

Zagreb Holding Group



ZAGREB
HOLDING

Management Report for the First Half of 2021

Our vision:

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



ZAGREB
HOLDING

TABLE OF CONTENTS

Basic Information about Zagreb Holding Group	4
Comment of the Management Board on the Results Realised in the First Half of 2021	5
Significant Business Events in the First Half of 2021	6
Management Report and Business Analysis for the First Half of 2021	9
Most Significant Risks and Uncertainties that Zagreb Holding Group is Exposed to	12
Statement of Persons Responsible for Preparation of Statements	13
Unaudited Consolidated Semi-Annual Financial Statements for the Period Jan - June 2021	14

BASIC INFORMATION ABOUT ZAGREB HOLDING GROUP



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

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

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

Main activities of Group companies:

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

Group companies primarily operate in the Croatian market.

Registered office: Ulica grada Vukovara 41, Zagreb

Court Reg. No.: 080042653

PIN: 85584865987

Share capital: HRK 3,177,043,600

Number of employees as at 31 December 2020: 7,765

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

COMMENT OF THE MANAGEMENT BOARD

on the results realised in the first half of 2021



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

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

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

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

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

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

SIGNIFICANT BUSINESS EVENTS IN THE FIRST HALF OF 2021

NEW MANAGEMENT AND SUPERVISORY BOARDS OF ZAGREB HOLDING Ltd. APPOINTED

In a meeting held on 14 June 2021, the Assembly of Zagreb Holding Ltd., comprising Mayor Tomislav Tomašević and Deputy Mayors Danijela 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.

EXPANSION OF THE PUBLIC SERVICE OF GAS SUPPLY TO 11 NEW DISTRIBUTION AREAS

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

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

PREPARATION FOR ENERGY TRANSITION AND TRANSITION TO A LOW-CARBON ECONOMY

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

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

ZAGREB'S TENTH PUBLIC GARAGE OPENED

A new public garage was opened on 11 January 2021 on the compound of Clinical Hospital Sveti Duh. This is the tenth public garage managed by Zagreb Holding - 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).

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

In April 2021, within the Call for Proposals *CEF Telecom 2020 – 2 Cybersecurity*, Zagreb City Gasworks Ltd. received approval for the second project, No. CEF 2020-HR-IA-0143, “Establishment of a Security Operations Centre (SOC)”, with a total value of HRK 2.8 million, for which a grant in the amount of HRK 2.1 million (75% of eligible costs) was requested. The main objective of the project is to enhance cybersecurity of Zagreb City Gasworks even further by establishing a centre for managing security events and incidents as well as to provide Zagreb City Gasworks employees with training in cybersecurity. The project is integrated into, complements and follows the results of the previously approved project No. CEF-2019-HR-IA-0090, which is currently being carried out.

The Grant Agreement was signed on 16 July this year.

MANAGEMENT REPORT AND BUSINESS ANALYSIS FOR THE FIRST HALF OF 2021

Performance

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

Description	1-6/2021	1-6/2020	Rate of change (%)
	In HRK 000	In HRK 000	2021/ 2020
1	2	3	4=2/3
Operating income	1,961,135	1,826,017	7%
Operating expenses	(1,983,410)	(1,929,315)	3%
Financial income	58,495	60,808	4%
Financial expenses	(97,014)	(97,089)	0%
Total income	2,019,630	1,886,825	7%
Total expenses	(2,080,424)	(2,026,404)	3%
Loss before tax	(60,794)	(139,579)	56%
EBIT	(22,275)	(103,298)	78%
EBITDA	179,844	91,320	97%
<i>Loss from financial activities</i>	<i>(38,519)</i>	<i>(36,281)</i>	6%

Income

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

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

Expenses

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

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

Increase in the costs of material and services over the two comparable periods was influenced by increased costs of goods sold (HRK +33 million), as a result of greater quantities of gas sold, whereas the part where these costs decreased pertained to other external services (HRK -4 million)

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

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

Poorer results generated by the Group's financial activities were influenced by lower income from interest (by HRK 5 million), higher other financial income (by HRK 5 million) in connection with increased income from discounting receivables from the City of Zagreb under concluded lease agreements, and poorer results pertaining to positive and negative exchange rate differences (by HRK 2 million).

Investments

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

Balance Sheet

Balance Sheet (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	%	%
1	2	3	4	5	6
Non-current assets	13,912,960	86%	14,044,657	85%	(1%)
Current assets	2,213,728	14%	2,383,131	15%	(7%)
Total assets	16,126,688	100%	16,427,788	100%	(2%)
Equity	5,708,788	35%	5,770,577	35%	(1%)
Non-current liabilities	7,895,576	49%	7,684,327	47%	3%
Current liabilities	2,522,324	16%	2,972,884	18%	(15%)
Total equity and liabilities	16,126,688	100%	16,427,788	100%	(2%)

As at 30 June 2021, the Group's total assets amounted to HRK 16,127 million, representing a decrease by HRK 301 million compared to the balance as at 31 December 2020. Decrease in the value of assets pertains to a decrease in the value of non-current tangible assets, inventories, receivables from related parties, trade receivables and other receivables. Cash and cash equivalents increased by HRK 57 million.

Decrease in capital and reserves pertains to loss generated in the reporting period. The HRK 239 million decrease in the value of liabilities pertains to a decrease in loans and leases payable, a decrease in trade payables and other liabilities accompanied at the same time by an increase in deferred income recognition under IAS 20 and other non-current liabilities.

MOST SIGNIFICANT RISKS AND UNCERTAINTIES

THAT ZAGREB HOLDING GROUP IS EXPOSED TO

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

The Group uses the following instruments to monitor and mitigate the liquidity risk: cash flow analysis and management, asset analysis and analysis of sources of asset funding, buyer creditworthiness analysis, guarantees, contracts for open credit lines based on 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 Group 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 Group, including the pricing of services based on such activities, are managed by regulatory bodies of the Republic of Croatia, whereas others are under the influence of the City of Zagreb. On the other hand, the costs of providing these services are under the influence of the market, where prices can vary on weekly or monthly basis. The impact of regulatory legislation has negative implications on the activity of waste management and increased operating costs, and consequently has a significant impact on regulated energy-related activities of gas distribution and supply.

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

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

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

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

In Zagreb, 22 September 2021



Nikola Vuković

President of the Management
Board

Zagreb Holding Ltd.



Ante Samodol

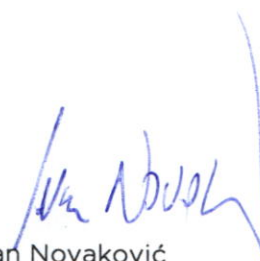
Member of the Management Board
Zagreb Holding Ltd.



Boris Sesar

Member of the Management
Board

Zagreb Holding Ltd.



Ivan Novaković

Member of the Management Board
Zagreb Holding Ltd.



Matija Subašić-Maras

Member of the Management
Board

Zagreb Holding Ltd.

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

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



ZAGREB
HOLDING

ZAGREB HOLDING Ltd. and affiliated companiesConsolidated 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	1,744,630	1,641,255
Other operating income	216,505	184,762
Total	1,961,135	1,826,017
OPERATING EXPENSES		
Cost of material and services	(1,098,002)	(1,069,766)
Staff costs	(610,656)	(598,698)
Depreciation	(202,119)	(194,618)
Value adjustment of assets	(29,656)	(26,478)
Provisioning	-	(247)
Other operating expenses	(42,977)	(39,508)
Total	(1,983,410)	(1,929,315)
 Financial income	 58,495	 60,808
Financial expenses	(97,014)	(97,089)
NET FINANCIAL EXPENSES	(38,519)	(36,281)
 TOTAL INCOME	 2,019,630	 1,886,825
TOTAL EXPENSES	(2,080,424)	(2,026,404)
PROFIT BEFORE TAX	(60,794)	(139,579)
Tax expenses	-	-
LOSS FOR YEAR	(60,794)	(139,579)
 For distribution:	 (60,794)	 (139,579)
to the owners of the company	(62,281)	(139,640)
to the owners of minority interests	1,487	61
 Other comprehensive income	 (1,233)	 -
Loss from revaluation of real estate property	(1,233)	-
Total other comprehensive (loss) / income	(1,233)	-
 Total comprehensive loss for year	 (62,027)	 (139,579)
 Total comprehensive loss for year to be	 (62,027)	 (139,579)
to the owners of the company:	(63,514)	(139,640)
to the owners of minority interests	1,487	61

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

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
NON-CURRENT ASSETS		
Property, plant and equipment	10,128,025	10,186,798
Investment property	1,701,153	1,701,153
Right-of-use assets	23,783	27,299
Intangible assets and goodwill	50,858	45,842
Financial assets	158,107	158,405
Non-current receivables	1,737,811	1,811,937
Deferred tax assets	113,223	113,223
Total non-current assets	13,912,960	14,044,657
CURRENT ASSETS		
Inventories	189,352	202,765
Receivables from related parties	788,994	865,448
Trade receivables and other receivables	1,005,775	1,142,185
Financial assets	4,294	4,366
Cash and cash equivalents	225,313	168,367
Total current assets	2,213,728	2,383,131
TOTAL ASSETS	16,126,688	16,427,788
Off-balance sheet items	223,086	169,821

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

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
CAPITAL AND RESERVES		
Share capital	3,177,044	3,177,044
Revaluation reserves	1,837,907	1,839,140
Other reserves	322,618	322,618
Retained earnings	357,764	419,616
Non-controlling interest	13,455	12,159
Total equity	5,708,788	5,770,577
NON-CURRENT LIABILITIES		
Loans and leases payable	1,326,643	1,203,942
Liabilities for issued bonds	2,279,860	2,271,278
Provisioning	316,095	323,388
Deferred income recognition	3,212,695	3,164,958
Deferred tax liability	420,927	421,198
Other non-current liabilities	339,356	299,563
Total non-current liabilities	7,895,576	7,684,327
CURRENT LIABILITIES		
Trade payables and other liabilities	1,066,173	1,167,388
Liabilities payable to related parties	27,972	23,760
Loans and leases payable	1,259,898	1,610,733
Current maturity of deferred income recognition	168,281	171,003
Total current liabilities	2,522,324	2,972,884
TOTAL EQUITY AND LIABILITIES	16,126,688	16,427,788
Off-balance sheet items	223,086	169,821

ZAGREB HOLDING Ltd. and affiliated companies

Consolidated Statement of Changes in Equity

for the period Jan - June 2021

	Share capital	Revaluation reserves	Capital reserves from profit	Retained earnings	Share belonging to owner of the parent	Minority interest	Total
(In HRK 000)							
Balance as at 31 December 2019	3,177,044	1,852,960	322,618	697,371	6,049,993	14,420	6,064,413
<i>Comprehensive income</i>							
Profit for the year	-	-	-	(291,917)	(291,917)	379	(291,538)
Profit from valuation of financial assets (net)	-	1,596	-	-	1,596	-	1,596
Loss from revaluation of real estate property (net)	-	(15,416)	-	14,162	(1,254)	-	(1,254)
Other comprehensive income	-	(13,820)	-	14,162	342		342
Total comprehensive loss	-	(13,820)	-	(277,755)	(291,575)	379	(291,196)
<i>Transactions with owners recognised directly in equity</i>							
Profit paid out to minority interest	-	-	-	-	-	(2,640)	(2,640)
Total transactions with owners recognised directly in equity	-	-	-	-	-	(2,640)	(2,640)
Balance as at 31 December 2020	3,177,044	1,839,140	322,618	419,616	5,758,418	12,159	5,770,577
<i>Comprehensive income</i>							
Profit for the year	-	-	-	(62,281)	(62,281)	1,487	(60,794)
Profit from valuation of financial assets (net)	-	-	-	-	-	-	-
Loss from revaluation of real estate property (net)	-	(1,233)	-	429	(804)	-	(804)
Other comprehensive income	-	(1,233)	-	429	(804)	-	(804)
Total comprehensive loss	-	(1,233)	-	(61,852)	(63,085)	1,487	(61,598)
<i>Transactions with owners recognised directly in equity</i>							
Profit paid out to minority interest	-	-	-	-	-	(191)	(191)
Total transactions with owners recognised directly in equity	-	-	-	-	-	(191)	(191)
Balance as at 30 June 2021	3,177,044	1,837,907	322,618	357,764	5,695,333	13,455	5,708,788

ZAGREB HOLDING Ltd. and affiliated companies
Consolidated Cash Flow Statement
for the period Jan - June 2021

	1-6/2021	1-6/2020
	(In HRK 000)	(In HRK 000)
<i>Loss for the current period</i>	<i>(60,794)</i>	<i>(139,579)</i>
Financial expenses recognised through profit or loss	95,661	93,653
Investment income recognised through profit or loss	(36,586)	(41,935)
Value adjustment of current assets	30,184	23,584
Amortisation of non-current intangible assets and depreciation of non-current tangible assets	202,119	194,618
Decrease in long-term provisions	(7,293)	(2,920)
Increase in deferred income on assets financed by others	47,737	76,673
Foreign exchange gains (losses)	(3,747)	12,189
Changes in working capital:		
Decrease in inventories	13,413	13,526
Increase in trade receivables	(18,112)	(6,000)
Decrease / (increase) in receivables from related companies	76,454	(256,499)
Decrease / (increase) in receivables from employees	10	(28)
(Increase) / decrease in receivables from the state	(1,695)	24,300
Decrease ((increase) in other receivables	125,926	(5,681)
Increase / (decrease) in trade payables and liabilities payable to related parties	121,772	(5,903)
(Decrease) / increase in taxes and contributions payable	(27,249)	70,320
Increase in liabilities payable to employees	1,764	8,144
Increase / (decrease) in other non-current liabilities	22,176	(38,089)
Decrease in other current liabilities	(166,216)	(176,885)
<i>Net cash generated from operations</i>	<i>415,524</i>	<i>(156,512)</i>

ZAGREB HOLDING Ltd. and affiliated companies
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	415,524	(156,512)
Paid income tax	-	(639)
Interest paid	(53,637)	(37,505)
Net cash generated from operating activities	361,887	(194,656)
Cash flow from investment activities		
Purchase of tangible and intangible assets and investment property	(146,525)	(207,748)
Income from sale of tangible assets	430	-
Decrease in advance payments for non-current assets	(12,005)	72
Decrease in non-current receivables	74,126	99,669
Decrease in current financial assets	72	26,141
Decrease / (increase) in financial assets	298	(775)
Interest charged	36,683	42,086
Income from share in profit and dividend	(191)	27
Net cash used in investment activities	(47,112)	(40,528)
Cash flow from financing activities		
Loans and borrowings	547,662	822,311
Repayment of loans and borrowings	(805,491)	(438,040)
Net cash (used in) / generated from financial activities	(257,829)	384,271
Net increase / (decrease) of cash	56,946	149,087
Cash as at 1 Jan	168,367	202,179
Cash as at 30 June	225,313	351,266

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 Consolidated Semi-annual Financial Statements for the period from Jan to June 2021.

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

2/ BASIS OF PREPARATION AND ACCOUNTING POLICIES

Bases of preparation of consolidated financial statements

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

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

Considering that the enclosed summarised unaudited semi-annual financial statements do not contain all the data and publications that are obligatory in annual financial statements, they should be read in conjunction with the latest published annual financial statements, which are available on the Company's web pages <https://www.zgh.hr/o-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 consolidated annual financial statements for the Group as at 31 December 2020, or in other words, there have been no changes in accounting policies between the preparation of semi-annual financial statements and the previously published consolidated annual financial statements.

Key accounting estimates

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

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

Operating segments are the following:

- 1/ Water distribution
- 2/ Cleaning and waste collection
- 3/ Public road management and maintenance
- 4/ Parking services
- 5/ Warehousing and leases
- 6/ Landscaping and green space maintenance
- 7/ Building management
- 8/ Construction and project management
- 9/ Gas sales and distribution
- 10/ Pharmaceutical sales
- 11/ Other activities

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

ZAGREB HOLDING Ltd. and affiliated companies

Notes to the Financial Statements

for the period Jan - June 2021

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

1-6/2021	Building management	Water distribution	Cleaning and waste collection	Public road management and maintenance	Construction and project management	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas sales and distribution	Pharmaceutical sales	Other	Elimination	Total
(In HRK 000)													
Revenue from sales to external customers	53,710	218,369	185,921	133,435	26,476	62,516	42,714	95,180	613,986	177,559	134,764	-	1,744,630
Intersegment sales	51,980	1,542	4,685	15,403	772	1,074	1,304	4,140	125,519	4	30,187	(236,610)	-
Total sales revenue	105,690	219,911	190,606	148,838	27,248	63,590	44,018	99,320	739,505	177,563	164,951	(236,610)	1,744,630
 Expenses pertaining to other activities, net of other revenue from the main activity	 (94,377)	 (236,516)	 (276,651)	 (155,437)	 (40,883)	 (51,816)	 (31,687)	 (101,949)	 (688,199)	 (170,640)	 (155,166)	 236,416	 (1,766,905)
 Profit / (loss) from operating activities	 11,313	 (16,605)	 (86,045)	 (6,599)	 (13,635)	 11,774	 12,331	 (2,629)	 51,306	 6,923	 9,785	 (194)	 (22,275)
Financial income	18,564	3,703	1,328	319	40,371	637	21	89	4,830	2,783	361	(14,511)	58,495
Financial expenses	(69,495)	(3,971)	(939)	(877)	(5,357)	(255)	(212)	(65)	(1,059)	(135)	(19,048)	4,399	(97,014)
Net financial result	(50,931)	(268)	389	(558)	35,014	382	(191)	24	3,771	2,648	(18,687)	(10,112)	(38,519)
Profit / (loss) before tax	(39,618)	(16,873)	(85,656)	(7,157)	21,379	12,156	12,140	(2,605)	55,077	9,571	(8,902)	(10,306)	(60,794)
Tax income (expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit (loss)	(39,618)	(16,873)	(85,656)	(7,157)	21,379	12,156	12,140	(2,605)	55,077	9,571	(8,902)	(10,306)	(60,794)

Revenues and operating results by segments for the period Jan - June 2020

1-6/2020	Building management	Water distribution	Cleaning and waste collection	Public road management and maintenance	Construction and project management	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas sales and distribution	Pharmaceutical sales	Other	Elimination	Total
(In HRK 000)													
Revenue from sales to external customers	53,811	217,131	168,363	120,439	49,629	59,910	40,165	82,727	539,259	179,862	129,959	-	1,641,255
Intersegment sales	48,455	1,396	4,546	18,628	467	893	1,372	3,560	110,309	278	28,163	(218,067)	-
Total sales revenue	102,266	218,527	172,909	139,067	50,096	60,803	41,537	86,287	649,568	180,140	158,122	(218,067)	1,641,255
Expenses pertaining to other activities, net of other revenue from the main activity	(102,604)	(232,844)	(284,170)	(137,735)	(58,397)	(49,535)	(34,942)	(89,896)	(638,065)	(170,113)	(166,086)	219,834	(1,744,553)
Profit / (loss) from operating activities	(338)	(14,317)	(111,261)	1,332	(8,301)	11,268	6,595	(3,609)	11,503	10,027	(7,964)	1,767	(103,298)
Financial income	44,057	2,432	993	85	27,481	200	94	26	4,454	1,279	2,207	(22,500)	60,808
Financial expenses	(68,142)	(3,776)	(965)	(244)	(6,601)	(188)	(118)	(14)	(794)	(164)	(19,007)	2,924	(97,089)
Net financial result	(24,085)	(1,344)	28	(159)	20,880	12	(24)	12	3,660	1,115	(16,800)	(19,576)	(36,281)
Profit / (loss) before tax	(24,423)	(15,661)	(111,233)	1,173	12,579	11,280	6,571	(3,597)	15,163	11,142	(24,764)	(17,809)	(139,579)
Tax income (expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit (loss)	(24,423)	(15,661)	(111,233)	1,173	12,579	11,280	6,571	(3,597)	15,163	11,142	(24,764)	(17,809)	(139,579)

ZAGREB HOLDING Ltd. and affiliated companies

Notes to the Financial Statements

for the period Jan - June 2021

Assets and liabilities by segments as at 30 June 2021

30/06/2021	Building management	Water distribution	Cleaning and waste collection	Public road management and maintenance	Constructio n and project managem ent	Parking services	Warehousin g and leases	Landscapin g and green space maintenan ce	Gas sales and distribution	Pharmaceutic al sales	Other	Elimination	Total
(In HRK 000)													
Property, plant and equipment	762,705	4,360,404	442,749	280,222	996	100,373	313,097	362,797	908,521	39,704	2,287,785	268,672	10,128,025
Right-of-use assets	649	13,841	-	205	-	941	3,119	178	5,134	5,812	4,032	(10,128)	23,783
Intangible assets	7,515	22,187	10,549	226	-	88	277	578	4,752	1,203	1,852	1,631	50,858
Investment property	806,112	-	-	-	-	-	1,308,920	-	3,380	-	-	(417,259)	1,701,153
Inventories	23	15,806	7,333	43,832	39,228	1,121	848	22,779	9,911	36,108	12,363	-	189,352
Trade receivables, net	10,700	390,773	54,748	4,710	808	9,202	7,753	1,386	181,346	70,362	51,526	-	783,314
Unallocated assets	5,185,854	165,917	19,137	217,082	998,601	105,162	43,875	148,685	237,980	167,839	1,267,452	(5,307,381)	3,250,203
Total assets	6,773,558	4,968,928	534,516	546,277	1,039,633	216,887	1,677,889	536,403	1,351,024	321,028	3,625,010	(5,464,465)	16,126,688
Issued bonds	2,274,252	-	-	-	-	-	-	-	-	-	-	5,608	2,279,860
Trade payables	18,585	350,343	76,237	69,551	26,215	7,635	4,591	36,397	22,797	32,259	47,940	-	692,550
Liabilities payable to employees	5,312	9,646	15,248	5,743	313	3,364	2,020	6,093	7,748	3,405	8,097	-	66,989
Equity and unallocated liabilities	4,475,409	4,608,939	443,031	470,983	1,013,105	205,888	1,671,278	493,913	1,320,479	285,364	3,568,973	(5,470,073)	13,087,289
Total equity and liabilities	6,773,558	4,968,928	534,516	546,277	1,039,633	216,887	1,677,889	536,403	1,351,024	321,028	3,625,010	(5,464,465)	16,126,688
30/06/2021 Other segment information													
<i>Capital expenditure:</i>	3,104	98,896	6,085	550	-	2,794	2,003	288	22,496	2,227	7,258	-	145,701
Property, plant and equipment	3	95,889	6,085	492	-	2,794	2,003	288	21,800	406	6,933	-	136,693
Intangible assets	3,101	3,007	-	58	-	-	-	-	696	1,821	325	-	9,008
<i>Depreciation/amortisation and impairment</i>	2,909	88,571	19,795	5,644	28	6,116	2,048	4,071	55,132	2,624	15,181	-	202,119

ZAGREB HOLDING Ltd. and affiliated companies

Notes to the Financial Statements

for the period Jan - June 2021

Assets and liabilities by segments as at 31 December 2020

	Building management	Water distribution	Cleaning and waste collection	Public road management and maintenance	Construction and project management	Parking services	Warehousing and leases	Landscaping and green space maintenance	Gas sales and distribution	Pharmaceutical sales	Other	Elimination	Total
Property, plant and equipment	765,068	4,350,310	455,247	285,345	235	103,413	312,545	366,375	941,735	40,491	2,297,361	268,673	10,186,798
Right-of-use assets	803	17,005	115	239		1,195	3,686	346	5,906	5,811	4,110	(11,917)	27,299
Intangible assets	4,833	19,302	11,779	169	-	106	307	615	4,609	814	1,677	1,631	45,842
Investment property	806,112	-	-	-	-	-	1,308,921	-	3,379	-	-	(417,259)	1,701,153
Inventories	37	17,901	12,879	44,825	40,704	981	798	23,600	8,995	38,641	13,404	-	202,765
Trade receivables, net	14,638	435,447	47,512	6,377	1,222	7,639	7,979	3,004	193,162	51,932	26,474	-	795,386
Unallocated assets	5,271,253	85,176	79,312	235,468	973,639	98,477	36,947	135,881	344,675	177,848	1,293,390	(5,263,521)	3,468,545
Total assets	6,862,744	4,925,141	606,844	572,423	1,015,800	211,811	1,671,183	529,821	1,502,461	315,537	3,636,416	(5,422,393)	16,427,788
Issued bonds	2,271,278	-	-	-	-	-	-	-	-	-	-	-	2,271,278
Trade payables	13,255	234,995	78,882	68,810	13,716	10,789	5,682	31,378	46,733	28,670	42,254	-	575,164
Liabilities payable to employees	5,277	8,958	14,860	5,825	370	3,454	2,038	5,904	5,882	4,781	7,876	-	65,225
Equity and unallocated liabilities	4,572,934	4,681,188	513,102	497,788	1,001,714	197,568	1,663,463	492,539	1,449,846	282,086	3,586,286	(5,422,393)	13,516,121
Total equity and liabilities	6,862,744	4,925,141	606,844	572,423	1,015,800	211,811	1,671,183	529,821	1,502,461	315,537	3,636,416	(5,422,393)	16,427,788
31/12/2020 Other segment information													
<i>Capital expenditure:</i>	5,673	284,718	24,115	18,810	4	5,518	1,778	12,849	74,486	1,079	202,642	4,073	635,745
Property, plant and equipment	1,959	274,139	22,674	18,791	4	5,518	1,778	12,849	73,154	1,052	202,170	4,073	618,161
Intangible assets	3,714	10,579	1,441	19	-	-	-	-	1,332	27	472	-	17,584
<i>Depreciation/amortisation and impairment</i>	5,497	178,729	38,691	11,061	56	10,963	4,142	7,764	111,553	5,154	29,625	-	403,235

4/ PROPERTY, PLANT AND EQUIPMENT

(In HRK 000)

	Land	Buildings	Plant and equipment	Vehicles and tools	Other tangible assets	Tangible assets in preparation	Tangible assets total
PURCHASE COST							
Balance as at 31/12/2019	3,267,398	11,944,215	1,281,064	714,543	46,555	679,670	17,933,445
Newly purchased items	-	46,555	37,373	4,571	-	529,662	618,161
Transfer from assets in preparation	131,124	271,775	70,793	44,956	3	(519,347)	(696)
Reclassifications (transfers to/from)	-	83	486	(488)	-	8	89
Revaluation	-	7,644	-	-	-	-	7,644
Write-off, alienation and sale	(49)	(11,313)	(40,249)	(19,537)	-	(20)	(71,168)
Value impairment	-	(3,606)	-	-	-	-	(3,606)
Deregistration due to return to the City	(33,775)	(139,558)	-	-	-	-	(173,333)
Transfer from finished goods	191	-	-	-	-	-	191
Transfer to investment property	-	(12,455)	-	-	-	-	(12,455)
Balance as at 31/12/2020	3,364,889	12,103,340	1,349,467	744,045	46,558	689,973	18,298,272
Newly purchased items	2,041	4,268	20,207	36	3	110,138	136,693
Transfer from assets in preparation	272	33,535	13,606	8,178	-	(55,933)	(342)
Reclassifications (transfers to/from)	-	-	22	(12)	-	(10)	-
Revaluation	(1,658)	-	-	-	-	-	(1,658)
Write-off, alienation and sale	(405)	(2,773)	(30,886)	(2,733)	-	(6)	(36,803)
Balance as at 30/06/2021	3,365,139	12,138,370	1,352,416	749,514	46,561	744,162	18,396,162
VALUE ADJUSTMENT							
Balance as at 31/12/2019	51,415	6,244,968	1,015,444	552,704	128	31,269	7,895,928
Depreciation	-	285,996	58,025	42,126	-	(27)	386,120
Value adjustment	-	18,399	-	-	-	-	18,399
Reclassifications (transfers to/from)	-	35	479	(479)	-	-	35
Write-off, alienation and sale	-	(10,775)	(39,546)	(19,420)	-	-	(69,741)
Deregistration due to return to the City	-	(112,775)	-	-	-	-	(112,775)
Transfer to investment property	-	(3,135)	-	-	-	-	(3,135)
Balance as at 31/12/2020	51,415	6,422,713	1,034,402	574,931	128	31,242	8,114,831
Depreciation	-	139,029	31,634	22,782	-	-	193,445
Value adjustment	-	-	-	1	-	-	1
Reclassifications (transfers to/from)	-	-	10	(10)	-	-	-
Write-off, alienation and sale	-	(3,501)	(30,564)	(2,718)	-	-	(36,783)
Balance as at 30/06/2021	51,415	6,558,241	1,035,482	594,986	128	31,242	8,271,494
NET CARRYING VALUE							
Balance as at 31/12/2019	3,215,983	5,699,247	265,620	161,839	46,427	648,401	10,037,517
Balance as at 31/12/2020	3,313,474	5,680,627	315,065	169,114	46,430	658,731	10,183,441
Balance as at 30 June 2021	3,313,724	5,580,129	316,934	154,528	46,433	712,920	10,124,668

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Net value without advance payments	10,124,668	10,183,441
Advances for purchase of tangible assets	3,357	3,357
Property, plant, equipment and advance payments	10,128,025	10,186,798

5/ NON-CURRENT RECEIVABLES

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Non-current portion		
Receivables from related parties /i/	1,118,058	1,222,414
Receivables under loans /ii/	7,158	7,928
Receivables under credit sales /iii/	1,431	1,659
Other receivables /iv/	611,164	579,936
	1,737,811	1,811,937

/i/ Receivables from related parties

	31/12/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Receivables from the member of the Company	1,294,145	1,313,613
Discounting of receivables from the member of the Company that are not yet due	(229,550)	(169,834)
Value adjustment of receivables from the member of the Company	(9,162)	(9,162)
I. Total receivables from the member of the Company	1,055,433	1,134,617
II. Loans granted to related companies outside the Group	375,000	375,000
TOTAL RECEIVABLES FROM RELATED PARTIES (I+II)	1,430,433	1,509,617
Current portion of receivables from the member of the Company	(193,139)	(187,641)
Current portion of loans granted to related companies	(119,236)	(99,562)
Non-current portion	1,118,058	1,222,414

Receivables from the member of the Company represent receivables from the City of Zagreb pertaining to the financing of 50% of the costs of lease of sports facility Arena Zagreb, in the amount of HRK 296,876 thousand, net (in 2020: HRK 305,173 net), receivables under agreements on multiannual lease of public purpose facilities (schools, kindergartens, swimming pools), which the Group presented as non-current receivables from the City of Zagreb as the lessee, in accordance with IFRIC 12 Service Concession Arrangements, in the amount of HRK 509,207 thousand (in 2020: HRK 532,379 thousand). The agreed lease term ranges from 7 to 13 years, with four agreements ending in 2023, two in 2028 and one in 2032. Rent is payable on monthly basis and it amounts to HRK 495 thousand and EUR 780 thousand. Under the agreement, the Group is responsible to provide investment management and maintenance of the facilities for the entire duration of the lease, the costs of such maintenance and management being included in the calculation of monthly rent. Receivables under lease agreements amount to HRK 249,350 thousand (as at 31/12/2020 they amounted to HRK 297,066 thousand).

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

6/ INVENTORIES

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Raw materials and supplies	94,182	103,250
Finished goods	20,870	23,968
Work in progress	32,674	32,795
Trading goods (and real estate property for sale)	40,476	41,419
Advances on inventory purchases	1,150	1,333
	189,352	202,765

7/ RECEIVABLES FROM RELATED PARTIES

	30/06/20	31/12/2020
	(In HRK 000)	(In HRK 000)
Receivables from the member of the Company and other related parties outside the Group	451,406	557,196
Current maturity of non-current receivables from the member of the Company	193,139	187,641
Loans granted to related companies (maturity within one year)	25,213	21,049
Current maturity of loans granted to related companies	119,236	99,562
	788,994	865,448

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

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

8/ TRADE RECEIVABLES AND OTHER RECEIVABLES

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Trade receivables	783,314	795,386
Receivables from the state and other institutions	26,312	24,617
Receivables from employees	462	472
Other receivables	195,687	321,710
	1,005,775	1,142,185

9/ CASH AND CASH EQUIVALENTS

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Giro account, HRK	184,862	129,719
Giro account, foreign currency	18,495	14,673
Cash on hand	1,802	1,628
Cash on hand, foreign currency	1	2
Other cash assets (court deposits and alike)	20,153	22,345
	225,313	168,367

10/ LOANS AND LEASES PAYABLE

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
<i>Long-term loans</i>		
Loans and borrowings	710,988	568,395
Finance lease	615,655	635,547
	1,326,643	1,203,942
<i>Short-term loans</i>		
Loans and borrowings	1,132,696	1,501,148
Finance lease	46,231	62,057
Other	80,971	47,528
	1,259,898	1,610,733
Total loans	2,586,541	2,814,675

11/ TRADE PAYABLES AND OTHER LIABILITIES

	30/06/2021	31/12/2020
	(In HRK 000)	(In HRK 000)
Trade payables	692,550	575,164
Advances, deposits and guarantees payable	30,307	42,312
Liabilities payable to employees with respect to net salaries and benefits	66,989	65,225
Other liabilities	276,327	484,687
	1,066,173	1,167,388

12/ EVENTS AFTER THE DATE OF 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.

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

Changes in the Group's bodies

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

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:	ZAGREBAČKI HOLDING d.o.o.		
Postcode and town:	1000	ZAGREB	
Street and house number:	ULICA GRADA VUKOVARA 41		
E-mail address:	racunovodstvo@zgh.hr		
Web address:	www.zgh.hr		
Number of employees (end of the reporting period):	7765		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):	Registered office:	MB:	
AGM D.O.O.	ZAGREB, MIHANOVIĆEVA 28	4123506	
CENTAR D.O.O.	ZAGREB, AVENIJA GRADA VUKOVARA 41	3205517	
GRADSKA LJEKARNA ZAGREB D.O.O.	ZAGREB, KRALJA DRŽISLAVA 4	1269739	
GRADSKA PLINARA ZAGREB D.O.O.	ZAGREB, RADNIČKA CESTA 1	3276066	
GRADSKA PLINARA ZAGREB OPSKRBA D.O.O.	ZAGREB, RADNIČKA CESTA 1	2371090	
GRADSKO STAMBENO KOMUNALNO GOSPODARSTVO D.O.O.	ZAGREB, SAVSKA CESTA 1	4123433	
VODOOPSKRBA I ODVODNJA D.O.O.	ZAGREB, FOLNEGOVIĆEVA 1	4123425	
ZAGREB PLAKAT D.O.O.	ZAGREB, HEBRANGOVA 32	2076543	
ZAGREBAČKA STANOGRADNJA D.O.O.	ZAGREB, JANKOMIR 25	4124286	
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	14.044.656.740	13.912.960.073
I INTANGIBLE ASSETS (ADP 004 to 009)	003	45.842.327	50.857.716
1 Research and development	004	478.666	419.569
2 Concessions, patents, licences, trademarks, software and other rights	005	14.205.692	14.065.919
3 Goodwill	006	1.631.382	1.631.382
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	24.515.481	29.515.319
6 Other intangible assets	009	5.011.106	5.225.527
II TANGIBLE ASSETS (ADP 011 to 019)	010	11.915.249.575	11.852.960.810
1 Land	011	3.313.472.649	3.313.722.725
2 Buildings	012	5.680.627.895	5.580.130.139
3 Plant and equipment	013	315.064.751	316.933.977
4 Tools, working inventory and transportation assets	014	169.113.930	154.527.344
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	3.357.292	3.356.730
7 Tangible assets in preparation	017	658.731.163	712.920.850
8 Other tangible assets	018	73.728.723	70.215.873
9 Investment property	019	1.701.153.172	1.701.153.172
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	441.770.531	421.028.529
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	275.437.379	255.763.281
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	19.142.032	19.099.332
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	7.928.240	7.157.788
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	139.252.283	138.997.531
IV RECEIVABLES (ADP 032 to 035)	031	1.528.570.981	1.474.889.692
1 Receivables from undertakings within the group	032	946.976.284	862.294.523

2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	1.659.146	1.431.388
4 Other receivables	035	579.935.551	611.163.781
V DEFERRED TAX ASSETS	036	113.223.326	113.223.326
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2.347.566.540	2.162.816.085
I INVENTORIES (ADP 039 to 045)	038	202.765.476	189.352.172
1 Raw materials and consumables	039	103.249.695	94.182.398
2 Production in progress	040	32.794.591	32.673.571
3 Finished goods	041	24.513.833	21.226.450
4 Merchandise	042	40.873.493	40.118.909
5 Advances for inventories	043	1.333.864	1.150.844
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1.844.340.685	1.590.906.943
1 Receivables from undertakings within the group	047	744.836.625	644.544.712
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	795.386.795	783.313.845
4 Receivables from employees and members of the undertaking	050	471.673	462.206
5 Receivables from government and other institutions	051	24.616.758	26.312.073
6 Other receivables	052	279.028.834	136.274.107
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	132.093.726	157.244.427
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	120.611.287	144.449.391
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	7.116.064	8.500.999
9 Other financial assets	062	4.366.375	4.294.037
IV CASH AT BANK AND IN HAND	063	168.366.653	225.312.543
D) PREPAID EXPENSES AND ACCRUED INCOME	064	35.564.427	50.911.874
E) TOTAL ASSETS (ADP 001+002+037+064)	065	16.427.787.707	16.126.688.032
OFF-BALANCE SHEET ITEMS	066	169.820.774	223.085.503
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	5.770.577.048	5.708.788.115
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	322.617.489	322.617.489
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	322.617.489	322.617.489
IV REVALUATION RESERVES	076	1.824.820.279	1.823.586.315
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	14.320.745	14.320.745
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	14.320.745	14.320.745
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	711.533.004	420.046.216
1 Retained profit	084	711.533.004	420.046.216
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-291.916.585	-62.281.184
1 Profit for the business year	087	0	0
2 Loss for the business year	088	291.916.585	62.281.184
VIII MINORITY (NON-CONTROLLING) INTEREST	089	12.158.516	13.454.934
B) PROVISIONS (ADP 091 to 096)	090	323.388.038	316.095.183
1 Provisions for pensions, termination benefits and similar obligations	091	126.672.069	126.052.069
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	147.489.683	140.816.828
4 Provisions for renewal of natural resources	094	48.270.244	48.270.244
5 Provisions for warranty obligations	095	956.042	956.042
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	4.195.980.843	4.366.785.862
1 Liabilities to undertakings within the group	098	9.702.011	8.907.380
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	619.750.835	759.502.606
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	584.191.402	567.140.820
9 Liabilities for securities	106	2.271.278.123	2.279.859.576
10 Other long-term liabilities	107	289.860.346	330.448.224
11 Deferred tax liability	108	421.198.126	420.927.256
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	2.972.883.811	2.522.323.936
1 Liabilities to undertakings within the group	110	23.760.181	27.971.686
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0

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

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021 to 30.06.2021

in HRK

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

5 Exchange rate differences and other financial income from operations with undertakings within the group	035	450.068	218.628
6 Income from other long-term financial investments and loans	036	0	0
7 Other interest income	037	4.809.872	6.755.968
8 Exchange rate differences and other financial income	038	4.989.037	3.017.143
9 Unrealised gains (income) from financial assets	039	13.447.028	17.162.774
10 Other financial income	040	437.211	294.376
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	97.087.936	97.014.200
1 Interest expenses and similar expenses with undertakings within the group	042	2.005.157	5.983
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	392.350	388.954
3 Interest expenses and similar expenses	044	80.889.032	82.705.522
4 Exchange rate differences and other expenses	045	221.629	514.457
5 Unrealised losses (expenses) from financial assets	046	0	0
6 Value adjustments of financial assets (net)	047	0	0
7 Other financial expenses	048	13.579.768	13.399.284
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	1.886.824.710	2.019.630.872
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	2.026.403.014	2.080.424.921
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-139.578.304	-60.794.049
1 Pre-tax profit (ADP 053-054)	056	0	0
2 Pre-tax loss (ADP 054-053)	057	-139.578.304	-60.794.049
XII INCOME TAX	058	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-139.578.304	-60.794.049
1 Profit for the period (ADP 055-059)	060	0	0
2 Loss for the period (ADP 059-055)	061	-139.578.304	-60.794.049
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)			
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0
1 Pre-tax profit from discontinued operations	063	0	0
2 Pre-tax loss on discontinued operations	064	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0
1 Pre-tax profit (ADP 068)	069	0	0
2 Pre-tax loss (ADP 068)	070	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0
1 Profit for the period (ADP 068-071)	073	0	0
2 Loss for the period (ADP 071-068)	074	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			

XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	-139.578.304	-60.794.049
1 Attributable to owners of the parent	076	-139.639.551	-62.281.184
2 Attributable to minority (non-controlling) interest	077	61.247	1.487.135
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	078	-139.578.304	-60.794.049
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	-1.504.834
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	-1.504.834
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	-1.504.834
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	-270.870
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	-1.233.964
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-139.578.304	-62.028.013
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	-139.578.304	-62.028.013
1 Attributable to owners of the parent	100	-139.639.551	-63.515.148
2 Attributable to minority (non-controlling) interest	101	61.247	1.487.135

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

in HRK

Submitter: ZAGREBAČKI HOLDING D.O.O.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	-139.578.304	-60.794.049
2 Adjustments (ADP 003 to 010):	002	355.861.309	328.075.002
a) Depreciation	003	194.618.078	202.118.883
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	1.000
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-41.935.000	-36.586.000
e) Interest expenses	007	42.086.000	95.661.000
f) Provisions	008	-2.919.553	-7.292.855
g) Exchange rate differences (unrealised)	009	12.189.147	-3.746.861
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	151.822.637	77.919.835
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	216.283.005	267.280.953
3 Changes in the working capital (ADP 013 to 016)	012	-372.795.046	148.243.284
a) Increase or decrease in short-term liabilities	013	-142.413.000	-47.752.716
b) Increase or decrease in short-term receivables	014	-243.908.046	182.583.000
c) Increase or decrease in inventories	015	13.526.000	13.413.000
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-156.512.041	415.524.237
4 Interest paid	018	-37.505.000	-53.637.000
5 Income tax paid	019	-639.000	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-194.656.041	361.887.237
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	430.000
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	42.086.000	36.683.000
4 Dividends received	024	26.927	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	125.882.000	74.496.000
III Total cash receipts from investment activities (ADP 021 to 026)	027	167.994.927	111.609.000
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-207.748.000	-146.525.000
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-775.000	-12.196.000

IV Total cash payments from investment activities (ADP 028 to 032)	033	-208.523.000	-158.721.000
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-40.528.073	-47.112.000
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	822.311.052	547.661.642
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	822.311.052	547.661.642
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-407.237.531	-771.156.849
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-30.803.000	-34.334.140
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	-438.040.531	-805.490.989
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	384.270.521	-257.829.347
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	149.086.407	56.945.890
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	202.179.152	168.366.653
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	351.265.559	225.312.543

STATEMENT OF CHANGES IN EQUITY

for the period from	01.01.2021	to	30.06.2021								in HRK
Item	ADP code	Attributable to owners of the parent							Minority (non-controlling) interest	Total capital and reserves	
		Initial (subscribed) capital	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	9	10	11	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
Previous period											
1 Balance on the first day of the previous business year	01	3.177.043.600	322.617.489	1.840.235.500	12.724.323	695.442.668	1.929.338	6.049.992.918	14.419.664	6.064.412.582	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	3.177.043.600	322.617.489	1.840.235.500	12.724.323	695.442.668	1.929.338	6.049.992.918	14.419.664	6.064.412.582	
5 Profit/loss of the period	05	0	0	0	0	0	-291.916.585	-291.916.585	379.174	-291.537.411	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	-15.415.221	0	14.160.998	0	-1.254.223	0	-1.254.223	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	1.596.422	0	0	1.596.422	0	1.596.422	
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	-2.640.322	-2.640.322	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	1.929.338	-1.929.338	0	0	0	
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	3.177.043.600	322.617.489	1.824.820.279	14.320.745	711.533.004	-291.916.585	5.758.418.532	12.158.516	5.770.577.048	
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	1.596.422	14.160.998	0	342.199	0	342.199	

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