
Transfer from assets in preparation	-	2,011	5,967	10,735	-	(18,713)	**-**
Reclassifications (transfers from/to)	-	1	633	(705)	-	3	**(68)**
Revaluation	10,796	121	-	-	-	-	**10,917**
Aftercost - increase	-	3,599	-	-	-	-	**3,599**
Expenditure, disposals and sales	(27)	(238)	(1,603)	(1,284)	-	(1,669)	**(4,821)**
Derecognition	(6,053)	(84,476)	-	-	-	-	**(90,529)**
Return from inventories	-	25	-	-	-	-	**25**
Reclassification to IAS 40	(52)	(205)	-	-	-	-	**(257)**
Assets held for sale	(229)	(195)	-	-	-	-	**(424)**
Balance as at 31.12.2025	**436,071**	**343,396**	**79,652**	**97,539**	**6,210**	**10,353**	**973,221**
New purchases	-	-	-	-	-	8,181	**8,181**
Transfer from assets in preparation	-	1,577	4,413	1,276	3,856	(10,887)	**235**
Reclassifications (transfers from/to)	(26,502)	(306)	-	-	-	(806)	**(27,614)**
Expenditure, disposals and sales	-	(4)	(161)	(647)	-	(3)	**(815)**
Merger of the business unit	-	-	146	70	-	-	**216**
Balance as at 30.06.2026	**409,569**	**344,663**	**84,050**	**98,238**	**10,066**	**6,838**	**953,424**
ALLOWANCE							
Balance as at 01.01.2025	**32,555**	**247,981**	**56,290**	**70,474**	**18**	**2,252**	**409,570**
Depreciation	-	7,144	4,525	4,432	1	-	**16,102**
Value adjustment	-	-	-	-	-	86	**86**
Reclassification (transfers from/to)	-	1	129	(138)	-	-	**(8)**
Expenditure, disposals and sales	-	(172)	(1,468)	(1,281)	-	(1,680)	**(4,601)**
Derecognition	(6,053)	(84,476)	-	-	-	-	**(90,529)**
Reclassification to IAS 40	-	(72)	-	-	-	-	**(72)**
Assets held for sale	-	(71)	-	-	-	-	**(71)**
Balance as at 31.12.2025	**26,502**	**170,335**	**59,476**	**73,487**	**19**	**658**	**330,477**
Depreciation	-	3,705	2,599	2,409	1	-	**8,714**
Reclassification (transfers from/to)	(26,502)	(306)	45	(45)	-	-	**(26,808)**
Expenditure, disposals and sales	-	(4)	(144)	(646)	-	-	**(794)**
Merger of the business unit	-	-	95	61	-	-	**156**
Balance as at 30.06.2026	**-**	**173,730**	**62,071**	**75,266**	**20**	**658**	**311,745**
Balance as at 01.01.2025	**399,081**	**174,772**	**18,363**	**18,319**	**6,192**	**7,684**	**624,411**
Balance as at 31.12.2025	**409,569**	**173,061**	**20,176**	**24,052**	**6,191**	**9,695**	**642,744**
Balance as at 30.06.2026	**409,569**	**170,933**	**21,979**	**22,972**	**10,046**	**6,180**	**641,679**

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Net value without advances	641,679	642,744
Advances on tangible assets	41	42
Property, plants, equipment and advances	**641,720**	**642,786**

10/ FINANCIAL ASSETS

Financial assets are shown as follows:

	30.6.2026	31.12.2025
	EUR 000	EUR 000
/i/ Financial assets held at fair value through profit or loss		
Investments in shares (Note 14)	212	213
/ii/ Financial assets held at amortized cost		
Deposits with a maturity of more than one year	8,411	9,016
Current part		
Non-current part		
Deposits with a maturity of up to one year	13	13
Other securities held to maturity	32	8
	45	21
Financial assets held at amortised cost - current part (Note 14)	*45*	*21*
Financial assets managed at amortized cost - non-current part	*8,411*	*9,016*
Total financial assets, current part	**257**	**234**
Total financial assets, non-current part	**8,411**	**9,016**

/i/ Financial assets held at fair value through profit or loss contain shares relating to minority interests owned by banks and other business entities that the Company has no significant influence over.

/ii/ Financial assets held at amortized cost refer to deposits with a maturity of more than one year. Deposits relate to the guarantee for the repayment of loans and liabilities from the lease agreement of the Arena Zagreb facility, due upon the final repayment of liabilities.

11/ NON-CURRENT RECEIVABLES

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Non-current receivables		
Receivables from related parties /i/	77,514	82,547
Receivables from sale on credit	38	38
Other receivables	26,572	29,508
	104,124	**112,093**
Current receivables		
Receivables from related parties /i/	12,023	12,466
Receivables from sale on credit	4	5
Other receivables	2,243	2,193
	14,270	**14,664**

/i/ Receivables from related parties

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Receivables from a member of the Company	95,103	102,207
Discount of outstanding receivables	(32,925)	(34,750)
Value adjustment of receivables from a member of the Company	(1,216)	(1,216)
I Total of receivables from a member of the Company	**60,962**	**66,241**
Of which current part (Note 12)	*8,386*	*8,623*
Loans granted to affiliated companies	40,664	47,315
Value adjustment of loans granted to affiliated companies	(12,089)	(18,543)
II Loans granted to affiliated companies	**28,575**	**28,772**
Of which current part (Note 12)	3,637	*3,843*
TOTAL RECEIVABLES FROM RELATED PARTIES (I+II)	**89,537**	**95,013**
Current part of receivables from related parties	12,023	12,466
Non-current receivables from related parties	77,514	82,547

Receivables from the member of the Company relate to receivables from the City of Zagreb for the financing of 50% of the rental costs of the Arena Zagreb sports facility in the amount of EUR 28,802 thousand (2025: EUR 30,785 thousand), and to receivables under agreements for the long-term lease of public-purpose facilities (schools, kindergartens and swimming pools), which the Company recognised as a non-current receivable from the City of Zagreb, as the lessee, in accordance with IFRIC 12 "Service Concession Arrangements", in the amount of EUR 32,160 thousand (2025: EUR 35,456 thousand net). The lease term is contracted for a period of 7-13 years, of which 2 contracts expire in 2028, 1 in 2032 and 1 in 2033 and 2 in 2035. Pursuant to the agreement, the Company is responsible for capital investment, management and maintenance of the facilities throughout the term of the lease, with the costs of management and maintenance included in the calculation of the monthly lease payment.

Interest in the range of 2.79-3.88% is calculated on loans given to affiliated companies. Loan agreements with affiliated companies are concluded for a period of up to 10 years with payment security instruments.

12/ RECEIVABLES FROM RELATED PARTIES

	30.6.202	31.12.202
	EUR 000	EUR 000
Receivables from a member of the Company	62,170	55,635
Current maturity of non-current receivables from a member of the Company	8,386	8,623
Receivables from related parties	2,990	2,574
Loans granted to affiliated companies (maturity within 1 year)	41	272
Current maturity of long-term loans granted to related parties (Note 11)	3,637	3,843
Value adjustment of receivables from related parties	(13,695)	(13,695)
	63,529	**57,252**

13/ TRADE AND OTHER RECEIVABLES

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Receivables from customers	19,535	14,945
Receivables from the state and others	7,205	5,688
Receivables from employees	246	18
Other receivables /i/	13,976	6,564
	40,962	**27,215**

/i/ Other receivables are shown as follows:

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Advances given	2,203	1,433
Allowance for advances given	(40)	(40)
Receivables from insurance companies and for compensation of damages	-	76
Prepaid expenses and overdue collection of revenue	11,291	4,632
Other receivables	522	463
	13,976	**6,564**

The increase in prepaid expenses primarily relates to accrued income recognised based on invoices for the remediation of storm damage incurred in March 2026 in the amount of EUR 2,696 thousand, as well as accrued subsidies for waste disposal charges in the amount of EUR 2,672 thousand.

14/ FINANCIAL ASSETS

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Financial assets held at fair value through the profit and loss account (Note 10)	212	213
Financial assets held at amortized cost (Note 10)	45	21
	257	**234**

15/ CASH AND CASH EQUIVALENTS

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Giro account	13,993	7,663
Cash on hand	3	3
Foreign currency giro account	91	107
Deposits with a maturity of up to 3 months	29,902	32,000
Other funds	82	84
	44,071	**39,857**

16/ LIABILITIES UNDER RECEIVED LOANS AND LEASES

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Long-term loans		
Credits and loans	105,985	114,137
Leases	62,040	65,672
	168,025	**179,809**
Short-term loans		
Credits and loans	16,305	16,306
Leases	7,439	7,405
Other (accrued interest on loans and bonds)	8,023	7,527
	31,767	**31,238**
Total loans	**199,792**	**211,047**

On February 17, 2026, after obtaining the prior consent of the City Assembly of the City of Zagreb, the Company concluded a long-term "green" loan agreement with the International Finance Corporation (IFC) up to the amount of EUR 56 million, for 7 years, of which 2 years were grace period. The interest rate is variable and comprises an interest margin of 0.65% plus six-month EURIBOR, with a repayment grace period until 2027, followed by repayment in 10 equal semi-annual instalments from 2027 to 2032. As at 30 June 2026, the Company had not drawn any funds under the aforementioned loan.

Pursuant to the provisions of the relevant Agreement, a promissory note in the amount of EUR 56 million was issued as security. To secure the creditors' claims, the Company entered into an Agreement on the Establishment of a lien over receivables, an Agreement on amendments and supplements No. 1 to the Agreement on the establishment of a lien over receivables, and an Agreement on the establishment of a lien over a bank account.

17/ TRADE PAYABLES AND OTHER LIABILITIES

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Trade payables	34,629	31,583
Liabilities to employees for net salaries and benefits	8,763	8,924
Liabilities for advances, deposits and guarantees	5,576	4,277
Other liabilities /i/	30,320	23,684
	79,288	**68,468**

/i/ Other liabilities are shown as follows:

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Liabilities for taxes and contributions on salaries and allowances	4,824	4,666
Deferred recognition of sales revenue	4,932	2,628
Accrued expenses not yet invoiced relating to the current period	4,710	4,086
Value added tax liability	3,042	7
Current maturity of non-current provisions	2,802	2,780
Other	10,010	9,517
	30,320	**23,684**

18/ REVALUATION RESERVES

The revaluation reserve was recognised as a result of the revaluation of land. Upon the disposal of a revalued asset, the portion of the revaluation reserve relating to the asset disposed of is transferred to retained earnings.

	30.6.2026	31.12.2025
	EUR 000	EUR 000
Balance at the beginning of the year	**289,805**	**280,871**
Decrease from revaluation of real estate (net)	(7)	8,989
Realization of revaluation reserves	(635)	(55)
Balance at the of the period	**289,163**	**289,805**

19/ CONTINGENT LIABILITIES

The loan agreement with the International Finance Corporation (IFC) was concluded on 17 February 2026 for an amount of up to EUR 56 million. The loan has a seven-year term, including a two-year grace period for repayment of principal, with repayment in semi-annual instalments. The agreed interest rate is variable and is determined as six-month EURIBOR plus a margin of 0.65%. The first principal repayment is due on 15 November 2027, and the final principal repayment is due on 15 May 2032. As at 30 June 2026, the Company had not drawn any funds under the approved long-term "green" loan from the International Finance Corporation (IFC) (Note 16).

20/ EVENTS AFTER THE DATE OF SEPARATE FINANCIAL STATEMENTS

Following a public recruitment process, on 31 August 2026 the Management Board appointed new heads of the Gradska groblja and Zagrebački digitalni grad subsidiaries. Matija Derk was appointed for a four-year term and succeeded Igor Rađenović as head of the Gradska groblja subsidiary, while Tomislav Jukić was appointed as the new head of the Zagrebački digitalni grad subsidiary.

The previous head, Jurica Krleža, will step down as head of the Zagrebačke ceste subsidiary on 1 October 2026.

On 1 July 2026, Andro Pavuna became a member of the Supervisory Board after resigning as Chairman of the Supervisory Board on 30 June 2026.

ISSUER'S GENERAL DATA

Reporting period:	**1.1.2026**	to	**30.6.2026**
Year:	**2026**		

Annual financial statements

istration 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**	
et 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	**5586**		
Consolidated report:	**KN**	(KN-not consolidated/KD-consolidated)	
Audited:	**RN**	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS):	Registered office:	MB:

Bookkeeping firm:	**No**	(Yes/No)	(name of the bookkeeping firm)
Contact person:	**Smolković Vlatka**	(only name and surname of the contact person)	
Telephone:	**01 6420 701**		
E-mail address:	vlatka.smolkovic@zgh.hr		
Audit firm:		(name of the audit firm)	
Certified auditor:		(name and surname)	

BALANCE SHEET
balance as at 30.06.2026.

in EUR

Submitter:ZAGREBAČKI HOLDING d.o.o.			
Item	**ADP code**	**Last day of the preceding business year**	**At the reporting date of the current period**
1	**2**	**3**	**4**
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	**001**	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	**002**	1,361,012,668	1,351,045,101
I INTANGIBLE ASSETS (ADP 004 to 009)	**003**	7,131,708	8,133,449
1 Research and development	**004**	2,495	0
2 Concessions, patents, licences, trademarks, software and other rights	**005**	1,526,685	1,286,630
3 Goodwill	**006**	0	0
4 Advances for the purchase of intangible assets	**007**	0	0
5 Intangible assets in preparation	**008**	5,307,814	6,585,734
6 Other intangible assets	**009**	294,714	261,085
II TANGIBLE ASSETS (ADP 011 to 019)	**010**	941,372,406	938,976,192
1 Land	**011**	409,568,592	409,568,592
2 Buildings	**012**	173,063,174	170,934,432
3 Plant and equipment	**013**	20,175,692	21,979,374
4 Tools, working inventory and transportation assets	**014**	24,051,914	22,971,908
5 Biological assets	**015**	9,815	9,214
6 Advances for the purchase of tangible assets	**016**	42,147	42,147
7 Tangible assets in preparation	**017**	9,694,376	6,178,467
8 Other tangible assets	**018**	6,604,003	10,490,143
9 Investment property	**019**	298,162,693	296,801,915
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	**020**	319,543,528	318,947,035
1 Investments in holdings (shares) of undertakings within the group	**021**	285,598,879	285,598,879
2 Investments in other securities of undertakings within the group	**022**	0	0
3 Loans, deposits, etc. to undertakings within the group	**023**	24,929,040	24,937,144
4Investments in holdings (shares) of companies linked by virtue of participating interests	**024**	0	0
5 Investments in other securities of companies linked by virtue of participating interests	**025**	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	**026**	0	0
7 Investments in securities	**027**	0	0
8 Loans, deposits, etc. given	**028**	0	0
9 Other investments accounted for using the equity method	**029**	0	0
10 Other fixed financial assets	**030**	9,015,609	8,411,012
IV RECEIVABLES (ADP 032 to 035)	**031**	87,163,743	79,187,142
1 Receivables from undertakings within the group	**032**	57,618,443	52,576,820
2 Receivables from companies linked by virtue of participating interests	**033**	0	0
3 Customer receivables	**034**	37,613	37,613
4 Other receivables	**035**	29,507,687	26,572,709
V DEFERRED TAX ASSETS	**036**	5,801,283	5,801,283
C) CURRENT ASSETS (ADP 038+046+053+063)	**037**	129,709,690	148,337,007
I INVENTORIES (ADP 039 to 045)	**038**	9,783,227	10,809,605
1 Raw materials and consumables	**039**	7,345,968	8,524,059

2 Production in progress	**040**	566,027	607,366
3 Finished goods	**041**	879,604	846,416
4 Merchandise	**042**	555,008	418,593
5 Advances for inventories	**043**	38,675	28,195
6 Fixed assets held for sale	**044**	397,945	384,976
7 Biological assets	**045**	0	0
II RECEIVABLES (ADP 047 to 052)	**046**	75,718,742	89,520,927
1 Receivables from undertakings within the group	**047**	53,135,560	59,850,977
2 Receivables from companies linked by virtue of participating interests	**048**	0	0
3 Customer receivables	**049**	14,944,700	19,534,713
4 Receivables from employees and members of the undertaking	**050**	17,708	245,809
5 Receivables from government and other institutions	**051**	3,490,201	4,957,045
6 Other receivables	**052**	4,130,573	4,932,383
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	**053**	4,350,795	3,935,697
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**	4,116,632	3,678,456
4 Investments in holdings (shares) of companies linked by virtue of participating interests	**057**	0	0
5 Investment in other securities of companies linked by virtue of participating interests	**058**	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	**059**	0	0
7 Investments in securities	**060**	0	0
8 Loans, deposits, etc. given	**061**	0	0
9 Other financial assets	**062**	234,163	257,241
IV CASH AT BANK AND IN HAND	**063**	39,856,926	44,070,778
D) PREPAID EXPENSES AND ACCRUED INCOME	**064**	4,631,822	11,290,912
E) TOTAL ASSETS (ADP 001+002+037+064)	**065**	1,495,354,180	1,510,673,020
OFF-BALANCE SHEET ITEMS	**066**	36,433,157	16,631,585
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	**067**	687,939,095	707,662,957
I INITIAL (SUBSCRIBED) CAPITAL	**068**	437,166,150	437,166,150
II CAPITAL RESERVES	**069**	0	0
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	**070**	32,718,029	32,718,029
1 Legal reserves	**071**	0	0
2 Reserves for treasury shares	**072**	0	0
3 Treasury shares and holdings (deductible item)	**073**	0	0
4 Statutory reserves	**074**	0	0
5 Other reserves	**075**	32,718,029	32,718,029
IV REVALUATION RESERVES	**076**	289,805,267	289,163,084
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 083)	**077**	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	**078**	0	0
2 Cash flow hedge - effective portion	**079**	0	0
3 Hedge of a net investment in a foreign operation - effective portion	**080**	0	0
4 Other fair value reserves	**081**	0	0
5 Exchange rate differences from translation of foreign operations (consolidation)	**082**	0	0
6 Exchange rate differences from translation into the presentation currency	**083**	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 085-086)	**084**	-105,005,794	-71,114,881

1 Retained profit	**085**	0	0
2 Loss brought forward	**086**	105,005,794	71,114,881
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 088-089)	**087**	33,255,443	19,730,575
1 Profit for the business year	**088**	33,255,443	19,730,575
2 Loss for the business year	**089**	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	**090**	0	0
B) PROVISIONS (ADP 092 to 097)	**091**	36,728,571	36,931,080
1 Provisions for pensions, termination benefits and similar obligations	**092**	13,047,927	13,250,436
2 Provisions for tax liabilities	**093**	0	0
3 Provisions for ongoing legal cases	**094**	11,115,296	11,115,296
4 Provisions for renewal of natural resources	**095**	12,565,348	12,565,348
5 Provisions for warranty obligations	**096**	0	0
6 Other provisions	**097**	0	0
C) LONG-TERM LIABILITIES (ADP 099 to 109)	**098**	547,469,075	535,820,588
1 Liabilities to undertakings within the group	**099**	431,574	431,574
2 Liabilities for loans, deposits, etc. of undertakings within the group	**100**	0	0
3 Liabilities to companies linked by virtue of participating interests	**101**	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	**102**	0	0
5 Liabilities for loans, deposits etc.	**103**	0	0
6 Liabilities to banks and other financial institutions	**104**	122,327,639	112,792,277
7 Liabilities for advance payments	**105**	0	0
8 Liabilities to suppliers	**106**	57,481,323	55,233,138
9 Liabilities for securities	**107**	303,598,541	303,874,569
10 Other long-term liabilities	**108**	27,142	27,142
11 Deferred tax liability	**109**	63,602,856	63,461,888
D) SHORT-TERM LIABILITIES (ADP 111 to 124)	**110**	120,191,210	128,018,937
1 Liabilities to undertakings within the group	**111**	2,130,579	3,069,033
2 Liabilities for loans, deposits, etc. of undertakings within the group	**112**	16,663,097	12,235,075
3 Liabilities to companies linked by virtue of participating interests	**113**	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	**114**	0	0
5 Liabilities for loans, deposits etc.	**115**	0	0
6 Liabilities to banks and other financial institutions	**116**	31,238,059	31,766,855
7 Liabilities for advance payments	**117**	4,276,789	5,575,895
8 Liabilities to suppliers	**118**	31,583,075	34,629,471
9 Liabilities for securities	**119**	0	0
10 Liabilities to employees	**120**	8,923,719	8,762,716
11 Taxes, contributions and similar liabilities	**121**	4,782,126	8,116,419
12 Liabilities arising from the share in the result	**122**	0	0
13 Liabilities arising from fixed assets held for sale	**123**	0	0
14 Other short-term liabilities	**124**	20,593,766	23,863,473
E) ACCRUALS AND DEFERRED INCOME	**125**	103,026,229	102,239,458
F) TOTAL – LIABILITIES (ADP 067+091+098+110+125)	**126**	1,495,354,180	1,510,673,020
G) OFF-BALANCE SHEET ITEMS	**127**	36,433,157	16,631,585

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2026 to 30.06.2026.

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**	171,507,866	190,530,138
1 Income from sales with undertakings within the group	**002**	58,829,277	71,571,118
2 Income from sales	**003**	66,896,787	70,091,263
3 Income from the use of own products, goods and services	**004**	526,643	604,582
4 Other operating income with undertakings within the group	**005**	33,282,628	36,521,799
5 Other operating income (outside the group)	**006**	11,972,531	11,741,376
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	**007**	142,907,337	162,338,341
1 Changes in inventories of work in progress and finished goods	**008**	-205,136	-8,147
2 Material costs (ADP 010 to 011)	**009**	56,871,837	61,684,691
a) Costs of raw materials and consumables	**010**	16,207,944	17,702,459
b) Costs of goods sold	**011**	1,106,812	885,122
c) Other external costs	**012**	39,557,081	43,097,110
3 Staff costs (ADP 014 to 016)	**013**	62,247,332	72,760,922
a) Net salaries and wages	**014**	38,892,797	44,658,728
b) Tax and contributions from salary costs	**015**	14,854,233	18,035,876
c) Contributions on salaries	**016**	8,500,302	10,066,318
4 Depreciation	**017**	7,956,578	9,088,932
5 Other costs	**018**	10,885,849	12,888,543
6 Value adjustments (ADP 020+021)	**019**	1,985,752	1,632,500
a) fixed assets other than financial assets	**020**	0	0
b) current assets other than financial assets	**021**	1,985,752	1,632,500
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**	3,165,125	4,290,900
III FINANCIAL INCOME (ADP 031 to 040)	**030**	4,015,265	4,072,421
1 Income from investments in holdings (shares) of undertakings within the group	**031**	1,313,019	1,030,667
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	**032**	10,906	9,893
3 Income from other long-term financial investment and loans granted to undertakings within the group	**033**	713,130	763,819
4 Other interest income from operations with undertakings within the group	**034**	15	2
5 Exchange rate differences and other financial income from operations with undertakings within the group	**035**	0	0
6 Income from other long-term financial investments and loans	**036**	0	0
7 Other interest income	**037**	217,217	257,330
8 Exchange rate differences and other financial income	**038**	260,555	185,685
9 Unrealised gains (income) from financial assets	**039**	1,500,306	1,824,907
10 Other financial income	**040**	117	118

IV FINANCIAL EXPENSES (ADP 042 to 048)	**041**	15,502,510	12,673,136
1 Interest expenses and similar expenses with undertakings within the group	**042**	304,387	207,546
2 Exchange rate differences and other expenses from operations with undertakings within the group	**043**	109,242	9,677
3 Interest expenses and similar expenses	**044**	13,458,862	10,711,273
4 Exchange rate differences and other expenses	**045**	1,394	0
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**	1,628,625	1,744,640
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE 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**	175,523,131	194,602,559
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	**054**	158,409,847	175,011,477
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	**055**	17,113,284	19,591,082
1 Pre-tax profit (ADP 053-054)	**056**	17,113,284	19,591,082
2 Pre-tax loss (ADP 054-053)	**057**	0	0
XII INCOME TAX	**058**	0	-139,493
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	**059**	17,113,284	19,730,575
1 Profit for the period (ADP 055-059)	**060**	17,113,284	19,730,575
2 Loss for the period (ADP 059-055)	**061**	0	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	0
2 Discontinued operations loss for the period (ADP 065-062)	**067**	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	**068**		
1 Pre-tax profit (ADP 068)	**069**	0	0
2 Pre-tax loss (ADP 068)	**070**	0	0
XVII INCOME TAX (ADP 058+065)	**071**	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	**072**	0	0
1 Profit for the period (ADP 068-071)	**073**	0	0
2 Loss for the period (ADP 071-068)	**074**	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	**075**	0	0
1 Attributable to owners of the parent	**076**	0	0
2 Attributable to minority (non-controlling) interest	**077**	0	0
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	**078**	17,113,284	19,730,575
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80 + 87)	**079**	-729,182	-8,186
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	**080**	-729,182	-8,186

1 Changes in revaluation reserves of fixed tangible and intangible assets	**081**	-729,182	-8,186
2 Profit or loss arising from subsequent measurement of equity securities at fair value through other comprehensive income	**082**	0	0
3 Changes in the fair value of the financial liability at fair value through statement of profit or loss that is attributable to changes in the credit risk of that liability	**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**	-131,253	-1,473
IV Items that may be reclassified to profit or loss (ADP 088 to 096)	**087**	0	0
1 Exchange rate differences from translation of foreign operations	**088**	0	0
2 Exchange rate differences from translation into the presentation currency	**089**	0	0
3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	**090**	0	0
4 Profit or loss arising from effective cash flow hedging	**091**	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	**092**	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**093**	0	0
7 Changes in fair value of the time value of an option	**094**	0	0
8 Changes in fair value of the forward elements of forward contracts	**095**	0	0
9 Other items that may be reclassified to profit or loss	**096**	0	0
10 Income tax relating to items that may be reclassified to profit or loss	**097**	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087 - 086 - 097)	**098**	-597,929	-6,713
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+099)	**099**	16,515,355	19,723,862
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)			
VII COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 101+102)	**100**	0	0
1 Attributable to owners of the parent	**101**	0	0
2 Attributable to minority (non-controlling) interest	**102**	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2026 . to 30.06.2026.

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**	17,113,284	19,591,082
2 Adjustments (ADP 003 to 010):	**002**	21,871,688	18,535,375
a) Depreciation	**003**	7,956,578	9,088,932
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	**004**	78,811	-16
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**	-4,015,265	-4,072,421
e) Interest expenses	**007**	15,502,510	12,673,136
f) Provisions	**008**	-827	0
g) Exchange rate differences (unrealised)	**009**	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	**010**	2,349,881	845,744
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	**011**	38,984,972	38,126,457
3 Changes in the working capital (ADP 013 to 016)	**012**	-8,297,097	-15,193,951
a) Increase or decrease in short-term liabilities	**013**	-6,780,531	3,125,992
b) Increase or decrease in short-term receivables	**014**	-1,162,729	-17,293,565
c) Increase or decrease in inventories	**015**	-353,837	-1,026,378
d) Other increase or decrease in working capital	**016**	0	0
II Cash from operations (ADP 011+012)	**017**	30,687,875	22,932,506
4 Interest paid	**018**	-12,297,860	-8,434,949
5 Income tax paid	**019**	-2,959,720	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	**020**	15,430,295	14,497,557
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	**021**	0	0
2 Cash receipts from sales of financial instruments	**022**	0	0
3 Interest received	**023**	1,105,112	946,235
4 Dividends received	**024**	1,323,925	1,030,667
5 Cash receipts from repayment of loans and deposits	**025**	0	0
6 Other cash receipts from investment activities	**026**	8,796,490	8,573,094
III Total cash receipts from investment activities (ADP 021 to 026)	**027**	11,225,527	10,549,996
1 Cash payments for the purchase of fixed tangible and intangible assets	**028**	-7,518,136	-9,055,053
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**	-214,714	-23,077

IV Total cash payments from investment activities (ADP 028 to 032)	**033**	-7,732,850	-9,078,130
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	**034**	3,492,677	1,471,866
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	**035**	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	**036**	0	0
3 Cash receipts from credit principals, loans and other borrowings	**037**	9,143	112,590
4 Other cash receipts from financing activities	**038**	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	**039**	9,143	112,590
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	**040**	-9,790,051	-8,152,658
2 Cash payments for dividends	**041**	0	0
3 Cash payments for finance lease	**042**	-3,522,614	-3,715,503
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	**043**	0	0
5 Other cash payments from financing activities	**044**	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	**045**	-13,312,665	-11,868,161
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039+045)	**046**	-13,303,522	-11,755,571
1 Unrealised exchange rate differences in respect of cash and cash equivalents	**047**	0	0
D) NET INCREASE OR DECREASE IN CASH FLOW (ADP 020+034+046+047)	**048**	5,619,450	4,213,852
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**049**	48,336,855	39,856,926
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	**050**	53,956,305	44,070,778

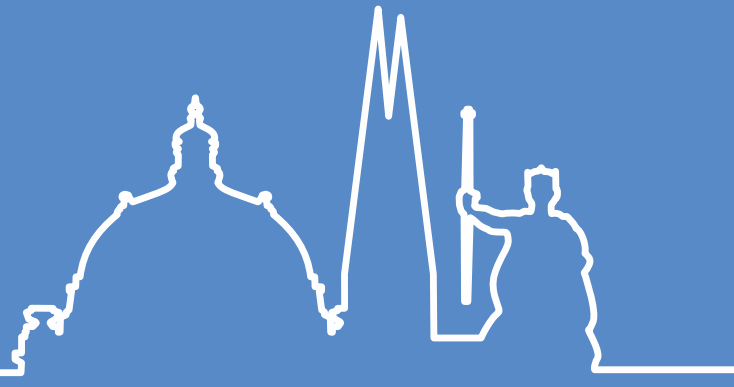
STATEMENT OF CHANGES IN EQUITY

for the period from **1.1.2026** **to** **30.6.2026**

Item	ADP code	Attributable to owners of the parent						Total capital and reserves
		Initial (subscribed) capital	Other reserves	Revaluation reserves	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	
1	2	3	9	10	17	18	19 (3 to 6 - 7 + 8 to 18)	21 (19+20)
Previous period								
1 Balance on the first day of the previous business year	**001**	421,666,149	48,218,029	280,870,975	-112,248,746	7,176,186	645,682,593	645,682,593
2 Changes in accounting policies	**002**	0	0	0	0	0	0	0
3 Correction of errors	**003**	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	**004**	421,666,149	48,218,029	280,870,975	-112,248,746	7,176,186	645,682,593	645,682,593
5 Profit/loss of the period	**005**	0	0	0	0	33,255,443	33,255,443	33,255,443
6 Exchange rate differences from translation of foreign operations	**006**	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	**007**	0	0	8,934,292	66,766	0	9,001,058	9,001,058
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**008**	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	**009**	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	**010**	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**011**	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	**012**	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	**013**	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	**014**	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	**015**	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**016**	0	0	0	0	0	0	0

17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	**017**	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	**018**	0	0	0	0	0	0	0
19 Payments from members/shareholders	**019**	15,500,001	-15,500,000	0	0	0	1	1
10 Payment of share in profit/dividend	**020**	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	**021**	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	**022**	0	0	0	7,176,186	-7,176,186	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**023**	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	**024**	437,166,150	32,718,029	289,805,267	-105,005,794	33,255,443	687,939,095	687,939,095
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)	**025**	0	0	8,934,292	66,766	0	9,001,058	9,001,058
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	**026**	0	0	8,934,292	66,766	33,255,443	42,256,501	42,256,501
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	**027**	15,500,001	-15,500,000	0	7,176,186	-7,176,186	1	1
Current period								
1 Balance on the first day of the current business year	**028**	437,166,150	32,718,029	289,805,267	-105,005,794	33,255,443	687,939,095	687,939,095
2 Changes in accounting policies	**029**	0	0	0	0	0	0	0
3 Correction of errors	**030**	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	**031**	437,166,150	32,718,029	289,805,267	-105,005,794	33,255,443	687,939,095	687,939,095
5 Profit/loss of the period	**032**	0	0	0	0	19,730,575	19,730,575	19,730,575
6 Exchange rate differences from translation of foreign operations	**033**	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	**034**	0	0	-6,713	0	0	-6,713	-6,713
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**035**	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	**036**	0	0	0	0	0	0	0

10 Profit or loss arising from effective hedge of a net investment in a foreign operation	**037**	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**038**	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	**039**	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	**040**	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	**041**	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	**042**	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**043**	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	**044**	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	**045**	0	0	0	0	0	0	0
19 Payments from members/shareholders	**046**	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	**047**	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	**048**	0	0	-635,470	635,470	0	0	0
22 Carryforward per annual plan	**049**	0	0	0	33,255,443	-33,255,443	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**050**	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	**051**	437,166,150	32,718,029	289,163,084	-71,114,881	19,730,575	707,662,957	707,662,957
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)	**052**	0	0	-6,713	0	0	-6,713	-6,713
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 3252)	**053**	0	0	-6,713	0	19,730,575	19,723,862	19,723,862
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**054**	0	0	-635,470	33,890,913	-33,255,443	0	0



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