

Zagreb Holding Ltd.



ZAGREB
HOLDING

Management Report for the First Half of 2021

Our vision:

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



ZAGREB
HOLDING

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BASIC INFORMATION ABOUT ZAGREB HOLDING LTD.



Ownership: City of Zagreb is the founder and full owner of Zagreb Holding Ltd.

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

- Tomislav Tomašević (since 07/ 06/ 2021)
- Danijela Dolenec (since 07/ 06/ 2021)
- Luka Korlaet (since 07/ 06/ 2021)

Supervisory Board:

- Suzana Brenko, President (since 14/ 06/ 2021)
- Ratko Bajakić, member (since 14/ 06/ 2021)
- Damir Topić, member (since 14/ 06/ 2021)

Employee representatives have not appointed a member from their own ranks to the Supervisory Board.

Management Board of the Company

- Nikola Vuković, President of the Management Board (since 14/ 06/ 2021)
- Ante Samodol, member of the Management Board (since 14/ 06/ 2021)
- Boris Sesar, member of the Management Board (since 03/ 09/ 2021)
- Ivan Novaković, member of the Management Board (since 03/ 09/ 2021)
- Matija Subašić-Maras, member of the Management Board (since 15/ 09/ 2021)

Registered office: Ulica grada Vukovara 41, Zagreb

Court Reg. No.: 080042653

PIN: 85584865987

Share capital: HRK 3,177,043,600

Number of employees
as at 30/ 06/ 2021: 5,268

Number of bonds **quoted on the Official Market of the Zagreb Stock Exchange:** 2,300,000,000

Date of issue: 15 July 2016

Maturity date: 15 July 2023

Interest rate: 3.8750%

Main activities of the Company:

- cleaning and waste collection services
- waste disposal and management
- landscaping and green space maintenance services
- construction and project management
- parking services in public areas and in public garages
- storage and renting services
- construction and management of electronic communication infrastructure and electronic communication networks
- public and unclassified state roads: construction, management, maintenance and protection, including traffic lights and signs, machinery and asphalt production

Zagreb Holding Ltd. carries out its core business operations through 14 subsidiaries.

Basic information about subsidiaries of Zagreb Holding Ltd.

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

SIGNIFICANT BUSINESS EVENTS IN THE FIRST HALF OF 2021

NEW MANAGEMENT AND SUPERVISORY BOARDS OF ZAGREB HOLDING Ltd. APPOINTED

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

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

The three remaining Management Board members, Boris Sesar, Ivan Novaković and Matija Subašić-Maras, were appointed in the meeting of the General Assembly of Zagreb Holding Ltd. held on 23 August 2021.

ZAGREB'S TENTH PUBLIC GARAGE OPENED

A new public garage was opened on 11 January 2021 on the compound of Clinical Hospital Sveti Duh. This is the tenth public garage managed by Zagreb Holding - subsidiary Zagrebparking. It has four underground levels with 477 parking spaces, covering an area of 14,445 m² in total.

It has been built completely in line with "green standards", has as many as ten free-of-charge electric vehicle charging stations and it is naturally ventilated on all four levels. There are separate parking spaces for hybrid and electric vehicles, family parking spaces and free parking spaces for bicycles. The garage is equipped with an automated payment and central management system that enables users to pay the parking permit by SMS or via the ZgPark mobile application. The system has licence plate recognition cameras, which makes it possible for garage users to exit the garage without using the parking ticket. This significantly reduces the time required for the vehicle to exit the garage, resulting in CO₂ emission reduction as well.

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

CONSTRUCTION OF A NEW BUILDING FOR THE 12th GRAMMAR SCHOOL BEGAN

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

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

Investor for the project is Zagreb Holding Ltd.

55th “FLORAART” INTERNATIONAL GARDEN SHOW HELD

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

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

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

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

CO-FUNDED PROJECTS

Intervention measure to decrease municipal waste landfilling in the City of Zagreb

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

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

Co-financing of reconstruction of cultural heritage damaged in the earthquake

Under the Call for Applications for Grants for *Implementation of measures of protection of cultural heritage damaged in the earthquake of 22 March 2020 in the area of the City of Zagreb*, Zagreb Holding - subsidiary City Cemeteries applied for reconstruction of Mirogoj arcades and the Church of Christ the King.

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

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

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

MANAGEMENT REPORT AND BUSINESS ANALYSIS FOR THE FIRST HALF OF 2021

Performance

In the first half of 2021, Zagreb Holding Ltd. (hereinafter: the Company) realised loss before tax in the amount of HRK 81 million. Operating loss (EBIT) realised by the Company in the first half of 2021 amounted to HRK 23 million, whereas the Company's financial activities generated a loss of HRK 57 million, a 17% greater loss compared to the same period in the previous year.

Description	1-6/2021	1-6/2020	Rate of change (%) 2021/ 2020
	In HRK 000	In HRK 000	
1	2	3	4=2/3
Operating income	838,129	810,025	3%
Operating expenses	(861,952)	(877,191)	(2%)
Financial income	36,749	43,935	(16%)
Financial expenses	(94,015)	(92,981)	1%
Total income	874,878	853,960	2%
Total expenses	(955,967)	(970,172)	(1%)
Loss before tax	(81,089)	(116,212)	(30%)
EBIT	(23,823)	(67,166)	(65%)
EBITDA	60,406	21,993	175%
<i>Loss from financial activities</i>	<i>(57,266)</i>	<i>(49,046)</i>	17%

Income

In the first half of 2021, operating income amounted to HRK 838 million, representing a year-on-year increase by HRK 28 million (3%), as a result of higher sales income realised. Sales income at Company level amounted to HRK 754 million (Jan - June 2020: HRK 738 million). Increase in the Company's sales income was contributed by increased income from parking (which increased by HRK 2 million), from landscaping and maintenance of public green spaces (which increased by HRK 12 million), from public road management and maintenance (which increased by HRK 9 million) and from cleaning and waste disposal services (which increased by HRK 17 million).

Other operating income generated in the first half of 2021 amounted to HRK 83 million, which represents a year-on-year increase by HRK 11 million. This was the result of increased income from reversal of provisions (by HRK 3 million) and other operating income (by HRK 3 million) as well as increased income from collected written-off receivables (by HRK 2 million) and income from state aid and support measures (by HRK 3 million).

Expenses

In the period from Jan - June 2021, operating expenses amounted to HRK 862 million, representing a decrease by HRK 15 million (2%) compared to same period in the previous year.

In the structure of operating expenses, the most significant increase pertained to other operating expenses (by HRK 5 million), staff costs (by HRK 4 million) and value adjustment costs (by HRK 3 million), whereas the costs of material and services, costs of amortisation/depreciation and provisioning dropped by HRK 27 million compared to the same period in 2020.

Decrease in the cost of material and services over the two compared periods impacted a decrease in municipal services and fees (by HRK 15 million), decrease in subcontractor services costs (by HRK 11 million), decrease in transport service costs (by HRK 5 million) and a decrease in maintenance costs (by HRK 4 million).

The Company's staff costs in the period from Jan - June 2021 amounted to HRK 393 million, representing a HRK 4 million increase compared to the same period in the previous year. This was caused by higher costs of gross salaries and higher costs of employee benefits.

Costs of amortisation/depreciation in the first half of 2021 amounted to HRK 84 million and, compared to the balance of these costs realised in the period from Jan - June 2021, they dropped by HRK 5 million, mostly as a result of decrease of those costs at the Company's Head Office (by HRK 7 million) caused by expiry of the period of depreciation of the public purpose facilities that transferred to the ownership of the City of Zagreb. These costs increased in other subsidiaries (by HRK 2 million) as a result of realised purchase of new non-current assets.

The result of the Company's financial activities in the first half of 2021 was HRK 8 million lower than compared to the same period in the previous year. Greater loss from financial activities was contributed to by lower income from share in the profit of affiliates (by HRK 8 million), lower income from interest (by HRK 1 million), higher other financial income (by HRK 3 million) as a result of increased income from discounting the receivables of the subsidiary Project Management from the City of Zagreb under concluded lease agreements, as well as by higher interest expenses, lower expenses of discounting and issuing of bonds (by HRK 1 million) and a lower result generated based on exchange rate differences (by HRK 2 million).

Investments

In the period from Jan - June 2021, the Company realised HRK 22 million worth of investments and invested HRK 25 million in the construction of public facilities for the City of Zagreb.

Statement of Financial Position

Statement of Financial Position as at 30 June 2021, compared to the balance as at 31 December 2020:

Description	30/06/2021	share	31/12/2020	share	Rate of change %
	In HRK 000	%	In HRK 000	%	
Non-current assets	10,708,765	91%	10,832,969	91%	(1%)
Current assets	1,029,680	9%	1,129,488	9%	(9%)
Total assets	11,738,445	100%	11,962,457	100%	(2%)
Equity	5,204,366	44%	5,285,378	44%	(2%)
Non-current liabilities	4,654,621	40%	4,772,415	40%	(2%)
Current liabilities	1,879,458	16%	1,904,664	16%	(1%)
Total equity and liabilities	11,738,445	100%	11,962,457	100%	(2%)

As at 30 June 2021, the Company's total assets amounted to HRK 11,738 million, representing a decrease by HRK 224 million compared to the balance as at 31 December 2020. Decrease in the value of assets pertains to a decrease in the value of property, plant and equipment, inventories and receivables from related parties, with simultaneous increase in the value of trade receivables and other receivables and of cash and cash equivalents.

Capital and reserves decreased by the amount of loss realised in the reporting period. Non-current and current liabilities under loans and leases decreased, as did trade payables, while at the same time, liabilities owing to related parties increased.

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

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

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

As a provider of services of general economic interest and an entity established by a unit of local self-government, the Company is exposed to corporate environmental risk and to the influence of the regulator and the City of Zagreb when it comes to determining the prices of individual services. Some of the activities of the Company, including the pricing of services based on such activities, are managed by regulatory bodies of the Republic of Croatia, whereas others are under the influence of the City of Zagreb. On the other hand, the costs of providing these services are under the influence of the market, where prices can vary on weekly or monthly basis. The impact of regulatory legislation has negative implications on the activity of waste management and increased operating costs.

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

STATEMENT OF PERSONS RESPONSIBLE FOR PREPARATION OF FINANCIAL STATEMENTS OF ZAGREB HOLDING Ltd. UNDER ARTICLE 403 OF THE CAPITAL MARKET ACT

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

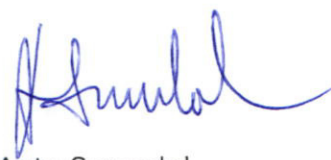
- International Financial Reporting Standards were followed in the preparation of the unaudited financial statements of Zagreb Holding Ltd. for the period from 1 January 2021 to 30 June 2021 (non-consolidated statements). The statements fully and truthfully represent assets and liabilities, profits and losses, financial position and operations of the issuer.
- Interim Management Report of Zagreb Holding Ltd. for the period from 1 January 2021 to 30 June 2021 (non-consolidated) truthfully represents the development, business results and the position of the issuer, along with a description of the major risks to which the issuer is exposed.

In Zagreb, 22 September 2021



Nikola Vuković

President of the Management Board
Zagreb Holding Ltd.



Ante Samodol

Member of the Management Board
Zagreb Holding Ltd.



Boris Sesar

Member of the Management Board
Zagreb Holding Ltd.



Ivan Novaković

Member of the Management Board
Zagreb Holding Ltd.



Matija Subašić-Maras

Member of the Management Board
Zagreb Holding Ltd.

ZAGREBAČKI HOLDING

d. o. o. 9

ZAGREB, Ulica grada Vukovara 41

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



ZAGREB
HOLDING

ZAGREB HOLDING Ltd.Non-consolidated Profit and Loss Statement and Other Comprehensive Income Statement
for the period Jan - June 2021

	1-6/2021	1-6/2020
	(In HRK 000)	(In HRK 000)
OPERATING INCOME		
Sales income	754,398	737,828
Other operating income	83,731	72,197
Total	838,129	810,025
OPERATING EXPENSES		
Cost of material and services	(344,854)	(367,010)
Staff costs	(393,252)	(388,882)
Depreciation	(84,229)	(89,159)
Value adjustment of assets	(7,806)	(5,179)
Provisioning	-	(247)
Other operating expenses	(31,811)	(26,714)
Total	(861,952)	(877,191)
Financial income	36,749	43,935
Financial expenses	(94,015)	(92,981)
NET FINANCIAL EXPENSES	(57,266)	(49,046)
TOTAL INCOME	874,878	853,960
TOTAL EXPENSES	(955,967)	(970,172)
LOSS BEFORE TAX	(81,089)	(116,212)
Tax (expenses)/income	-	-
LOSS FOR YEAR	(81,089)	(116,212)
Other comprehensive income		
Profit from revaluation of real estate property	(352)	-
Total comprehensive loss for year	(81,441)	(116,212)

ZAGREB HOLDING Ltd.Non-consolidated Statement of Financial Position/Balance Sheet
as at 30 June 2021

	30 June 2021	31 December 2020
	(In HRK 000)	(In HRK 000)
NON-CURRENT ASSETS		
Property, plant and equipment	4,699,402	4,762,939
Investment property	2,115,032	2,115,032
Right-of-use assets	4,838	5,958
Intangible assets	21,062	19,460
Investments in affiliated companies	2,407,666	2,407,666
Financial assets	125,441	125,738
Non-current receivables	1,269,335	1,330,187
Deferred tax assets	65,989	65,989
Total non-current assets	10,708,765	10,832,969
CURRENT ASSETS		
Inventories	95,260	103,297
Receivables from related companies	702,447	823,779
Trade receivables and other receivables	195,800	170,748
Financial assets	2,715	2,451
Cash and cash equivalents	33,458	29,213
Total current assets	1,029,680	1,129,488
TOTAL ASSETS	11,738,445	11,962,457
Off-balance sheet items	203,735	149,444

ZAGREB HOLDING Ltd.Non-consolidated Statement of Financial Position/Balance Sheet
as at 30 June 2021

	<u>30 June 2021</u>	<u>31 December 2020</u>
	(In HRK 000)	(In HRK 000)
EQUITY AND LIABILITIES		
Share capital	3,177,044	3,177,044
Revaluation reserves	1,654,000	1,654,352
Other reserves	319,977	319,977
Retained earnings	53,345	134,005
Total equity	<u>5,204,366</u>	<u>5,285,378</u>
NON-CURRENT LIABILITIES		
Loans and leases payable	1,057,621	1,164,210
Liabilities under issued bonds	2,279,860	2,271,278
Provisioning	203,203	208,945
Deferred income	742,067	755,215
Deferred tax liability	362,976	363,053
Other non-current liabilities	8,894	9,714
Total non-current liabilities	<u>4,654,621</u>	<u>4,772,415</u>
CURRENT LIABILITIES		
Trade payables and other liabilities	485,792	501,158
Liabilities payable to related companies	199,356	125,284
Loans and leases payable	1,161,116	1,242,306
Current maturity of deferred income recognition	33,194	35,916
Total current liabilities	<u>1,879,458</u>	<u>1,904,664</u>
TOTAL EQUITY AND LIABILITIES	<u>11,738,445</u>	<u>11,962,457</u>
Off-balance sheet items	203,735	149,444

ZAGREB HOLDING Ltd.

Non-consolidated Statement of Changes in Equity
for the period Jan - June 2021

(In HRK 000)

	Share capital	Other reserves	Revaluation reserves from revaluation of real estate property	Retained earnings	Total
Balance as at 31 December 2019	3,177,044	319,977	1,669,768	350,209	5,516,998
<i>Comprehensive income (loss)</i>					
Loss for the year	-	-	-	(230,366)	(230,366)
Loss from revaluation of real estate property (net)	-	-	(15,416)	14,162	(1,254)
Other comprehensive loss	-	-	(15,416)	14,162	(1,254)
Total comprehensive loss	-	-	(15,416)	(216,204)	(231,620)
Balance as at 31 December 2020	3,177,044	319,977	1,654,352	134,005	5,285,378
<i>Comprehensive income (loss)</i>					
Profit for the current period	-	-	-	(81,089)	(81,089)
Loss from revaluation of real estate property (net)	-	-	(352)	429	77
Other comprehensive loss	-	-	(352)	429	77
Total comprehensive loss	-	-	(352)	(80,660)	(81,012)
Balance as at 30 June 2021	3,177,044	319,977	1,654,000	53,345	5,204,366

	1-6/2021	1-6/2020
	(In HRK 000)	(In HRK 000)
Cash flow generated from operating activities		
<i>Loss for the current period</i>	(81,089)	(116,212)
Financial expenses recognised through profit or loss	92,693	92,106
Investment income recognised through profit or loss	(11,922)	(12,577)
Value adjustment of current assets	4,225	2,060
Amortisation of non-current intangible assets and	84,229	89,159
Decrease in deferred income on assets financed by others	(13,148)	(9,783)
Increase / (decrease) in long-term provisions	(5,742)	(1,068)
Foreign exchange gains/(losses)	(3,746)	1,871
Changes in working capital:		
Decrease / (increase) in inventories	8,037	(277)
(Increase) / decrease in advance payments for current	(2,456)	7,388
Increase in trade receivables	(32,341)	(20,254)
Decrease / (increase) in receivables from related	103,974	(236,437)
Decrease / (increase) in receivables from employees	26	(3)
(Increase) / decrease in receivables from the state	(1,068)	565
Decrease in other receivables	16,846	22,885
Increase / (decrease) in trade payables and liabilities payable to related parties	94,710	(19,273)
(Decrease) / increase in taxes and contributions payable	(12,331)	3,907
Increase in liabilities payable to employees	599	6,684
Decrease in other non-current liabilities	(19,918)	(336)
Increase in other current liabilities	9,313	64,186
Net cash generated from operations	230,891	(125,409)

ZAGREB HOLDING Ltd.Non-consolidated Cash Flow Statement
for the period Jan - June 2021

	1-6/2021	1-6/2020
	(In HRK 000)	(In HRK 000)
Cash flow generated from operating activities		
Cash generated from operations	230,891	(125,409)
Advance payment of corporate income tax	-	(2,604)
Interest paid	(65,339)	(52,306)
Net cash generated from operating activities	165,552	(180,319)
Cash flow from investment activities		
Expenditure incurred in purchasing tangible and	(21,588)	(32,648)
Income from sale of non-current tangible assets	526	-
Decrease in non-current receivables	60,852	28,476
(Increase) / decrease in current financial assets	(264)	116
Decrease / (increase) in financial assets	297	(776)
Interest charged	7,492	6,117
Income from share in profit and dividend	9,048	27
Net cash generated from investment activities	56,363	1,312
Cash flow from financing activities		
Loans and borrowings	211,601	525,339
Repayment of loans and borrowings	(429,271)	(289,071)
Net cash generated from financing activities	(217,670)	236,268
Net increase / (decrease) of cash	4,245	57,261
Cash as at 1 January 2021	29,213	65,909
Cash as at 30 June 2021	33,458	123,170

1/ GENERAL INFORMATION

ISSUER: ZAGREB HOLDING Ltd., Zagreb, Ulica grada Vukovara 41

PIN: 85584865987

On 22 September 2021, the Management Board authorized the issuing of these Non-consolidated Semi-annual Financial Statements for the period from Jan to June 2021.

The Non-consolidated Semi-annual Financial Statements have not been audited.

Compared to the Annual Financial Statements for 2020, certain changes occurred during the reporting period Jan - June 2021 in the Company's bodies, specifically changes pertaining to new members of the General Assembly, members of the Supervisory Board and members of the Management Board of the Company, as described on pages 4 and 6 hereof.

2/ BASIS OF PREPARATION AND ACCOUNTING POLICIES

Bases of preparation of non-consolidated financial statements

The Company's non-consolidated financial statements comprise the Company's separate financial statements.

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

Considering that the enclosed summarised unaudited semi-annual financial statements do not contain all the data and publications that are obligatory in annual financial statements, they should be read in conjunction with the latest published annual financial statements, which are available on the Company's web pages <https://www.zgh.hr/o-nama-7/izvjesca/19>.

Significant accounting policies

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

Key accounting estimates

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

The preparation of non-consolidated semi-annual financial statements for the period Jan - June 2021 did not involve any changes in key accounting estimates compared to the estimates used in the preparation of the previously published annual financial statements.

3/ SEGMENT REPORTING

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

Operating segments are the following:

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

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

Revenues and operating results by segments for the period Jan - June 2021

1-6/2021 (in HRK 000)	Building maintenanc e	Cleanin g and waste	Public road management and maintenance	Constructi on and project manageme	Parking services	Warehousin g and leases	Landscapin g and green space maintenanc e	Other	Elimination	Total
Revenue from sales to external	19,211	186,164	142,520	84,008	62,946	42,835	95,259	121,455	-	754,398
Intersegment sales	44,897	4,442	6,318	358	644	1,183	4,061	29,888	(91,791)	-
Total sales revenue	64,108	190,60	148,838	84,366	63,590	44,018	99,320	151,343	(91,791)	754,398
Expenses pertaining to other activities, net of other revenue from the main	(50,314)	(276,65	(155,437)	(58,589)	(51,816)	(31,687)	(101,949)	(143,569	91,791	(778,221)
Profit / (loss) from operating activities	13,794	(86,045	(6,599)	25,777	11,774	12,331	(2,629)	7,774	-	(23,823)
Financial income	17,333	1,328	319	16,730	637	21	89	292	-	36,749
Financial expenses	(69,476)	(939)	(877)	(3,474)	(255)	(212)	(65)	(18,717)	-	(94,015)
Net financial result	(52,143)	389	(558)	13,256	382	(191)	24	(18,425)	-	(57,266)
Profit / (loss) before tax	(38,349)	(85,656	(7,157)	39,033	12,156	12,140	(2,605)	(10,651)	-	(81,089)
Tax income (expenses)										-
Net profit (loss)										(81,089)

Revenue and operating results by segments for the period Jan - June 2021

1-6/2020 (in HRK 000)	Building maintenanc e	Cleaning and waste disposal	Public road managem ent and	Construction and project management	Parking services	Warehousin g and leases	Landscapi ng and green space maintenan	Other	Elimination	Total
Revenue from sales to external	35,373	168,583	133,295	97,788	60,320	40,356	83,051	119,062	-	737,828
Intersegment sales	40,017	4,326	5,772	37	483	1,181	3,236	28,159	(83,211)	-
Total sales revenue	75,390	172,909	139,067	97,825	60,803	41,537	86,287	147,221	(83,211)	737,828
Expenses pertaining to other activities, net of other revenue from the main	(69,382)	(284,170)	(137,735)	(68,087)	(49,535)	(34,942)	(89,896)	(154,458)	83,211	(804,994)
Profit / (loss) from operating activities	6,008	(111,261)	1,332	29,738	11,268	6,595	(3,609)	(7,237)	-	(67,166)
Financial income	27,083	993	85	13,343	200	94	26	2,111	-	43,935
Financial expenses	(68,122)	(965)	(244)	(4,597)	(188)	(118)	(14)	(18,733)	-	(92,981)
Net financial result	(41,039)	28	(159)	8,746	12	(24)	12	(16,622)	-	(49,046)
Profit / (loss) before tax	(35,031)	(111,233)	1,173	38,484	11,280	6,571	(3,597)	(23,859)	-	(116,212)
Tax income (expenses)										-
Net profit (loss)										(116,212)

ZAGREB HOLDING Ltd.
Notes to the Financial Statements
for the period Jan - June 2021

Assets and liabilities by segments as at 30 June 2021

(in HRK 000)	Building maintenan e	Cleaning and waste collection	Public road management and aintenance	Constructi on and project manageme	Parking services	Warehousin g and leases	Landscapin g and green space maintenanc	Other	Elimination	Total
Property, plant and equipment	775,526	442,749	280,222	157,738	100,373	313,097	362,797	2,266,900	-	4,699,402
Right-of-use assets	-	-	205	-	941	3,119	178	395	-	4,838
Intangible assets	7,515	10,549	226	-	88	277	578	1,829	-	21,062
Investment property	806,112	-	-	-	-	1,308,920	-	-	-	2,115,032
Inventories	23	7,333	43,832	10,008	1,121	848	22,779	9,316	-	95,260
Trade receivables, net	782	54,748	4,710	1	9,202	7,753	1,386	44,565	-	123,147
Investments in affiliated	2,407,666	-	-	-	-	-	-	-	-	2,407,666
Unallocated assets	2,346,140	19,137	217,082	641,265	105,162	43,875	148,685	1,242,669	(2,491,977)	2,272,038
Total assets	6,343,764	534,516	546,277	809,012	216,887	1,677,889	536,403	3,565,674	(2,491,977)	11,738,445
Issued bonds	2,279,860	-	-	-	-	-	-	-	-	2,279,860
Trade payables	13,047	76,237	69,551	25,610	7,635	4,591	36,397	46,561	-	279,629
Liabilities payable to employees	2,605	15,248	5,743	276	3,364	2,020	6,093	7,750	-	43,099
Equity and unallocated liabilities	4,048,252	443,031	470,983	783,126	205,888	1,671,278	493,913	3,511,363	(2,491,977)	9,135,857
Total equity and liabilities	6,343,764	534,516	546,277	809,012	216,887	1,677,889	536,403	3,565,674	(2,491,977)	11,738,445
30/06/2021 Other segment information										
Capital expenditure:	3,128	6,085	550	-	2,794	2,003	288	6,740	-	21,588
Property, plant and equipment	27	6,085	492	-	2,794	2,003	288	6,415	-	18,104
Intangible assets	3,101	-	58	-	-	-	-	325	-	3,484
Depreciation/amortisation and impairment	9,322	19,795	5,643	21,100	6,116	2,048	4,071	16,134	-	84,229

Assets and liabilities by segments as at 31 December 2020

(in HRK 000)	Building maintenanc e	Cleaning and waste collection	Public road managemen t and maintenanc e	Constructi on and project	Parking services	Warehousin g and leases	Landscapin g and green space maintenanc	Other	Elimination	Total
Property, plant and equipment	784,432	455,247	285,345	178,837	103,413	312,545	366,375	2,276,745	-	4,762,939
Right-of-use assets	-	115	239	-	1,195	3,686	346	377	-	5,958
Intangible assets	4,833	11,779	169	-	106	307	615	1,651	-	19,460
Investment property	806,111	-	-	-	-	1,308,921	-	-	-	2,115,032
Inventories	38	12,879	44,825	10,008	981	798	23,600	10,168	-	103,297
Trade receivables, net	1,003	47,512	6,377	434	7,639	7,979	3,004	21,082	-	95,030
Investments in affiliated	2,407,666	-	-	-	-	-	-	-	-	2,407,666
Unallocated assets	2,470,202	79,312	235,468	570,464	98,477	36,947	135,881	1,269,503	(2,443,179)	2,453,075
Total assets	6,474,285	606,844	572,423	759,743	211,811	1,671,183	529,821	3,579,526	(2,443,179)	11,962,457
Issued bonds	2,271,278	-	-	-	-	-	-	-	-	2,271,278
Trade payables	9,233	78,882	68,810	13,436	10,789	5,682	31,378	40,994	-	259,204
Liabilities payable to employees	2,545	14,860	5,825	331	3,454	2,038	5,904	7,543	-	42,500
Equity and unallocated liabilities	4,191,229	513,102	497,788	745,976	197,568	1,663,463	492,539	3,530,989	(2,443,179)	9,389,475
Total equity and liabilities	6,474,285	606,844	572,423	759,743	211,811	1,671,183	529,821	3,579,526	(2,443,179)	11,962,457
31/12/2020 Other segment information										
Capital expenditure:	5,348	24,115	18,810	3	5,518	1,778	12,849	201,943	-	270,364
Property, plant and equipment	1,634	22,674	18,791	3	5,518	1,778	12,849	201,473	-	264,720
Intangible assets	3,714	1,441	19	-	-	-	-	470	-	5,644
Depreciation/amortisation and impairment	33,976	38,691	11,061	42,191	10,963	4,142	7,764	31,273	-	180,061

4/ PROPERTY, PLANT AND EQUIPMENT

(In HRK 000)

	Land	Buildings	Plant and equipment	Transport vehicles and tools	Other tangible assets	Tangible assets in preparation	Tangible assets, total
PURCHASE COST							
Balance as at 31/12/2019	2,677,589	3,597,265	601,231	578,417	45,868	179,443	7,679,813
Newly purchased items	-	6,277	10,395	2,227	-	245,821	264,720
Transfer from assets in	130,930	49,529	31,494	23,960	-	(236,583)	(670)
Reclassifications (transfers	-	(22)	-	(2)	-	59	35
Revaluation	-	7,644	-	-	-	-	7,644
Write-off, alienation and sale	(49)	(1,978)	(10,728)	(15,022)	-	(8)	(27,785)
Effect of valuation	-	(3,606)	-	-	-	-	(3,606)
Transfer from finished goods	191	-	-	-	-	-	191
Deregistration due to return to	(33,775)	(139,558)	-	-	-	-	(173,333)
Reclassification to IAS 40	-	(12,455)	-	-	-	-	(12,455)
Balance as at 31/12/2020	2,774,886	3,503,096	632,39	589,580	45,868	188,732	7,734,554
Newly purchased items	2,041	210	3,936	27	-	11,890	18,104
Transfer from assets in	-	3,459	3,801	193	-	(7,453)	-
Reclassifications (transfers	-	-	14	(4)	-	(10)	-
Revaluation	(526)	-	-	-	-	-	(526)
Write-off, alienation and sale	-	(3,596)	(2,983)	(2,141)	-	(6)	(8,726)
Balance as at 30/06/2021	2,776,401	3,503,169	637,160	587,655	45,868	193,153	7,743,406
VALUE ADJUSTMENT							
Balance as at 31/12/2019	48,038	1,935,683	482,68	434,129	129	22,548	2,923,216
Depreciation	-	112,970	23,521	36,680	-	-	173,171
Value adjustment	-	18,399	-	-	-	-	18,399
Reclassifications (transfers	-	35	-	-	-	-	35
Write-off, alienation and sale	-	(1,906)	(10,437	(14,953)	-	-	(27,296)
Deregistration due to return to	-	(112,775)	-	-	-	-	(112,775)
Reclassification to IAS 40	-	(3,135)	-	-	-	-	(3,135)
Balance as at 31/12/2020	48,038	1,949,271	495,77	455,856	129	22,548	2,971,615
Depreciation	-	48,694	13,337	18,870	-	-	80,901
Value adjustment	-	-	-	1	-	-	1
Reclassifications (transfers	-	-	2	(2)	-	-	-
Write-off, alienation and sale	-	(3,536)	(2,850)	(2,127)	-	-	(8,513)
Balance as at 30/06/2021	48,038	1,994,429	506,26	472,598	129	22,548	3,044,004
NET CARRYING VALUE							
Balance as at 31/12/2019	2,629,551	1,661,582	118,542	144,288	45,739	156,895	4,756,597
Balance as at 31/12/2020	2,726,848	1,553,825	136,619	133,724	45,739	166,184	4,762,939
Balance as at 30/06/2021	2,728,363	1,508,740	130,89	115,057	45,739	170,605	4,699,402

	30/06/2021 (In HRK 000)	31/12/2020 (In HRK 000)
Net value without advance payments	4,699,402	4,762,939
Advances for purchase of tangible assets	-	-
Property, plant, equipment and advance payments	4,699,402	4,762,939

5/ NON-CURRENT RECEIVABLES

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Non-current portion		
Receivables from related companies /i/	985,429	1,037,423
Receivables under credit sales /iii/	403	467
Other receivables /iv/	283,503	292,297
	1,269,335	1,330,187
Current portion		
Receivables from related companies /i/	236,530	223,834
Receivables under loans /ii/	78	78
Receivables under credit sales /iii/	138	172
Other receivables /iv/	13,557	13,450
	250,303	237,534

/i/ Receivables from related companies

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Receivables from the member of the Company	899,931	902,031
Discounting of receivables from the member of the Company that are not yet due	(186,462)	(172,120)
Value adjustment of receivables from the member of the Company	(9,162)	(9,162)
I. Total receivables from the member of the Company	704,307	720,749
II. Loans granted to related companies	517,653	540,508
TOTAL RECEIVABLES FROM RELATED COMPANIES /i/	1,221,959	1,261,257
Current portion of receivables from the member of the Company	(87,373)	(79,327)
Current portion of loans granted to related companies	(149,157)	(144,507)
Non-current portion	985,429	1,037,423

Receivables from the member of the Company represent receivables from the City of Zagreb pertaining to the financing of 50% of the costs of lease of sports facility Arena Zagreb, in the amount of HRK 296,876 thousand, net (in 2020: HRK 305,173 net), receivables under agreements on multiannual lease of public purpose facilities (schools, kindergartens, swimming pools), which the Company presented as non-current receivables from the City of Zagreb as the lessee, in accordance with IFRIC 12 Service Concession Arrangements, in the amount of HRK 400,688 thousand (in 2020: HRK 415,576 thousand).

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

6/ INVENTORIES

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Raw materials and supplies	67,846	75,561
Work in progress	8,152	8,260
Finished goods	13,597	15,179
Trading goods	5,307	4,114
Advances on inventory purchases	358	183
	95,260	103,297

7/ RECEIVABLES FROM RELATED COMPANIES

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Receivables from the member of the Company	376,906	516,743
Current maturity of non-current receivables from the member of the Company	87,373	79,327
Receivables from related companies	48,297	48,895
Loans granted to related companies (maturity within one year)	40,714	34,307
Current maturity of non-current loans granted to related companies	149,157	144,507
	702,447	823,779

8/ TRADE RECEIVABLES AND OTHER RECEIVABLES

	30/06/2020	31/12/2019
	(In HRK 000)	(In HRK 000)
Trade receivables /i/	123,147	95,030
Receivables from employees /ii/	260	286
Receivables from the state and others /iii/	18,288	17,220
Other receivables /iv/	54,105	58,212
	195,800	170,748

9/ CASH AND CASH EQUIVALENTS

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Giro account, HRK	15,842	12,981
Cash on hand	1,174	831
Giro account, foreign currency	15,588	11,566
Cash on hand, foreign currency	1	2
Other cash assets (court deposits and alike)	853	3,833
	33,458	29,213

10/ LOANS AND LEASES PAYABLE

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
<i>Long-term loans</i>		
Loans and borrowing	476,559	566,169
Leases	581,062	598,041
	1,057,621	1,164,210
<i>Short-term loans</i>		
Loans and borrowing	1,046,160	1,146,292
Leases	34,209	48,907
Other	80,747	47,107
	1,161,116	1,242,306
Total loans	2,218,737	2,406,516

11/ TRADE PAYABLES AND OTHER LIABILITIES

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Advances, deposits and guarantees payable	23,088	25,544
Trade payables	279,629	259,204
Liabilities payable to employees with respect to net salaries and benefits	43,099	42,500
Other liabilities	139,976	173,910
	485,792	501,158

12/ EVENTS AFTER THE DATE OF NON-CONSOLIDATED FINANCIAL STATEMENTS

Borrowings

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

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

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

Changes in the Company's bodies

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

1. Boris Sesar, Member of the Management Board since 3 September 2021
2. Ivan Novaković, Member of the Management Board since 3 September 2021
3. Matija Subašić-Maras, member of the Management Board since 15 September 2021

Status changes

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

1. Merger of the company AGM Ltd., Zagreb, Mihanovićeve 28, PIN: 37620818018 with the company ZAGREB HOLDING Ltd., Zagreb, Ulica grada Vukovara 41, PIN: 85584865987.
2. Merger of the company CENTAR Ltd., Zagreb, Ulica grada Vukovara 41, PIN: 53675116316 with the company ZAGREB HOLDING Ltd., Zagreb, Ulica grada Vukovara 41, PIN: 85584865987.
3. Merger of the company ZAGREB HOUSING CONSTRUCTION Ltd., Zagreb, Jankomir 25, PIN: 98543096820, with the company CITY HOUSING AND MUNICIPAL SERVICES COMPANY Ltd., Zagreb, Savska cesta 1, PIN: 03744272526.

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

Annex 1
ISSUER'S GENERAL DATA

Reporting period:	01.01.2021	to	30.06.2021
Year:	2021		
Semmi-annual period:	1		
Semi-annual financial statements			
Registration number (MB):	03677702	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080042653		
Personal identification number (OIB):	85584865987	LEI:	74780090ND4TXRKKO752
Institution code:	5790		
Name of the issuer:	ZAGREB HOLDING d.o.o.		
Postcode and town:	10000	ZAGREB	
Street and house number:	ULICA GRADA VUKOVARA 41		
E-mail address:	racunovodstvo@zgh.hr		
Web address:	www.zgh.hr		
Number of employees (end of the reporting period):	5268		
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:	Vlatka Smolković		
	(only name and surname of the contact person)		
Telephone:	+385 (0)1 6420 701		
E-mail address:	vlatka.smolkovic@zgh.hr		
Audit firm:			
	(name of the audit firm)		
Certified auditor:			
	(name and surname)		

BALANCE SHEET
balance as at 30.06.2021

in HRK

Submitter: ZAGREBAČKI HOLDING d.o.o.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	10.832.969.213	10.708.764.724
I INTANGIBLE ASSETS (ADP 004 to 009)	003	19.459.650	21.061.586
1 Research and development	004	423.529	376.029
2 Concessions, patents, licences, trademarks, software and other rights	005	10.588.432	10.483.407
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	5.768.401	7.172.680
6 Other intangible assets	009	2.679.288	3.029.470
II TANGIBLE ASSETS (ADP 011 to 019)	010	6.883.929.818	6.819.272.608
1 Land	011	2.726.847.833	2.728.362.487
2 Buildings	012	1.553.824.937	1.508.740.940
3 Plant and equipment	013	136.619.341	130.897.592
4 Tools, working inventory and transportation assets	014	133.724.123	115.056.750
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	166.183.985	170.605.135
8 Other tangible assets	018	51.697.064	50.577.169
9 Investment property	019	2.115.032.535	2.115.032.535
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	2.929.404.941	2.901.601.915
1 Investments in holdings (shares) of undertakings within the group	021	2.407.665.790	2.407.665.790
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	396.000.918	368.495.343
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	692.006	649.306
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	10.597	10.597
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	125.035.630	124.780.879
IV RECEIVABLES (ADP 032 to 035)	031	934.186.148	900.839.959
1 Receivables from undertakings within the group	032	641.421.595	616.933.226

ZAGREB HOLDING Ltd.

Annex: Semi-Annual Financial Statements

for the period Jan - June 2021

2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	467.372	403.746
4 Other receivables	035	292.297.181	283.502.987
V DEFERRED TAX ASSETS	036	65.988.656	65.988.656
C) CURRENT ASSETS (ADP 038+046+053+063)	037	1.108.129.075	1.007.875.323
I INVENTORIES (ADP 039 to 045)	038	103.297.050	95.260.400
1 Raw materials and consumables	039	75.561.347	67.846.100
2 Production in progress	040	8.260.254	8.152.315
3 Finished goods	041	15.179.293	13.597.188
4 Merchandise	042	4.113.650	5.307.363
5 Advances for inventories	043	182.506	357.434
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	794.277.142	686.493.520
1 Receivables from undertakings within the group	047	644.965.365	512.576.083
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	95.030.097	123.146.653
4 Receivables from employees and members of the undertaking	050	285.514	259.749
5 Receivables from government and other institutions	051	17.220.214	18.287.778
6 Other receivables	052	36.775.952	32.223.257
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	181.342.036	192.663.136
1 Investments in holdings (shares) of undertakings within the group	054	178.813.481	189.870.813
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
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	77.500	77.500
9 Other financial assets	062	2.451.055	2.714.823
IV CASH AT BANK AND IN HAND	063	29.212.847	33.458.267
D) PREPAID EXPENSES AND ACCRUED INCOME	064	21.358.926	21.805.165
E) TOTAL ASSETS (ADP 001+002+037+064)	065	11.962.457.214	11.738.445.212
OFF-BALANCE SHEET ITEMS	066	149.444.130	203.735.394
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	5.285.378.108	5.204.366.168
I INITIAL (SUBSCRIBED) CAPITAL	068	3.177.043.600	3.177.043.600
II CAPITAL RESERVES	069	0	0
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	319.976.992	319.976.992
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0

ZAGREB HOLDING Ltd.

Annex: Semi-Annual Financial Statements

for the period Jan - June 2021

3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	319.976.992	319.976.992
IV REVALUATION RESERVES	076	1.654.352.546	1.654.000.114
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	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 differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	364.371.232	134.434.766
1 Retained profit	084	364.371.232	134.434.766
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-230.366.262	-81.089.304
1 Profit for the business year	087	0	0
2 Loss for the business year	088	230.366.262	81.089.304
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	208.945.510	203.202.950
1 Provisions for pensions, termination benefits and similar obligations	091	88.655.084	88.035.084
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	71.064.140	65.941.579
4 Provisions for renewal of natural resources	094	48.270.244	48.270.244
5 Provisions for warranty obligations	095	956.042	956.043
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	3.808.254.690	3.709.350.518
1 Liabilities to undertakings within the group	098	9.500.860	8.706.229
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	580.018.472	490.480.748
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	584.191.402	567.140.820
9 Liabilities for securities	106	2.271.278.123	2.279.859.576
10 Other long-term liabilities	107	212.726	187.401
11 Deferred tax liability	108	363.053.107	362.975.744
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1.904.664.278	1.879.458.527
1 Liabilities to undertakings within the group	110	24.927.281	32.304.928
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	100.356.667	167.051.175
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0

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for the period Jan - June 2021

5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	1.242.305.739	1.161.116.461
7 Liabilities for advance payments	116	25.544.170	23.088.146
8 Liabilities to suppliers	117	259.203.736	279.628.761
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	42.500.239	43.098.818
11 Taxes, contributions and similar liabilities	120	76.956.421	64.845.900
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	132.870.025	108.324.338
E) ACCRUALS AND DEFERRED INCOME	124	755.214.628	742.067.049
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	11.962.457.214	11.738.445.212
G) OFF-BALANCE SHEET ITEMS	126	149.444.130	203.735.394

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021 to 30.06.2021

in HRK

Submitter: ZAGREBAČKI HOLDING d.o.o.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (ADP 002 to 006)	001	810.025.795	838.128.627
1 Income from sales with undertakings within the group	002	369.245.492	365.167.331
2 Income from sales (outside group)	003	368.582.820	389.230.534
3 Income from the use of own products, goods and services	004	6.885.031	5.128.407
4 Other operating income with undertakings within the group	005	9.918.829	12.779.177
5 Other operating income (outside the group)	006	55.393.623	65.823.178
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	877.191.413	861.952.088
1 Changes in inventories of work in progress and finished goods	008	-184.517	1.471.818
2 Material costs (ADP 010 to 012)	009	367.194.773	343.382.625
a) Costs of raw materials and consumables	010	108.084.000	108.974.766
b) Costs of goods sold	011	2.485.679	2.359.308
c) Other external costs	012	256.625.094	232.048.551
3 Staff costs (ADP 014 to 016)	013	337.184.563	335.919.959
a) Net salaries and wages	014	211.198.003	213.788.064
b) Tax and contributions from salary costs	015	79.465.815	75.859.917
c) Contributions on salaries	016	46.520.745	46.271.978
4 Depreciation	017	89.158.570	84.229.555
5 Other costs	018	56.565.596	63.016.150
6 Value adjustments (ADP 020+021)	019	5.179.430	7.805.798
a) fixed assets other than financial assets	020	0	27.601
b) current assets other than financial assets	021	5.179.430	7.778.197
7 Provisions (ADP 023 to 028)	022	246.569	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	246.569	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	21.846.429	26.126.183
III FINANCIAL INCOME (ADP 031 to 040)	030	43.935.299	36.748.736
1 Income from investments in holdings (shares) of undertakings within the group	031	16.890.671	9.047.835

ZAGREB HOLDING Ltd.

Annex: Semi-Annual Financial Statements

for the period Jan - June 2021

2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	10.108.069	8.622.762
4 Other interest income from operations with undertakings within the group	034	3.402	75.886
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	450.068	218.628
6 Income from other long-term financial investments and loans	036	0	0
7 Other interest income	037	2.015.397	3.004.506
8 Exchange rate differences and other financial income	038	1.930.957	29.356
9 Unrealised gains (income) from financial assets	039	12.509.808	15.738.825
10 Other financial income	040	26.927	10.938
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	92.981.329	94.014.579
1 Interest expenses and similar expenses with undertakings within the group	042	798.390	1.284.040
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	392.350	388.954
3 Interest expenses and similar expenses	044	78.151.146	78.460.070
4 Exchange rate differences and other expenses	045	59.676	482.237
5 Unrealised losses (expenses) from financial assets	046	0	0
6 Value adjustments of financial assets (net)	047	0	0
7 Other financial expenses	048	13.579.767	13.399.278
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	853.961.094	874.877.363
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	970.172.742	955.966.667
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-116.211.648	-81.089.304
1 Pre-tax profit (ADP 053-054)	056	0	0
2 Pre-tax loss (ADP 054-053)	057	-116.211.648	-81.089.304
XII INCOME TAX	058	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-116.211.648	-81.089.304
1 Profit for the period (ADP 055-059)	060	0	0
2 Loss for the period (ADP 059-055)	061	-116.211.648	-81.089.304
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

ZAGREB HOLDING Ltd.

Annex: Semi-Annual Financial Statements

for the period Jan - June 2021

TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0
1 Pre-tax profit (ADP 068)	069	0	0
2 Pre-tax loss (ADP 068)	070	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0
1 Profit for the period (ADP 068-071)	073	0	0
2 Loss for the period (ADP 071-068)	074	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0
1 Attributable to owners of the parent	076	0	0
2 Attributable to minority (non-controlling) interest	077	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	078	-116.211.648	-81.089.304
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	-429.796
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	-429.796
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	-429.796
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0
5 Other items that will not be reclassified	085	0	0
6 Income tax relating to items that will not be reclassified	086	0	-77.364
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0
6 Changes in fair value of the time value of option	093	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0
8 Other items that may be reclassified to profit or loss	095	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	-352.432
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-116.211.648	-81.441.736

ZAGREB HOLDING Ltd.

Annex: Semi-Annual Financial Statements

for the period Jan - June 2021

APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)			
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0
1 Attributable to owners of the parent	100	0	0
2 Attributable to minority (non-controlling) interest	101	0	0

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

in HRK

Submitter: ZAGREBAČKI HOLDING d.o.o.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	-116.211.648	-81.089.304
2 Adjustments (ADP 003 to 010):	002	203.675.798	146.590.359
a) Depreciation	003	89.158.570	84.229.555
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-12.576.935	-11.921.783
e) Interest expenses	007	92.105.689	92.693.231
f) Provisions	008	-1.068.000	-5.742.560
g) Exchange rate differences (unrealised)	009	1.871.000	-3.747.000
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	34.185.474	-8.921.084
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	87.464.150	65.501.055
3 Changes in the working capital (ADP 013 to 016)	012	-215.477.897	165.390.754
a) Increase or decrease in short-term liabilities	013	29.071.000	72.373.000
b) Increase or decrease in short-term receivables	014	-244.271.897	84.980.754
c) Increase or decrease in inventories	015	-277.000	8.037.000
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-128.013.747	230.891.809
4 Interest paid	018	-52.306.000	-65.339.000
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-180.319.747	165.552.809
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	526.000
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	6.117.000	7.492.000
4 Dividends received	024	26.927	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	28.593.000	70.196.835
III Total cash receipts from investment activities (ADP 021 to 026)	027	34.736.927	78.214.835
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-32.648.000	-21.588.000
2 Cash payments for the acquisition of financial instruments	029	0	0

ZAGREB HOLDING Ltd.

Annex: Semi-Annual Financial Statements

for the period Jan - June 2021

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	-776.000	-264.000
IV Total cash payments from investment activities (ADP 028 to 032)	033	-33.424.000	-21.852.000
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	1.312.927	56.362.835
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	525.339.000	211.601.330
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	525.339.000	211.601.330
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-262.304.883	-401.013.953
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-26.766.000	-28.257.601
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	-289.070.883	-429.271.554
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	236.268.117	-217.670.224
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	57.261.297	4.245.420
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	65.908.885	29.212.847
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	123.170.182	33.458.267

STATEMENT OF CHANGES IN EQUITY

for the period from

01.01.2021

to

30.06.2021

Item	ADP code	Attributable to owners of the parent					
		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	16	17	18 (3 to 6 - 7 + 8 to 17)
Previous period							
1 Balance on the first day of the previous business year	01	3.177.043.600	319.976.992	1.669.767.767	268.601.205	81.609.028	5.516.998.592
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	3.177.043.600	319.976.992	1.669.767.767	268.601.205	81.609.028	5.516.998.592
5 Profit/loss of the period	05	0	0	0	0	-230.366.262	-230.366.262
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	-15.415.221	0	14.160.999	-1.254.222
13 Other changes in equity unrelated to owners	13	0	0	0	81.609.028	-81.609.028	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	3.177.043.600	319.976.992	1.654.352.546	350.210.233	-216.205.263	5.285.378.108
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)							
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	-15.415.221	81.609.028	-67.448.029	-1.254.222
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	-15.415.221	81.609.028	-297.814.291	-231.620.484
Current period							
1 Balance on the first day of the current business year	28	3.177.043.600	319.976.992	1.654.352.546	350.210.233	-216.205.263	5.285.378.108
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	31	3.177.043.600	319.976.992	1.654.352.546	350.210.233	-216.205.263	5.285.378.108
5 Profit/loss of the period	32	0	0	0	0	-81.089.304	-81.089.304
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	-352.432	429.796	0	77.364
13 Other changes in equity unrelated to owners	40	0	0	0	-216.205.263	216.205.263	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	3.177.043.600	319.976.992	1.654.000.114	134.434.766	-81.089.304	5.204.366.168
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)							
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	-352.432	-215.775.467	216.205.263	77.364
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	-352.432	-215.775.467	135.115.959	-81.011.940